

June 30, 2023

Porto Seguro S.A.

Quarterly Information



Earnings Release

2Q23

Results per Business Vertical



Índice Brasil 100 **IBRX 100**

Índice de Ações com Tag Along Diferenciado **ITAG**

ibri


FTSE4Good

Índice do Mercado Financeiro **IFNC**

Índice Carbono Eficiente **ICO2**

abrasca

Índice BM&FBovespa Mid/Large-Cap **MLCX**


WOB
Women on Board

Message from the Management

2Q23

In the second quarter and the first semester of 2023, we achieved the best results in our history in both periods. Net income reached R\$ 705.6 million in 2Q23 (+437.0% vs. 2Q22) and surpassed the R\$ 1 billion mark for the first time in the first six months of the year (R\$ 1.04 billion; +238.8% vs. 1H22). The ROAE was 25.8% in the quarter and 19.0% in the semester; however, if we exclude the effects of intangible assets, adjusted ROAE was 27.8% in 2Q23 and 20.5% in 1H23.

We maintained a robust expansion also in terms of revenue and expansion of our customer base. Total revenue grew 17.6% in the second quarter (vs. 2Q22) and 21.8% in the first semester (vs. 1H22), while the number of clients increased by approximately 500 thousand compared to the same period of the previous year, reaching 12.7 million clients of our products and services.

In the Insurance vertical, quarterly premiums grew 14.0% (vs. 2Q22) due to the double-digit expansion of the main products. In Auto, written premiums increased 11.5% in the quarter (vs. 2Q22), as a result of the increase of 100 thousand cars in the fleet (vs. 2Q22), favored by the strategy of accelerating sales in certain regions, mix change and by adjustments in pricing. Property and Casualty insurances increased 20.5% (vs. 2Q22), with emphasis on growth in Commercial, Residential and Cell Phone insurance. Life insurance grew by 25.9% (vs. 2Q22), with double-digit growth in all segments (Individual, Group, Travel and Credit Life).

The Insurance vertical's Combined Ratio have improved significantly, reaching 85.1% (-14.4 p.p. vs. 2Q22), mainly explained by the reduction in Auto's loss ratio, due to the improvement in risk underwriting, increase in claims control, and price recomposing.

In Porto Saúde, the 32.2% revenue growth (vs. 2Q22) was leveraged by the continued significant expansion of Health insurance in premiums (+34.6% vs. 2Q22) and in lives (+16.7% vs. 2Q22), exceeding 460 thousand lives insured in the period. We observed a resumption of pre-pandemic behavior, where the second quarter showed an increase of 5.5 p.p. (vs. 1Q23) in Health Insurance claims, reaching 84.2% in 2Q23. We have worked with a strong focus on fraud reduction technologies. We estimate that these initiatives generated a recurring impact of between 1.0 and 1.5 p.p. of loss ration reduction.

In Porto Bank, the Vertical's total revenues exceeded R\$ 1.1 billion, through an increase of 9.1% compared to 2Q22, with emphasis on the 22.2% expansion in Consortium revenues and the increase of more than 260 thousand deals in Vertical (vs. 2Q22). The NPL of Credit Operations over 90 days was stable compared to the immediately previous quarter and remained 0.6 p.p. below the market average. We maintained rigor in granting policies, privileging credit to customers who already have a relationship with the Company and implemented new collection instruments that increased the recovery of debtor clients. The focus on risk management and better quality of the credit portfolio continue to be pillars of our sustainable growth.

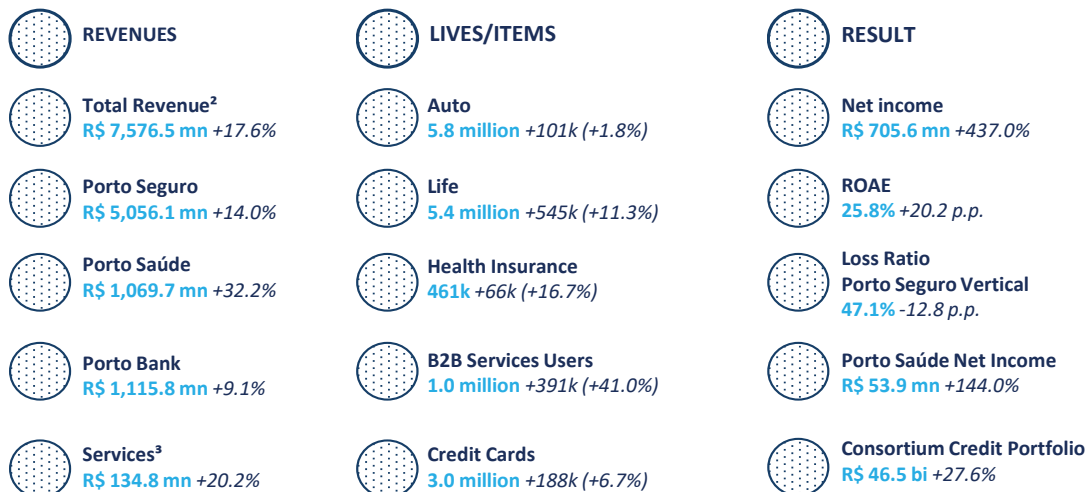
In Services, the advance in strategic partnerships contributed to a 20.2% increase in Vertical revenues³, vs. 2Q22, and a significant expansion in the number of users in the B2B model in the last 12 months (+41.0% vs. 2Q22). It is in line with our strategy to generate value by expanding the offer of services to new target markets and segments.

Our recurring operating efficiency ratio, which takes into account the sum of Administrative Expenses in relation to Total Revenue, improved by 1.3 p.p. (vs. 2Q22), due to the productivity gains in the period.

The return on financial investments (ex-Pension plan) managed by our treasury was R\$ 339.2 million in 2Q23, which represents a return equivalent to 100% of the CDI. The quarter's results were explained by the change in equity portfolio, which offset the carry over of inflation-linked securities. Compared to the same period last year, the financial result increased 161.8%, reaching R\$ 330.9 million.

Finally, we have continued to receive important recognition in recent months: we were elected the 2nd strongest brand in the country by Brand Finance, we won the ESG award from Exame magazine in the Financial Services category and we surpassed the mark of 1 million followers on LinkedIn. In this way, we thank everyone who participated in the results achieved and who are with us on this journey of caring for people and their dreams, after all, all care is Porto.

MAIN HIGHLIGHTS - 2Q23 (vs. 2Q22)¹



Porto Seguro S.A. – B3: PSSA3

Market Indicators

Share quotation: R\$ 28.12 (June 2023)
Variation (last 12 months): +58.3%
Free Float: 182,113,466
Market value: R\$ 18.2 billion

Earnings Release 2Q23: August 10, 2023
(after close of trading)

Conference Call: 08/11/2023
11h00 (BRT) | 10h00 (US EDT)
In Portuguese and English
(with simultaneous translation)

Link for the call in the IR website:
https://mzgroup.zoom.us/join/register/WN_lwXcr8i2QBGHDeqFLIshyw



12.7 million clients



20.4 million contracts



13k employees



34k independent brokers



13k service providers



3.5 million SuperApp users



1 million followers on LinkedIn



39% of services for cars and homes generated from WhatsApp and the SuperApp in 2Q23



Porto Seguro Super App review 4.7/5.0 for Apple Store & 4.8/5.0 for Play Store⁴



737k auto services in 2Q23



418k home repair services in 2Q23



8 million human customer services in 2Q23



2nd strongest brand in the Country according to the ranking of Brand Finance



45 million of digital interactions and customer services in 2Q23



75 NPS & 76% renewal rate of Porto Seguro Auto



73 NPS & 70% renewal rate of Azul Auto



79 NPS & 75% renewal rate of Porto Seguro Homeowner



70 NPS & 60% of accounts with transaction of Porto Seguro Credit Card

¹ Results and profitability considering the business combination of the transaction with Itaú / ² Total Revenue = Retained Premium + Credit Operations + Non-Insurance Revenue / ³ Excluding revenue from Porto Assistência and CDF / ⁴ Position data of July 25, 2023

Income Statement

2Q23

Porto Seguro S.A.'s Income Statement	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Retained Premium	6,198.8	5,351.8	15.8	5,891.3	5.2	12,090.1	10,069.3	20.1
Premium Earned	6,008.2	4,710.9	27.5	5,742.5	4.6	11,750.7	9,190.1	27.9
Loan Operations	708.3	646.4	9.6	695.7	1.8	1,403.9	1,251.7	12.2
Non-Insurance Revenues	669.4	444.0	50.8	659.9	1.4	1,329.3	845.5	57.2
Retained Net Claims	(3,188.0)	(2,988.5)	6.7	(3,306.2)	(3.6)	(6,494.2)	(5,755.3)	12.8
Expenses with Losses	(347.1)	(279.9)	24.0	(366.0)	(5.2)	(713.1)	(547.6)	30.2
Selling Expense	(1,336.0)	(1,131.7)	18.1	(1,313.7)	1.7	(2,649.7)	(2,188.5)	21.1
Cost of Services Rendered	(128.7)	(64.2)	100.5	(128.8)	(0.0)	(257.5)	(124.4)	107.0
Taxes	(304.9)	(191.3)	59.4	(239.7)	27.2	(544.6)	(355.7)	53.1
Other Revenues and Expenses	(308.7)	(210.5)	46.7	(247.2)	24.9	(556.0)	(428.1)	29.9
Variation of Technical Provisions - Survival	18.0	1.2	-	-	-	18.0	1.5	-
Administrative Expenses	(906.1)	(838.9)	8.0	(966.7)	(6.3)	(1,872.8)	(1,604.6)	16.7
Operating Income	884.2	97.5	-	529.8	66.9	1,414.0	284.6	396.8
Financial result	330.9	126.4	161.8	162.8	103.2	493.8	246.3	100.5
Profit Before Income Tax	1,215.2	224.0	442.6	692.6	75.4	1,907.8	530.8	259.4
Inc. Tax / Social Contribution	(244.8)	(25.7)	-	(240.1)	2.0	(484.9)	(99.8)	385.9
Profit sharing	(247.6)	(66.8)	270.7	(106.5)	132.5	(354.1)	(124.5)	184.5
Non-controlling shareholders in subsidiaries	(17.2)	(0.1)	-	(13.3)	29.4	(30.4)	(0.1)	-
Net Income	705.6	131.4	437.0	332.8	112.0	1,038.4	306.5	238.8
Effective Income Tax over Net Income (before tax) after profit sharing	25.3%	16.4%	9.0	41.0%	-15.7	31.2%	24.6%	6.7
Average Shareholder's Equity	10,921.7	9,387.3	16.3	10,729.9	1.8	10,921.7	9,387.3	16.3
ROAE	25.8%	5.6%	20.2	12.4%	13.4	19.0%	6.5%	12.5
Net Income excluding "business combination"	707.4	310.3	128.0	334.7	111.4	1,042.1	310.3	235.9
Average Shareholder's Equity excluding "business combination"	10,187.5	8,645.5	17.8	9,994.7	1.9	10,187.5	8,645.5	17.8
ROAE excluding "business combination"	27.8%	14.4%	13.4	13.4%	14.4	20.5%	7.2%	13.3
Extraordinary events	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Recurring Net Income	670.0	131.4	409.9	332.8	101.3	1,002.8	306.5	227.2
Oncoclínicas (a)	35.6	-	-	-	-	35.6	-	-
Net income for the Period	705.6	131.4	437.0	332.8	112.0	1,038.4	306.5	238.8

a) joint venture of oncological medical services

Verticals and Holding Income Statement	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Vertical Results (a)	659.5	174.7	277.4	426.1	54.8	1,085.6	336.6	222.5
Financial Results - Holding 1	72.4	(74.0)	(197.8)	(34.3)	(311.2)	38.1	(60.6)	(162.8)
Subsidiaries - Holding Company	(28.4)	30.1	(194.1)	(7.0)	306.1	(35.3)	20.1	(275.6)
Others - Holding 2	2.0	0.5	276.6	(52.0)	(103.8)	(50.0)	10.4	-
Holding Results (b)	46.0	(43.3)	(206.1)	(93.3)	(149.3)	(47.3)	(30.1)	56.8
Net Income = (a+b)	705.6	131.4	437.0	332.8	112.0	1,038.4	306.5	238.8

(1) Financial result: Mainly the difference in the profitability of financial investments (businesses receive 100% of the CDI rate) and the result of investments of the Holding Company's non-earmarked funds.

(2) Other: Mainly Interest on Capital, due to the managerial allocation of the temporary benefit.

Operating Efficiency	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Administrative expenses	(906.1)	(838.9)	8.0	(966.7)	(6.3)	(1,872.8)	(1,604.6)	16.7
Recurring Administrative Expenses*	(860.8)	(825.6)	4.3	(925.4)	(7.0)	(1,786.1)	(1,591.3)	12.2
Total Revenue	7,576.5	6,442.2	17.6	7,246.8	4.6	14,823.3	12,166.5	21.8
Recurring Total Revenue*	7,498.7	6,442.2	16.4	7,167.3	4.6	14,665.9	12,166.5	20.5
Operating efficiency ratio	12.0	13.0	(1.1)	13.3	(1.4)	12.6	13.2	(0.6)
Recurring Efficiency Ratio*	11.5	12.8	(1.3)	12.9	(1.4)	12.2	13.1	(0.9)

*Excluding the effect of the Split of Porto Assistência

- **Improvement in Loss Ratio:** 27.5% growth in earned premiums vs. 6.7% increase in loss ratio expenses (vs. 2Q22).
- **NPL:** Gross Income from Loan Operations (income from Loan Operations minus Expenses with Losses) decreased by 1.5% in 2Q23 (vs. 2Q22) due to higher delinquency.
- **Recurring Efficiency Ratio:** improvement of 1.3 p.p. compared to 2Q22, due to the productivity gains recorded in the period.
- **Financial result:** 161.8% increase compared to 2Q22, reaching R\$ 330.9 million in the period, mainly due to the higher return on financial investments.
- **Impact of new JV:** the Joint Venture with Oncoclínicas generated an initial benefit of R\$ 35.6 million in the quarter's result.
- **Effective rate:** The effective tax rate of 25.3% benefited mainly from the payment of Interest on Capital and to a lesser extent from the Benefit of the Law of Incentive to Research and Development of Technological Innovation.
- **Record Net Income:** Recurring Net Income for the quarter (R\$ 670.0 million; +409.9% vs 2Q22) and the semester (R\$ 1.0 billion; +227.2% vs. 1H22) were the highest results in the Company's history. Total Profit was R\$ 705.6 million in the quarter (+437.0% vs. 2Q22) and R\$ 1.04 billion in the semester (+238.8% vs. 1H22).
- **ROAE:** return on equity of 25.8% in the quarter, an increase of 20.2 p.p. compared to the ROAE in 2Q22, while in the first semester the ROAE was 19.0%, an improvement of 12.5 p.p. compared to 1H22. Adjusted ROAE, excluding the effects of intangible assets, was 27.8% in 2Q23 and 20.5% in 1H23.

13.7
million of
contracts (Jun/23)
+5.1% YoY

R\$ 5.0
billion in
written premium (2Q23)
+14.0% YoY

Net Income of
R\$ 511 Million (2Q23)
+413.7% YoY

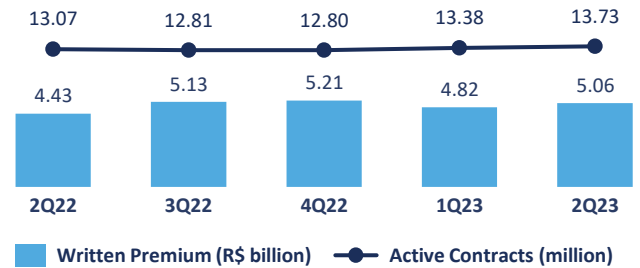
Main Highlights

Significant increase in premiums and contracts associated with high profitability in 2Q23:

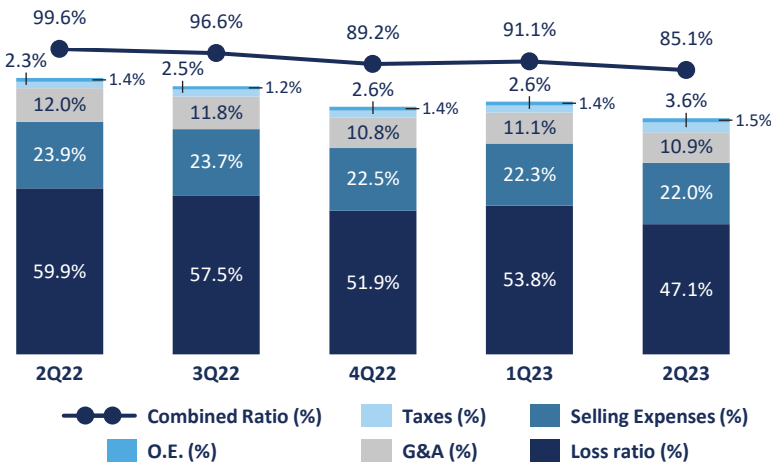
- Addition of 662 thousand contracts vs. 2Q22
- Auto Premiums: +11.5% vs. 2Q22
- Property and Casualty Premiums: +20.5% vs. 2Q22
- Life Premiums: +25.9% vs. 2Q22
- Loss ratio of 47.1% in the Vertical; -12.8 p.p. vs. 2Q22
- Combined ratio of 85.1%; -14.4 p.p. vs. 2Q22
- Result greater than R\$ 500 million in 2Q23
- ROAE of 42.5%, +32.0 p.p. vs. 2Q22

Porto Seguro Vertical's premiums grew 14.0% in the quarter (vs. 2Q22) and 19.1% in the semester (vs. 1H22), due to the double-digit increase in Auto, Property and Casualty and Life insurance premiums in both periods, as a result of adjustments in pricing and increased sales.

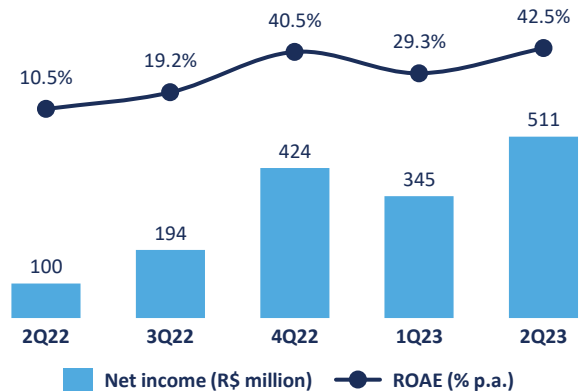
We ended the quarter with 13.7 million contracts in Porto Seguro Vertical, with the addition of more than 662 thousand contracts (+5.1% in relation to the same period of the previous year), favored mainly by the expansion of Life clients and the resumption of Auto growth.



Combined Ratio



Net income and Profitability



The result of Porto Seguro Vertical in the second quarter of 2023 was R\$ 511.4 million, a growth of more than five times in relation to the same period of the previous year, while the ROAE reached 42.5% in the period. In the semester, the result of the vertical was R\$ 856.0 million (+399.7% vs. 1H22) and the ROAE was 35.6% (+26.5 p.p. vs. 1H22). The significant results recorded in 2Q23 and 1H23 were favored by the significant reduction in the Combined Ratio, which reached 85.1% in the quarter (-14.4 p.p. vs. 2Q22) and 88.1% in the semester (-11.6 p.p. vs. 1H22).

The substantial improvement in Porto Seguro Vertical's indicators is mainly explained by the reduction in loss ratio through improvements in underwriting models, increased control of claims and adjustments made to rates.

5.8
million
vehicles
(June 2023)
+1.8% YoY

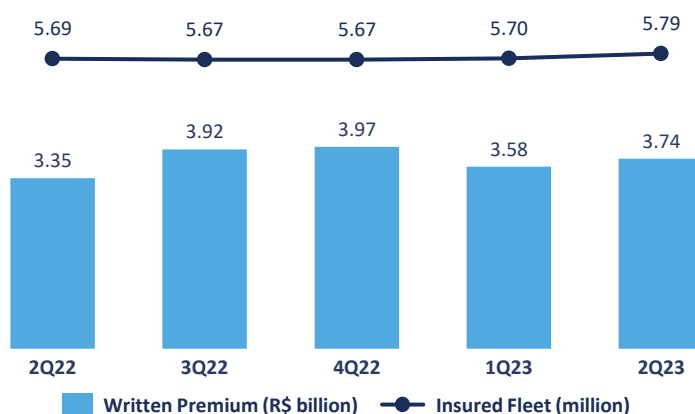
R\$ 3.7
billion in
written premium
(2Q23)
+11.5% YoY

- R\$ 3.7 billion in premiums (+11.5% vs. 2Q22) and 27.1% of Market Share in 5M23
- Resumption of fleet growth compared to the same period of the previous year (+101 thousand vehicles vs. 2Q22)
- Significant improvement in the loss ratio; reduction of 15.5 p.p. (vs. 2Q22)

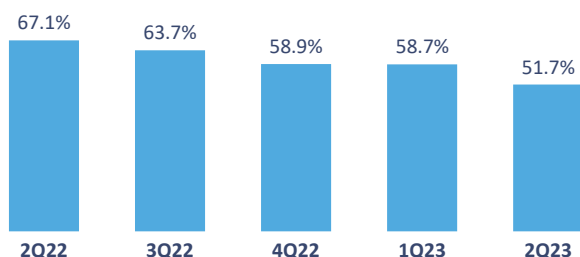
Written Premium and Insured Fleet

Auto's total written premiums grew by 11.5% in the quarter, through a 14.0% expansion in the Porto Seguro brand and 6.3% in the Azul brand (vs. 2Q22). The evolution recorded in the period was mainly due to adjustments in pricing due to the increase in vehicle prices and the strategy of accelerating sales in certain regions, contributing to a resumption of fleet growth in the last 12 months (+101 thousand vehicles vs. 2Q22). In the semester, the increase in Auto's premiums was 17.9% (vs. 1H22).

We have carried out initiatives to expand the offer of products with more segmented coverage and at the same time improve the customer experience through the benefits offered and the use of technology in interactions with Porto.



Loss Ratio*



In 2Q23, Auto's loss ratio improved for the fourth consecutive quarter, reaching 51.7% in the period. The reduction in relation to the second quarter of 2022 (-15.5 p.p.) is explained by the improvement in subscription models and the price adjustments made. It contributed to a gradual and consistent increase in results, due to the deferred recognition of earned premiums. In addition, after a period of strong increases in the prices of the cars that make up our insured fleet, from the end of the first semester of 2022, we recorded a more favorable trend, reducing the pressure on indemnified amounts. It is also worth mentioning that we continue to achieve results with the search for operational improvements to reduce the costs of claims, reducing the impact on the loss ratio.

Market Vision (5M23)

In 5M23, market loss ratio improved by 14.1 p.p. (vs. 5M22), showing recovery after pressure from inflation and mobility costs suffered by the industry in the second semester of 2021 and throughout 2022. Our loss ratio remained below the market average (-5.6 p.p.)*. Thus, we have maintained a privileged position in the Auto segment, through consolidated leadership and results with solid foundations, which remain structurally preserved.

Company	% Market	Premium (R\$ bi)	% Loss ratio
Porto Seguro Group*	27.1%	6.06	55.1%
2 nd Largest	13.3%	2.97	54.2%
3 rd Largest	12.4%	2.77	59.2%
4 th Largest	11.7%	2.61	69.6%
5 th Largest	9.9%	2.23	53.3%
Total Market (ex - Porto)			60.7%

*Porto Group's Managerial loss ratio
Source: SUSEP/Porto Seguro

2Q23 Property and Casualty

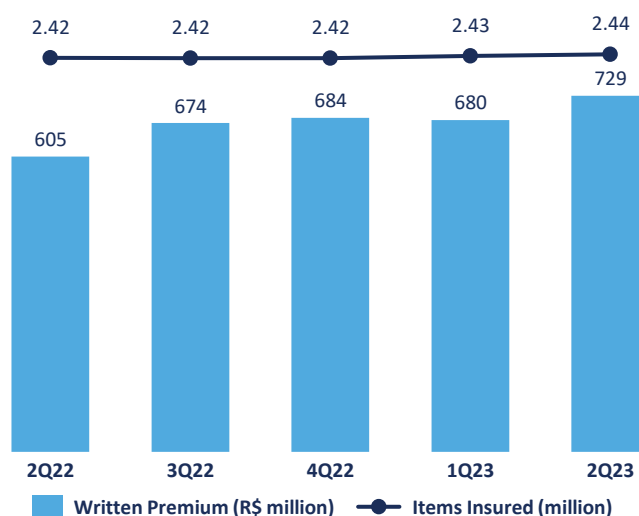
2.4
million of
items
(Jun/23)
+0.9% YoY

R\$ 729.0
million in
written premium
(2Q23)
+20.5% YoY

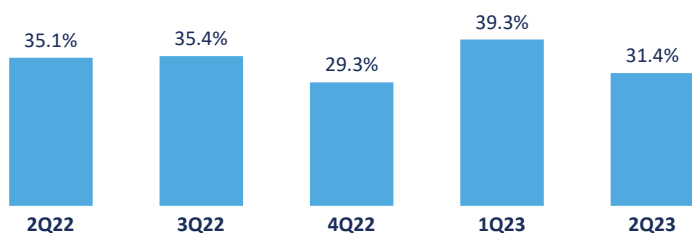
- Growth of 20.5% in premiums for the quarter (vs. 2Q22)
- Increase of 1.4 p.p. in the Commercial Market Share (reaching 23.9% share in 5M23)
- Improvement of 3.6 p.p. in the loss ratio of Property and Casualty, reaching 31.4% in the quarter

Written Premium and Insured Items

Our Property and Casualty insurance premiums grew by 20.5% compared to 2Q22. Commercial insurance continued to contribute significantly to the growth of the segment, through a 28.3% increase in written premiums (vs. 2Q22), benefiting from the increase in economic activity, sales performance and adjustments in pricing. Residential insurance premiums grew by 20.1% (vs. 2Q22), mainly driven by the increase in the average ticket and the sales performance of the Combined Protection product (protection for cars and home, in the same contract). Still in the home insurance segment, we launched Homeowner Essential, a product that has the concept of subscription, with accessible prices and easy contracting. In relation to other Property and Casualty products, the highlight is Cell Phone and other portable equipment insurance, with an increase of 32.7% in premiums compared to the second quarter of 2022.



Loss Ratio*



The total loss ratio for Property and Casualty products improved by 3.6 p.p. compared to the second quarter of 2022, mainly explained by the improvement in risk underwriting and adjustments in pricing.

Market View (5M23)

Homeowner

Company	% Market	Premium (R\$ million)	% Loss ratio
Group Porto Seguro*	23.0%	443.6	35.6%
2 nd Largest	16.0%	309.7	26.0%
3 rd Largest	14.6%	281.3	10.1%
4 th Largest	10.1%	195.1	26.3%
5 th Largest	7.6%	147.1	66.6%
Total Market (ex - Porto)			28.8%

Commercial

Company	% Market	Premium (R\$ million)	% Loss ratio**
Group Porto Seguro*	23.9%	350.5	42.0%
2 nd Largest	9.5%	138.8	45.1%
3 rd Largest	7.9%	115.8	53.8%
4 th Largest	6.8%	99.7	30.9%
5 th Largest	5.8%	85.6	44.9%
Total Market (ex - Porto)			43.3%

*Managerial loss ratio - Porto Group | **Commercial loss ratio net of reinsurance revenues and expenses

Source: SUSEP/Porto Seguro

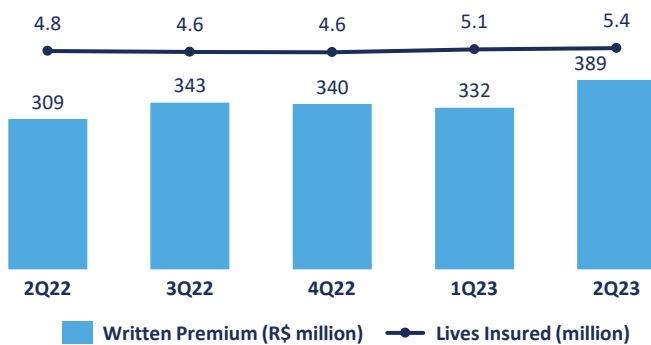
In 2Q23, our Life insurance showed robust growth in premiums and insured lives and a significant reduction in loss ratio.

5.4
million of
insured people in
Life (Jun/23)
+11.3% YoY

R\$ 389.0
million in Life premiums
(2Q23)
+25.9% YoY

R\$ 5.4
billion AUM Pension
Plan (Jun/23)
+2.7% YoY

Written Premiums and Insured Lives - Life

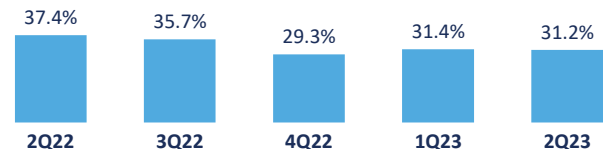


In 2Q23, Life premiums increased by 25.9% and the number of lives insured grew by 11.3% compared to 2Q22. The expansion recorded in the period is explained by the performance of Individual Life, which increased its premiums by 26.5% vs. 2Q22 driven: i) by commercial actions to attract potential brokers; ii) by Group Life, which grew above the market average (+21.0% vs. 2Q22) with favorable results, through the repositioning of the product and the commercial strategy; iii) and by the Credit Life (+45.6% vs. 2Q22), through the intensification of existing partnerships. In addition, we remained the third largest player in Travel insurance, being leaders in the broker channel and presenting a loss ratio below the market average.

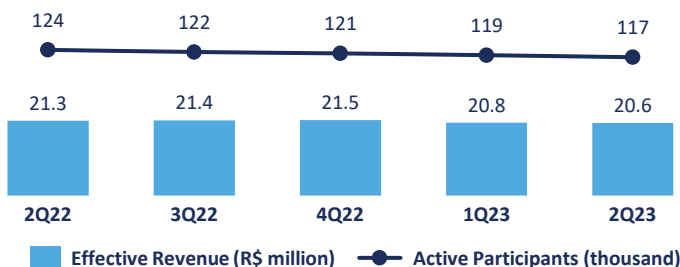
We have focused on initiatives to get closer to brokers, attracting specialists in the segment and encouraging channel training.

Loss Ratio - Life

Life's quarterly loss ratio improved by 6.2 p.p. (vs. 2Q22), reaching 31.2%, favored by actions taken with a view to healthy portfolio growth.



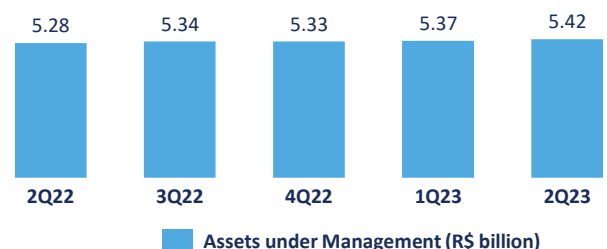
Effective Revenue and Active Participants - Pension Plan



The second quarter continued to be challenging for the pension market, with an increase in redemption due to the macroeconomic moment, in particular due to the impact of the increase in interest rates on the funds' pre-fixed positions.

Assets under Management - Pension Plan

Pension assets under management grew 2.7% compared to 2Q22, reaching the amount of R\$ 5.4 billion at the end of the quarter. Gross funding increased 6.3% in 2Q23 compared to 2Q22. Although the search for greater liquidity has impacted Porto and the market, we recorded a reduction in redemption in our portfolio in 2Q23.



Porto Assistência's Impact on the Loss Ratio – Main Products

Consolidated Motor vehicle loss ratio	2Q23	2Q22	Var. p.p.	1Q23	Var. p.p.	1H23	1H22	Var. p.p.
Auto - SUSEP Loss Ratio	54.3%	67.5%	-13.2	61.6%	-7.3	57.8%	66.4%	-8.6
Auto – Accounting loss ratio - Previous Format	50.5%	67.1%	-16.6	57.5%	-7.0	53.9%	67.1%	-13.2
Porto Assistência Effect	-3.8%	-0.4%	-3.4	-4.0%	0.2	-3.9%	0.7%	-4.6
Other (a)	1.2%	0.0%	1.2	1.2%	0.0	1.2%	-0.1%	1.3
Managerial Loss Ratio	51.7%	67.1%	-15.5	58.7%	-7.1	55.1%	67.0%	-11.9

Other (a): mainly due to coinsurance transaction

Consolidated Homeowner loss ratio	2Q23	2Q22	Var. p.p.	1Q23	Var. p.p.	1H23	1H22	Var. p.p.
Residential - SUSEP Loss Ratio	38.5%	33.8%	4.7	45.5%	-6.9	41.9%	36.4%	5.6
Homeowner - Accounting loss ratio - Previous Format	28.7%	27.7%	0.9	36.3%	-7.6	32.4%	35.0%	-2.5
Porto Assistência Effect	-9.8%	-6.1%	-3.8	-9.1%	-0.7	-9.5%	-1.4%	-8.1
Other (a)	6.9%	7.8%	-0.9	5.9%	1.0	6.4%	5.3%	1.1
Managerial Loss Ratio	35.6%	35.6%	0.0	42.2%	-6.6	38.8%	40.3%	-1.4

Other (a): mainly due to Homeowner Fire Insurance (insurance required for tenants)

We completed in 2Q22 the spin-off of assistance services from the insurance operation to “Porto Assistência” and in 3Q22 expanded its operations with a new client, which has a fleet of approximately 180 thousand vehicles and 90 thousand houses, in line with our strategy of generating value by expanding the offer of services to new clients and segments.

Thereby, in 2Q22, Porto Seguro Assistência e Serviços S.A. (“Porto Assistência”) started to incorporate the assistance activities spun off from the operation of Porto Seguro Cia de Seguros Gerais (“Porto Cia”). Despite not having significant impact on the consolidated net income of the Porto group, the restructuring of this operation, involving two subsidiaries of Porto Seguro S.A., has an effect on some lines of the financial statements of the companies that make up the insurance business vertical. It mainly impacted the indicators of other operating expenses, loss ratio and combined ratio.

With the incorporation of assistance activities by Porto Assistência, the expenses of activities such as winches and service providers, among others, which were accounted for part as “retained claims” and part as “other operating expenses”, started to be accounted for in insurance companies in a single line of “retained loss ratio”. The service company, Porto Assistência, became responsible for this entire operation, billing these services directly to the insurance companies controlled by Porto Seguro S.A. This operation results in a change between financial statement lines, with a reduction in the “other insurance operating expenses” ratio and a proportional increase in the “loss ratio”. The loss ratio is also impacted by insurance assistance expenses, due to the market prices applied to the services provided by Porto Assistência. This last change also has an impact on the combined ratio.

Thus, the indicators of insurance operations are impacted as follows: reduction in the rate of O.E. (Other Operating Expenses); increase in the loss ratio; and increase in the combined ratio.

This accounting started to occur in full as of June 2022. Therefore, to allow historical comparability with the monthly data released by SUSEP, it is indicated on this page the loss ratio reported to SUSEP and the adjusted numbers, excluding the effects of the spin-off of the assistance operation from the insurance company Porto Cia de Seguros Gerais to the service company Porto Assistência.

Financial and Operational Summary – Porto Seguro

Porto Seguro								
Auto - Consolidated	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	3,739.0	3,352.8	11.5%	3,577.5	4.5%	7,316.5	6,203.3	17.9%
Earned Premium (R\$ million)	3,699.5	2,898.0	27.7%	3,567.2	3.7%	7,266.7	5,619.5	29.3%
Loss Ratio (%) - Var (p.p.)	51.7%	67.1%	-15.5	58.7%	-7.1	55.1%	67.0%	-11.9
Insured Fleet (thousand)	5,789.7	5,689.1	1.8%	5,699.5	1.6%	5,789.7	5,689.1	1.8%
Property and Casualty	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	729.0	605.0	20.5%	679.6	7.3%	1,408.6	1,167.4	20.7%
Earned Premium (R\$ million)	632.6	536.2	18.0%	599.5	5.5%	1,232.1	1,046.2	17.8%
Loss Ratio (%) - Var (p.p.)	31.4%	35.1%	-3.6	39.3%	-7.9	35.3%	37.2%	-1.9
Items Insured (thousand)	2,441.9	2,419.2	0.9%	2,430.5	0.5%	2,441.9	2,419.2	0.9%
Life	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	389.0	308.9	25.9%	332.4	17.0%	721.4	593.5	21.6%
Earned Premium (R\$ million)	327.5	271.8	20.5%	317.5	3.1%	645.0	543.0	18.8%
Loss Ratio (%) - Var (p.p.)	31.2%	37.4%	-6.2	31.4%	-0.2	31.3%	37.0%	-5.7
Lives Insured (thousand)	5,380.0	4,835.3	11.3%	5,132.0	4.8%	5,380.0	4,835.3	11.3%
Pension	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Financial Administration Fee (R\$ million)	13.1	13.4	-2.5%	13.4	-2.3%	26.4	26.7	-1.2%
Surcharge (R\$ million)	0.4	0.5	-28.7%	0.4	-12.5%	0.8	1.1	-29.0%
Earned Premium (R\$ million)	7.2	7.4	-2.6%	7.0	3.2%	14.2	14.8	-3.9%
Total Effective Revenue (R\$ million)	20.6	21.3	-3.2%	20.8	-0.7%	41.4	42.6	-2.8%
Total Active Participants (thousand)	117.4	123.6	-5.0%	119.2	-1.5%	117.4	123.6	-5.0%
Assets under Management (R\$ million)	5,421.5	5,278.9	2.7%	5,365.2	1.0%	5,421.5	5,278.9	2.7%
Uruguay Seguros	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	132.0	114.6	15.2%	149.1	-11.5%	281.1	229.9	22.3%
Earned Premium (R\$ million)	131.2	113.9	15.3%	131.6	-0.3%	262.8	220.4	19.3%
Loss Ratio (%) - Var (p.p.)	34.3%	40.6%	-6.3	36.8%	-2.4	35.5%	42.4%	-6.8
Service Revenue (R\$ million)	8.6	8.1	6.4%	9.4	-8.5%	18.0	16.1	12.0%
Other insurances	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Revenues/Premiums (R\$ million)	37.8	24.0	57.9%	46.5	-18.7%	84.3	32.1	162.6%
<small>Coinurance, Trackers and Ended Businesses (Civil Liability Insurance and Others Azul)</small>								
Reinsurance	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Reinsurance (R\$ million)	-53.2	-24.1	120.9%	-33.8	57.6%	-87.0	-53.4	63.0%
Total Porto Seguro	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Premiums (ex-reinsurance) (R\$ million)	5,047.4	4,426.6	14.0%	4,805.9	5.0%	9,853.3	8,268.8	19.2%
Net Income (R\$ million)	511.4	99.6	413.7%	344.6	48.4%	856.0	171.3	399.7%
ROAE (%) - Var (p.p.)	42.5%	10.5%	32.0	29.3%	13.2	35.6%	9.0%	26.5

Managerial Income Statement – Porto Seguro

Porto Seguro Income Statement	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Retained Premium	4,976.6	4,384.9	13.5	4,753.6	4.7	9,730.2	8,180.8	18.9
Premium Earned	4,840.6	3,828.1	26.4	4,653.5	4.0	9,494.1	7,446.1	27.5
Other revenues	26.2	25.6	2.3	27.9	-6.0	54.1	50.7	6.7
Total Premiums / Revenue	4,866.8	3,853.8	26.3	4,681.4	4.0	9,548.2	7,496.9	27.4
Retained Net Claims	-2,281.9	-2,295.0	-0.6	-2,501.5	-8.8	-4,783.3	-4,468.6	7.0
Total Selling Expenses	-1,066.7	-917.0	16.3	-1,038.9	2.7	-2,105.6	-1,783.4	18.1
Other Operating Revenues	1.0	0.9	8.3	0.9	11.1	1.9	2.1	-7.4
Other Operating Expenses	-80.0	-59.5	34.5	-71.2	12.4	-151.2	-122.3	23.6
Operating PIS/COFINS Tax	-173.1	-87.8	97.1	-122.4	41.4	-295.5	-175.9	68.0
Total Administrative Expenses	-532.0	-464.0	14.6	-519.6	2.4	-1,051.7	-896.3	17.3
Variation of Technical Provisions - Survival	30.2	1.2	0.0	-12.2	-347.1	18.0	1.5	0.0
Operating income	764.4	32.6	0.0	416.5	83.5	1,180.9	53.9	0.0
Total Financial Result	208.3	143.1	45.5	209.0	-0.3	417.3	256.0	63.0
Earnings before Taxes	972.6	175.7	453.5	625.5	55.5	1,598.1	310.0	415.6
Income tax and social contribution	-330.3	-41.4	0.0	-189.5	74.3	-519.8	-77.3	0.0
Net Income before Participation	642.3	134.3	378.3	436.0	47.3	1,078.4	232.6	363.5
Interest	-130.9	-34.7	276.7	-91.4	43.2	-222.3	-61.3	262.6
Net income	511.4	99.6	413.7	344.6	48.4	856.0	171.3	399.7
ROAE (%) - Var (p.p.)	42.5%	10.5%	32.0	29.3%	13.2	35.6%	9.0%	26.5
Result with New Initiatives	-0.6	-2.3	-73.6	-0.7	-11.4	-1.3	-3.5	-63.0
Total Net Income	510.8	97.2	425.3	343.9	48.5	854.7	167.8	409.3
R.O.A.E. (%) - Var (p.p.)	42.4%	10.2%	32.2	29.2%	13.2	35.5%	8.8%	26.7
Combined Ratio (%) - Var (p.p.)	85.1%	99.6%	-14.4	91.1%	-6.0	88.1%	99.7%	-11.6
Amplified Combined Ratio (%) - Var (p.p.)	81.5%	95.3%	-13.8	87.2%	-5.6	84.3%	95.8%	-11.5

2Q23 Members and Revenues

Porto Saúde maintained strong growth in the quarter, reaching R\$ 1.1 bn (+32.2% vs. 2Q22) in premiums and revenues, 461 thousand lives in health (+16.7% vs. 2Q22), record profit of R\$ 53.9 million and ROAE of 30.3%.

R\$ 1.1
billion
in revenues in
2Q23
(+32.2% vs. 2Q22)

+66
thousand
lives on Health
Insurance
(+16.7% vs. 2Q22)

R\$ 53.9
million
in net income
in **2Q23**
(+144.0% 2Q22)

Lives and Revenue growth (2Q23 vs. 1Q23)

- +34k lives in Health insurance in the quarter (+8.0%)
- +R\$ 94 million in Vertical revenue (+9.6%)

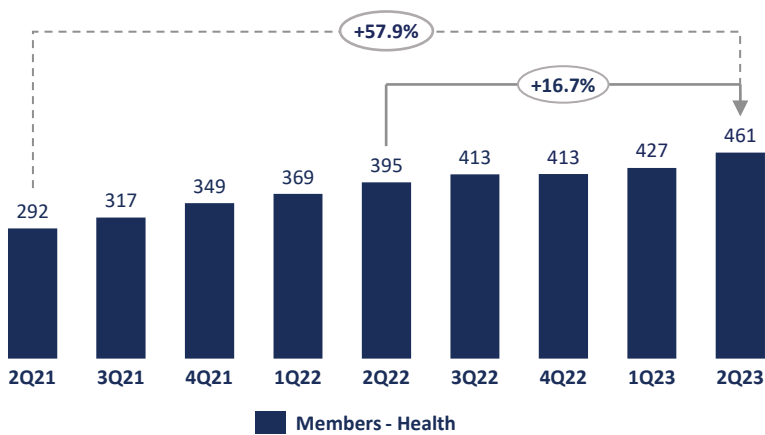
Loss ratio (2Q23)

- 82.6% in Health and Dental

Oncoclínicas Effect

- Conclusion of the joint venture with Oncoclínicas had a non-recurring impact of R\$ 35.6 MN on net income for the quarter

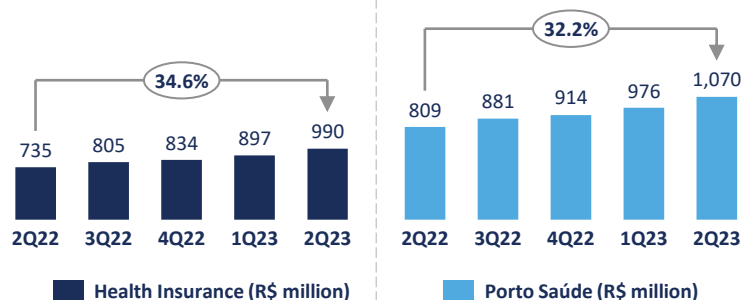
Members



In Health Insurance we had a growth of **+66 thousand lives** in relation to 2Q22 and +34 thousand members in comparison to the immediately previous quarter, reaching 461 thousand lives and maintaining the 11th consecutive quarter of growth.

Revenues

Revenues continue to grow significantly compared to the same period in 2022: +R\$ 260 million (+32.2%), Health Insurance being the main responsible.



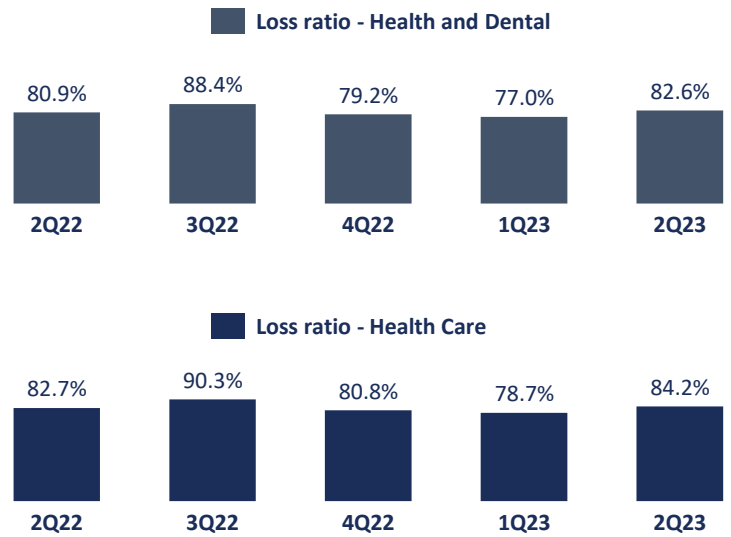
2Q23 Loss ratio and Results

Loss Ratio

The Health + Dental Insurance loss ratio in 2Q23 was 82.6%, an increase of 1.7 p.p. (vs. 2Q22).

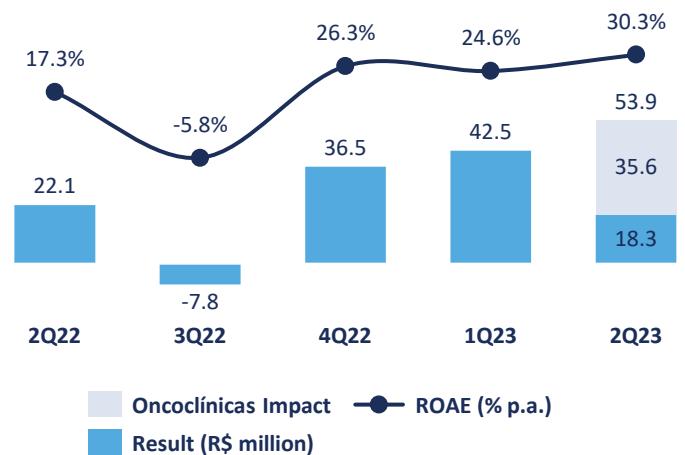
There was a resumption of the pre-pandemic behavior, where the 2nd quarter showed an increase of 5.5 p.p. (vs. 1Q23) in the Health Insurance loss ratio.

The Company continues to have a strong focus on technologies to reduce fraud. We estimate a recurring impact of approximately 1.0 to 1.5 p.p. of the claim.



Net income and Profitability

Healthcare Vertical recorded a profit of R\$ 53.9 million, maintaining a positive ROAE of 30.3%. Net income for the quarter was positively impacted by R\$ 35.6 million due to the closing of the transaction with Oncoclínicas.



Financial and Operational Summary – Porto Saúde

Health Insurance	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	990.1	735.4	34.6%	897.5	10.3%	1,887.6	1,398.4	35.0%
Loss ratio (%)	84.2%	82.7%	1.5	78.7%	5.5	81.5%	79.9%	1.6
Members (thousand)	461	395	16.7%	427	8.0%	461	395	16.7%
Dental	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	42.2	37.6	12.2%	40.9	3.2%	83.1	74.8	11.1%
Members (thousand)	690	650	6.1%	676	2.1%	690	650	6.1%
Other	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Revenues (R\$ million)	37.4	36.4	2.7%	37.6	-0.6%	75.0	71.5	5.0%
Number of Customers (thousand)	153	155	-1.3%	153	-0.3%	153	155	-1.3%
Total Porto Saúde	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Revenues (R\$ million)	1,069.7	809.4	32.2%	976.0	9.6%	2,045.7	1,544.7	32.4%
Net income (R\$ million)	53.9	22.1	144.0%	42.5	26.8%	96.4	57.7	67.0%
ROAE (% p.a.)	30.3%	17.3%	13.0	24.6%	5.7	27.1%	22.6%	4.5
Combined ratio (%)	99.7%	97.9%	1.8	94.6%	5.1	97.2%	95.6%	1.7

Managerial Income Statement – Porto Saúde

Porto Saúde Income Statement	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%
Retained Premium + Revenues	1,069.7	809.4	32.2	976.0	9.6	2,045.7	1,544.7	32.4
Earned Premiums + Revenues	1,024.6	791.4	29.5	954.1	7.4	1,978.6	1,514.3	30.7
Retained Net Claims	-815.8	-611.0	33.5	-705.6	15.6	-1,521.3	-1,127.5	34.9
Total Selling Expenses	-83.4	-62.6	33.2	-79.5	4.9	-162.9	-118.0	38.0
Administrative and Operating Expenses	-103.2	-86.0	20.0	-98.5	4.7	-201.7	-175.7	14.8
Operating Pis/Cofins Tax	-12.0	-10.0	20.1	-13.0	-8.4	-25.0	-19.8	26.2
Operating income	10.2	21.8	-53.1	57.5	-82.2	67.7	73.3	-7.6
Financial Results (1)	81.2	15.5	424.0	19.2	323.2	100.4	30.1	233.3
Earnings before Taxes	91.4	37.3	145.3	76.7	19.3	168.1	103.4	62.6
Income tax and Social Contribution	-25.4	-11.8	114.2	-24.5	3.5	-49.9	-33.4	49.3
Net Income before Participation	66.1	25.4	159.8	52.2	26.7	118.3	70.0	69.0
Interest	-12.2	-3.4	263.4	-9.7	26.2	-21.9	-12.3	78.1
Net income (1)	53.9	22.1	144.0	42.5	26.8	96.4	57.7	67.0
R.O.A.E. (%) - Var (p.p.)	30.3%	17.3%	13.0	24.6%	5.7	27.1%	22.6%	4.5
Combined Ratio (%) - Var (p.p.)	99.7%	97.9%	1.8	94.6%	5.1	97.2%	95.6%	1.7
Amplified Combined Ratio (%) - Var (p.p.)	92.2%	96.1%	-3.9	92.7%	-0.5	92.5%	93.7%	-1.3

(1) Non-recurring impact of R\$ 35.6 million related to the closing of the transaction with Oncoclínicas.

2Q23 Main Highlights

In the quarter we have already seen a significant improvement in the vertical's result, reinforcing our growth strategy in products with less risk, prudent credit management, operational efficiency and revenue diversification.

3.8
million of
Contracts
(June 2023)

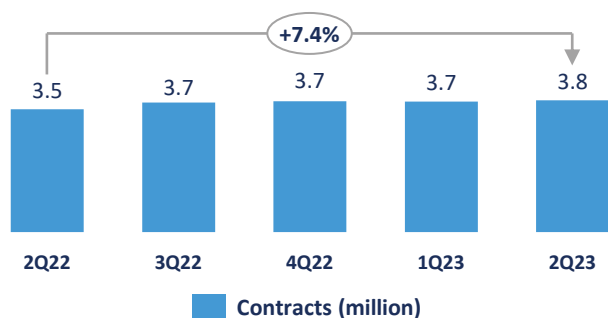
+7.4% YoY

R\$ 1.1
billion in
Revenues
(2Q23)

+9.1% YoY

- Growth of 260 thousand contracts in the last 12 months
- ROAE of 29.0% in the quarter*
- Growth in revenues with emphasis on the increase in Consortium revenue (+22.2% vs. 2Q22)

Business and Revenues



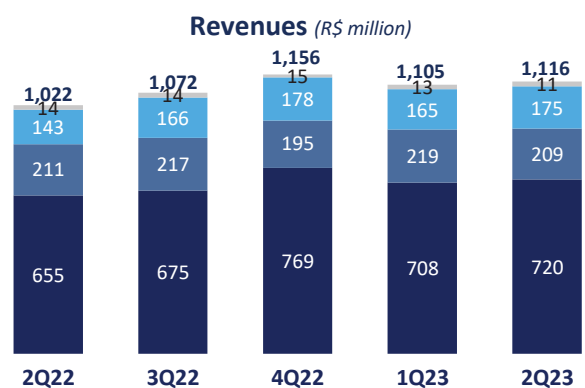
In 2Q23, the vertical's revenue grew 9.1%, reaching R\$ 1.1 billion, maintaining the focus on customers we are familiar with and greater diversification in products with lower exposure to credit risk.

We achieved 3.8 million deals (+7.4% vs. 2Q22), leveraged by the Credit Card, which obtained an increase of 188 thousand units; Consortium, with the addition of 52 thousand contracts; and Landlord Protection, which increased 16 thousand deals in the period.

The Loan Operations portfolio grew significantly, reaching R\$ 17.1 billion (+20.1% vs. 2Q22), and the portfolio up to 360 days grew 14.6% in the quarter. The managed portfolio of the Consortium advanced at an even faster pace, reaching R\$ 46.5 billion (+27.6% vs. 2Q22).

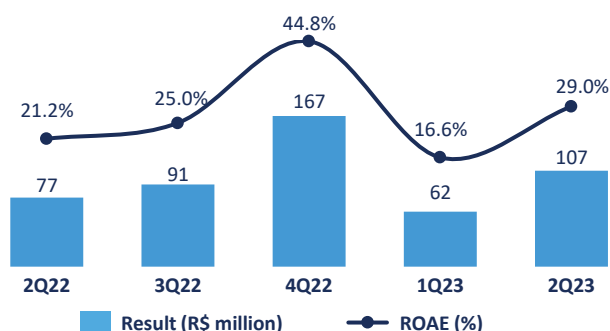
The Porto Bank's result in 2Q23* was R\$ 106.5 million, 38.2% higher than in the same period of the previous year, mainly due to the diversification of Vertical's portfolio and improvement in portfolio risk indicators.

The ROAE stood at 29.0% in 2Q23*, preserving profitability, and considering new initiatives, it was 26.7% in the quarter. In addition, we reached an efficiency ratio of 43.3%, an improvement of 3.5 p.p. compared to 2Q22.



Other
Consortium
Financial Solutions for Rent and Guarantee
Card and Financing Operating

Net income and Profitability*



We continue to focus on risk management and better quality of the loan portfolio as pillars of our sustainable growth. We have maintained delinquency within expected limits and below the market. The new sales have been showing performance in line with the portfolio's risk adequacy strategy, while the new collection instruments have substantially increased the recovery of debtors.

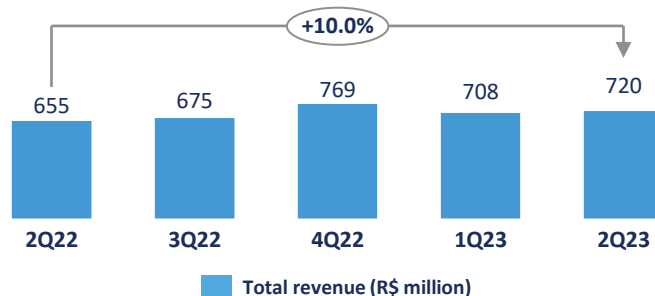
* Result and ROAE adjusted excluding expenses with new initiatives (mainly digital account)

Credit Card and Financing Operating

Revenue
R\$ 720 MN
 +10.0% YoY

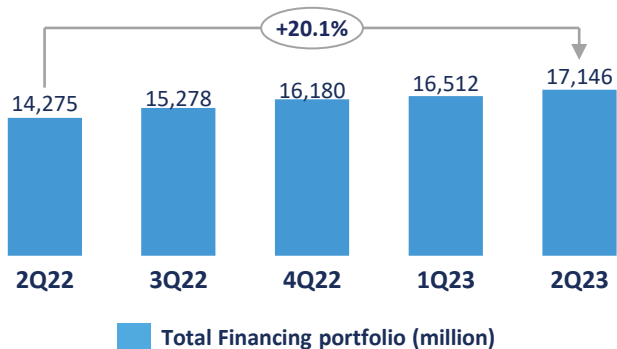
Cards
3.0 MN
 +6.7% YoY

Financing
118.5 k
 -2.7% YoY



In 2Q23, we achieved consistent growth in in Credit Card and Financing revenues (+10.0% vs. 2Q22), with efficient portfolio management and strengthening of product benefits and differentials.

Financing portfolio

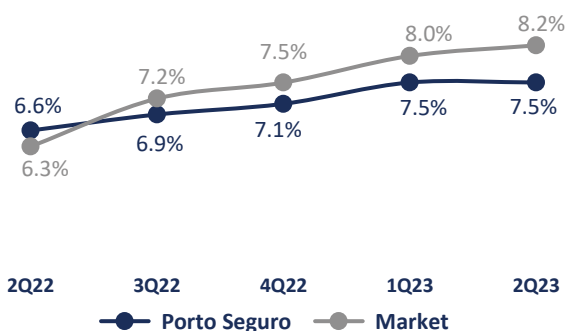


The total loan portfolio reached R\$ 17.1 billion (+20.1% vs. 2Q22), driven by the Credit Card portfolio which reached R\$ 14.2 billion at the end of 2Q23, an increase of 23.1% (vs. 2Q22).

In financing operations, the portfolio reached R\$ 3.0 billion at the end of the quarter, 79% of it in guaranteed products. The increase in the portfolio compared to 2Q22 was 7.5%.

Credit Quality and Cost

NPL Ratio¹
(Overdue > 90 days)



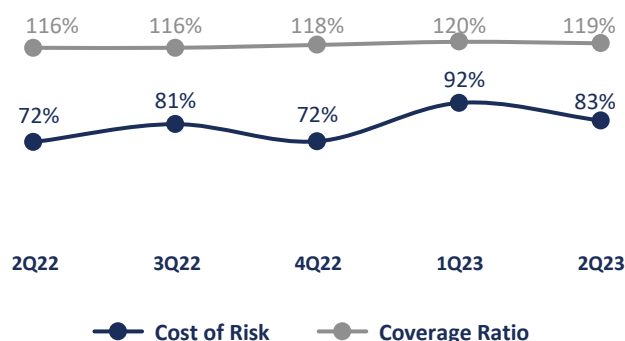
The NPL ratio over 90 days stands at 7.5%, remaining stable (vs. 1Q23), below the market average and showing a sign of stabilization. The NPL between 15 and 90 days dropped by 10.6% (0.5 p.p.) compared to the previous quarter.

Considering the still challenging scenario, we are cautious in granting policies, privileging credit to customers who have a relationship with the Company. The new vintages have been performing well, indicating the effectiveness of the policies implemented in recent months.

The coverage ratio was 119% in 2Q23, stable compared to 1Q23, and at levels considered adequate for the Company.

The cost of risk showed a reduction of 9 p.p. vs. 1Q23, due to the 3.2% increase in income from financial intermediation and the 6.7% decrease in credit losses, associated respectively with portfolio growth and an improvement in the risk profile compared to 1Q23.

Coverage Ratio² and Cost of Risk³

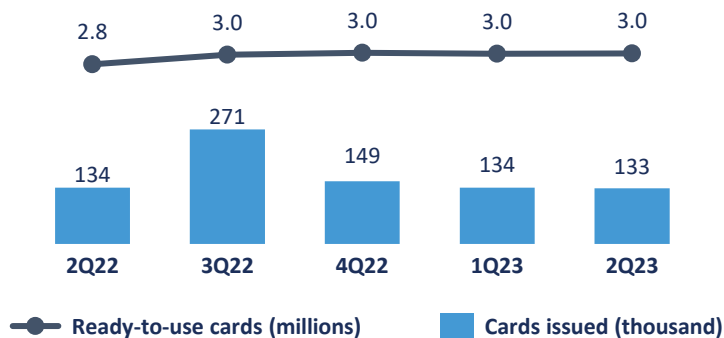


¹ NPL Ratio = Portfolio balance over 90 days overdue (up to 360 days) / Total active portfolio balance (up to 360 days overdue). The indices are in line with the methodology of the Central Bank, which establishes that the balances of agreed operations referring to overdue payments are not considered to be in default. The chart shows operations with individuals, which represent 97% of the total loan portfolio.

² Coverage ratio = Loan Loss Provision IFRS (up to 360 days overdue) / Portfolio balance overdue for more than 90 days (up to 360 days).

³ Cost of Risk = Credit Loss Expense (IFRS) / Income from Financial Intermediation.

Credit Cards



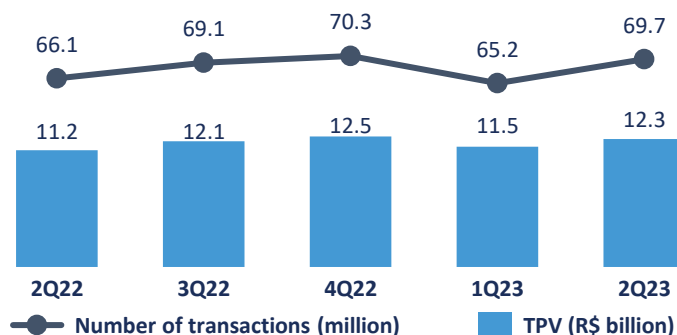
The total number of Credit Cards reached 3.0 million units in the quarter (+6.7% vs. 2Q22). The more cautious acquisition policy in recent quarters, combined with higher cancellations due to higher NPL, contributed to maintaining this level, but with a healthier portfolio composition in terms of risk.

Even with this scenario, we maintained the percentage of customers with transactions in the month at 59%, one of the highest in the market. The growth in the customer base in relation to the previous year has been driven by the strengthening of the brand's positioning, reinforcing the benefits and, mainly, the product's differentials.

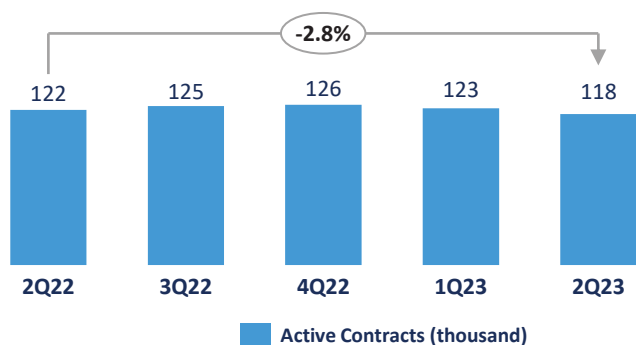
In 2Q23, we issued 133 thousand cards, a stable position compared to 2Q22.

Total payment volume (TPV) grew 9.6% in 2Q23 (vs. 2Q22), reaching R\$ 12.3 billion. The average value transacted per card increased by 3.5% vs. 2Q22, while the number of transactions was 69.7 million, 5.5% above the same period of the previous year.

This growth is associated with effective portfolio management.

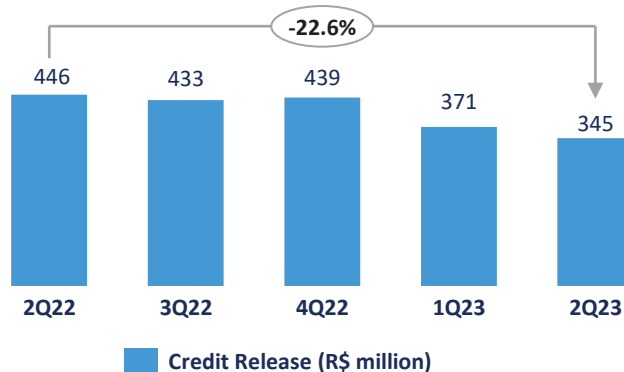


Loans and Financing



In recent quarters, we have maintained a conservative policy in Loans and Financing operations, which has provided a significant reduction in NPL in this modality (from 9.4% in 1Q22 to 6.3% in 2Q23). In the last quarter, the volume of active contracts had an expected decrease of 2.8% (vs. 2Q22), reaching 118.4 thousand at the end of the period. The portfolio mix privileges products with greater profitability among the public with a relationship, with a consequent increase in revenue.

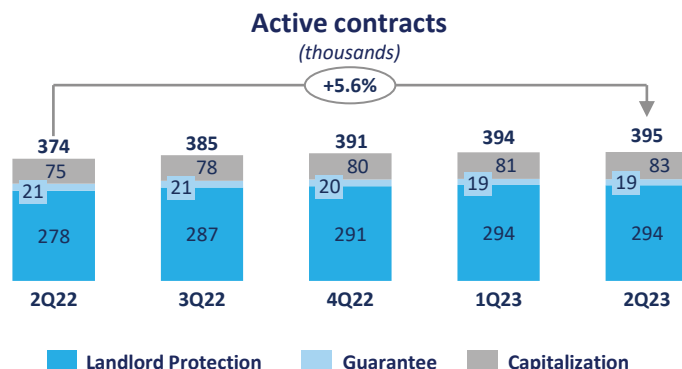
The amount released in the period reached R\$ 345 million, a decrease of 22.6% compared to 2Q22, associated with the strategy adopted to reduce portfolio risk, through greater focus on customers with relationships with the group and on products with guarantee (both represented around 80% of credit released in 2Q23), contributing to the construction of a more resilient portfolio for the current economic situation.



2Q23 Financial Solutions for Rent and Guarantee

Revenue	Landlord Protection Contracts	Capitalization securities
R\$ 209 MN	293.9 K	82.K
-0.6% YoY	+5.9% YoY	+9.6% YoY

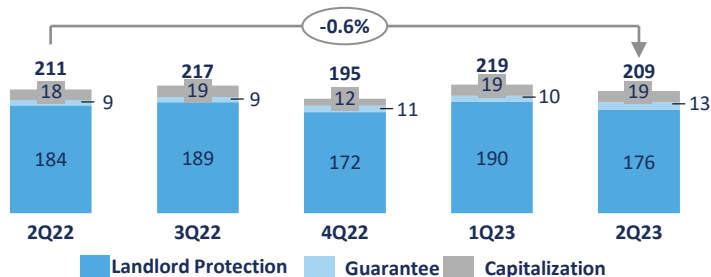
- Expansion of biometrics throughout Brazil;
- Loss ratio reduction of 9.1 p.p. vs. 2Q22 and 20.2 p.p. below the market;
- 20% growth in Capitalization savings collection vs. 2Q22.



The portfolio of financial solutions for leasing and guarantee products reached the mark of 395 thousand contracts in force at the end of 2Q23, a growth of 5.6% (vs. 2Q22). There are more than 785 thousand customers, including owners and tenants, with around 25 thousand partner real estate agencies.

The Capitalization product increased by 9.6% in the number of outstanding bonds (vs. 2Q22), due to sales volume increase, with an growth of 13.9% (vs. 2Q22) in the asset portfolio.

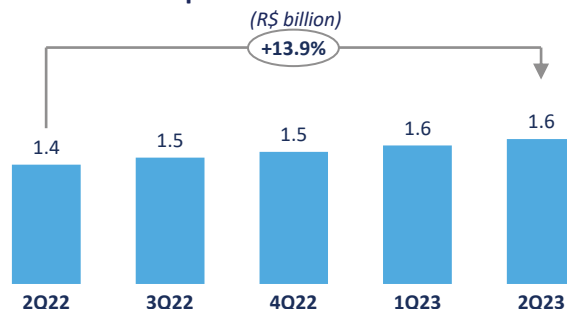
Revenue (R\$ million)



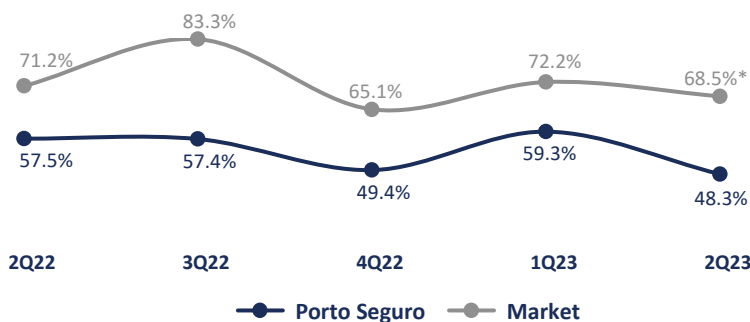
Revenues (written premium plus capitalization revenue) decreased by 0.6% vs. 2Q22, resulting from the implementation of the strategy to adapt credit policies to rebalance the loss ratio of the Landlord Protection and sustainable growth. The appropriate revenue (earned premiums) increased by 18.7% in the same period, reflecting the reduction in customer churn and the increase in the portfolio.

We continue to improve hiring tools, with the launch of the real estate portal, which facilitates the quotation process and integration with our brokers.

Capitalization Portfolio (R\$ billion)



Landlord Protection Insurance Loss Ratio



In the Landlord Protection, in 2Q23, we completed the availability of the registration validation layer, consisting of Facial Biometrics and data intelligence from applicants, bringing more security to the Risk approval process.

In 2Q23, we recorded a reduction of 11.0 p.p. in loss ratio compared to 1Q23. The improvement is mainly due to the reduction in the frequency of claims and average damage, reflecting the tactical actions of the acceptance review product and the efficiency gain in recoveries.

(*) Market data up to May 2023

2Q23 Consortium

Revenue
R\$ 175 MN

+22.2% YoY

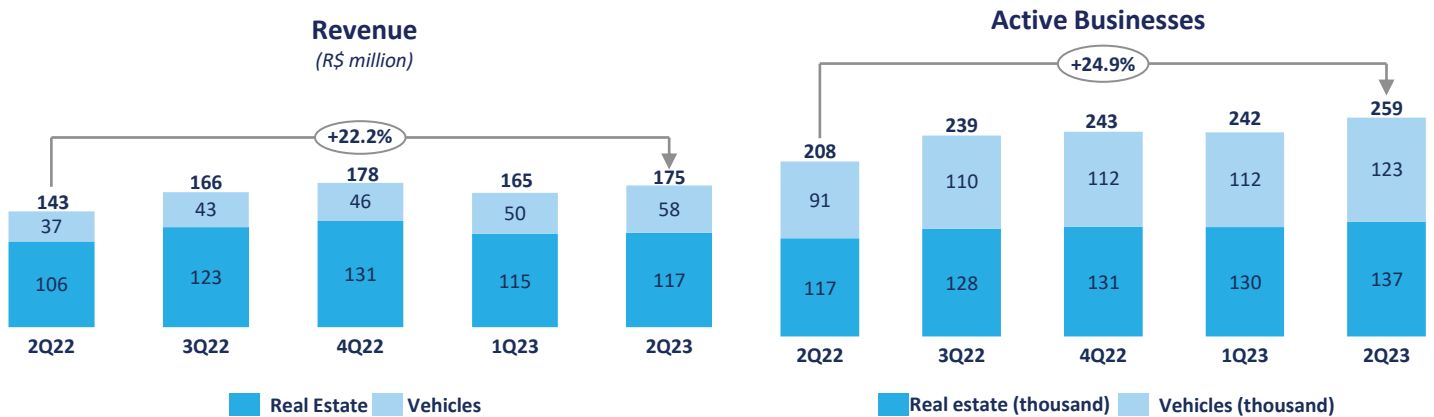
Active
Businesses
259 k

+24.9% YoY

The Consortium Credit Portfolio reached R\$ 46.5 billion (+27.6% vs. 2Q22), with relevant growth of 85.4% in sales in the vehicle segment and 63.0% in the real estate segment.

The product continues to innovate in payment plans and initiatives with other Bank products, also advancing in sales channels, with a 14% growth in the number of brokers producing in the first semester of 2023 vs. the same period of 2022. Vehicle sales grew 85.4%, compared to a 6.7% increase in the market and, in the real estate segment, we obtained a growth of 63.0%, while the market advanced 16.3%.

SOURCE: BACEN - 05/2023

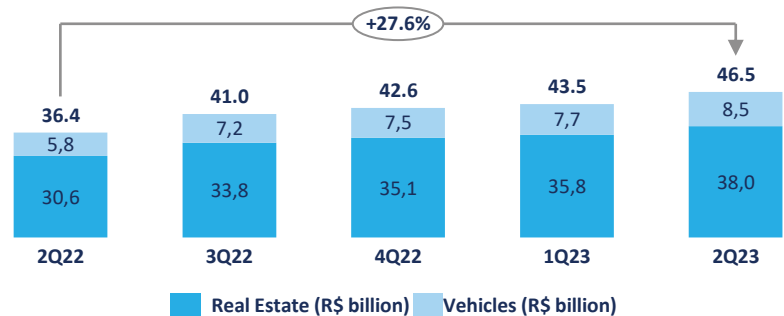


In 2Q23, revenues grew by 22.2% (vs. 2Q22) leveraged by the growth in the managed loan portfolio, as a result of a consistent sales performance in recent quarters. Active trading volume expanded by 24.9% (vs. 2Q22), reaching 259 thousand active quotas.

Managed Portfolio

The managed credit portfolio reached R\$ 46.5 billion in 2Q23, an increase of 27.6% (vs. 2Q22), reflecting the growth in the sales volume of quotas and credit and efficient management of the groups.

In active businesses, the vehicle portfolio grew +35.2% vs. 2Q22, and in the real estate segment, we had growth of +16.8%. We continue to lead managed credit in the real estate segment with an 11.2% market share.



SOURCE: BACEN - 05/2023

Group Management

Managed groups remain stable with controlled delinquency indicators¹ of beneficiaries and below the market average, recording 7.3% of arrears until May 2023 compared to a ratio of 8.9% for the segment.

In the last 12 months, the number of Consortium credit release recorded an increase of 13.9% when compared to the previous period, while the market presented an evolution of 4.2%.

The completeness ratio² was 97.7% in the first 5 months of 2023, an increase of 3.2 p.p. compared to the same period of 2022, while the market presented a ratio of 82.4%, with an increase of 0.3 p.p. on the same basis of comparison.

SOURCE: BACEN - 05/2023

¹ Default indicator from the first day of delay.

² Efficiency ratio in completing the groups that contribute to the composition of the common fund and, consequently, in the contemplations.

Financial and Operational Summary – Porto Bank

Card and Financing Operating	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Financial Intermediation Income	516.4	469.5	10.0%	515.2	0.2%	1,031.6	909.3	13.5%
Financial Intermediation Expenses	-105.0	-82.5	27.4%	-116.6	-10.0%	-221.7	-154.8	43.2%
Income from Financial Intermediation	411.4	387.1	6.3%	398.6	3.2%	810.0	754.5	7.4%
Service Revenue/Other	309.1	268.0	15.3%	309.3	-0.1%	618.4	509.4	21.4%
Total revenues (R\$ million)	720.5	655.1	10.0%	707.9	1.8%	1,428.4	1,263.9	13.0%
Loan Loss Provision (Provision for Loan Losses / Total Portfolio) var. p.p.	9.0	7.8	1.2	9.0	0.0	9.0	7.8	1.2
Financing Clients (thousand units)	118.5	121.8	-2.7%	122.9	-3.6%	118.5	121.8	-2.7%
Credit Card (thousand units)	3,007.3	2,819.3	6.7%	2,981.5	0.9%	3,007.3	2,819.3	6.7%

Financial Risks	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Written Premium (R\$ million)	190.2	193.0	-1.5%	199.9	-4.9%	390.1	415.8	-6.2%
Earned Premium (R\$ million)	174.4	147.0	18.7%	165.3	5.5%	339.7	282.6	20.2%
Reinsurance (R\$ million)	-1.2	-0.3	321.3%	-2.3	-48.5%	-3.5	-2.1	69.1%
Loss Ratio (%) - Var (p.p.)	45.7%	55.3%	-9.6	57.8%	-12.1	51.6%	55.8%	-4.2
Landlord Protection Contracts (thousand)	293.9	277.5	5.9%	294.5	-0.2%	293.9	277.5	5.9%
Collateral Contracts (thousand)	18.6	21.3	-12.9%	18.9	-1.4%	18.6	21.3	-12.9%

Capitalization	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Total Capitalization Revenues (R\$ million)	19.2	17.6	9.5%	18.7	2.7%	38.0	36.0	5.6%
Current Capitalization Bonds (thousand)	82.5	75.3	9.6%	80.8	2.1%	82.5	75.3	9.6%

Consortium	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Revenues from Services (R\$ million)	174.5	142.8	22.2%	165.3	5.6%	339.8	276.6	22.8%
Active Business (thousand)	259.5	207.8	24.9%	242.5	7.0%	259.5	207.8	24.9%

Other Services	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Other Services Revenue (R\$ million)	11.4	13.8	-17.5%	13.1	-13.1%	24.6	24.8	-0.8%

Total Porto Bank	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Total Revenues (R\$ million)	1,115.8	1,022.4	9.1%	1,105.0	1.0%	2,220.8	2,017.0	10.1%
Net income (R\$ million)	106.5	77.1	38.2%	61.7	72.7%	168.2	147.4	14.1%
ROAE (%) - Var (p.p.)	29.0%	21.2%	7.9	16.6%	12.4	22.9%	20.2%	2.7
Efficiency Ratio (%) - Var (p.p.)	43.3%	46.8%	-3.5	44.8%	-1.5	44.1%	46.5%	-2.4

(1) For the calculation of this indicator, we consider only the Provision for Loan Losses and portfolio up to 360 days in arrears, to maintain comparability with the history;

(2) Ex-Reinsurance;


(3) Efficiency Ratio = (Administrative Expenses + Operating Expenses + Selling Expenses) / (Total Revenues – Cost of Funding – Taxes).

Managerial Income Statement – Porto Bank

	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Porto Bank Income Statement								
Retained Premium	189.0	192.7	-2.0	197.6	-4.4	386.5	413.7	-6.6
Premium Earned	174.4	147.0	18.7	165.3	5.5	339.7	282.6	20.2
Revenues	925.7	829.4	11.6	905.1	2.3	1,830.8	1,601.2	14.3
Total Revenue/Premium	1,100.1	976.3	12.7	1,070.4	2.8	2,170.5	1,883.8	15.2
Tax Expenses	-69.3	-57.1	21.5	-63.2	9.7	-132.5	-109.4	21.1
Sales Expenses	-138.0	-141.3	-2.4	-139.4	-1.0	-277.4	-269.7	2.8
Expenses with Operating Provisions (Port Seg)	-340.2	-278.4	22.2	-364.7	-6.7	-704.9	-544.7	29.4
Operating Expenses	-183.9	-146.9	25.2	-160.0	15.0	-343.9	-291.5	18.0
Claims (Financial Risks)	-79.7	-81.3	-2.0	-95.5	-16.5	-175.3	-157.7	11.2
Income Before Administrative Expenses	288.9	271.3	6.5	247.7	16.6	536.6	510.9	5.0
Administrative expenses	-136.6	-152.9	-10.7	-165.1	-17.3	-301.7	-282.4	6.8
Operating income	152.3	118.4	28.6	82.6	84.3	234.9	228.5	2.8
Financial result	28.0	22.5	24.7	28.3	-1.1	56.4	40.2	40.2
Earnings before Taxes	180.3	140.9	28.0	110.9	62.5	291.2	268.7	8.4
Income tax and social contribution	-50.6	-46.2	9.5	-34.2	47.9	-84.8	-87.5	-3.0
Net Income before Participation	129.7	94.7	37.0	76.7	69.1	206.4	181.2	13.9
Profit Sharing	-23.2	-17.6	31.6	-15.0	54.0	-38.2	-33.8	12.8
Net income	106.5	77.1	38.2	61.7	72.7	168.2	147.4	14.1
R.O.A.E. (%) - Var (p.p.)	29.0%	21.2%	7.9	16.6%	12.4	22.9%	20.2%	2.7
Expenses with New Initiatives	-8.3	-17.4	-52.1	-10.5	-20.9	-18.9	-29.3	-35.7
Total Net Income	98.2	59.7	64.5	51.1	92.0	149.4	118.1	26.5
R.O.A.E. (%) - Var (p.p.)	26.7%	16.4%	10.3	13.8%	12.9	20.3%	16.2%	4.1

Services

2Q23

2.4 
million services
rendered in 2023
(+1.5% vs. 1H22)

Service revenues amounted to R\$ 134.8 million in 2Q23 (+20.2% vs. 2Q22), on a comparable basis. With the consolidation of the businesses and the CDF, they totaled R\$ 212.6 million in 2Q23, an increase of 89.5%¹ (vs. 2Q22).

Merged into Services Vertical in 2Q23, CDF is one of the main B2B2C services marketplaces in Brazil and a leader in Premium Technological Support, Assistance and Installation Services.

Present in all states and in more than 3 thousand cities in the country, the company has more than 8 thousand field technicians for in-person service, with around 300 technicians for remote support and is present in more than 4.7 thousand sales point. The Company has a base of more than 9 million customers.

In assistance services, we continued to advance in Partnerships in the B2B business, through 4 large new contracts in the last 12 months, increasing our revenue by R\$ 28.9 million in the segment.

Regarding the Auto Repair Shops, we ended the quarter with 322 units, with more than 327 thousand customer served and around 400 thousand services performed (+13.6% YoY), demonstrating the channel's potential for product distribution.

Renova continues to be a business unit focused on circular economy and sustainability, and true to this direction, it maintains the consistent revenue growth (+49.5% vs. 2Q22) and profitability. It is worth mentioning that in this market there is still a latent demand for auto parts that has not been fully explored, signaling the potential for growth of the business, which relies on the profitable and responsible disposal of scrap.

❖ CDF

Integration of CDF into the Services vertical in the quarter, contributing R\$ 77.9 million to revenues of 2Q23

❖ Porto Assistência

Focus on strategic B2B partnerships for mass distribution of Porto services.

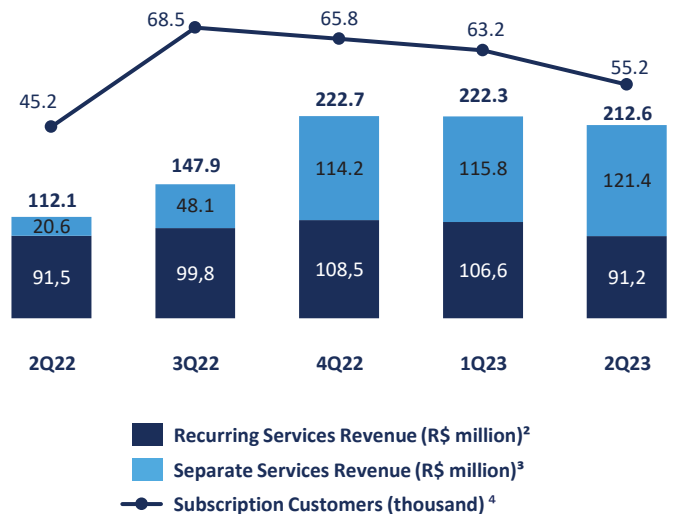
❖ Referenced Motor Vehicle Centers

We closed 2Q23 with 322 motor vehicle centers, with more than 327 thousand tickets and 400 thousand services performed (+13.6% YoY).

❖ Renova

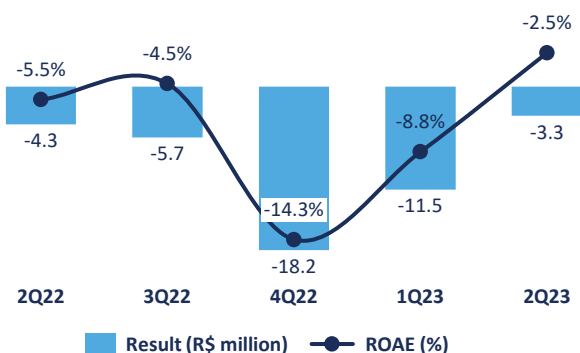
11 thousand parts placed on the market (stable vs. YoY), tracked and certified by Detran, reinforcing the commitment to the circular economy.

Revenues and Clients



At Subscription Car, we continue to focus on maintaining the quality of customer service and operational efficiency, seeking to make the most of the demobilization of semi-new vehicles through retail distribution. In 2Q23, we made 1,335 sales, an increase of 38.5% (vs. 964 in 2Q22).

Net Income and Profitability



Regarding profitability, the service businesses reduced losses by R\$ 8.2 million and improved ROAE by 6.3 p.p. compared to 1Q23, as a result of increased efficiency and new business generation.

Service Vertical maintains its focus on structuring, seeking to extend the provision of recognized quality services to users other than just the Company's policyholders.

Services

2Q23 Financial and Operational Summaries and I/S - Services

Financial and Operational Summary - Services*

Subscription Car	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	80.2	79.2	1.3%	93.4	-14.1%	173.6	146.1	18.8%
Active Contracts (thousand)	8.9	11.8	-24.9%	11.6	-23.0%	8.9	11.8	-24.9%

CDF	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	77.9	0.0	-	79.5	-2.1%	157.4	0.0	-

Porto Faz	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	31.2	12.3	153.6%	24.9	25.1%	56.1	25.0	124.5%
Active Contracts (thousand)	25.2	24.7	1.7%	26.9	-6.6%	25.2	24.7	1.7%

Tech Fácil	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	7.9	9.5	-17.1%	10.0	-21.2%	17.9	15.7	14.2%
Active Contracts (thousand)	5.8	8.7	-33.2%	8.0	-27.3%	5.8	8.7	-33.2%

Renova Peças Usadas	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	11.7	7.8	49.5%	10.9	7.4%	22.5	14.0	60.5%

Other services	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Revenues from Services (R\$ million)	3.8	3.4	14.1%	3.6	7.3%	7.4	6.3	17.0%

Total -Services Vertical	2Q23	2Q22	Δ%/p.p.	1Q23	Δ%/p.p.	1H23	1H22	Δ%/p.p.
Total Ex-CDF Service Revenue (R\$ million)	134.8	112.1	20.2%	142.8	-5.6%	277.5	207.1	34.0%
Total Service Revenue (R\$ million)	212.6	112.1	89.6%	222.3	-4.4%	434.9	207.1	110.0%
ROAE (%)	-2.5	-5.5	3.00	-8.8	6.30	-5.6	-4.4	-1.20
Net income (R\$ million)	-3.3	-4.3	-21.8%	-11.5	-70.8%	-14.8	-6.9	113.8%

Managerial Income Statement – Services*

	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Vertical Services INCOME STATEMENT								
Service Revenue	212.6	112.1	89.6	222.3	-4.4	434.9	207.1	110.0
Tax Expenses	-10.5	-4.0	163.2	-11.2	-6.0	-21.7	-6.3	242.8
Sales Expenses	-43.2	-4.6	0.0	-42.8	0.9	-86.1	-8.6	0.0
Operating Expenses	-92.3	-41.8	120.7	-80.8	14.2	-173.1	-80.3	115.5
Income Before Administrative Expenses	66.6	61.7	8.0	87.5	-23.8	154.1	111.9	37.7
Administrative Expenses	-35.0	-29.4	18.8	-40.7	-14.0	-75.7	-57.3	32.0
Operating Income	31.6	32.2	-1.8	46.8	-32.4	78.4	54.5	43.7
Equity and Financial Income	-49.3	-38.1	29.2	-56.0	-12.1	-105.3	-64.2	63.9
Earnings before Taxes	-17.6	-5.9	199.3	-9.2	90.9	-26.9	-9.7	177.7
Income tax and Social Contribution	16.2	1.3	0.0	-1.0	0.0	15.2	2.1	0.0
Net Income before Participation	-1.5	-4.6	-68.6	-10.2	-85.8	-11.7	-7.5	55.2
Profit Sharing	-1.9	0.3	0.0	-1.2	53.5	-3.1	0.6	0.0
Net income (loss)	-3.3	-4.3	-21.8	-11.5	-70.8	-14.8	-6.9	113.8
ROAE (%) - Var (p.p.)	-2.5%	-5.5%	3.0	-8.8%	6.3	-5.6%	-4.4%	-1.1

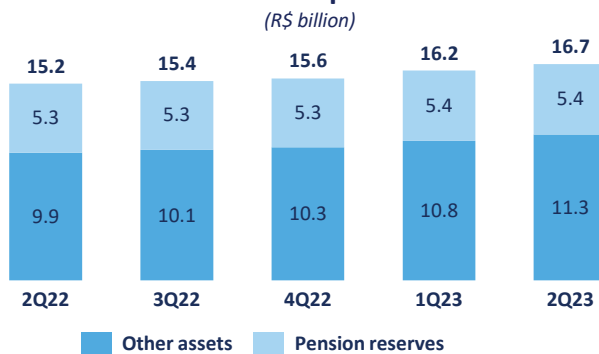
* Excluding Porto Assistência

Financial Result

2Q23

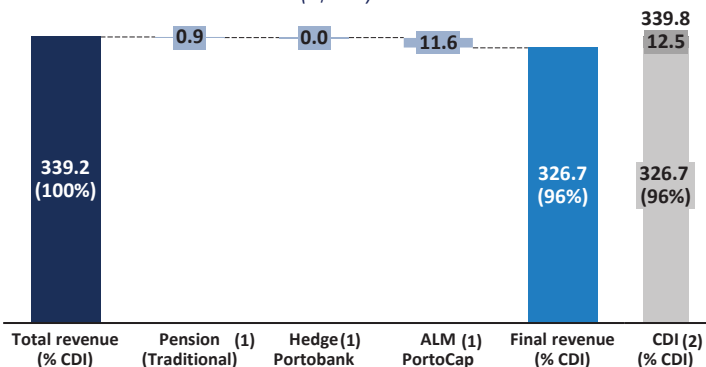
R\$ 16.7 bi
Investment
Portfolio
(June 2023)

Investment portfolio



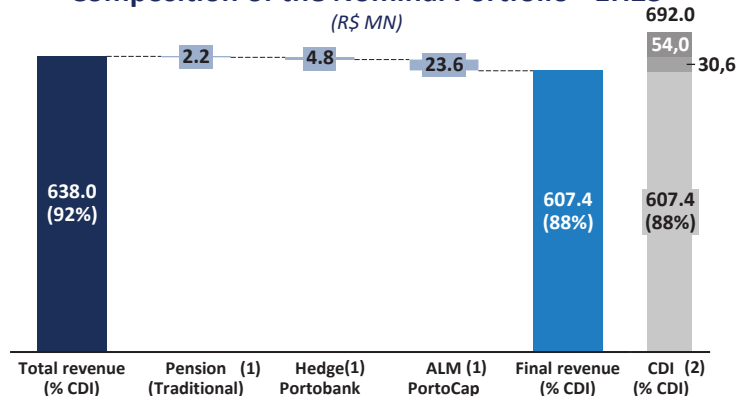
Breakdown of Nominal Portfolio – 2Q23

(R\$ MN)



Composition of the Nominal Portfolio - 1H23

(R\$ MN)



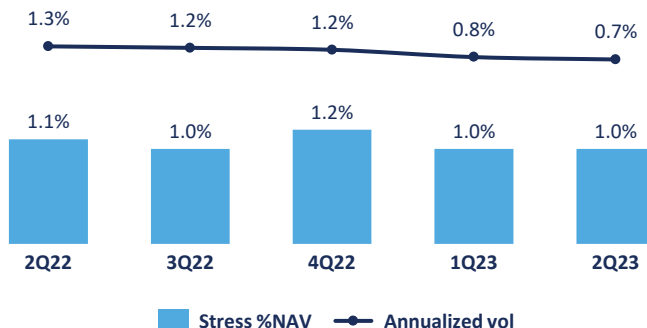
Revenue and Profitability vs. CDI (ex. Pension plans)	2Q23	2Q22	ΔR\$/p.p.	1Q23	ΔR\$/p.p.	1H23	1H22	ΔR\$/p.p.
Revenue from financial investments (R\$ million) ⁽²⁾	345.2	169.7	103.5	293.6	17.6	638.8	359.1	77.9
Income from Financial Investments including ALM (R\$ million) ⁽²⁾	326.7	166.8	159.9	279.6	47.1	607.4	357.7	249.7
Return (%)	3.0%	1.8%	1.2 p.p.	2.6%	0.5 p.p.	5.7%	3.9%	1.8 p.p.
Revenue vs. CDI (R\$ Million)	-13.1	-98.9	85.8	-72.9	59.8	-86.0	-136.2	50.2
CDI return (%)	3.2%	2.9%	-	3.3%	-	6.5%	5.4%	-
Profitability of Investments as a % of CDI	96.2%	62.5%	-	79.4%	-	88.0%	71.9%	-

Profitability of Financial Investments vs. CDI

	Ex-Pension	% CDI
Last 3 m	3.0%	96.2%
Last 12 m	10.3%	76.1%
Last 60 m	58.1%	144.0%

Position as of: 06/30/2023

Risk indicators of Investment Portfolio



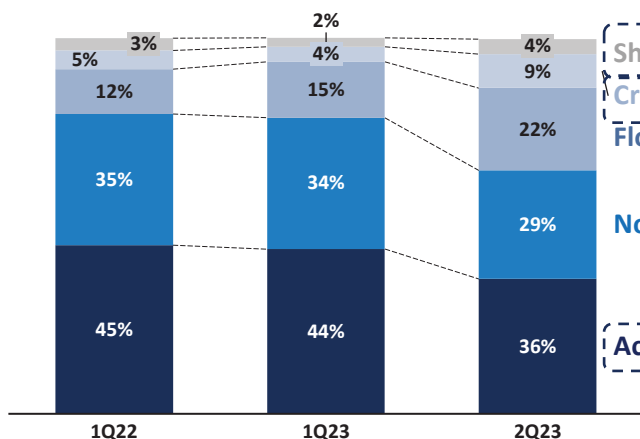
(1) Result generated on funds invested by the Company to mitigate the mismatch between assets and liabilities (ALM) of Traditional Pension operations (product whose sale was discontinued), Credit Operations (Porto Bank) and Capitalization (PortoCap).

(2) The difference between Total Revenue from treasury (R\$ 326.7 million) and Result from Financial Investments (R\$ 345.2 million) is mainly explained by funds not managed by treasury. However, as of the next quarter, some of these portfolios will be incorporated into our own management.

Financial result

2Q23

Breakdown and Profitability of Investment Portfolio



Return by asset class

	Benchmark	2Q23	1Q23	1Q22
Shares	IBOVESPA	15.9%	-7.2%	14.5%
Credit	JGP Index-CDI ¹⁾	3.8%	-2.3%	3.0%
Floating rate				
Nominal interest ²⁾				
Actual interest ³⁾	Accumulated IPCA	0.8%	2.1%	3.2%

- 1) Ratio that aims to reflect the price variation in the local DI Debentures market.
- 2) Allocation mostly marked on the curve.
- 3) Allocation mostly marked to market.

The financial result was R\$ 330.9 million in 2Q23 (+161.8% vs. 2Q22) and R\$ 493.8 million in 1H23 (+100.5% vs. 1H22).

Income from the financial investment portfolio (ex-Pension plans), managed by the treasury, was R\$ 339.2 million, which represents a yield of 3.15% in the quarter (100% of CDI). The 2Q23 results were explained by the variation in the equity portfolios that offset the carry over of inflation-linked securities. Adding to this portfolio the assets related to the ALM of some lines of business, the financial investments portfolio (R\$ 11.3 billion) recorded an income of 3.03% in the quarter (96% of CDI).

The total portfolio of financial investments, which includes resources from pension plan participants, reached R\$ 16.7 billion and obtained a yield of 2.56% in the quarter (81% of the CDI).

The Company considers the pursuit of capital preservation to be a relevant objective within the strategy for allocating the financial investment portfolio due, for example, to the need to protect operations against inflationary components (e.g.: parts inflation, which has an impact on the cost of Auto insurance indemnities and collective bargaining, among others). And for that, it incorporates other asset classes in its portfolio allocation, which may result in a dislocation in relation to the CDI.

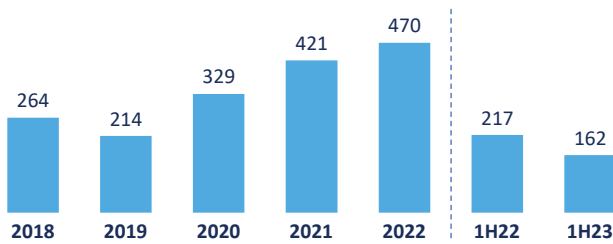
Financial Result (ex. pension plans)	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Income from Financial Investments	345.2	169.7	103.5	293.6	17.6	638.8	359.1	77.9
Additional Fractionation	44.4	40.4	10.0	45.4	(2.2)	89.8	80.5	11.5
Interest on Loans	(54.7)	(52.6)	3.9	(81.4)	(32.8)	(136.1)	(88.9)	53.0
Other Financial Results	3.4	(0.7)	-	(93.3)	(93.7)	(89.9)	(61.3)	46.7
Total (ex-Pension)	338.3	156.7	115.9	164.3	105.9	502.6	289.3	73.7
Financial Result of Pension Operations	(7.3)	(30.3)	(75.8)	(1.4)	408.8	(8.8)	(43.1)	(79.6)
Total Financial Result	330.9	126.4	161.8	162.8	103.2	493.8	246.3	100.5

Capital, Projections and Market Indicators

2Q23

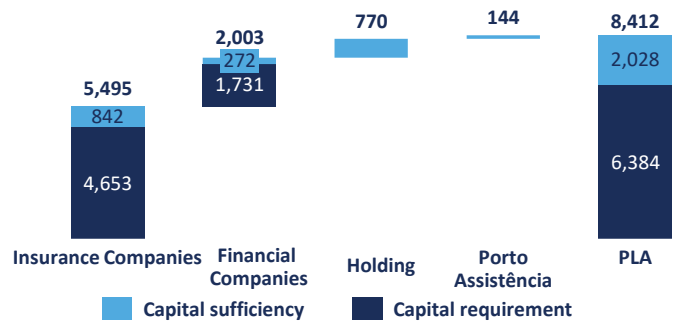
Investments and Capital Adequacy

Investments (CAPEX) - (R\$ million)



We have made significant investments (CAPEX) in innovation and digital transformation projects, such as Auto 2.0, which simplifies the insurance quote process, our Sales Hub, which allows the purchase of Porto products on a single digital platform, the Cross project which will serve an important portfolio of products with the aim of leveraging cross-selling, in addition to recurring investments in information security, systems development, acquisition of software licenses and hardware infrastructure, such as servers and notebooks, aimed at improving and controlling processes of technological renewal of the Company.

Capital Adequacy* - (R\$ million)



Adjusted shareholders' equity (PLA): Shareholders' Equity adjusted by additions and deletions, in accordance with SUSEP, BACEN, ANS and Central Bank of Uruguay regulations;

Capital requirement: minimum capital required in accordance with the regulatory models of SUSEP, BACEN, ANS and the Central Bank of Uruguay;

Excess Capital: difference between the Adjusted Equity and the capital requirement.

(*) The capital adequacy required does not necessarily reflect the capital adequacy of the verticals, but the accounting capital.

Projections

Projections on the representativeness of the group's business verticals (Insurance, Healthcare, Financial Business and Services), in terms of total revenues, including intercompany revenues, in 2025.

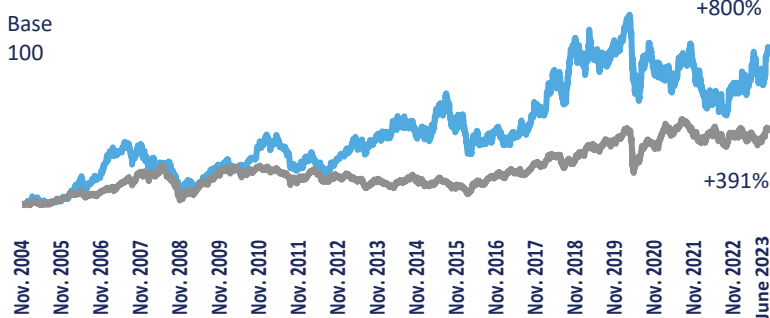
The projections released in Dec/22 remain valid and unchanged, as business developments remain relatively in line with expectations.

Verticals	Interest
Insurance	55.0–65.0%
Healthcare	10.0–20.0%
Financial Businesses	10.0–20.0%
Services	7.5–12.5%

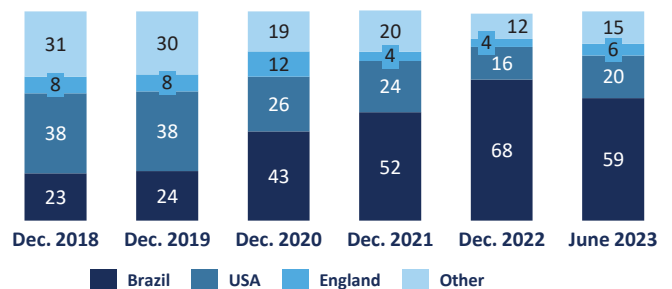
*The Company clarifies that the projections disclosed reflect Management's expectations regarding the Company's business and therefore do not represent a promise of performance or result. The realization of these expectations will depend on several factors, many of them external to the Company, and actual results may differ from the projections presented. The projections will be monitored and reviewed by the Company, pursuant to the applicable regulations.

Market Indicators

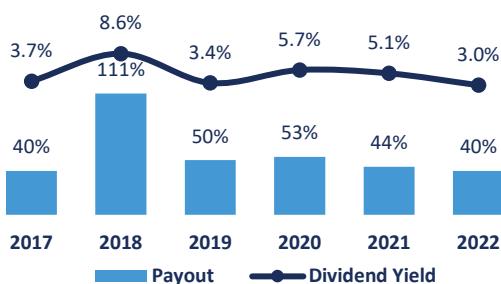
PSSA3 Performance vs. Ibovespa From the IPO (Nov/2004) to Jun/2023



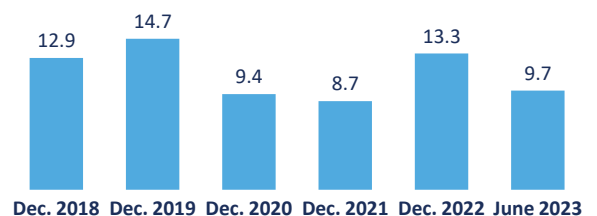
Geographic Breakdown of Free Float Shares (%)



Payout & Dividend Yield



Price / Earnings



Source: Economática, Itaú Custódia and Porto Seguro

ESG | Environmental, Social and Governance

2Q23

MAIN SOCIAL AND ENVIRONMENTAL INDICATORS

		2017	2018	2019	2020	2021	2022	1H22	1H23
Environmental	<i>Absolute water consumption (thousands of m³)</i>	N.A.	59.2	89.8	26.1	27.6	97.0	31.3	35.2
	<i>Absolute energy consumption (million kWh)</i>	44.2	33.7	33.2	17.5	19.3	26.4	13.0	13.6
	<i>Total waste (organic + recyclable) generated (tons)</i>	1,075	857	760	213	302	432	203	239
Social and environmental education	<i>Corporate Social and Environmental Education actions</i>	47	42	57	302	420	163	33	46
	<i>Number of participation</i>	5,256	2,103	2,396	17,568	46,787	262,431	20,639	5,041
Volunteer work	<i>Number of volunteers</i>	607	616	847	728	611	705	781	534
Porto Seguro Institute	<i>Number of students in professional training</i>	1,069	1,193	823	707	792	1,051	337	248
	<i>Students Retention</i>	80%	83%	85%	84%	79%	76%	65%	75%
	<i>Number of children assisted by the Ação Educa Program</i>	205	220	189	165	173	239	345	231
Association "Campos Elíseos + Gentil"	<i>Number of open neighborhood cleaning and maintenance protocols</i>	1,132	1,150	1,126	470	483	598	318	333
	<i>Solvability of protocols with public agencies</i>	84%	73%	84%	68%	83%	79%	72%	67%

BEST ESG AWARD

In June, we won the Best in ESG 2023 award by Guia Exame, in the Financial Services category.

This is the main guide on conscious economy and corporate responsibility in Brazil. For over 20 years, the guide has brought visibility and recognizes the main companies that contribute in a relevant way to sustainable development.

At Porto, for over 25 years, our main aspiration has been to develop meaningful and transformative experiences for the community, for employees and for other audiences. We have a culture of going beyond what is required by legislation. Therefore, we have a series of policies that guarantee fair and equal treatment to all stakeholders and seek to be an inducer of best practices in relation to ethics, transparency, quality of life, respect for human rights and the environment.

The award came to reinforce how much transparency is a premise in our way of communicating and reporting our initiatives to the market, as we detail our results and processes in response to this and other ratios.



CAMPOS ELÍSEOS + GENTIL ASSOCIATION

The Campos Elíseos +Gentil Association promotes actions to improve conservation, cleaning and maintenance of public spaces in the Campos Elíseos neighborhood and promotes the participation of residents, merchants, workers and people in their various initiatives.



**ASSOCIAÇÃO
CAMPOS
ELÍSEOS
+gentil**

We also highlight the evolution of the Nossa Rua project, which aims to revitalize frequent points of irregular waste disposal, through local awareness and monitoring of the origin of the waste, in addition to having competent authorities for cleaning. In this second quarter, we held two events at these revitalization sites to symbolize the result of the Association, the community and the public cleaning and maintenance authorities, with the circular participation of 120 people. It took 72 months of daily work to stop these sidewalks from being recognized as irregular garbage disposal points, more than 495 local awareness campaigns and 4,570 regular waste collections.

ESG | Environmental, Social and Governance

2Q23

10 YEARS OF RENOVA ECOPEÇAS

In 2013, Porto announced the launch of Renova Ecopeças, a pioneer company in the recycling and reuse of motor vehicle parts market. Since then, more than 21 thousand vehicles have been dismantled and more than 400 thousand items sold by Renova so far, in addition to the environmentally correct disposal of 78 thousand tons of steel, 35 thousand batteries and 160 thousand tires. The creation of Renova was a major milestone for Porto, as we began to operate in this segment following a sustainable model and strict control of parts traceability. Demand has been growing more and more and this trend can be seen in Renova's results, which recorded a 93.4% increase in its revenues in 2022 compared to 2021.

Currently, 98% of the products available are sold to mechanics, dealerships and customers who need a component for their vehicle. The parts can be purchased in person at the store, through the Company's website or through other e-commerce platforms.

In these 10 years of history, we have adopted a commitment to environmental and social responsibility. Our goal is to mitigate the impact on the environment and continue to contribute to a sustainable future. Today, we disassemble approximately 350 cars per month, reinforcing the company's commitment to sustainable initiatives through a business with attractive potential for profitability and which consolidates itself as a market leader in the segment.



+ DIVERSIDADE INSTITUTE

With the aim of encouraging increasingly diverse and inclusive actions, Porto was present for the second consecutive time at Feira Diversa. The initiative is promoted by Mais Diversidade Institute, a non-profit organization that aims to foster the job market and promote income generation for the entire LGBTQIA+ population.

Porto believes that initiatives like this are very important to give light to the agenda in practice and that the spaces for conversations and networking provide interactions and allow attracting new talent, generating more creativity and representativeness in the teams.

Continuing the actions of "Lidera" - a journey dedicated to the personal and professional development of women in Porto, "Conexões em Série" was launched, a series of meetings to provide even more knowledge and connections with other people. During the conversation forums, films, books, poems, series and various content related to the genre are discussed. In addition, with the theme "Women in Porto: women who inspire", an event was held at Teatro Porto for around 700 employees and remotely throughout Brazil.



STRENGTHENING THE ECOSYSTEM

2Q23

CAPABILITIES PLATAFORM



The year 2023 has been marked by the presence of Porto and its Porto Seguro, Porto Bank and Porto Saúde business verticals at major events. In the world of sport, for example, the company sponsors Aston Martin Aramco Cognizant Formula One™ Team, reserve driver Felipe Drugovich, as well as Brazilian Aurélia Nobels, in Italian F4, and the Barrichello family, in Stock Car and Spanish F4.

In the music scene, Porto Seguro and Porto Saúde, official sponsors of The Town 2023, announced a promotion that will draw 250 pairs of lawn tickets for the biggest music, culture and art festival, which takes place in September in the city. This action reinforces the focus on growing the ecosystem through caring for people and their dreams. Now, brokers gain one more tool to retain and obtain new customers, drawn participants and their companions residing outside the State of São Paulo will also gain travel insurance for up to three days to make the experience more complete and safer.

Another front of action for Porto is the partnership with Track&Field to support a series of sporting events held by TFSports, a platform that promotes and integrates the company's entire ecosystem of events and wellness experiences. Among the projects, carried out throughout Brazil, are a Beach Tennis tournament and paid and free online classes in 40 different sports.

BRAND EXPOSURE

In April 2022, Porto carried out its rebranding and launched the brands of its business verticals: Porto Seguro, Porto Saúde and Porto Bank. A little over a year later, the Company's new visual identity can already be seen in the most diverse points of contact, reinforcing the company's identity and recognition by its partners and clients

Tow Trucks

973 vehicles

Complete Fleet

2,189 vehicles

Brokerage places

1.346 locations

Branches

37 locations

Porto Auto Repair Shop

322 locations



BRAND FINANCE AWARD

Porto was elected the 2nd strongest brand in the country, with growth of 13% in the ranking published by Brand Finance. The study that includes the main Brazilian companies, shows that the company rose two positions, and has its brand value estimated at U\$ 430.74 million.

The investment in recent years, with the launch of business verticals, the new brand architecture, the digital transformation with the Porto app, the creation of an experience platform with sponsorship of major events such as The Town, São Paulo Grand Prix F1 2023 and Aston Martin, serve to strengthen Porto's position of being increasingly present in people's lives. It is a feature honed in decades of history that the company builds with partner brokers.

Accounting Income Statement and Conciliation

2Q23

As of the first quarter of 2023, we started disclosing the Earnings Release considering our Business Verticals, with impacts across the lines of the Company's income statement, but with the final result of net income identical to the accounting number. This initiative allows full alignment between the Company's internal vision and the data disclosed in this report.

The change was carried out in order to provide even more visibility of the Verticals' results. For comparison purpose, the previous report model is still updated in the quarterly results spreadsheet, available on the Investor Relation website (ri.portoseguro.com.br/en).

Throughout the Earnings Release, graphs, tables and comments on the results are made based on the data considering the four Business Verticals and below the Income Statement is available in the accounting income statement and reconciliation of both models.

Accounting Income Statement

	2Q23	2Q22	Δ%	1Q23	Δ%	1H23	1H22	Δ%
Porto Seguro S.A.'s Income Statement								
Retained Premium	6,216.7	5,400.9	15.1	5,936.4	4.7	12,153.1	10,167.4	19.5
Variation of Premium Provision	(216.7)	(673.1)	(67.8)	(200.3)	8.2	(417.0)	(1,000.7)	(58.3)
Premium Earned	6,000.0	4,727.8	26.9	5,736.1	4.6	11,736.1	9,166.7	28.0
Income from financial intermediation	802.2	714.5	12.3	796.5	0.7	1,598.7	1,378.9	15.9
Service Revenue	673.7	555.2	21.3	655.7	2.7	1,329.4	906.6	46.6
Retained Net Claims	(3,292.8)	(2,984.6)	10.3	(3,414.5)	(3.6)	(6,707.3)	(5,691.8)	17.8
Loan Loss Provision	(296.2)	(244.8)	21.0	(318.7)	(7.1)	(614.9)	(474.6)	29.6
Selling expense	(1,338.6)	(1,116.0)	19.9	(1,240.2)	7.9	(2,578.8)	(2,150.4)	19.9
Cost of services rendered	(53.2)	(203.5)	(73.9)	(107.0)	(50.3)	(160.2)	(255.8)	(37.4)
Taxes	(266.1)	(162.6)	63.6	(197.6)	34.7	(463.7)	(317.5)	46.0
Other revenues and expenses	(415.4)	(282.0)	47.3	(385.7)	7.7	(801.1)	(652.6)	22.8
Administrative expenses	(949.4)	(916.5)	3.6	(1,031.6)	(8.0)	(1,981.0)	(1,686.4)	17.5
Operating income	864.2	87.6	887.1	493.0	75.3	1,357.2	223.2	508.2
Financial result	276.4	89.0	210.6	170.3	62.3	446.7	238.8	87.1
EBIT	1,140.6	176.6	546.0	663.3	72.0	1,803.9	462.0	290.5
Inc. tax / social contribution	(240.3)	(22.6)	963.2	(237.7)	1.1	(478.0)	(90.6)	427.6
Profit sharing	(177.6)	(22.5)	689.3	(79.5)	123.4	(257.1)	(64.8)	296.8
Non-controlling shareholders in subsidiaries	(17.1)	(0.1)	27,954.1	(13.3)	28.7	(30.4)	(0.1)	49,757.4
Net income attributable to Company's shareholders	705.6	131.4	437.0	332.8	112.0	1,038.4	306.5	238.8
Effective Income Tax over Net Income (before tax)	25.0%	14.7%	10.3	40.7%	-15.8	30.9%	22.8%	8.1
Average Shareholder's Equity	10,921.7	9,387.3	16.3%	10,729.9	1.8%	10,921.7	9,387.3	16.3%
ROAE	25.8%	5.6%	20.2	12.4%	13.4	19.0%	6.5%	12.5

Conciliation of Accounting Income Statement with Vertical Model Income Statement

Conciliation Accounting vs. Business Vertical Model	Verticals Accounting			Verticals Accounting		
	2Q23	2Q23	Difference	2Q22	2Q22	Difference
Gross Revenue (a)	7,576.5	7,692.6	(116.0)	6,442.2	6,670.7	(228.4)
Income (b)	7,385.9	7,475.9	(90.0)	5,801.3	5,997.6	(196.3)
Net Retained Claims (c)	(3,188.0)	(3,292.8)	104.8	(2,988.5)	(2,984.6)	(3.9)
Expenses with Losses (d)	(347.1)	(296.2)	(50.9)	(279.9)	(244.8)	(35.1)
Other	(3,145.2)	(3,181.3)	36.1	(2,401.5)	(2,636.9)	235.3
Net income	705.6	705.6	(0.0)	131.4	131.4	0.0

Conciliation Accounting vs. Business Vertical Model	Verticals Corporate			Verticals Accounting		
	1H23	1H23	Difference	1H22	1H22	Difference
Gross Revenue (a)	14,823.3	15,081.2	(257.9)	12,166.5	12,453.0	(286.5)
Income (b)	14,483.9	14,664.2	(180.3)	11,287.3	11,452.3	(165.0)
Net Retained Claims (c)	(6,494.2)	(6,707.3)	213.1	(5,755.3)	(5,691.8)	(63.5)
Expenses with Losses (d)	(713.1)	(614.9)	(98.2)	(547.6)	(474.6)	(73.0)
Other	(6,238.3)	(6,303.6)	65.3	(4,677.9)	(4,979.4)	301.5
Net income	1,038.4	1,038.4	(0.0)	306.5	306.5	0.0

- Gross Revenue = Retained Premium + Revenues from Credit Operations + Other Non-Insurance Revenues. The model by Business Vertical excludes the Porto Assistência Rebate Effect (revenue related to the market margin applied on services provided by Porto Assistência is not considered), disregards VGBL Survival Contributions and considers revenues from Loan Operations net of funding cost.
- The view by Business Vertical does not consider revenue from Porto Assistência rebates and considers revenues from Credit Operations net of funding cost.
- The view by Business Verticals does not consider the effects associated with Porto Assistência.
- In the view by Business Vertical, the discounts granted in late negotiations are accounted for as expenses with losses, while in the accounting view, they are classified in other operating expenses.

Appendix

2Q23

- **Main Highlights (page 3):**
 - **Total revenue:** Retained Premium + Income from Credit Operations + Other Non-Insurance Income
- **Income Statement (page 4):**
 - **Supplementary Provision for Coverage:** additional portion of provision, set up when there is a need to supplement the balances of technical provisions, according to the results of the Liability Adequacy Test, in accordance with CNSP Resolution 432/2021.
- **Porto Seguro Vertical (page 5):** composed of Auto, Property and Casualty, Life, Pension and Uruguay
- **Property and Casualty (page 7):** composed mainly by Commercial, Residential, Real Estate, Condominium, Transport, Rural, Liabilities, Events, Machinery and Equipment, Cell Phone and Bike
- **Pension (page 8):**
 - **Effective revenue:** pension contribution income (accumulation + risk) + VGBL premiums
 - **Assets under management:** considers only participant resources
- **Porto Saúde (page 11):** composed of Group Health, Dental Insurance, Portomed, Administrative Services and Occupational Health
- **Porto Bank (page 14):** composed of Credit Card and Financing, Financial Risks, Consortium, Asset Management and Capitalization
- **Credit Quality and Cost (page 15):**
 - **NPL ratio:** Portfolio balance over 90 days overdue (up to 360 days) / Total active portfolio balance (up to 360 days overdue), regardless of the operations rating. The indices are in line with the methodology of the Central Bank, which establishes that the balances of agreed operations referring to overdue payments are not considered to be in default. The chart on page 13 shows operations with individuals, which represent 96% of the total loan portfolio.
 - **Coverage Ratio:** Allowance for Doubtful Debts IFRS (up to 360 days overdue) / Portfolio balance overdue for more than 90 days (up to 360 days)
 - **Cost of Risk:** Credit Loss Expense (IFRS) / Income from Financial Intermediation
- **Pro-forma values and indices excluding the impacts of the refinement of the IFRS9 model (pages 15 and 19):**
 - **Credit portfolio:** R\$ 15.6 billion in 2Q23 and R\$ 13.6 billion in 2Q22
 - **Loan Loss Provision - Losses/Provisions for Loan Losses:** R\$ 1,403 million in 2Q23 and R\$ 1,055 million in 2Q22
- **Financial and Operational Summaries – Porto Bank – Financial Solutions for Credit (page 19):**
 - **IFRS9 effect:** The refinement of the IFRS9 model, effective as of Mar'21, impacted the loan portfolio, income from financial intermediation (through the reversal related to the accrual of interest on arrears over 60 days) and provisions (which used to charge delays of more than 360 days to losses and which now started to charge for a period of more than 1,890 days for credit card operations and 1,620 days for Financing operations)
 - **Income from Financial Intermediation:** Income mainly from interest on invoice installments and card rotation and interest income from financing and loans, discounting expenses from financial intermediation (funding cost).
 - **Service revenue:** Revenue mainly from interchange and card annual fee
 - **Other revenues:** Interest and arrears charges for late payments of Financing operations
- **Services (page 20):** comprising Car by Subscription, Tech Fácil, Porto Faz, Reppara!, Renova, Vehicle Monitoring, among other services
- **Financial Result (page 22):**
 - **Other financial revenues and expenses:** Result mainly from the monetary restatement of insurance liabilities, among others.
 - **Financial Result of Pension Operations:** Result mainly from the monetary restatement of pension liabilities.
- **Investments/Capex (page 24):** “System Development and Other Intangibles”, “Hardware and Software”, “Furniture, Equipment and Vehicles” and “Real Estate”.
- **Earnings (page 24):**
 - **Payout:** Total proceeds distributed (dividends and interest on equity) / Net Income
 - **Dividend Yield:** Total earnings distributed in the period (per share) / Share price on the last day of the period



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A free translation from Portuguese into English of Independent auditor's review report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR)

Independent auditor's review report on individual and consolidated interim financial information

To
The Board of Directors, Shareholders and Officers of
Porto Seguro S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Porto Seguro S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, which comprise the balance sheet as of June 30, 2023, and the related statements of income and of comprehensive income for the three month periods then ended, and the statements of changes in equity and of cash flows for the three month period then ended, including the explanatory notes.

The Board responsibility for interim, individual, and consolidated financial information

The Company Management is responsible for the preparation of both individual and consolidated interim financial information in accordance with NBC TG 21 Interim Financial Reporting and International Accounting Standard IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in a manner consistent with the regulations issued by the Securities and Exchange Commission applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Information Performed by the Entity Auditor and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on Individual Interim Information

Based on our review, we are not aware of any fact that leads us to believe that the individual interim accounting information included in the above-mentioned quarterly information has not been prepared, in all material respects, in accordance with the applicable Brazilian Accounting Standards (NBC TG 21) for the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Securities and Exchange Commission.

Conclusion on Consolidated Interim Information

Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim accounting information included in the above-mentioned quarterly information has not been prepared, in all material respects, in accordance with both NBC TG 21 and IAS 34 applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the Securities and Exchange Commission.

Emphasis - Restatement of Interim Financial Information

We draw attention to explanatory note 3.1, the interim financial information as of June 30, 2023, which has been amended and is being restated due to changes in insurance accounting policies resulting from the adoption of CPC 50/IFRS 17 – Insurance Contracts, considering CVM guidelines. On August 9, 2023, we issued an unchanged review report on these interim financial statements, which are now being restated. Our conclusion remains unchanged, as these interim financial statements and their corresponding values for the previous period have been adjusted retrospectively.

Other Matters

Audit of Corresponding Values


The balances presented in the statement of changes in equity for the year ended December 31, 2021, were audited by another independent auditor who issued an unmodified report dated February 4, 2022.

Statement of Value Added

The above quarterly information includes the Statements of Value Added (SVA), both individual and consolidated, for the six-month period ended on June 30, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements underwent review procedures conducted in conjunction with the review of the quarterly information, aiming to ascertain whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content comply with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, we are not aware of any fact that leads us to believe that these value added statements were not prepared, in all material respects, in accordance with the criteria defined in that Standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, February 26, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O


Patrícia Paula da Silva Paz
Contadora CRC SP-198827/O

PORTO SEGURO S.A. and Subsidiaries
Balance sheet at June 30, 2023
(In thousands of reais)



ASSETS	Note	Parent Company			Consolidated			LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent Company			Consolidated		
		Restated			Restated					Restated			Restated		
		June 2023	December 2022	January 01, 2022	June 2023	December 2022	January 01, 2022			June 2023	December 2022	January 01, 2022	June 2023	December 2022	January 01, 2022
Current assets		818.122	758.995	1.052.927	24.508.632	22.715.782	19.490.745	Current liabilities		462.102	703.125	420.156	21.167.726	20.263.291	17.437.642
Cash and cash equivalents	8	56.697	51.146	60.496	1.088.393	2.433.908	1.400.834	Insurance contract liabilities	21	-	-	-	5.580.163	4.775.837	4.019.274
Financial assets								Reinsurance contract liabilities	21	-	-	-	4.141	1.348	1.036
Interest earning bank deposits valued at fair value through profit or loss	9.1.1	686.029	577.975	872.100	10.102.208	7.106.745	7.245.968	Financial liabilities	22	77.614	426.850	38.088	13.402.569	13.581.379	11.658.869
Interest earning bank deposits at fair value through other comprehensive income	9.1.2	-	-	-	-	253.334	-	Taxes and contributions payable	11.2	43.509	620	1.001	316.166	299.650	333.724
Interest earning bank deposits measured at amortized cost	9.2	-	19.377	-	-	264.719	-	Dividends and interest on capital payable	36	337.880	262.337	357.970	337.880	262.337	357.970
Loans and receivables (at amortized cost)	10	-	-	-	10.983.727	10.590.630	9.382.483	Derivative financial instruments	13	-	-	-	30.200	1.443	-
Reinsurance contract assets	21	-	-	-	49.181	126.528	132.242	Lease liabilities	24	-	-	-	20.272	16.016	12.894
Accounts receivable from rendering of services					532.615	474.720	80.400	Other liabilities	25	3.099	13.318	23.097	1.476.335	1.325.281	1.053.875
Recoverable taxes and contributions	11.1	68.832	61.161	49.495	209.178	249.475	218.243	Non-current liabilities		790.472	798.991	461.354	8.818.236	9.072.689	8.015.310
Goods for sale	12	-	-	-	364.436	256.468	208.844	Insurance contract liabilities	21	-	-	-	4.718.821	5.175.079	5.222.525
Deferred acquisition costs					218.167	181.094	206.964	Reinsurance contract liabilities	21	-	-	-	-	-	-
Derivative financial instruments	13	141	60	709	6.077	60	18.022	Financial liabilities	22	2.083	14.583	39.583	1.366.484	1.356.179	755.193
Other assets	14	6.423	49.276	70.127	954.650	778.101	596.745	Deferred income tax and social contribution	11.3.2	265.828	263.740	276.797	481.427	366.675	330.928
Non-current assets		11.801.743	11.263.581	9.068.974	16.931.376	17.198.608	15.202.767	Taxes and contributions payable	11.2	-	-	-	74	74	-
Non-current receivables								Lease liabilities	24	-	-	-	131.694	132.921	118.814
Financial assets								Legal provisions	23.1	158.887	153.894	144.974	1.462.111	1.398.286	1.396.597
Interest earning bank deposits at fair value through profit or loss	9.1.1	-	-	-	2.217	2.040	1.808	Other liabilities	25	363.674	366.774	-	657.625	643.475	191.253
Interest earning bank deposits at fair value through other comprehensive income	9.1.2	-	-	-	3.239.213	3.013.896	3.718.693	Shareholders' equity		11.367.291	10.520.460	9.240.391	11.454.046	10.578.410	9.240.560
Interest earning bank deposits measured at amortized cost	9.2	27.326	64.275	168.770	2.493.675	2.995.055	2.352.016	Capital	26.a	8.500.000	8.500.000	8.500.000	8.500.000	8.500.000	8.500.000
Loans and receivables (at amortized cost)	10	-	-	-	1.104.996	1.167.741	1.142.828	Revenue reserves:		1.500.694	1.469.980	686.309	1.500.694	1.469.980	686.309
Reinsurance contract assets	21	-	-	-	22.822	11.038	11.408	(-) Treasury shares	26.b	(123.192)	(199.017)	(205.493)	(123.192)	(199.017)	(205.493)
Deferred income tax and social contribution	11.3.1	-	-	-	1.501.209	1.366.618	1.038.069	Revenue reserves – other		1.623.886	1.668.997	891.802	1.623.886	1.668.997	891.802
Recoverable taxes and contributions	11.1	-	-	-	2.138	2.316	2.295	Capital reserves		808.332	634.122	-	808.332	634.122	-
Deferred acquisition costs					444.325	364.334	6.957	Additional dividends proposed	26.c	-	112.817	261.729	-	112.817	261.729
Judicial deposits	15	158.907	153.913	145.041	1.578.831	1.536.160	1.541.862	Other comprehensive income		(82.287)	(196.459)	(207.647)	(82.287)	(196.459)	(207.647)
Other assets	14	24.464	39	46	107.921	131.015	34.095	Retained earnings		640.552	-	-	640.552	-	-
Investments								Non-controlling interest		-	-	-	86.755	57.950	169
Interest in subsidiaries	16.1	11.143.304	10.593.108	8.667.701	-	-	-	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12.619.865	12.022.576	10.121.901	41.440.008	39.914.390	34.693.512
Interest in associated companies and jointly controlled entities	16.2	-	-	-	194.567	201.577	579.447								
Other investments		57.966	60.254	34.982	57.966	60.254	34.982								
Real estate for investments	16.3	381.398	391.418	52.434	315.304	338.079	103.203								
Property, plant and equipment	17.1	574	574	-	1.917.185	2.254.997	2.158.579								
Intangible assets	18.1	7.804	-	-	3.838.588	3.642.873	2.378.685								
Right-of-use assets	19.1	-	-	-	110.419	110.615	97.840								
TOTAL ASSETS		12.619.865	12.022.576	10.121.901	41.440.008	39.914.390	34.693.512								

See the accompanying notes to the quarterly information

Note	Parent Company				Consolidated				
	Restated				Restated				
	2023		2022		2023		2022		
	2 nd quarter	1 st semester	2 nd quarter	1 st semester	2 nd quarter	1 st semester	2 nd quarter	1 st semester	
Revenues									
Insurance revenue	27	-	-	-	-	6.384.388	12.523.309	5.104.445	9.908.683
Revenues from loans	28	-	-	-	-	802.276	1.598.700	714.513	1.378.947
Revenues from rendering of services	29	-	-	-	-	673.675	1.329.412	417.533	768.979
Revenue from special savings bonds		-	-	-	-	18.645	37.854	16.227	31.539
Other operating revenues	30	-	-	-	-	89.255	125.586	88.493	105.307
Equity in net income of subsidiaries	16.1	696.086	1.081.031	224.546	364.515	(5.204)	(7.009)	(7.058)	(19.232)
Total revenues		696.086	1.081.031	224.546	364.515	7.963.035	15.607.852	6.334.153	12.174.223
Expenses									
Insurance expenses	27	-	-	-	-	(4.879.160)	(9.816.526)	(4.339.492)	(8.327.340)
Net expenses with reinsurance/retrocession contracts	27.1	-	-	-	-	(41.996)	(49.278)	7.856	(8.148)
Acquisition costs - other		-	-	-	-	(117.586)	(235.206)	(98.851)	(180.304)
Administrative expenses	31	(8.905)	(12.799)	(5.322)	(8.571)	(1.164.108)	(2.247.119)	(918.794)	(1.767.841)
Tax expenses	32	(22.160)	(21.818)	(5.704)	(5.807)	(266.072)	(463.649)	(162.639)	(317.499)
Costs of services rendered		-	-	-	-	(78.924)	(160.193)	(65.852)	(118.182)
Other operating expenses	33	(28.898)	(32.054)	(5.020)	(8.427)	(804.344)	(1.602.948)	(627.592)	(1.240.807)
Total expenses		(59.963)	(66.671)	(16.046)	(22.805)	(7.352.190)	(14.574.919)	(6.205.364)	(11.960.121)
Operating income before financial result		636.123	1.014.360	208.500	341.710	610.845	1.032.933	128.789	214.102
Financial revenues	34	58.149	65.828	30.091	93.925	592.397	1.125.528	326.167	694.599
Financial expenses	35	(19.334)	(62.495)	(74.910)	(99.428)	(287.270)	(643.900)	(255.858)	(468.092)
		38.815	3.333	(44.819)	(5.503)	305.127	481.628	70.309	226.507
Operating income		674.938	1.017.693	163.681	336.207	915.972	1.514.561	199.098	440.609
Income before income tax and social contribution		674.938	1.017.693	163.681	336.207	915.972	1.514.561	199.098	440.609
Income tax and social contribution	11.4	1.263	724	1.262	2.524	(222.618)	(465.731)	(34.155)	(101.878)
Current		573	2.812	(1.575)	(11.703)	(262.363)	(485.570)	(114.486)	(225.525)
Deferred		690	(2.088)	2.837	14.227	39.745	19.839	80.331	123.647
Net income for the period		676.201	1.018.417	164.943	338.731	693.354	1.048.830	164.943	338.731
Attributable to:									
- Company's shareholders		676.201	1.018.417	164.943	338.731	676.201	1.018.417	164.943	338.731
- Effect of non-controlling shareholders in subsidiaries		-	-	-	-	17.153	30.413	-	-
Earnings per share:									
- Basic	37	1,04505	1,57394	0,25606	0,52586	1,07156	1,62094	0,25606	0,52586
- Diluted	37	1,04505	1,57394	0,25606	0,52586	1,07156	1,62094	0,25606	0,52586

See the accompanying notes to the quarterly information

PORTO SEGURO S.A. and Subsidiaries

Statement of comprehensive income for the period ended June 30, 2023

(In thousands of reais)



	Parent Company				Consolidated			
	Restated				Restated			
	2023		2022		2023		2022	
	2 nd quarter	1 st semester	2 nd quarter	1 st semester	2 nd quarter	1 st semester	2 nd quarter	1 st semester
Net income for the period	676.201	1.018.417	164.943	338.731	693.354	1.048.830	164.943	338.731
Other comprehensive income	57.307	114.172	(17.287)	30.901	57.307	114.172	(17.287)	30.901
Items that will subsequently be reclassified to result for the year:								
Adjustments to securities in subsidiaries	137.140	164.440	(67.452)	(32.227)	137.140	164.440	(67.452)	(32.227)
Tax effects on adjustments of securities in subsidiaries	(54.856)	(65.776)	26.982	12.891	(54.856)	(65.776)	26.982	12.891
Hedge income	(54.202)	(6.793)	-	-	(54.202)	(6.793)	-	-
Tax effects on hedge result	20.147	4.028	-	-	20.147	4.028	-	-
Accumulated translation adjustments in subsidiaries	1.444	25.776	15.466	10.966	1.444	25.776	15.466	10.966
Net financial result from insurance and reinsurance contracts	(1.015)	(9.307)	7.717	40.099	(1.015)	(9.307)	7.717	40.099
Other equity valuation adjustments in subsidiaries	8.649	1.804	-	(828)	8.649	1.804	-	(828)
Total comprehensive income for the period, net of tax effects	733.508	1.132.589	147.656	369.632	750.661	1.163.002	147.656	369.632
Attributable to:								
- Company's shareholders	733.508	1.132.589	147.656	369.632	733.508	1.132.589	147.656	369.632
- Effect of non-controlling shareholders in subsidiaries	-	-	-	-	17.153	30.413	-	-

See the accompanying notes to the quarterly information

PORTO SEGURO S.A. and Subsidiaries
Cash Flow Statements for the period ended June 30, 2023
(In thousands of reais)



	Parent Company		Consolidated	
	June 2023	June 2022	June 2023	June 2022
Net cash from operating activities	52.261	316.485	(276.261)	2.022.808
Cash from operations	35.854	(22.008)	1.899.088	842.412
Net income for the period	1.018.417	338.731	1.048.830	338.731
Depreciation - property, plant and equipment	-	-	67.730	62.870
Amortization	32.055	6.311	123.441	69.091
Equity in net income of subsidiaries	(1.081.031)	(364.515)	7.009	19.232
Asset impairment loss (Reversal of losses)	61.420	13.634	594.985	508.819
Legal provisions	4.993	3.958	77.054	(27.349)
Proceeds from sale of fixed assets	-	(20.127)	(19.961)	(128.982)
Changes in assets and liabilities	35.413	347.304	(1.401.058)	1.660.458
Interest earning bank deposits at fair value through profit or loss	(108.054)	240.297	(2.995.640)	285.010
Interest earning bank deposits - other categories	56.326	88.643	794.116	(435.772)
Insurance and reinsurance contract assets	-	-	64.822	18.885
Loans and receivables	-	-	(908.622)	(799.072)
Reinsurance assets	-	-	-	-
Deferred income tax and social contribution	(59.332)	(27.861)	(21.310)	(139.470)
Recoverable taxes and contributions	(7.671)	(10.709)	40.475	(59.736)
Goods for sale	-	-	(116.313)	(154.666)
Deferred acquisition costs	-	-	(117.064)	(53.818)
Judicial deposits	(4.994)	(3.931)	(42.671)	47.546
Other assets	30.736	(164.276)	(192.444)	39.671
Lease operations	-	-	3.225	2.668
Payment of insurance and supplementary pension liabilities	-	-	-	-
Insurance and reinsurance contract liabilities	-	-	350.861	344.779
Financial liabilities	-	15.940	998.605	2.397.297
Derivative financial instruments	(81)	677	22.740	21.439
Taxes and contributions payable	42.889	9.860	433.400	118.897
Payment of legal provisions	-	-	(13.229)	(12.604)
Other liabilities	85.594	198.664	297.991	39.404
Other	(19.006)	(8.811)	(774.291)	(480.062)
Other comprehensive income	-	-	114.172	(199.763)
Non-controlling interest	-	-	(1.608)	(544)
Income tax and social contribution paid	-	(3.620)	(416.884)	(181.347)
Funding interest paid	(19.006)	(5.191)	(469.971)	(98.408)
Net cash from investment activities	639.028	(317.011)	(29.107)	(565.802)
Sale of property, plant and equipment and intangible assets	-	20.127	489.801	468.522
Acquisition of property, plant and equipment	-	-	(51.574)	(531.992)
Dividends and interest on capital received	648.132	126.497	-	-
Capital increase (decrease) in subsidiaries	(9.104)	(463.635)	-	-
Acquisition of intangible assets	-	-	(467.334)	(502.332)
Net cash from financing activities	(685.738)	2.739	(1.040.147)	(599.470)
Funding	-	350.000	552.359	1.340.162
Payment of loans and leases (except interest)	(342.730)	(3.208)	(1.249.498)	(1.939.632)
Dividends and interest on capital paid	(343.008)	(344.053)	(343.008)	-
Increase/(decrease) in cash and cash equivalents	5.551	2.213	(1.345.515)	857.536
Opening balance of cash and cash equivalents	51.146	60.496	2.433.908	1.400.834
Closing balance of cash and cash equivalents	56.697	62.709	1.088.393	2.258.370

See the accompanying notes to the quarterly information

Note	Revenue reserves				Retained earnings	Additional dividends proposed	Other comprehensive income	Total	Non-controlling shareholders in subsidiaries	Total shareholders' equity
	Capital	Treasury shares	Revenue reserves – other	Capital reserves						
Balance at December 31, 2021	8.500.000	(205.493)	998.888	-	-	261.729	(190.565)	9.364.559	169	9.364.728
Adjustment at first-time adoption of standard IFRS 17 and CPC 23, net of taxes	1.2.1	-	-	(107.086)	-	-	(17.082)	(124.168)	-	(124.168)
Restated balance as of January 1, 2022	8.500.000	(205.493)	891.802	-	-	261.729	(207.647)	9.240.391	169	9.240.560
Approval of additional dividends proposed in the prior year	-	-	-	-	-	(261.729)	-	(261.729)	-	(261.729)
Recognition of share-based payment - parent company/subsidiaries	-	-	9.819	-	-	-	-	9.819	-	9.819
Shares granted - parent company/subsidiaries	-	2.699	(2.699)	-	-	-	-	-	-	-
Adjustments to securities in subsidiaries (comprehensive income)	-	-	-	-	-	-	(19.336)	(19.336)	-	(19.336)
Net financial result from insurance and reinsurance contracts (comprehensive income)	-	-	-	-	-	-	40.099	40.099	-	40.099
Accumulated translation adjustments (comprehensive income)	-	-	-	-	-	-	10.966	10.966	-	10.966
Other equity valuation adjustments in subsidiaries (comprehensive income)	-	-	-	-	-	-	(828)	(828)	-	(828)
Increase in non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	8	8
Net income for the period	-	-	-	-	338.731	-	-	338.731	1	338.732
Balance at June 30, 2022	8.500.000	(202.794)	898.922	-	338.731	-	(176.746)	9.358.113	178	9.358.291
Balance at December 31, 2022	8.500.000	(199.017)	1.668.997	634.122	-	112.817	(196.459)	10.520.460	57.950	10.578.410
Capital transactions with shareholders (i)	-	-	-	174.210	-	-	-	174.210	-	174.210
Approval of additional dividends proposed in the prior year	26c	-	-	-	-	(112.817)	-	(112.817)	-	(112.817)
Recognition of share-based payment - parent company/subsidiaries	26d	-	30.714	-	-	-	-	30.714	-	30.714
Shares granted - parent company/subsidiaries	26d	-	75.825	(75.825)	-	-	-	-	-	-
Adjustments to securities in subsidiaries (comprehensive income)	-	-	-	-	-	-	98.664	98.664	-	98.664
Hedge income	-	-	-	-	-	-	(2.765)	(2.765)	-	(2.765)
Accumulated translation adjustments (comprehensive income)	-	-	-	-	-	-	25.776	25.776	-	25.776
Net financial result from insurance and reinsurance contracts (comprehensive income)	-	-	-	-	-	-	(9.307)	(9.307)	-	(9.307)
Other equity valuation adjustments in subsidiaries (comprehensive income)	-	-	-	-	-	-	1.804	1.804	-	1.804
Decrease in non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	(1.609)	(1.609)
Net income for the period	-	-	-	-	1.018.417	-	-	1.018.417	30.414	1.048.831
Interim interest on capital	-	-	-	-	(377.865)	-	-	(377.865)	-	(377.865)
Balance at June 30, 2023	8.500.000	(123.192)	1.623.886	808.332	640.552	-	(82.287)	11.367.291	86.755	11.454.046

See the accompanying notes to the quarterly information

	Parent Company		Consolidated	
	Restated		Restated	
	June 2023	June 2022	June 2023	June 2022
Revenues	-	-	15.103.327	11.826.808
Result from Insurance contracts	-	-	12.523.309	9.908.683
Revenues from loan operations	-	-	1.598.700	1.378.947
Rendering of services	-	-	1.488.849	971.398
Other	-	-	76.897	51.397
Provision for credit loss	-	-	(584.428)	(483.617)
Operating revenue	-	-	15.103.327	11.826.808
Insurance expenses	-	-	(9.796.580)	(8.232.867)
Inputs acquired from third parties	(4.416)	(4.687)	(2.056.428)	(1.781.807)
Materials, energy and others	(2.663)	(1.653)	(1.100.936)	(773.260)
Costs of products and services (rendered/sold)	-	-	(160.193)	(255.846)
Outsourced services and commissions	(1.753)	(916)	(878.188)	(831.471)
(Loss)/Recovery of asset values	-	(2.118)	82.889	78.770
Gross added value	(4.416)	(4.687)	3.250.319	1.812.134
Depreciation and amortization	(32.055)	(6.311)	(191.171)	(131.961)
Net added value produced	(36.471)	(10.998)	3.059.148	1.680.173
Added value received/ceded as transfer	1.089.358	362.971	505.513	235.028
Financial result	8.326	(1.544)	512.523	254.260
Equity in net income of subsidiaries	1.081.032	364.515	(7.010)	(19.232)
Total added value payable	1.052.887	351.973	3.564.661	1.915.201
Distribution of added value	1.052.887	351.973	3.564.661	1.915.201
Personnel	7.898	5.448	1.236.594	935.839
Direct remuneration	5.549	4.692	689.249	605.668
Benefits	2.349	756	498.722	287.875
SEVERANCE PAY FUND (FGTS)	-	-	48.623	42.296
Taxes, duties and contributions	21.579	3.835	1.249.056	614.452
Federal	21.579	3.835	1.189.203	568.157
State	-	-	1.345	1.072
Municipal	-	-	58.508	45.223
Third-party capital remuneration	4.993	3.959	30.181	26.179
Interest	4.993	3.959	30.583	26.468
Rents	-	-	(402)	(289)
Remuneration of own capital	1.018.417	338.731	1.048.830	338.731
Retained earnings for the period	1.018.417	338.731	1.018.417	338.731
Non-controlling interest in retained earnings	-	-	30.413	-

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

1. OPERATIONAL**1.1 CONTEXT**

Porto Seguro S.A. (“Parent Company”) is a publicly-held company headquartered at Alameda Barão de Piracicaba, nº 740 – Bloco B (“Edifício Rosa Garfinkel”) – 11º andar, Campos Elíseos, São Paulo/SP, Brazil, with shares traded on B3’s Novo Mercado, under the acronym PSSA3. Its business purpose is to participate as a shareholder or partner in other companies, Brazilian or foreign (known herein, jointly with Porto S.A. “Porto Seguro”, “Porto Group” or “Company”) which may be engaged in the following activities: from insurance in all segments; of financial institutions, equivalent and administration of consortia; as well as activities related to, associated with or supplementary to the activities described above.

The Company has the following interests in subsidiaries, jointly controlled entity and associated company:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Classification	Consolidation	June 2023		December 2022	
			Direct	Indirect	Interest (%)	
					Direct	Indirect
Porto Cia	Subsidiary	Full	99.99	-	99.99	-
Porto Vida e Previdência	Subsidiary	Full	-	100.00	-	99.97
Porto Seguro Uruguai	Subsidiary	Full	-	100.00	-	100.00
Porto Saúde	Subsidiary	Full	-	100.00	-	99.99
Azul Seguros	Subsidiary	Full	-	100.00	67.86	32.14
Itaú Auto e Residência	Subsidiary	Full	-	100.00	99.99	-
Porto Capitalização	Subsidiary	Full	-	100.00	-	100.00
Porto Consórcio	Subsidiary	Full	-	100.00	-	100.00
Portoseg	Subsidiary	Full	-	100.00	-	100.00
Portopar	Subsidiary	Full	-	100.00	-	100.00
Proteção e Monitoramento	Subsidiary	Full	-	100.00	-	100.00
Renova	Subsidiary	Full	-	100.00	-	100.00
Renova Peças Novas	Subsidiary	Full	-	100.00	-	99.99
Crediporto	Subsidiary	Full	-	100.00	-	100.00
Franco	Subsidiary	Full	-	100.00	-	100.00
Serviços Médicos	Subsidiary	Full	-	100.00	-	100.00
Portomed	Subsidiary	Full	-	100.00	-	100.00
Porto Odonto	Subsidiary	Full	-	100.00	-	100.00
Porto Serviços e Comércio	Subsidiary	Full	99.99	-	99.99	-
Porto Atendimento	Subsidiary	Full	-	100.00	-	99.99
Porto Conecta	Subsidiary	Full	-	100.00	-	100.00
Porto Serviços Uruguai	Subsidiary	Full	-	100.00	-	100.00
Porto Seguro Saúde Ocupacional	Subsidiary	Full	-	100.00	-	99.99
Porto Investimentos	Subsidiary	Full	100.00	-	99.99	-
Mobitech	Subsidiary	Full	-	100.00	-	100.00
Porto Assistência (i)	Subsidiary	Full	-	100.00	-	100.00
Olho Mágico	Subsidiary	Full	-	100.00	-	100.00
Petlove	Associate	Equity in net income of subsidiaries	-	13.33	-	13.50
ConectCar	Shared control	Equity in net income of subsidiaries	-	50.00	-	50.00
Nido	Subsidiary	Full	-	100.00	-	100.00
Porto Assistência Participações	Subsidiary	Full	81.60	-	81.17	-
CDF	Subsidiary	Full	-	100.00	-	100.00
CDF Ltda	Subsidiary	Full	-	100.00	-	100.00
Porto Saúde Participações	Subsidiary	Full	99.99	-	99.99	-
Porto Saúde Serviços	Subsidiary	Full	-	100.00	99.99	-
Porto Saúde Operações	Subsidiary	Full	-	100.00	99.87	-
Porto Seguro Bank	Subsidiary	Full	99.99	-	99.99	-
Porto Serviços Financeiros	Subsidiary	Full	-	100.00	-	100.00
Porto Negócios Financeiros	Subsidiary	Full	-	100.00	99.99	-
Porto Seguros Financeiros	Subsidiary	Full	-	100.00	-	99.99

The characteristics of the companies are presented below:

- (i) Porto Seguro Companhia de Seguros Gerais (“Porto Cia”) operates damage and personal insurance plan.
- (ii) Porto Seguro Vida e Previdência S.A. (“Porto Vida e Previdência”), operates personal insurance and supplementary pension plans under the types of savings and income.
- (iii) Porto Seguro - Seguros del Uruguay S.A. (“Porto Seguro Uruguai”) operates damage and personal insurance plans in Uruguay.

- (iv) Porto Seguro - Seguro Saúde S.A. (“Porto Saúde”) operates health insurance.
- (v) Azul Companhia de Seguros Gerais (“Azul Seguros”) operates damage and personal insurance plan.
- (vi) Itaú Seguros de Auto e Residência S.A. (“Itaú Auto e Residência”) operates damage insurance.
- (vii) Porto Seguro Capitalização S.A. (“Porto Capitalização”) manages and trades special savings bonds.
- (viii) Porto Seguro Administradora de Consórcios Ltda. (“Porto Consórcio”) manages groups of consortium for acquisition of chattels and properties.
- (ix) Portoseg S.A. - Crédito, Financiamento e Investimento (“Portoseg”) grants loans and financing for consumption and working capital, and also operates credit cards.
- (x) Portopar Distribuidora de Títulos e Valores Mobiliários Ltda. (“Portopar”) operates in the distribution of investment fund quotas.
- (xi) Porto Seguro Proteção e Monitoramento Ltda. (“Proteção e Monitoramento”) provides services related to protection and electronic monitoring.
- (xii) Porto Seguro Renova – Serviços e Comércio Ltda. (“Renova”) trades and distributes auto parts.
- (xiii) Porto Seguro Renova Serviços e Comércio de Peças Novas Ltda. (“Renova Peças Novas”) trades and distributes new auto parts.
- (xiv) Crediporto Promotora de Serviços Ltda. (“Crediporto”) provides services to obtain credits and financing for consumption.
- (xv) Franco Corretagem de Seguros Ltda. (“Franco”) provides technical insurance brokerage services.
- (xvi) Porto Seguro Serviços Médicos Ltda. (“Serviços Médicos”) provides administrative advisory services to physicians and health care providers.
- (xvii) Portomed - Porto Seguro Serviços de Saúde Ltda. (“Portomed”) operates private health care plans.
- (xviii) Porto Seguro Serviços Odontológicos Ltda. (“Porto Odonto”) will operate private dental care plans.
- (xix) Porto Seguro Serviços e Comércio S.A. (“Porto Serviços e Comércio”), provides services related, supplementary or correlated to insurance activity.
- (xx) Porto Seguro Atendimento Ltda. (“Porto Atendimento”) provides telemarketing and call center services in general.
- (xxi) Porto Seguro Telecomunicações Ltda. (“Porto Conecta”) provides telecommunications services.
- (xxii) Porto Servicios S.A. (“Porto Serviços Uruguai”) provides services related, supplementary or

correlated to insurance activity in Uruguay.

- (xxiii) Porto Seguro Saúde Ocupacional e Segurança do Trabalho Ltda. (“Porto Seguro Saúde Ocupacional”) provides consulting and advisory services in occupational health, labor security, ergonomics and outpatient medical services.
- (xxiv) Porto Seguro Investimentos Ltda. (“Porto Asset Management”) manages securities portfolios, investment funds and other third party funds.
- (xxv) Mobitech Locadora de Veículos S.A. (“Mobitech”) whose activities are vehicle subscription models, cargo management for companies, among other vehicle rental modalities.
- (xxvi) Porto Seguro Assistência e Serviços S.A. (“Porto Assistência”) provides 24-hour assistance, vehicle maintenance and repair services.
- (xxvii) OM Soluções Imobiliárias Ltda. (“Olho Mágico”) is a rental property listing platform, created to simplify and transform the leasing process, making it 100% digital, simple, agile, and secure, with Porto Seguro’s real estate partners.
- (xxviii) PetLove Cayman Ltd. (“Petlove”) is engaged in the retail trade of live animals and pet articles and food.
- (xxix) ConectCar Soluções de Mobilidade Eletrônica S.A. (“ConectCar”) operates by electronic payment means operating in the opening of toll gates and parking lots.
- (xxx) Porto Assistência Participações S.A. (“Porto Assistência Participações”) is engaged in holding interests, as well as purchasing and selling equity interests in companies and entities that carry out activities in the regulated and non-regulated insurance market in Brazil and abroad.
- (xxxi) Nido Tecnologia Ltda (“Nido”) is engaged in the development of technological solutions (“software”) for the real estate industry.
- (xxxii) CDF Assistência e Suporte Digital S.A. (“CDF”) is a service platform that offers solutions to end consumers through partnerships with retailers, telecom, utilities and insurers.
- (xxxiii) Assistências Ltda. (“CDF Ltda.”), fully controlled by CDF. It is engaged in providing 24-hour assistance services to its consumers, in the Auto, Travel, Health, Concierge and Home lines, being a strategic acquisition opportunity.
- (xxxiv) Porto Saúde Participações S.A. (“Porto Saúde Participações”) a holding company of the healthcare vertical of Group companies regulated and not regulated by the National Regulatory Agency for Private Health Insurance and Plans (ANS).
- (xxxv) Porto Saúde Serviços S.A. (“Porto Saúde Serviços”), a sub-holding company of the healthcare vertical, parent company, of the Group’s companies that are not regulated in the health market.

- (xxxvi) Porto Saúde Operações S.A. (“Porto Saúde Operações”), a sub-holding company of the healthcare vertical, parent company of the Group’s companies regulated by the National Regulatory Agency for Private Health Insurance and Plans (ANS).
- (xxxvii) Porto Bank S.A. (“Porto Bank”), a holding company of the financial vertical, of Group companies regulated and not regulated by the Central Bank of Brazil (BACEN).
- (xxxviii) Porto Serviços Financeiros S.A. (“Porto Serviços Financeiros”), sub-holding of the financial vertical of Group’s companies not regulated in the financial market.
- (xxxix) Porto Negócios Financeiros S.A. (“Porto Negócios Financeiros”), a sub-holding company of the financial vertical of the Group’s companies regulated by BACEN.

- (xl) Porto Seguro Financeiros S.A. (“Porto Seguro Financeiros”), a sub-holding company of the financial vertical of Porto Bank business.

1.2 RELEVANT EVENTS IN THE PERIOD

1.2.1 ADOPTION OF STANDARD IFRS 17 / CPC 50 – INSURANCE CONTRACTS

Disclosed in May 2017, the standard IFRS 17 – Insurance Contracts establishes the principles for recognition, measurement, presentation and disclosure of the insurance agreements. This standard introduced a series of new measurement and disclosure requirements and replaces IFRS 4/CPC 11 - Insurance Contracts. In May 2021, the CPC adopted this standard through CPC 50 – Insurance Contracts.

As of January 1, 2023, the Company started to adopt the IFRS 17 that brought change in Company’s accounting practices. As provided for in CPC 23 - Accounting Policies, Changes in Estimates and Errors, such changes in practices require retrospective application in order to adjust previous years, presented for comparison purposes with the current year, if adjusted from the beginning of the oldest year presented, with the adjustment being recorded in Revenue reserves, reflected in the Parent Company’s investment.

In addition to the transition balances, there were adjustments relating to: the Initial Contracting Cost (CIC), since the balances of acquisition costs are already reflected in the Estimated Cash Flows in accordance with standard CPC 50 – Insurance Contracts, to avoid accounting duplication and, the presentation of balances of share in the DPVAT Agreement, previously presented gross in Financial investments valued at fair value through profit or loss against Other Technical Provisions generating zero equity effect, in proportion to its shareholding. These adjustments were made in this transition, in accordance with CPC 23, due to the change in accounting policy, and the balances adjusted in the transition on December 31, 2021 are shown below:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

TRANSITION ON DECEMBER 31, 2021

Shareholders' equity on December 31, 2021	<u>9,364,728</u>
Operating Profit	150,662
Recognition of "Other Comprehensive Income" - OCI	(28,534)
Income tax and social contribution (*)	(48,146)
Total adjustment on initial application of IFRS 17	<u>73,982</u>
Write-off in Initial contracting cost - CIC	(330,250)
Income tax and social contribution (*)	132,100
Total CIC write-off adjustment	<u>(198,150)</u>
Shareholders' equity after initial application of IFRS 17 and CIC	<u><u>9,240,560</u></u>

(*) Tax rates used of 25% for Income Tax - IR, 15% for Social Contribution - CS (for Portomed 9% for CS) and 25% for Porto Uruguai.

The subsidiaries Porto Cia, Porto Vida e Previdência, Porto Seguro Uruguai, Porto Saúde, Portomed, Azul Seguros and Itaú Auto e Residência, for Consolidation purposes only, made reclassifications in the Balance Sheet, Income Statement, Statement of Other Comprehensive Income, Cash Flow Statement and Value Added Statement for December 31, 2021 and December 31, 2022, originally published on February 7, 2022 and February 9, 2023, respectively. The reclassifications of the Balance Sheet and Income Statement are shown below:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

BALANCE SHEET

	Consolidated								
	Published in June 2023	Adjustments	Restated in June 2023	Published in December 2022	Adjustments	Restated in December 2022	Published in December 2021	Adjustments	Adjusted on January 01, 2022
Current assets	35,091,571	(10,582,939)	24,508,632	32,819,780	(10,103,998)	22,715,782	27,311,577	(7,820,832)	19,490,745
Cash and cash equivalents	1,088,393	-	1,088,393	2,433,908	-	2,433,908	1,400,834	-	1,400,834
Financial assets									
Interest earning bank deposits valued at fair value through profit or loss	(g) 10,228,944	(126,736)	10,102,208	7,256,889	(150,144)	7,106,745	7,477,041	(231,073)	7,245,968
Interest earning bank deposits at fair value through other comprehensive income	-	-	-	253,334	-	253,334	-	-	-
Interest earning bank deposits measured at amortized cost	-	-	-	264,719	-	264,719	-	-	-
Loans and receivables (at amortized cost)	10,983,727	-	10,983,727	10,590,630	-	10,590,630	9,382,483	-	9,382,483
Reinsurance contract assets	(a) -	49,181	49,181	-	126,528	126,528	-	132,242	132,242
Premiums receivable	(a) 7,582,815	(7,582,815)	-	7,299,599	(7,299,599)	-	5,550,561	(5,550,561)	-
Accounts receivable from rendering of services	-	-	532,615	474,720	-	474,720	80,400	-	80,400
Reinsurance assets	(a) 153,875	(153,875)	-	160,896	(160,896)	-	159,734	(159,734)	-
Recoverable taxes and contributions	209,178	-	209,178	249,475	-	249,475	218,243	-	218,243
Goods for sale	364,436	-	364,436	256,468	-	256,468	208,844	-	208,844
Deferred acquisition costs	(a) 2,769,877	(2,551,710)	218,167	2,648,250	(2,467,156)	181,094	2,218,715	(2,011,751)	206,964
Derivative financial instruments	6,077	-	6,077	60	-	60	18,022	-	18,022
Other assets	(b) 1,171,634	(216,984)	954,650	930,832	(152,731)	778,101	596,700	45	596,745
Non-current assets	17,531,681	(600,305)	16,931,376	17,843,431	(644,823)	17,198,608	15,561,321	(358,554)	15,202,767
Non-current receivables									
Financial assets									
Interest earning bank deposits at fair value through profit or loss	2,217	-	2,217	2,040	-	2,040	1,808	-	1,808
Interest earning bank deposits at fair value through other comprehensive income	3,239,213	-	3,239,213	3,013,896	-	3,013,896	3,718,693	-	3,718,693
Interest earning bank deposits measured at amortized cost	2,493,675	-	2,493,675	2,995,055	-	2,995,055	2,352,016	-	2,352,016
Loans and receivables (at amortized cost)	1,104,996	-	1,104,996	1,167,741	-	1,167,741	1,142,828	-	1,142,828
Premiums receivable from policyholders	(a) 434,475	(434,475)	-	405,924	(405,924)	-	301,708	(301,708)	-
Reinsurance assets	(a) 8,135	(8,135)	-	14,036	(14,036)	-	13,779	(13,779)	-
Reinsurance contract assets	(a) -	22,822	22,822	-	11,038	11,038	-	11,408	11,408
Deferred income tax and social contribution	(c) 1,430,221	70,988	1,501,209	1,372,102	(5,484)	1,366,618	926,965	111,104	1,038,069
Recoverable taxes and contributions	2,138	-	2,138	2,316	-	2,316	2,295	-	2,295
Deferred acquisition costs	(a) 680,906	(236,581)	444,325	580,969	(216,635)	364,334	166,862	(159,905)	6,957
Judicial deposits	1,578,831	-	1,578,831	1,536,160	-	1,536,160	1,541,862	-	1,541,862
Other assets	(b) 122,845	(14,924)	107,921	144,797	(13,782)	131,015	39,769	(5,674)	34,095
Investments									
Interest in associated companies and jointly controlled entities	194,567	-	194,567	201,577	-	201,577	579,447	-	579,447
Other investments	57,966	-	57,966	60,254	-	60,254	34,982	-	34,982
Real estate for investments	315,304	-	315,304	338,079	-	338,079	103,203	-	103,203
Property, plant and equipment	1,917,185	-	1,917,185	2,254,997	-	2,254,997	2,158,579	-	2,158,579
Intangible assets	3,838,588	-	3,838,588	3,642,873	-	3,642,873	2,378,685	-	2,378,685
Right-of-use assets	110,419	-	110,419	110,615	-	110,615	97,840	-	97,840
TOTAL ASSETS	52,623,252	(11,183,244)	41,440,008	50,663,211	(10,748,821)	39,914,390	42,872,898	(8,179,386)	34,693,512

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

Consolidated									
	Published in June 2023	Adjustments	Restated in June 2023	Published in December 2022	Adjustments	Restated in December 2022	Published in December 2021	Adjustments	Adjusted on January 01, 2022
Current liabilities	31,585,113	(10,417,387)	21,167,726	30,255,517	(9,992,226)	20,263,291	24,959,484	(7,521,842)	17,437,642
Liabilities from insurance and supplementary pension contracts	(a) 14,673,493	(14,673,493)	-	13,632,844	(13,632,844)	-	10,670,728	(10,670,728)	-
Debts from insurance and reinsurance operations	(a) 857,897	(857,897)	-	760,235	(760,235)	-	615,783	(615,783)	-
Insurance contract liabilities	(a) -	5,580,163	5,580,163	-	4,775,837	4,775,837	-	4,019,274	4,019,274
Reinsurance contract liabilities	(a) -	4,141	4,141	-	1,348	1,348	-	1,036	1,036
Financial liabilities	13,402,569	-	13,402,569	13,581,379	-	13,581,379	11,658,869	-	11,658,869
Taxes and contributions payable	(d) 756,667	(440,501)	316,166	729,497	(429,847)	299,650	660,563	(326,839)	333,724
Dividends and interest on capital payable	337,880	-	337,880	262,337	-	262,337	357,970	-	357,970
Derivative financial instruments	30,200	-	30,200	1,443	-	1,443	-	-	-
Lease liabilities	20,272	-	20,272	16,016	-	16,016	12,894	-	12,894
Other liabilities	(e) 1,506,135	(29,800)	1,476,335	1,271,766	53,515	1,325,281	982,677	71,198	1,053,875
Non-current liabilities	9,492,200	(673,964)	8,818,236	9,766,637	(693,948)	9,072,689	8,548,686	(533,376)	8,015,310
Liabilities from insurance and supplementary pension contracts	(a) 5,371,108	(5,371,108)	-	5,790,649	(5,790,649)	-	5,758,977	(5,758,977)	-
Insurance contract liabilities	(a) -	4,718,821	4,718,821	-	5,175,079	5,175,079	-	5,222,525	5,222,525
Financial liabilities	1,366,484	-	1,366,484	1,356,179	-	1,356,179	755,193	-	755,193
Deferred income tax and social contribution	(c) 480,085	1,342	481,427	423,830	(57,155)	366,675	312,849	18,079	330,928
Taxes and contributions payable	(d) 27,866	(27,792)	74	26,422	(26,348)	74	20,640	(20,640)	-
Lease liabilities	131,694	-	131,694	132,921	-	132,921	118,814	-	118,814
Legal provisions	1,462,111	-	1,462,111	1,398,286	-	1,398,286	1,396,597	-	1,396,597
Other liabilities	(e) 652,852	4,773	657,625	638,350	5,125	643,475	185,616	5,637	191,253
Shareholders' equity	11,545,939	(91,893)	11,454,046	10,641,057	(62,647)	10,578,410	9,364,728	(124,168)	9,240,560
Capital	8,500,000	-	8,500,000	8,500,000	-	8,500,000	8,500,000	-	8,500,000
Revenue reserves:	1,602,656	(101,962)	1,500,694	1,571,942	(101,962)	1,469,980	793,395	(107,086)	686,309
(-) Treasury shares	(123,192)	-	(123,192)	(199,017)	-	199,017	(205,493)	-	205,493
Revenue reserves – other	(c) 1,725,848	(101,962)	1,623,886	1,770,959	(101,962)	1,668,997	998,888	(107,086)	891,802
Capital reserves	808,332	-	808,332	634,122	-	634,122	-	-	-
Additional dividends proposed	-	-	-	112,817	-	112,817	261,729	-	261,729
Other comprehensive income	(f) (112,295)	30,008	(82,287)	(235,774)	39,315	196,459	(190,565)	(17,082)	207,647
Retained earnings	(a) 660,491	(19,939)	640,552	-	-	-	-	-	-
Non-controlling interest	86,755	-	86,755	57,950	-	57,950	169	-	169
TOTAL LIABILITIES	52,623,252	(11,183,244)	41,440,008	50,663,211	(10,748,821)	39,914,390	42,872,898	(8,179,386)	34,693,512

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

INCOME STATEMENT

		Published in June 2023	Adjustments	Restated in June 2023	Published in June 2022	Adjustments	Consolidated Restated in June 2022
Revenues							
Insurance premiums written and net considerations	(a)	12,243,112	(12,243,112)	-	10,222,312	(10,222,312)	-
(-) Premiums - reinsurance ceded	(a)	(89,961)	89,961	-	(54,931)	54,931	-
(=) Premiums and considerations, net of reinsurance		12,153,151	(12,153,151)	-	10,167,381	(10,167,381)	-
Insurance revenue	(a)	-	12,523,309	12,523,309	-	9,908,683	9,908,683
Revenues from loans		1,598,700	-	1,598,700	1,378,947	-	1,378,947
Revenues from rendering of services		1,329,412	-	1,329,412	906,643	(137,664)	768,979
Pension plan contributions	(a)	68,351	(68,351)	-	70,934	(70,934)	-
Revenue from special savings bonds		37,854	-	37,854	31,539	-	31,539
Other operating revenues	(b)	149,242	(23,656)	125,586	131,425	(26,118)	105,307
Equity in net income of subsidiaries		(7,009)	-	(7,009)	(19,232)	-	(19,232)
Total revenues		15,329,701	278,151	15,607,852	12,667,637	(493,414)	12,174,223
Expenses							
Changes in technical provisions - Insurance	(a)	(417,024)	417,024	-	(1,000,665)	1,000,665	-
Changes in technical provisions - pension	(a)	(42,038)	42,038	-	(61,507)	61,507	-
(=) Total changes in technical provisions		(459,062)	459,062	-	(1,062,172)	1,062,172	-
Retained claims - Gross	(a)	(7,446,645)	7,446,645	-	(6,503,608)	6,503,608	-
(-) Recoveries of reinsurers	(a)	30,294	(30,294)	-	36,495	(36,495)	-
(-) Recovery of salvage and reimbursements	(a)	709,001	(709,001)	-	775,285	(775,285)	-
Private pension plan benefits	(a)	(1,753)	1,753	-	(619)	619	-
(=) Expenses with claims and benefits, net		(6,709,103)	6,709,103	-	(5,692,447)	5,692,447	-
Acquisition cost - insurance	(a)	(2,341,001)	2,341,001	-	(1,967,424)	1,967,424	-
Insurance expenses	(a)	-	(9,816,526)	(9,816,526)	-	(8,327,340)	(8,327,340)
Net expenses with reinsurance/retrocession contracts	(a)	-	(49,278)	(49,278)	-	(8,148)	(8,148)
Acquisition costs - other	(a)	(237,800)	2,594	(235,206)	(183,005)	2,701	(180,304)
Administrative expenses	(a)	(2,238,081)	(9,038)	(2,247,119)	(1,751,226)	(16,615)	(1,767,841)
Tax expenses		(463,649)	-	(463,649)	(317,499)	-	(317,499)
Costs of services rendered		(160,193)	-	(160,193)	(255,846)	137,664	(118,182)
Other operating expenses	(e)	(1,620,680)	17,732	(1,602,948)	(1,279,617)	38,810	(1,240,807)
Total expenses		(14,229,569)	(345,350)	(14,574,919)	(12,509,236)	549,115	(11,960,121)
Operating income before financial result		1,100,132	(67,199)	1,032,933	158,401	55,701	214,102
Financial revenues		1,105,386	20,142	1,125,528	936,361	(241,762)	694,599
Financial expenses		(658,757)	14,857	(643,900)	(697,601)	229,509	(468,092)
	(h)	446,629	34,999	481,628	238,760	(12,253)	226,507
Operating income		1,546,761	(32,200)	1,514,561	397,161	43,448	440,609
Income before income tax and social contribution		1,546,761	(32,200)	1,514,561	397,161	43,448	440,609
Income tax and social contribution		(477,992)	12,261	(465,731)	(90,601)	(11,277)	(101,878)
Current	(c)	(479,856)	(5,714)	(485,570)	(239,741)	14,216	(225,525)
Deferred	(c)	1,864	17,975	19,839	149,140	(25,493)	123,647
Net income for the period		1,068,769	(19,939)	1,048,830	306,560	32,171	338,731

(a) Changes between IFRS 4/CPC 11 and IFRS 17/CPC 50, whose accounting policies based on this standard are described in note 3.1. The remaining balance under "Deferred acquisition costs" in Assets refers to the other subsidiaries which are outside the scope of IFRS 17 and are presented in note 13.

(b) The other assets and other operating income lines were substantially impacted by the balances of reimbursements from insurance contracts, other private pension income and amounts from pre-established contracts that are not within the scope of IFRS 17.

(c) It refers to the update of deferred taxes related to the impacts of the adoption of IFRS 17.

(d) It refers to the reclassification of IOF on premiums receivable from insurance contracts.

(e) The other liabilities and other operating expenses lines were substantially impacted by the remission balances at Porto Saúde and the Provision for Insufficient Consideration at Portomed, as well as the reclassification of the Loan Loss Provision, which is part of the cash flows from the fulfillment of insurance contracts.

(f) It refers to the balances of other comprehensive income arising from the financial result of the cash flows from the fulfillment of insurance contracts.

(g) It refers to the balances of the DPVAT Agreement, previously presented gross in Financial investments valued at fair value through profit or loss against Other Technical Provisions, generating a nil equity effect, in proportion to its shareholding.

(h) It refers to the balances of interest and monetary restatement arising from the cash flows from the fulfillment of insurance contracts.

2. PREPARATION AND PRESENTATION OF QUARTERLY INFORMATION

2.1 PREPARATION BASIS

The Company's individual and consolidated quarterly information was prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncements Committee (CPC), equivalent to the international accounting standard IAS 34, issued by the International Accounting Standards Board (IASB) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

Following Board Meeting 17 of the Brazilian Securities and Exchange Commission (CVM), which took place on May 9, 2023, under process 19957.015087/2022-62, the Company adhered to the option of disclosing the 2023 Quarterly Information (ITRs) in accordance with CPC 11 - Insurance Contracts and the simultaneous filing of the restated versions of the ITRs on the same date as the Financial Statements for the 2023 fiscal year. The notes not affected by CPC 50 - Insurance Contracts remain unchanged from their original form, including the subsequent events previously reported.

According to IAS 34/CPC 21 and Circular Letter CVM/SNC/SEP 003/2011, this quarterly information is presented in line with the concept of selected notes without the repetition of certain previously disclosed notes, but with an indication of the changes that occurred in the period and, therefore, must be read together with the annual financial information for the year ended December 31, 2022, disclosed to the CVM on February 9, 2023. These notes are listed below:

Note number on the SFS	Security	Page in the SFS (*)
5	Risk of: credit, liquidity, operational and social, environmental and climate	86-89 / 95-96
6	Capital management: detailed requirements and sensitivity analysis	96-98
12.3.2	Realization estimates	108
18.1.1	Summarized financial information of subsidiaries	115
21.3	Measurement of recovery of goodwill and intangible assets with indefinite useful lives	120
26.1(a)	Probable legal provisions – description of tax lawsuits	128-129
29(b) (c)	Reserves of: capital and earnings	133
42	Employee benefits - Consolidated	141-142

In addition, the quarterly information prepared from 2023 onwards is being disclosed in accordance with IFRS 17/CPC 50. Related changes in the accounting policies are described in Note 3.1.

All relevant information specific to the quarterly information, and only such information, is being evidenced, and corresponds to the information used by Company's Management. Thus, this financial information adequately presents the financial position, performance and cash flows.

These financial statements and the annual financial statements were approved by the Board of Directors of the Company on February 22, 2024.

2.2 CONTINUITY

The Company does not foresee medium and long-term scenarios for business continuity risks (except for Porto Conecta operation, which is under the operational closure process of its activities) for the following reasons: (i) it operates in markets expanding in the country, mainly in the insurance market, whose share in Brazilian GDP is very likely to increase in comparison with foreign standards; (ii) it invests in technologies and processes to provide its transactions with sustainable growth; (iii) seeks diversification of products, markets and regions, expanding its operations; and (iv) it has consistent past economic-financial results and a robust equity condition.

2.3 VALUE ADDED STATEMENT - VAS

The purpose of this statement to evidence the wealth created by the Company and its distribution during a certain year and is presented as part of its individual quarterly information (Parent Company) and as supplemental information to the consolidated quarterly information, as it is not a statement provided by IFRS. The VAS was prepared in accordance with the provisions of CPC 09 - "Value Added Statement".

2.4 CONTROL AND CONSOLIDATION

(a) SUBSIDIARIES

Subsidiary is the company in which the Parent Company, directly or through other subsidiaries, holds rights of partners or shareholders which entitle them to the power and ability to control the relevant activities of the companies, also affecting their returns on them, and when there is the right to variable returns of the companies.

The accounting policies of the subsidiaries were harmonized, when necessary, for consolidation purposes, aiming to eliminate the effect of the adoption of non-uniform practices among the companies and the correction of some practices provided for by the regulatory bodies and considered in disagreement with the international accounting practices by the Management.

The consolidation process includes the following eliminations: (i) the equity interest held between them; (ii) of the balances of checking accounts and other assets and/or liabilities, maintained among them; and (iii) of balances of revenues and expenses from operations conducted between them – when applicable. As a result, the amount for non-controlling interest of these subsidiaries in consolidated financial information.

The subsidiaries are consolidated as of the date in which the control is transferred and are no longer consolidated as of the date in which this control ceases to exist.

(b) ASSOCIATED COMPANY AND JOINTLY CONTROLLED SUBSIDIARY

Associated companies are all entities on which the Company has significant influence, but not the control, usually through ownership interest from 20% to 50% of voting rights.

Jointly controlled subsidiaries are all entities over which the Company has shared control with one or more parties. Investments in joint agreements are classified as joint ventures depending on the contractual rights and obligations of each investor.

(c) BUSINESS COMBINATION

Business combinations are accounted for under the acquisition method. Acquisition cost is measured by the sum of transferred consideration, which is evaluated based on fair value on acquisition date. Costs directly attributable to the acquisition are accounted for as expense when incurred. When acquiring a business, the Company evaluates financial assets and liabilities assumed at the fair value with the purpose of classifying and allocating them according to contractual covenants, economic circumstances and pertinent conditions on the acquisition date. Any contingent payments to be transferred by the buyer will be recognized at fair value on the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability should be recognized in accordance with IFRS 9/CPC 48 - Financial instruments in the income statement.

Initially, goodwill is initially measured as being the excess of consideration transferred in relation to net assets acquired (acquired identifiable assets, net and assumed liabilities).

After initial recognition, the goodwill is carried at cost less any accumulated loss for the impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating units of the Company that are expected to benefit by the synergies of combination, regardless of other assets or liabilities of the acquiree being allocated to those units.

When the goodwill is part of a cash generating unit (CGU) and a portion of this unit is disposed of, the goodwill associated with the disposed portion should be included in the cost of the operation when calculating gains or losses on disposal. The goodwill disposed under these circumstances of this operation is determined based on the proportional values of the portion disposed of, in relation to the cash generating unit maintained.

2.5 DISCLOSURE OF INFORMATION BY SEGMENT

The operating segment reporting was grouped and disclosed in a consistent manner with the internal report provided to Executive Board, which is the main operating decision makers, allocation of funds and responsible for performance evaluation of the operating segments and also, Porto Seguro's strategic decision making. The details and disclosures of segments are presented in note 7.

2.6 FUNCTIONAL AND PRESENTATION CURRENCY

The Company's quarterly information is being presented in thousands of Reais, which is its functional currency and the most observed in the main economic environment in which every Porto Seguro's company operates.

(a) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions denominated in foreign currency are converted into Company's functional currency by using exchange rates prevailing on the transaction dates. Gains or losses on conversion of balances resulting from the settlement of these transactions are recognized in the result for the year, except when recognized in shareholders' equity as result of items of operation characterized as investment abroad.

The result and balance sheet assets of Porto Seguro Uruguai and Porto Serviços Uruguai (whose functional currency is the Uruguayan peso) are converted to the currency of presentation of the Company as follows: (i) assets and liabilities – at the exchange rate on the balance sheet date or at historical rate, according to the characteristic of the item; (ii) revenues and expenses – at the average exchange rate of the year (except when the average does not correspond to a reasonable approximation for this purpose); and (iii) all translation differences are recorded as a separate component in the shareholders' equity.

3. SIGNIFICANT ACCOUNTING POLICIES

The relevant accounting policies used in the preparation of the financial information are shown below. These policies were adopted on consistent basis for all the comparative years presented.

3.1 NEW ACCOUNTING POLICIES AND JUDGMENTS - IFRS 17

This standard brought significant changes to the accounting of insurance and reinsurance contracts. As a result, the transition of balances between IFRS 4 and IFRS 17 was adjusted so that the impact can be understood by the user of the company's financial statements. The new policies related to this standard are listed below:

3.1.1 INSURANCE AND REINSURANCE CONTRACTS

(a) CLASSIFICATION

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to the underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be acquired by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to insurance and reinsurance contracts include contracts issued, initiated or acquired by the group, unless otherwise indicated.

In addition, contracts can be classified as direct participation contracts or contracts without direct participation characteristics. Direct participation contracts are contracts for which the contractual terms specify that the policyholder participates in a portion of a clearly identified item in a set of underlying items, thus the Company expects to pay the policyholder an amount equal to a substantial portion of the fair value returns of the underlying items, as well as a substantial proportion of any change in the amounts to be paid to the policyholder, which varies with the change in the fair value of the underlying items, according to IFRS 9/CPC 48.

Investment agreements are those that do not transfer material insurance risk. The special savings bonds issued by the Company are classified as investment agreements and accounted for as financial instruments according to IFRS 9/CPC 48.

(b) SEPARATION OF THE COMPONENTS OF INSURANCE AND REINSURANCE CONTRACTS

The Company has evaluated the separation of the following components of an insurance or reinsurance contract: embedded derivatives, components of separate investments (which are not related to the provision of services related to insurance risk and which can be marketed separately) or components of goods or services within an insurance contract (defined as any good or service that is separate or unrelated to insurance). Currently, the Company does not have any goods, services, investment components or combinations of insurance contracts for which the accounting of a separate component under another standard is necessary, considering the separation tests and approaches that consider the use of materiality of these components in relation to the representativeness of the Company's existing products.

(c) AGGREGATION AND RECOGNITION OF INSURANCE AND REINSURANCE CONTRACT

INSURANCE CONTRACT

The Company groups and measures insurance contracts in which the groups are made up of contracts subject to similar risks and managed jointly and divides each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort subdivided into three groups which are separated according to their initial recognition, forming groups where there are: (i) onerous contracts at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and (iii) the remaining contracts in the annual cohort.

An insurance contract issued by the group is recognized from the start of its coverage period, when the policyholder's first payment is due or, if there is no contractual due date, when it is received from the policyholder; and when facts and circumstances indicate that the contract is onerous.

We highlight the insurance reporting segments by company where:

Porto Cia	
PAA	BBA
Automobile Insurance Personal insurance and supplementary pension Other lines	Other lines
Porto Vida e Previdência	
BBA	VFA
Traditional and Risks	Pension - PG/VG
Azul Seguros	Itaú Auto e Residência
PAA	PAA
Automobile Insurance Other lines	Automobile Insurance Other lines
Porto Saúde	Portomed
PAA	PAA
Health care	Health care
Porto Seguro Uruguai	
PAA	
Other lines	

- BBA = Building Block Approach
- PAA = Premium Allocation Approach
- VFA = Variable Fee Approach

REINSURANCE CONTRACT

For groups of reinsurance contracts, the Company recognizes the group/portfolio in the proportional coverage, if the reinsurance contracts held provide proportionate coverage at the beginning of the coverage period of the group of reinsurance contracts held or at the initial recognition of any underlying contract, whichever is the later or in the non-proportional coverage and from the beginning of the coverage period of the group of reinsurance contracts held. However, if the group of reinsurance contracts recognizes an onerous group of underlying insurance contracts at an earlier date and the related reinsurance contract was entered into prior to that earlier date, the group of reinsurance contracts will be recognized at that earlier date, being applicable to excess of loss and stop loss reinsurance contracts.

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

We highlight the reinsurance reporting segments by company where:

Porto Cia	Itaú Auto e Residência	Porto Vida e Previdência
PAA	PAA	PAA
Other lines	Automobile Insurance	Pension - PG/VG

(d) CASH FLOWS FROM ACQUISITION OF INSURANCE

The Company allocates its insurance acquisition cash flows to groups of insurance contracts using consistent methods.

If insurance acquisition cash flows are directly attributable to a group of contracts (for example, non-refundable commissions paid on the issue of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts. The renewal allocations apply only to non-life contracts, certain fixed-term insurance contracts and health insurance contracts with a coverage period of one year. The group expects to recover part of the cash flows from the acquisition of related insurance through renewals of these contracts. The allocation for renewals is based on how the group expects to recover these cash flows.

The Company presents the cash flows from the acquisition of insurance directly attributable to a portfolio, but not to a group of contracts, being allocated to the portfolio groups using a systematic and rational method. Recognizing as an asset when the cash flows from the acquisition of insurance arise before the recognition of the groups.

The Company reviews the amounts allocated to the groups to reflect any changes in the assumptions that determine the inputs to the allocation method used.

RECOVERABILITY ASSESSMENT

The Company assesses the recoverability of the cash flows from the acquisition of an asset, if there are facts and circumstances that indicate it, recognizing an impairment loss in profit or loss so that the book value of the asset does not exceed the net cash inflow expected for the related group. If this asset is related to future renewals, it recognizes an impairment loss in profit or loss to the extent that it expects these insurance acquisition cash flows to exceed the net cash inflow for the expected renewals. If this excess has not yet been recognized as an impairment loss, the Company reverses any impairment losses in the income statement and increases the book value of the asset to the extent that the impairment conditions have improved.

(e) LIMITS OF INSURANCE AND REINSURANCE CONTRACT

The Company evaluates the insurance segment, in which the cash flows are within the limits of the contract if they arise from substantive rights and obligations that exist during the period, in which the Company can oblige the insured to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services), which includes the practical ability to

reassess risks, prices or benefits individually or at the level of portfolios that reflect the risks assumed. The revaluation of risks only considers the risks transferred from the insured to the group, which can include both insurance and financial risks, but excludes lapse and expense risks.

For the reinsurance segment, the Company assesses whether the cash flows are within the limits of the contract if they arise from substantive rights and obligations that exist during the period in which the group is obliged to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer, having the practical ability to reassess the risks, prices and benefits, which it receives and has the right to terminate the coverage. The contract limit is reassessed at each reporting date to include the effect of changes in circumstances on the group's substantive rights and obligations and can therefore change over time.

(f) MEASUREMENT

PRESENTATION

The portfolios of receivable and payable insurance contracts and the portfolios of receivable and payable reinsurance contracts are presented separately in the balance sheet. Any assets or liabilities recognized by cash flows arising prior to recognition of the group of related contracts are included in the book value of the related contract portfolios. The Company disaggregates the amounts recognized in the income statement and other comprehensive income (OCI), comprising insurance financial revenues or expenses.

In its reinsurance contracts, the Company presents expenses and revenues separately from revenues and expenses from insurance contracts. Revenues and expenses from reinsurance contracts, other than insurance financial revenues or expenses, are presented at net value as net expenses from reinsurance contracts in the income from insurance services.

MODIFICATIONS AND WRITE-OFF

The Company must write off insurance contracts when the rights and obligations relating to the contract are extinguished (i.e. waived, canceled or expired) or the contract is modified in a way that results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the limit of the contract or requires the modified contract to be included in a different group. In such cases, the Company recognizes the modified contract as a new contract. When a modification is not treated as a write-off, the Company recognizes the amounts paid or received for the modification to the contract as an adjustment to the relevant liability for LRC.

LOSS COMPONENTS - SIMPLIFIED MODEL

The Company assumes that no contract is onerous on initial recognition, unless facts and circumstances indicate otherwise. If at any time during the coverage period, facts and circumstances indicate that a set of insurance contracts is onerous, the Company establishes a loss component as the excess of fulfillment cash flows relating to the group's remaining coverage liability. Therefore, at the end of the coverage period of the group of contracts, the loss component will be zero.

LOSS RECOVERY COMPONENTS

The Company recognizes a loss on the initial recognition of an onerous group of underlying insurance contracts or when other onerous underlying insurance contracts are added to a group. The Company establishes a loss recovery component of the asset for the remaining coverage liability of a group of reinsurance contracts held that portray the expectation of loss recovery.

A loss recovery component is subsequently reduced to zero in accordance with the reductions in the onerous group of underlying insurance contracts in order to reflect that the loss recovery component should not exceed the portion of the book value of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

(i) INSURANCE CONTRACTS - GENERAL MODEL (BUILDING BLOCK APPROACH - BBA)

The Company complies with the provisions, carrying out the measurement of the fulfillment cash flows at the initial recognition of the groups of insurance contracts, which include estimates of future cash flows, adjusted to reflect the value in time and the associated financial risks and a risk adjustment for non-financial risk, which represents the compensation required for the uncertainty about the value and timing of the cash flows arising from the non-financial risk. The contractual service margin (CSM) represents the unrealized profit that the Company will recognize as it provides services under these contracts, established by the total of: (a) fulfillment cash flows; (b) any resulting cash flows at that date; and (c) amounts resulting from the write-off of any assets or liabilities previously recognized for cash flows related to the group. If the contract is not onerous, the CSM is measured at the same value as the net inflow, which does not result in revenue or expenses arising from initial recognition. However, if the total is a net outflow, then the group is onerous, so the net outflow is recognized as a loss in profit or loss. Therefore, the company establishes a loss component to represent the amount of the net cash outflow, which determines the amounts presented in the income statement as reversals of losses on onerous contracts and are excluded from insurance revenue.

INSURANCE CONTRACTS - SUBSEQUENT MEASUREMENT - GENERAL MODEL (BBA)

The Company has an amount structured of groups of insurance contracts on each reporting date. This amount is the sum of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC). The fulfillment cash flows related to the services that will be provided according to the contracts in future periods and any CSM remaining at that date are added to the LRC. The Liability for Incurred Claims includes the cash flows from the fulfillment of incurred claims and expenses that have not yet been paid, including claims that have occurred but have not yet been reported.

The Company follows the standard related to updating the cash flows from the fulfillment of groups of insurance contracts, measured at the balance sheet date using current estimates of future cash flows, current discount rates and current estimates of risk adjustment for non-financial risk. Changes in fulfillment cash flows are recognized as follows:

Changes related to future services	Adjusted against CSM (or recognized in the insurance service resulting in profit or loss if the group is onerous)
Changes related to current or past services	Recognized in the result of insurance services resulting in profit or loss
Effects of the time value of money, financial risk and their changes on estimated future cash flows	Recognized as Insurance financial revenues or expenses

INSURANCE REVENUE - CONTRACTS NOT MEASURED IN THE PAA

The Company recognizes the insurance revenue as it fulfills its performance obligations, i.e., as it provides services under groups of insurance contracts. For the contracts assessed by PAA, the insurance revenue regarding the services provided for each year represents the total fluctuations in liabilities by remaining coverage concerning the services for which the Company expects to receive consideration and comprises the following items: (i) a CSM release, measured based on the coverage units provided; (ii) changes in the non-financial risk adjustment for current services; and (iii) claims and other insurance service expenses incurred during the year, generally measured at the amounts forecast at the beginning of the year. This includes amounts arising from the write-off of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts that are recognized as insurance revenue and insurance service expenses at that date.

SUBSEQUENT MEASUREMENT OF THE CONTRACTUAL SERVICE MARGIN - GENERAL MODEL (BBA)

The Company adjusts the book value of CSM, in new contracts that are added to the group during the year, interest accrued on the book value of CSM during the year, measured at discount rates on nominal cash flows that do not vary based on the returns of any underlying items, determined at initial recognition. Changes in fulfillment cash flows related to future services, except to the extent that increases in fulfillment cash flows exceed the book value of the CSM, in which case the excess is recognized as a loss in profit or loss and creates a loss component or reductions in fulfillment cash flows are allocated to the loss component, reversing losses previously recognized in profit or loss. The effect of any exchange rate differences on CSM and the amount recognized as insurance revenue due to the services provided in the year.

The Company considers changes in fulfillment cash flows related to future services.

(ii) INSURANCE CONTRACTS - PREMIUM ALLOCATION APPROACH (PAA)

The company applies the PAA model to most of its insurance and reinsurance contracts, as they are contracts with a coverage period of one year or less. For contracts with coverage of more than one year, the Company has modeled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing these contracts under the PAA will not differ materially from the measurement that would be produced by applying the general BBA model.

The Company does not apply the PAA model if, at the beginning of the group of contracts, it expects significant variability in the fulfillment cash flows that would affect the measurement of the LRC during the period prior to the occurrence of a claim, or if a contract indicates onerousness.

When the facts and circumstances indicate that the contracts are onerous at initial recognition, the Company performs additional analyses to determine whether a net outflow is expected from the contract. These onerous contracts are grouped separately from other contracts and the Company recognizes a loss in profit or loss for the net outflow, resulting in the book value of the group's liability being equal to the cash flows from fulfillment. A loss component is established by the Company for the LRC liability for such onerous group representing the losses recognized.

SUBSEQUENT MEASUREMENT - PREMIUM ALLOCATION APPROACH (PAA)

The Company measures the book value of the LRC periodically, taking into account the inflows of premiums received in the period, less the cash flows from the acquisition of insurance; plus any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period for the group; plus any adjustment to the financing component, where applicable; less the amount recognized as insurance revenue for services rendered in the period; minus any investment component paid or transferred to LIC. In addition, the Company estimates LIC as the fulfillment of cash flows related to claims incurred.

CONTRACT ACQUISITION CASH FLOWS - PREMIUM ALLOCATION APPROACH (PAA)

The Company's insurance acquisition cash flows arise from the costs of selling, underwriting and starting up a group of insurance contracts (issued or expected to be issued) which are directly attributable to the portfolio of insurance contracts to which the group belongs. With the exception of the property insurance product line, for which the Company chooses to account for insurance acquisition cash flows as they occur, the Company uses a systematic and rational method to allocate insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group; and to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts of that group.

The Company applies cash flows from the acquisition of insurance directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts. When insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognized in the balance sheet, a separate asset for insurance acquisition cash flows is recognized for each related group.

REVENUE FROM INSURANCE CONTRACTS - PREMIUM ALLOCATION APPROACH (PAA)

The Company establishes insurance revenue for the period as the amount of expected premium income (excluding any investment component) allocated based on the passage of time. If the expected pattern of risk release during the coverage period differs significantly from the passage of time, then the allocation is made based on the expected timing of the insurance service expenses incurred.

REINSURANCE CONTRACTS HELD

To measure a group of reinsurance contracts, the Company applies the same accounting policies that are applied to insurance contracts without direct participation characteristics, with the following modifications, considering as the book value of a group of reinsurance contracts, the sum of the asset for

LRC and the asset for incurred claims. The LRC hedging asset and the fulfillment cash flows related to the services will be received in accordance with the contracts in future periods and any CSM remaining at that date.

The Company measures estimates of the present value of future cash flows using assumptions consistent with those used to measure estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the reinsurer's default risk is assessed at each reporting date and the effect of changes in the default risk is recognized in the income statement. The risk adjustment for non-financial risk is the amount of risk being transferred by the group to the reinsurer.

At inception, the Company recognizes the CSM of a group of reinsurance contracts as a net cost or net gain on the purchase of reinsurance. Measuring CSM as the equal and opposite value of the total fulfillment cash flows; any amount arising from the write-off of any assets or liabilities previously recognized for cash flows related to the group; any cash flows arising on that date and any revenue recognized in profit or loss due to the underlying onerous contracts recognized on that date.

REINSURANCE OF UNDERLYING AND ONEROUS INSURANCE CONTRACTS

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognizes revenues when it recognizes a loss on the initial recognition of onerous contracts, if the reinsurance contract is entered into before or at the same time as the underlying onerous contracts are recognized. The CSM adjustment is determined by multiplying: (i) the amount of the loss relating to the underlying contracts; and (ii) by the percentage of claims on the underlying contracts that the group expects to recover from the reinsurance contracts.

The Company treats reinsurance contracts acquired in contract transfers or business combinations involving underlying onerous contracts. The CSM is determined by multiplying the value of the loss component related to the underlying contracts at the acquisition date and the percentage of claims on the underlying contracts that the group expects at the acquisition date to recover from the reinsurance contracts.

If the reinsurance contract covers only some of the insurance contracts included in a group of onerous contracts, the Company uses a systematic and rational method to determine the portion of the losses recognized in the group of onerous contracts that refers to the underlying contracts covered by the reinsurance contract. A loss recovery component is created or adjusted for the group of reinsurance contracts to portray the CSM adjustment, which determines the amounts that are subsequently presented in profit or loss as reversals of reinsurance contract loss recoveries and are excluded from the allocation of reinsurance premiums paid.

(iii) INSURANCE CONTRACTS - WITH DIRECT PARTICIPATION FEATURE (VFA)

They are considered insurance contracts with a direct participation feature is those where the Company is obliged before the insured to: pay the policyholder an amount equal to the fair value of the underlying assets and a variable fee in exchange for future services provided by the contracts, being the value of the

group's share in the fair value of the underlying items less the fulfillment cash flows that do not vary based on the returns of the underlying items. Investment services are provided under these contracts, promising a return on investment based on underlying items, in addition to insurance coverage.

The Company adjusts the fulfillment of cash flows for all changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognized in the income statement. The Company then adjusts any CSM for changes in the value of the interest, the group of contracts, the fair value of the underlying items, which relate to future services.

INSURANCE CONTRACT EXPENSES AND REVENUES

The Company recognizes the value of the CSM of a group of insurance contracts as insurance revenue, determining the identification of the coverage units of the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years and recognizing in the income statement the value of the CSM allocated to the coverage units provided in the year. The coverage units are reviewed and updated at each reporting date. The expected coverage period reflects expectations of contract cancellations, as well as the probability of insured events occurring to the extent that future insurance service coverage is provided.

INSURANCE SERVICE EXPENSES

The Company usually recognizes the insurance contract service expenses in the result as soon as incurred. Those do not include amortization of investment components and comprise the following items; claims incurred and other insurance service expenses, amortization of cash flows from insurance acquisition; losses on onerous contracts and reversals of these losses; adjustments for liabilities for claims incurred that do not arise from the effects of the time value of money, financial risk and its variations and impairment losses on assets for cash flows from insurance acquisitions and reversals of such impairment losses.

REINSURANCE CONTRACT NET EXPENSES

The Company recognizes an allocation of reinsurance premiums paid in the income statement as it receives services under groups of reinsurance contracts. For contracts not measured by PAA, the allocation of reinsurance premiums paid relating to services received in each period represents the total of the changes in the asset for LRC relating to the services for which the group expects to pay consideration. For contracts measured by the PAA, the allocation of reinsurance premiums paid in each period is the amount of premium payments expected for the services received in the period.

INSURANCE FINANCIAL REVENUES AND EXPENSES

The Company records the effects of the time value of money, financial risk and their changes in the treatment of financial revenues and expenses, unless such changes for groups of direct participation contracts are allocated to a component loss and included in insurance service expenses. For life and pension risk contracts, the Company has opted to disaggregate insurance financial revenues or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic

allocation of the total insurance financial revenues or expenses expected over the duration of the group of contracts.

In order to transfer or write-off OCI from the financial result, the Company declassifies a group of insurance contracts, because of a transfer to a third party or a modification of the contract, while any remaining amounts of OCI accumulated for the contract are reclassified to the result as a reclassification adjustment.

(g) TRANSITION

As of January 01, 2023, the Company presents its financial disclosures, applying the following approaches to identify and measure certain groups of contracts in the life risk, pension and direct participation segments in the transition to IFRS 17.

	Segment	Approach
Porto Cia	Automobile insurance and other lines Personal insurance and supplementary pension	Full retrospective approach
Azul Seguros	Automobile insurance and other lines	Full retrospective approach
Itaú Seguros	Automobile Insurance Other lines	Full retrospective approach
Porto Saúde	Health care	Full retrospective approach
Portomed	Health care	Full retrospective approach
Porto Vida e Previdência	Personal insurance and supplementary pension	Fair value approach
Porto Uruguai	Other lines	Modified retrospective approach
Reinsurance	Automobile insurance and other lines	Modified retrospective approach

In addition, the Company applied the modified retrospective approach or the fair value approach to identify and measure certain assets for insurance acquisition cash flows in the life risk segment. The Company applied the full retrospective approach to all contracts and assets for insurance acquisition cash flows in the non-life segment.

- **INSURANCE AND REINSURANCE CONTRACTS – MODIFIED RETROSPECTIVE APPROACH**

The Company achieved the objective of the modified retrospective approach with the purpose of having the result as close as possible to the retrospective approach using reasonable and supportable information available without undue cost or effort.

- **INSURANCE AND REINSURANCE CONTRACTS - FAIR VALUE APPROACH**

In accordance with the fair value approach, on January 1, 2022 it was determined as the difference between the fair value of a group of contracts on that date and the cash flows of fulfillment on that date. For all contracts measured using the fair value approach, the group used reasonable and supportable information available as of January 01, 2022 to determine: how to identify contract groups; whether a contract meets the definition of a direct participation contract; and how to identify discretionary cash flows for contracts with no direct participation features.

As with groups of reinsurance contracts covering onerous underlying contracts, the Company established a loss recovery component on January 01, 2022. The group determined the loss recovery component by multiplying: the value of the loss component related to the underlying contracts on January 01, 2022; and the percentage of claims on the underlying contracts that the group expected to recover from the reinsurance contracts.

- **CASH FLOWS FROM ACQUISITION OF INSURANCE – MODIFIED RETROSPECTIVE APPROACH**

In accordance with the modified retrospective approach, the Company identified any insurance acquisition cash flows arising before January 01, 2022 that did not relate to contracts that ceased to exist before that date. These cash flows are allocated, using the same systematic and rational methods described in (iii), to: groups of contracts recognized on January 1, 2022 (which adjusted the CSM of these groups); and groups of contracts expected to be recognized after January 01, 2022 (which were recognized as assets for insurance acquisition cash flows).

- **CASH FLOWS FROM ACQUISITION OF INSURANCE – FAIR VALUE APPROACH**

The Company measures the assets for insurance acquisition cash flows under the fair value approach at an amount equal to the insurance acquisition cash flows it would incur on January 01, 2022 for the rights to obtain; recoveries of cash flows from the acquisition of insurance premiums for contracts issued before January 01, 2022, but not yet recognized on that date, and renewals of such contracts; renewals of contracts recognized on January 1, 2022; and other future contracts after January 01, 2022 without repaying the insurance acquisition cash flows that it has already paid.

3.1.2 USE OF ESTIMATES AND JUDGMENTS

INSURANCE AND REINSURANCE CONTRACTS

The estimates associated with insurance and reinsurance contracts are as follows: (i) of future cash flows - LRC and LIC; (ii) estimation of the liquidity premium embedded in the rates that are used for financial discounting of the related cash flows; (iii) estimate of the financial discount for amortization of revenues or CSM and the non-financial risk adjustment component; and (iv) estimate of the confidence interval of the non-financial risk adjustment.

There are many sources of uncertainties that should be considered in the estimate of liabilities that shall be ultimately settled. All sources of information (internal and external) available are used regarding past experiences and indicators which could influence the decision making by Management and actuaries for definition of actuarial assumptions and the best estimate of the value of settlement of claims for agreements whose insured event has already occurred as well as expectations of claims to occur.

To calculate the discount rates, the company adopted the bottom-up methodology, as determined by the standard. This methodology consists of determining risk-free interest curves, with an additional liquidity premium. This additional premium reflects the cost of possible losses and the cost of settling the contracts quickly, since the risk-free curves are highly liquid and reflect the characteristics of the Company's cash flows.

The Company used the following yield curves to discount cash flows that do not vary based on the returns of the underlying items:

Curve	Annual rate				
	01 year	05 years	10 years	20 years	30 years
Fixed rate	11.77%	10.62%	10.95%	11.04%	11.04%
IGPM	5.08%	5.16%	5.40%	5.46%	5.46%
IPCA	5.73%	5.10%	5.27%	5.35%	5.35%

The non-financial risk adjustment refers to the risk arising from insurance contracts that are not financial risks. It should reflect favorable and unfavorable levels of uncertainty of loss according to the Company's degree of risk aversion. The less one knows about the current estimate and its trend, the greater the risk adjustment should be, and as emerging experience reduces uncertainty, the risk adjustment decreases, and vice versa. For the portfolio calculation, a stochastic approach was adopted, estimating the probability distribution of the expected present value of future cash flows, with the risk adjustment for non-financial risk being the excess of the value at risk at the 70% percentile (target confidence level).

FULFILLMENT CASH FLOWS

The company uses deterministic modeling techniques to estimate the expected present value. Deterministic modeling involves projecting future cash flows based on the Company's historical data and economic forecasts.

ESTIMATES OF FUTURE CASH FLOWS

In estimating future cash flows, the Company impartially incorporates information that includes historical data on claims and other experience, updated to reflect current expectations of future events.

Cash flows within the limits of a contract are related to the fulfillment of the contract. This includes payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs incurred in fulfilling contracts.

The Company attributes to its cash flows all the transactions that directly impact the fulfillment of the contract, presenting the premiums net of commission including premiums receivable, refunds, administrative expenses, taxes, deferred acquisition costs, expenses with claims incurred, payments of claims incurred, claims incurred pending payment, estimates of claims to occur, among other estimates of inflows and outflows to which the company has a substantive obligation, based on the probability of occurrence from the Company's history. This excludes returns on investments (which must be recognized, measured and presented separately) and cash flows (payments or receipts) that occur in accordance with the reinsurance contracts held, as well as cash flows that may be generated from future insurance contracts, i.e. cash flows outside the limit of existing contracts, among others.

Cash flows are attributed to acquisition activities, other fulfillment activities and other activities at the local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfillment activities are allocated to groups of contracts using systematic and rational methods and applied consistently to all costs that have similar characteristics. The Company allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group and maintenance and administration costs based on the number of contracts in force within each group of similar risks managed jointly. Other costs are recognized in the result as incurred.

3.2 OTHER ACCOUNTING POLICIES

3.2.1 CASH AND CASH EQUIVALENTS

They include cash, bank deposits and other high-liquidity short-term investments, maturing originally after three months and less an insignificant risk of change in value.

3.2.2 FINANCIAL ASSETS

(a) MEASUREMENT AND CLASSIFICATION

Porto Seguro's Management determines the classification of its financial assets at initial recognition, according to the definition of IFRS 9/CPC 48 - Financial instruments that introduced the concept of business model and the evaluation of contract cash flows characteristics (SPPJ – only payment of principal and interest). Business model represents the way in which the Company manages its financial assets and SPPJ refers to evaluation of cash flows generated by a financial instrument for the purpose of verifying if they are only payment of principal and interest. According to these concepts, financial assets are classified in the following categories:

(i) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets whose purpose and investment strategy is to maintain frequent negotiations are classified in this category. Gains or losses resulting from changes in fair value are immediately recorded and presented in income statement under “Financial result” for the year in which they occur.

(ii) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets that are maintained both to obtain contract cash flows - comprised only of payment of principal and interest - and to sell are classified in this category. Interest of these securities, calculated under the effective interest rate method, is recognized in the income statement under “Financial results”. The change in fair value (unrealized gains or losses) is recorded against Shareholders' Equity, under “Other comprehensive results”, and was realized against the result upon its effective settlement or for loss considered permanent (impairment).

(iii) AMORTIZED COST

Used when financial assets are managed to obtain contract cash flows, comprised only of payment of principal and interest. This category includes receivables (securities, premiums receivable from insured parties, credit operations, securities and credits receivable and receivables from provision of services) which are non-derivative financial assets with fixed or measurable payments, not quoted in an active market. These receivables are accounted for at amortized cost, using the effective interest rate method (when applicable), and are assessed for impairment at each balance sheet date (see note 3.2.4).

(b) DETERMINATION OF FAIR VALUE OF FINANCIAL ASSETS

The fair values of investments with public quotation are recorded based on trading prices. For financial assets without an active market or public quotation, Management establishes the fair value through valuation techniques. These techniques include the use of recent operations contracted with third parties, and reference to other instruments that are substantially similar, making the greatest possible use of information generated by the market and the minimum amount of information possible generated by the Management. Fair values of assets classified as “Financial instruments at fair value through profit or loss” and “Financial instruments at fair value through other comprehensive income” are based on the following hierarchy:

- Level 1: prices quoted and not adjusted in active markets for identical assets.

- Level 2: classified when a discounted cash flow methodology or other methodology is applied for pricing the asset based on market data which are observable in money market.
- Level 3: pricing is not based on observable market data, and the Company uses internal assumptions to determine its fair value.

Market value for governmental bonds is based on the unit price in the market as informed by ANBIMA – Brazilian Association of Financial and Capital Market Entities. Investment fund quotas are valued by the value of the quota informed by the respective fund manager. Private securities are valued at market using the same pricing methodology adopted by the manager of investment funds.

There was no change in the classifications of the levels of these Financial Instruments for the period ended June 30, 2023.

3.2.3 DERIVATIVE FINANCIAL INSTRUMENTS

(a) HEDGE INSTRUMENTS

The operations with derivative financial instruments contracted by Porto Seguro, allocated to own portfolio or to closed investment funds, refer to: (i) “swaps”, aimed to hedge against exchange rates originated from funding liabilities or against adverse interest rate changes of interest earning bank deposits allocated to investment funds; (ii) future agreements of prefixed interest, which summarize the exposure to interest; (iii) future ratio options of Ibovespa, which summarize the exposure to the ratio; (iv) future currency agreement, which summarize the exchange exposure of interest earning bank deposits in foreign currencies; and (v) cash flow hedge, in which the valuation or depreciation of the effective portion is recorded as a contra entry to the separate account in shareholders’ equity, net of tax effects.

These instruments are measured at their fair value, with changes recorded against the financial result for the year, simultaneously to the change in fair value of the item object of hedge. Fair value of derivatives is calculated based on information from each contracted transaction and on respective market information on foreign exchange rate and market interest rate, disclosed by B3.

At the beginning of hedge operations, the Company documents the relation between it and the item object of hedge with its purposes and strategies in the management of risks, in addition, the Company checks, over the entire life of the agreement, its effectiveness. The fair values of derivatives are disclosed in note 13. The determination of the market risk to which the Company is exposed is shown in Note 5.1 and consolidates the exposure of assets, as well as the derivative hedge instruments, which is shown on net basis.

3.2.4 ANALYSIS OF ASSET IMPAIRMENT

(a) LOANS AND RECEIVABLES (CLIENTS)

It is constantly assessed if there is evidence that a given asset or group of assets classified in the category of loans or receivables (stated at amortized cost) is deteriorated or “impaired”. For impairment analysis,

the Company uses observable factors that include historical base of losses and NPL and breach of agreements (cancellation of risk coverage).

The methodology used for premiums receivable considers the existence of objective evidence of impairment for individually significant assets. If the conclusion is that there is no such evidence, the assets are included in a group with similar credit risk characteristics (types of insurance agreement, internal “ratings”, etc.) and tested on a grouped basis, with the adoption of the following parameters: probability of NPL of the operations, expectation of recovery of these losses including the current guarantees and the historical losses of debtors classified in the same category.

Regarding the receivables from credit, Financing and credit card transactions (issued by Portoseg), the Company adopts the concept of expected asset impairment losses. Accordingly, amount of provision for this portfolio is calculated through a methodology that captures, in addition to incurred losses, those expected during contractual flow of assets; thus, these financial assets are classified into three distinct stages, in compliance with the credit quality of the counter party as follows:

- Stage 1: with no significant credit deterioration since initial recognition or low credit risk on calculation date (12 months);
- Stage 2: significant deterioration in credit since initial recognition quality, but no objective evidence of impairment;
- Stage 3: objective evidence of impairment on observation date.

An asset will migrate from a stage as its credit risk increases or decreases. Accordingly, a financial asset that migrate to stages 2 and 3 may return to stage 1, unless it was originated or purchased with credit recovery issues. For each stage, a specific expected loss is calculated so as to reflect a higher or lower risk in each transaction.

Values recorded as loss are usually written off when there is no expectation of recovery of the asset.

3.2.5 NON-FINANCIAL ASSETS

Assets subject to depreciation and amortization, such as intangible assets with defined useful life and property, plant and equipment are reviewed to confirm their impairment and whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized for the amount by which the book value of the asset exceeds its recoverable value. The latter is the higher of the asset's fair value less its sale costs and value in use.

For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows, “Cash Generating Units” (CGUs). CGUs are determined and grouped by Management based on the geographic distribution of its business and based on the services and products offered, in which specific cash flows are identified. Non-financial assets that suffered impairment are subsequently reviewed for possible reversal of the impairment.

3.2.6 GOODS FOR SALE

The Company, by means of its subsidiaries, holds current assets that are maintained for sale, such as inventories of recovered salvage assets after full indemnities in automobile claims, recorded at the estimated realizable value, based on historical recovery studies and vehicles from terminations of lease agreements and assets from guarantees offered in credit operations that are stated at realizable value.

3.2.7 INTANGIBLE ASSETS

(a) SOFTWARE

Costs related to acquisition and implementation of software programs and systems are recognized as assets when there are evidence of generation of future economic benefits, considering its economic feasibility. Expenses related to software maintenance are recognized in income for the year, when incurred.

(b) GOODWILL AND INTANGIBLE ASSETS WITH UNDEFINED USEFUL LIFE

The goodwill recorded on the acquisition of companies represents the excess of the consideration transferred over the fair value of net assets acquired on the date of the business combination. After initial recognition, goodwill is stated at cost, less any accumulated impairment.

The Company recognizes a business combination at fair value on the acquisition date, with indefinite useful life, since there is no estimated limit of time for generation of future benefits, stated under the discounted cash flow method.

The amount of goodwill arising from business combinations and indefinite-lived assets is submitted to the impairment test annually to determine whether there was a loss in the recoverable amount.

The impairment test uses reasonable assumptions supported by management in economic and operating conditions to estimate future discounted cash flows and measure the recoverable value of assets.

(c) INTANGIBLE ASSETS WITH DEFINED USEFUL LIFE

The other intangible assets acquired and identified in a business combination are recognized at fair value on the date of the business combination and amortized based on the estimated useful life, under the straight-line method. Amortization rates used are disclosed in Note 18.

3.2.8 PROPERTY, PLANT AND EQUIPMENT FOR USE

Include properties, equipment, furniture, machines, fixtures, and vehicles used in the Company's business, by means its subsidiaries. Property and equipment in use is stated at historical cost, less accumulated depreciation (except for land not depreciated). The historical cost of this asset includes costs directly attributable to its acquisition so that the asset is in conditions of use.

Subsequent costs are recorded in assets only when it is probable that future economic benefits associated to the asset item will flow to the Company. All the other repair or maintenance costs are recorded in the result as incurred.

Depreciation of property, plant and equipment is calculated under the straight-line method and according to the estimated useful lives of the assets. Depreciation rates used are disclosed in Note 17.

3.2.9 RIGHT-OF-USE ASSETS

These are related to the properties that are leased from third parties in order to conduct Company business in several locations in Brazil. These assets are measured at cash flow from lease liability (see Note 3.2.15), discounted at present value. Incremental costs (if any) that are necessary to obtain a new lease that would otherwise not have been incurred are also added.

3.2.10 INVESTMENT REAL ESTATE PROPERTIES

Include properties owned by the Company that are being held for capital appreciation. These properties are timely evaluated at fair value and fluctuations are immediately recorded in the result for the year.

These properties are written off when they are sold or when the real estate for investments is no longer permanently used and it is not expected any future economic benefit of its sale. The difference between the net sales price and book value of the investment properties is recognized in the income statement in the year it was written-off. In determining the amount arising from the write-off of the real estate for investments, the Company evaluates the effects of variable considerations, the existence of a significant financing component, considerations that do not involve cash, and considerations due to the buyer (if any).

3.2.11 INVESTMENT AGREEMENTS – CLASSIFICATION

Investment agreements are those that do not transfer material insurance risk. The special savings bonds issued by Porto Seguro are classified as investment agreements and accounted for as financial instruments according to IFRS 9/CPC 48 – Financial instruments.

3.2.12 FINANCIAL LIABILITIES

(a) DEBENTURES, LOANS AND FINANCING

Debentures, loan and financing liabilities deriving from fund raising transactions, amounts payable from credit card transactions and financing of property, plant and equipment and cash flow are initially recognized at fair value, net of incremental transaction costs directly attributable to liability origin. These liabilities are subsequently evaluated: (i) at amortized cost, using the effective interest rate method, which takes into consideration transaction costs, and interest is recognized up to contract maturity; or (ii) assigned at fair value through profit or loss.

Any options for advanced redemption or different debt settlement rules are evaluated for the purpose of identifying embedded derivatives in such contracts. For floating loans, effective interest rate is periodically estimated when the effect of reevaluating contracts' effective interest rate is significant.

(b) LIABILITIES OF CAPITALIZATION PLANS

Capitalization liabilities are calculated at the time securities are issued, and they are paid on a single installment. Value of deposit intended to redeem securities is adjusted for inflation in accordance with indices and criteria established in respective general conditions. Members of securities may receive a draw prize and/or redeem amount corresponding to the portion of deposits intended for redemption.

Technical provisions are formed according to CNSP (National Private Insurance Council) and SUSEP (Superintendence of Private Insurance), whose criteria, parameters and formulas are documented in Actuarial Technical Notes (NTAs), described, in summary, as follows:

- (a)** Mathematical Provision for Redemption (PMR) is calculated for each security over the period provided for in securities' general conditions. It is also calculated for overdue securities and current securities for which requests for advanced redemption were placed by clients.
- (b)** Provisions for Unrealized and Payable Draws are calculated to cover premiums deriving from future draws (to be realized) and also to premiums deriving from draws in which clients have already been contemplated (payable).
- (c)** Provision for Administrative Expenses (PDA) includes deferral of revenues from single-payment securities, carried out at a "pro rata" basis from issue date to end of security's effective period.

3.2.13 EMPLOYEE BENEFITS

Short-term benefits: they are recognized at the expected amount to be paid and recognized as expenses as the related service is provided. Short-term benefits, such as health plans, dental health plans, pharmacy cards, transportation vouchers, meal vouchers, food vouchers, daycare and/or babysitting allowance, scholarships, life insurance, and parking at the head office, are offered to employees and managers and recognized in the result for the year as they are incurred.

Retirement obligations: the Company sponsors the plans managed by the entity PortoPrev – Porto Seguro Previdência Complementar, with the PORTOPREV Plan in the VC (Variable Contribution) modality closed to new members, and the PORTOPREV II Plan in the DC (Defined Contribution) modality, open to new members.

Post-employment benefits: post-employment benefits, such as healthcare, calculated based on policy that assigns scores to employees based on service provision period.

Liability for retirement obligations and post-employment benefits are calculated through a specific actuarial methodology that takes into consideration employees' turnover rates, interest rates for determination of current service cost, and interest cost. Other termination benefits, such as fine or severance pay (FGTS), were also calculated and a provision was recorded, using that methodology, for already-retired employees whose right had already been established.

3.2.14 JUDICIAL PROVISIONS, JUDICIAL DEPOSITS AND CONTINGENT LIABILITIES

Provisions are formed to cover future disbursements that might arise from civil, fiscal and labor lawsuits in progress. The obligations are measured at the Company's best estimate and the constitutions are based on an individual analysis, carried out by the Company's legal advisors, of the legal proceedings in progress and the prospects of an unfavorable result implying a future disbursement, following the principles of IAS 37/CPC 25 - Provisions, Contingent liabilities, and Contingent assets. They are updated monetarily on a monthly basis by several ratios, according to the nature of the provision, and are reviewed periodically.

Taxes, whose enforceability is being questioned in court, are recorded taking into consideration the concept of "legal obligation" (tax and social security), which challenges their legality or constitutionality and, regardless of evaluation on likelihood of success, have their amounts fully recognized and adjusted for inflation at SELIC rate. Judicial deposits are adjusted for inflation and presented in non-current assets.

Contingent assets are not recognized for accounting purposes, once it may refer to an income that may never be realized. However, if the gain on this asset is virtually certain, it ceases to be a contingent asset and is recognized in the accounting records. If it is likely that this contingent asset will generate future economic benefits, this is disclosed in an explanatory note.

3.2.15 LEASE LIABILITIES

They refer to lease liabilities, which are recognized against right-of-use assets, measured at the present value of the lease payments expected up to the end of the contract, discounted at an incremental financing rate, considering possible renewals and cancellations.

3.2.16 CAPITAL

Capital is formed by common shares. When the Company purchases its own shares (treasury shares), the amount paid, including any additional costs directly attributable, is deducted from shareholders' equity attributable to shareholders until shares are canceled or resold. When those shares are resold, any amount received, net of any additional directly attributable transaction costs, is included in the shareholders' equity attributable to the Company's shareholders.

3.2.17 RECOGNITION OF REVENUES

(a) LOAN OPERATIONS

Revenue from interest on granted loans and financing continues to be recognized even after contract is in delay. Beginning as of the time in which the asset is greatly deteriorated, (migration to stage 3 – see Note 3.2.4), revenue is now recognized at net value of the asset for which a provision was recorded.

(b) REVENUES FROM SPECIAL SAVINGS BONDS

Revenue from special savings bonds includes administrative rate charged upon issue of securities and fees on advanced redemption. It is recognized in income at a “pro rata temporis” basis according to securities’ effectiveness and with recognition/ reversal of PDA (see note 3.2.12 (b)).

(c) REVENUES FROM PROVISION OF SERVICES, TRADING OF EQUIPMENT AND MANAGEMENT OF CONSORTIA FOR THE PURCHASE OF GOODS

Revenues from provision of services, trading of equipment, and fees for the management of consortia for the purchase of goods include fair value of consideration received or receivable for the trading of products and services provided by Porto Seguro. The revenue is stated net of taxes, returns, rebates or discounts.

(d) INTEREST REVENUE AND DIVIDENDS RECEIVED

Revenues from financial instruments’ interest are recognized in the result for the year at the amortized cost method and using the effective return rate. The interest charged on the installment of insurance premiums is allocated in income statement in the same receipt period.

Revenues from dividends of investments in financial assets represented by capital instruments (shares) are recognized in result when the right to receive dividend payment is established.

3.2.18 LOYALTY PROGRAMS

The Company issues credit cards that provide benefit programs for clients. These programs include bonuses based on mileage and other loyalty parameters that estimate and account for obligations related to cost of future bonuses based on these benefits’ fair value and considering several assumptions for valuation of that component. These assumptions include benefit usage behavior, type of benefit, and estimated expiry of benefits because the client did not use them.

3.2.19 PAYMENT OF DIVIDENDS AND INTEREST ON CAPITAL

Payment of dividends and interest on capital (JCP) to shareholders is recognized as a liability, based on the by-laws. Any amount above the mandatory minimum (25%) is provisioned only on the date of its approval by shareholders.

The tax benefit of interest on capital is recognized in result for the year. The rate used in the calculation of interest on capital is the Long-term interest rate (TJLP) during applicable year, according to prevailing law.

3.2.20 INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution values include current tax expenses and deferred taxes’ effects. These amounts are recognized in income for the year, except for tax effects on items that were directly recognized in shareholders’ equity; in these cases, the tax effects are also recognized in shareholders’ equity.

Taxes are calculated based on tax laws and rules prevailing on year end. In Brazil, the income tax is calculated at the rate of 15% plus a 10% surtax on taxable income exceeding R\$240 in the year. The provision for social contribution tax for insurers and financial companies is calculated based on a rate of 15%. For the Parent Company and the other companies of Porto Seguro, the current rate is 9%.

Deferred taxes are recognized on temporary differences deriving from assets and liabilities' tax bases and respective book values of these assets and liabilities. Deferred taxes are also recognized on tax losses for income tax and negative basis of social contribution. Deferred tax assets are recognized at the limit in which future taxable income is probably available for realization of such assets and in compliance with the estimates of realization.

4. USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of quarterly information requires that Company's Management uses its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include, among others, the determination: (i) of the fair value of financial assets and liabilities, (iii) of the provision for credit risk (impairment), (iv) of the realization of deferred taxes and (v) of the provisions and contingencies for proceedings and lawsuits. The settlement of transactions involving these estimates may be performed in sensitively different amounts due to the lack of precision inherent to the process of their determination.

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances. There were no material changes in criteria for determining estimates in relation to the financial information for the year ended December 31, 2022, except for the use of judgments related to IFRS 17, consolidated in the Note 3.1.2.

(a) CALCULATION OF FAIR VALUE AND IMPAIRMENT OF FINANCIAL ASSETS

The fair value of financial instruments that are not traded on active markets is determined based on valuation techniques. The Company uses its judgment to select a several methods and make assumptions that are mainly based on market conditions existing at the balance sheet date.

Rules for impairment analysis are applied for receivables, especially for credit transactions. High level of judgment is applied to determine uncertainty level in association with realization of estimated financial assets' contract flows. This judgment considers the type of contract, economic segment, maturity history and other relevant factors that may affect the establishment of impairment losses, as described in note 3.2.4.

(b) EVALUATION OF PROVISIONS FOR TAX, CIVIL AND LABOR PROCEEDINGS

The Company is a party to a substantial number of ongoing lawsuits on financial information's date. Procedure to build accounting estimates used by Management takes into consideration legal advisory from specialists of the area, evolution of lawsuits, situation and court level of each specific case.

(c) CALCULATION OF TAX CREDITS

Deferred tax assets are recognized at the limit in which future taxable income is probably available. This is an area that requires the use of judgment by the Company's Management in determining future estimates regarding the ability to generate future taxable profits, based on projections of future income, prepared and based on internal assumptions and future economic scenarios that may have changes.

5. RISK MANAGEMENT

Due to the large number of businesses in which it operates, the Porto Group is naturally exposed to several risks inherent to its activities. For this reason, the need to protect its operations and financial results, ensuring its economic sustainability and the generation of shared value, is highly strategic for Porto Seguro.

By defining risks as any effects of uncertainty on its objectives, Porto Seguro adopts a formal management process, which seeks to minimize their possible negative effects and maximize the opportunities they provide. Aiming to develop an effective model for managing these risks, in line with the best market practices, the Porto Group adopts several principles, guidelines, actions, roles and responsibilities. It is through them that management has the necessary means to identify, assess, address and control risks.

Porto Seguro's approach to defending against potential risks, which determines which procedures and controls are appropriate for each situation, comprises three levels of defense:

- Operational units;
- Control functions; and
- Internal audit.

Furthermore, given the regulatory requirements and best governance practices regarding risk management, the Group has an Integrated Risk Committee, whose purpose is to approve and monitor the Group's Risk Appetite, propose action plans and guidelines and assess compliance with risk management standards.

On June 30, 2023, when compared to the year ended December 31, 2022, there were no significant changes in risks: (i) credit, where no operations are overdue or impaired, related to the investment portfolio, NPL on premiums receivable and credit operations; (ii) liquidity risk, since the average duration of the Company's main assets and liabilities has not changed significantly since the changes observed derive from the normal growth of Porto Seguro's operations; (iii) operational risk, where the Company adopts a formal procedure to identify risks and opportunities, to reduce threats to an acceptable level;

and (iv) social, environmental and climate risks, in which the Company created a policy and corporate methodology for monitoring, in compliance with regulatory standards.

5.1 MARKET RISK

The following table shows the sensitivity analysis of financial instruments:

Risk factor	Scenario (*)	Impact on investment portfolio
Price ratios	+50 b.p.	(752,356)
	+25 b.p.	(410,510)
	+10 b.p.	(173,746)
	-10 b.p.	173,746
	-25 b.p.	410,510
	-50 b.p.	752,356
Fixed interest	+50 b.p.	(350,909)
	+25 b.p.	(177,276)
	+10 b.p.	(71,546)
	-10 b.p.	71,546
	-25 b.p.	177,276
	-50 b.p.	350,909
Shares	± 34%	(187,827)
	± 17%	(93,914)
	± 9%	(46,957)
Floating interest	±50 b.p.	(8,695)
	±25 b.p.	(7,335)
	±10 b.p.	(5,868)

(*) B.P. = Basis Points. The baseline scenario used is the possible “stress” scenario for each risk factor, made available by B3.

It should be noted that given the Company’s ability to react, the impacts presented above can be minimized. Moreover, the Company has derivative instruments that reduce its exposure to risks, as shown in Note 13. This sensitivity analysis shows the Company’s exposure considering the use of derivative instruments used in order to hedge its operations.

6. CAPITAL MANAGEMENT

The capital management strategy consists of efficiently allocating capital, adding value to the business and shareholder by maximizing the Company’s capital value through the optimization of the capital level and capital sources available, ensuring the business sustainability in the short and long term, also in adverse situations, in accordance with regulatory and solvency requirements.

The process of capital assessment and management is implemented based on a business viewpoint within one-year horizon to insurers and other companies and a three-year horizon to Porto Seguro’s Prudential Conglomerate, supported by business growth, capital sources, regulatory environment and business,

growth targets, dividend distribution assumptions, among other key business indicators. Additionally, projections are made based on historical scenarios or situations that may materially affect the group's results, through the application of stress tests and evaluation of their impacts on capital ratios.

In this sense, Porto Group has a dedicated framework enables an active and prospective management of this risk. Capital management is supported by a specific corporate policy, which defines principles and guidelines, methodology, internal sufficiency limits, reports and minimum monitoring frequency, capital contingency plans, roles, and responsibilities.

Capital management is carried out by the Financial, Controllership and Investments Vice Presidency, being independently monitored in terms of compliance with regulatory requirements and internal policy by the Corporate Risk Management area.

7. SEGMENT REPORTING – CONSOLIDATED

Porto Seguro offers a wide range of products and services for individuals and legal entities in Brazil (primarily) and also in Uruguay. The Company applied IFRS 8/CPC 22 – Segment reporting and designated the following segments according to qualitative and quantitative criteria, considering the similarities between the services and products offered, to determine reportable segments:

- Auto Insurance: includes auto insurance premiums written by Porto Cia and Azul Seguros, net of cancellations, refunds and reinsurance assignments.
- Health plans and insurance: comprise health and dental insurance premiums written by Porto Saúde, net of cancellations and refunds, and the net consideration from the health plans marketed by Portomed.
- Personal insurance and supplementary pension: comprising: (i) the insurance premiums of persons written by Porto Cia and Porto Vida e Previdência, net of cancellations, refunds and assignments of reinsurance, and (ii) revenues from management fees and contributions made monthly by participants in pension plans operated by Porto Vida e Previdência.
- Insurance - other lines: comprising insurance premiums for damages (other than auto) written by Porto Cia, Itaú Auto e Residência, and Azul Seguros, net of cancellations, refunds and reinsurance assignments, in addition to insurance issued in Uruguay by Porto Seguro Uruguai.
- Financial entities and consortia: comprising (a) revenues from management fees of consortia groups operated by Porto Consórcio; (b) revenues of Portoseg from credit operations comprised of interest on loans, financing operations, and credit cards in the use of the revolving credit or installment payment of the credit card bill, and (c) revenues from the management of investment funds and management of financial assets of Portopar and Porto Investimentos.
- Other: mainly comprised of revenues from services rendered by all other companies of the Company (including revenues from services rendered in Uruguay by Porto Serviços Uruguai) and revenues from special savings bonds.

The Company takes into account the internal financial performance reports of each segment and geographic region in which it operates, which are used by Management in conducting its business. “Net Income/(Loss)” is the main indicator used by Company Management to manage segment performance.

Of the total revenues as of June 30, 2023, 97.8% (98.2% as of December 31, 2022) were from Brazil and the rest from Uruguay. At Porto Seguro, there is no concentration of revenue by client or by economic group.

In this first disclosure of balances under CPC 50/IFRS 17, the financial statements included in this note follow the format of the standard statements previously used. However, in order to ensure that the total balance shown in the Balance Sheet and Income Statement is represented accurately, we have implemented a change to each accounting statement. This change consists of the inclusion of an additional line detailing the impact of adopting the new standard CPC 50 - Insurance Contracts.

	Auto Insurance	Health plans and insurance	Personal insurance and supplementary pension	Insurance - other lines	Financial entities and consortia	Other	June 2023	June 2022
Insurance premiums written and net considerations	7,316,229	1,905,500	833,497	2,187,886	-	-	12,243,112	10,222,312
Changes in technical provisions for insurance and reinsurance premiums ceded	(49,518)	344	(181,594)	(276,217)	-	-	(506,985)	(1,055,596)
Premium earned	7,266,711	1,905,844	651,903	1,911,669	-	-	11,736,127	9,166,716
Revenues from loans	-	-	-	-	1,598,700	-	1,598,700	1,378,947
Revenue from services rendered	-	-	-	-	375,726	953,686	1,329,412	906,643
Pension plan contribution	-	-	68,351	-	-	-	68,351	70,934
Revenue from special savings bonds	-	-	-	-	-	37,854	37,854	31,539
Withheld claims and supplementary pension benefits - net (i)	(4,006,057)	(1,532,021)	(204,674)	(966,351)	-	-	(6,709,103)	(5,692,447)
Acquisition costs	(1,424,262)	(160,781)	(217,387)	(563,426)	(130,316)	(104,889)	(2,601,061)	(2,150,429)
Costs of services rendered	-	-	-	-	-	(160,193)	(160,193)	(255,846)
Changes in pension technical provisions	-	-	(42,038)	-	-	-	(42,038)	(61,507)
Other revenues (expenses)	(1,135,161)	(185,897)	(149,425)	(523,833)	(1,752,928)	(416,737)	(4,163,981)	(3,236,149)
Operating income (loss)	701,231	27,145	106,730	(141,941)	91,182	309,721	1,094,068	158,401
Financial result	308,449	40,436	8,469	122,899	34,955	(62,515)	452,693	238,760
Income (loss) before taxes	1,009,680	67,581	115,199	(19,042)	126,137	247,206	1,546,761	397,161
Income tax and social contribution	(382,612)	(24,304)	(45,406)	87,282	(15,573)	(97,379)	(477,992)	(90,601)
Net income - March 2023	627,068	43,277	69,793	68,240	110,564	149,827	1,068,769	306,560
							Adoption of CPC 50/IFRS 17	32,171
								(19,939)
							Net Income for the Period	338,731

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

Assets and liabilities							June 2023	December 2022
Assets related to segments	14,050,346	1,344,321	5,265,175	5,726,249	14,341,832	2,804,087	42,969,911	40,986,886
Property, plant and equipment and intangible assets (ii)	125,667	-	-	281,744	-	3,787,106	4,194,517	4,527,690
Goodwill from business combination (iii)	109,902	-	-	236,898	43,974	809,380	1,200,154	1,009,077
Intangible asset with undefined useful life (iii)	77,958	-	-	168,042	36,388	78,716	361,104	361,104
Other assets (iv)	-	-	-	-	-	3,897,566	3,897,566	3,778,454
	14,363,873	1,344,321	5,265,175	6,412,933	14,422,194	11,376,855	52,623,252	50,663,211
							Adoption of CPC 50/IFRS 17	(11,183,244)
							Total assets	41,440,008
								39,914,390
Liabilities related to segments	9,332,571	995,111	6,286,135	3,432,200	12,738,259	3,428,510	36,212,786	35,216,454
Other liabilities	-	-	-	-	-	4,864,527	4,864,527	4,805,700
	9,332,571	995,111	6,286,135	3,432,200	12,738,259	8,293,037	41,077,313	40,022,154
							Adoption of CPC 50/IFRS 17	(11,091,351)
							Total liabilities	29,985,962
								29,335,980

(i) Amounts related to retained claims are presented net of recovery of reinsurance, co-insurance, recovery, salvages, and reimbursements.

(ii) Intangible assets allocated to the "Automobile insurance" and "Insurance – other lines" segments refer mainly to those stemming from the acquisition of Itaú Auto e Residência (see Note 18).

(iii) Goodwill and intangible assets with undefined useful lives allocated to the "Automobile insurance" and "Insurance – other lines" segments refer to those stemming from the acquisition of Itaú Auto e Residência. The goodwill allocated to the "Others" segment refers to that stemming from the acquisition of companies Porto Seguro Saúde Ocupacional, ConectCar, Porto Assistência Participações and Petlove (see Note 18).

(iv) Refer mainly to financial assets not linked to technical provisions, deferred income tax and social contributions, and recoverable taxes and contributions.

8. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Cash equivalents ^(*)	46,924	50,822	828,548	1,983,217
Bank deposits	9,773	324	259,845	450,691
	56,697	51,146	1,088,393	2,433,908

(*) Comprised of repurchase and resale agreements with maturity date in one day, mainly linked to National Treasury Bills (LTNs) and National Treasury Notes (LTNs).

9. FINANCIAL ASSETS

9.1 INTEREST EARNING BANK DEPOSITS VALUED UNDER THE FAIR VALUE

9.1.1 THROUGH PROFIT OR LOSS (FVTPL)

					June 2023	December 2022
					Restated	
	Parent Company	Insurance	Pension	Other activities	Total consolidated	Total consolidated
Open-end funds						
Investment fund quotas	147,866	305,045	22,911	505	476,327	394,551
Other investments	-	2,170	-	-	2,170	2,040
	147,866	307,215	22,911	505	478,497	396,591
Exclusive funds						
Financial Treasury Bills (LFTs)	89,288	1,139,268	268,667	170,983	1,668,206	-
National Treasury Bills (LTNs)	128,905	2,407,861	1,120,445	363,527	4,020,738	3,526,077
NTNs - B	-	-	642,390	206	642,596	609,168
NTNs - C	-	-	32,115	-	32,115	999,351
NTNs - F	-	51,407	-	-	51,407	563,138
Financial Bills - Private	22,068	298,605	405,276	34,388	760,337	581,762
Commercial Note	46	3,425	11,418	71	14,960	294,245
Debentures	30,768	414,437	638,808	47,943	1,131,956	90,008
Fund quotas	186,579	253,015	525,256	7,885	972,735	29,459
Shares of listed companies	80,464	91,601	117,664	-	289,729	15,417
CDBs	45	386	40,647	71	41,149	3,569
	538,163	4,660,005	3,802,686	625,074	9,625,928	6,712,194
Total	686,029	4,967,220	3,825,597	625,579	10,104,425	7,108,785
Current	686,029				10,102,208	7,106,745
Non-current	-				2,217	2,040

9.1.2 THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

			June 2023	December 2022
	Insurance	Pension	Total consolidated	Total consolidated
Own portfolio (*)				
NTNs - B	2,679,061	195,263	2,874,324	2,492,355
NTNs - F	364,889	-	364,889	340,250
National Treasury Bills (LTNs)	-	-	-	253,335
NTNs - C	-	-	-	181,290
Total	3,043,950	195,263	3,239,213	3,267,230
Current				253,334
Non-current			3,239,213	3,013,896

(*) The curve value (adjusted cost) of the securities in "Own portfolio" on June 30, 2023 is R\$ 3,728,235 (R\$ 3,687,851 on December 31, 2022), thus generating a non-recurring gain recorded in shareholders' equity of R\$ 164,440 (R\$ -52,495 on December 31, 2022).

9.1.3 FAIR VALUE HIERARCHY - CONSOLIDATED

			June 2023	December 2022
	Level 1	Level 2	Total	Total
Exclusive funds	6,415,063	3,210,866	9,625,929	6,712,197
Own portfolio	2,874,323	364,889	3,239,212	3,267,227
Open-end funds	478,497	-	478,497	396,591
Total	9,767,883	3,575,755	13,343,638	10,376,015
Current			10,102,208	7,360,079
Non-current			3,241,430	3,015,936

9.2 INTEREST EARNING BANK DEPOSITS MEASURED AT AMORTIZED COST

					June 2023	December 2022
	Parent Company	Insurance	Pension	Other activities	Total consolidated	Total consolidated
Exclusive funds^(*)						
NTNs - B	27,326	810,727	453,034	45,316	1,336,403	1,698,633
NTNs - C	-	-	714,163	-	714,163	850,063
NTNs - F	-	-	-	442,919	442,919	446,054
National Treasury Bills (LTNs)	-	-	-	-	-	264,719
Other investments						
Other	-	-	-	190	190	305
Total	27,326	810,727	1,167,197	488,425	2,493,675	3,259,774
Current						264,719
Non-current	27,326				2,493,675	2,995,055

(*) Market value of papers on June 30, 2023 was R\$ 2,470,914 (R\$ 3,155,791 as of December 31, 2022).

9.3 CHANGES IN FINANCIAL INSTRUMENTS DURING THE PERIOD – CONSOLIDATED

	June 2023	December 2022
Opening balance	13,635,789	13,318,485
Investments	12,884,041	24,352,622
Redemption	(11,743,898)	(25,317,118)
Net income	896,941	1,334,295
Mark-to-market	164,440	(52,495)
Closing balance	15,837,313	13,635,789
Current	10,102,208	7,624,798
Non-current	5,735,105	6,010,991

9.4 CONTRACTED INTEREST RATES

The main contracted average annual interest rates on interest earning bank deposits are shown below (in %):

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Cash equivalents ^(*)	13.63	13.63	13.83	13.69
Exclusive funds				
Financial Bills %CDI	131.51	128.11	133.25	128.69
National Treasury Bills (LTNs)	11.26	11.98	11.12	11.98
NTNs - B - IPCA +	5.39	6.16	5.19	5.17
Debentures (DI +)	1.94	1.68	1.97	1.68
Financial Treasury Bills (LFTs)	0.10	0.08	0.14	0.07
NTNs - C - IGPM +	-	-	6.25	6.26
NTNs - F - FIXED RATE	-	-	8.30	7.96
Own portfolio				
National Treasury Bills (LTNs)	-	-	-	11.98
NTNs - F - FIXED RATE	-	-	6.99	6.99
NTNs - C - IGPM +	-	-	-	5.99
NTNs - B - IPCA +	-	-	4.00	3.85

(*) See Note 8.

10. LOANS AND RECEIVABLES (AT AMORTIZED COST) - CONSOLIDATED

	June 2023			December 2022		
	Portfolio	Provision for credit risks	Net portfolio	Portfolio	Provision for credit risks	Net portfolio
Securities and credits receivable (i)	7,891,948	(73,300)	7,818,648	7,691,105	(68,056)	7,623,049
Financing (ii)	1,993,311	(300,471)	1,692,840	2,105,688	(304,797)	1,800,891
Credit card operations (iii)	4,044,153	(2,315,671)	1,728,482	3,315,439	(1,755,713)	1,559,726
Loans	967,271	(118,518)	848,753	875,829	(101,124)	774,705
	14,896,683	(2,807,960)	12,088,723	13,988,061	(2,229,690)	11,758,371
Provision over total portfolio			18.85%			15.94%
Current			10,983,727			10,590,630
Non-current			1,104,996			1,167,741

(i) Refer to amounts receivable from credit cards due or unbilled, classified in current assets. These amounts are classified with credit granting characteristics and have, as their counterpart, accounts payable to affiliated establishments recorded in caption "Credit card transactions" (see Note 25).

(ii) Refers to vehicle financing in the form of Direct Consumer Credit (CDC).

(iii) Refers to amounts receivable from credit card transactions billed, past due, or paid in installments.

10.1 CHANGES IN THE IMPAIRMENT OF LOANS AND RECEIVABLES - CONSOLIDATED (*)

Movement among stages in the period are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total (*)</u>
Balance on December 31, 2021	172,034	124,867	886,442	1,183,343
New entries	537,001	509,755	868,049	1,914,805
Improvement in stage	27,420	7,516	(34,936)	-
Worsening of stage	(163,761)	(311,933)	475,694	-
Settlements (total or partial)	(382,358)	(162,536)	(323,564)	(868,458)
Balance on December 31, 2022	190,336	167,669	1,871,685	2,229,690
New entries	266,261	290,732	555,173	1,112,166
Improvement in stage	15,121	6,833	(21,954)	-
Worsening of stage	(93,670)	(198,673)	292,343	-
Settlements (total or partial)	(198,102)	(91,673)	(244,121)	(533,896)
Balance on June 30, 2023	179,946	174,888	2,453,126	2,807,960

(*) Due to the new "Write off" model in 2021, the deadlines for the recording of trade notes as losses were extended. Previously, 360 days were used, and with the new model the release for cards was 1,890 days and 1,620 days for CDC.

11. TAXES

11.1 RECOVERABLE TAXES AND CONTRIBUTIONS

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>June 2023</u>	<u>December 2022</u>	<u>June 2023</u>	<u>December 2022</u>
Income tax	64,669	54,890	118,579	138,471
Social contribution	4,155	6,263	27,273	41,601
INSS	-	-	22,549	21,838
Taxes - Uruguay	-	-	21,961	23,477
PIS & COFINS taxes	2	2	12,252	17,647
Other	6	6	8,702	8,757
	68,832	61,161	211,316	251,791
Current	68,832	61,161	209,178	249,475
Non-current	-	-	2,138	2,316

11.2 TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	June 2023	December	June 2023	Restated
		2022		December
			2022	
PIS & COFINS taxes	22,604	416	110,948	76,747
Income tax (i)	20,821	-	52,209	38,073
INSS and FGTS	80	98	46,173	47,472
Uruguay	-	-	27,563	25,274
IRRF	-	104	24,600	40,136
ISS	-	-	15,006	12,318
Social contribution (i)	-	-	12,023	43,342
Other	4	2	27,718	16,362
	43,509	620	316,240	299,724
Current	43,509	620	316,166	299,650
Non-current	-	-	74	74

(i) Refer to provisions, net of prepaid amounts.

11.3 DEFERRED TAXES

11.3.1 ASSETS - CONSOLIDATED

	December	Formation	Formation	Restated
				June 2023
	2022	of assets	of liabilities	
		and reversal	and reversal	
		of liabilities	of assets	
Income tax and social contribution on tax loss and negative basis	241,658	141,825	(141,255)	242,228
Temporary differences arising from:				
Provision for credit risks	527,972	58,658	(11,189)	575,441
Provision for legal obligations	456,995	19,905	(2,419)	474,481
Provisions on financial instrument adjustments (i)	208,179	37,743	(88,498)	157,424
PIS and COFINS over PSL and IBNR	138,773	33,118	(25,697)	146,194
Provision for profit sharing	72,514	79,358	(87,410)	64,462
Provision for lawsuits - civil and labor	33,798	6,696	(3,654)	36,840
Income tax and social contribution on IFRS 17 (ii)	19,954	19,495	-	39,449
Other provisions	118,860	107,393	(51,142)	175,111
	1,577,045	362,366	(270,009)	1,669,402
Offsetting of deferred assets/liabilities (iii)	(452,085)			(410,421)
	1,366,618			1,501,209

(i) Correspond to the effects on the mark-to-market of securities existing in the “Own portfolio”, which are classified at Fair value through other comprehensive income - OCI, as well as cash flow hedge operations arising from the foreign currency funding (Law 4131/62).

(ii) It refers to the adoption of IFRS 17, as detailed in note 1.2.1.

(iii) Deferred income tax and social contribution assets and liabilities are presented in the balance sheet, offset by the Company.

11.3.2 LIABILITIES

	Parent Company				Consolidated			
	December 2022	Formation	Reversal/ Realization	June 2023	December 2022	Formation	Reversal/ Realization	June 2023
Income tax and social contribution over business combination ⁽ⁱ⁾	259,544	-	(2,524)	257,020	363,328	-	(2,524)	360,804
Income tax and social contribution on IFRS 17 (ii)	-	-	-	-	142,138	5,127	-	147,265
Income tax and social contribution on CPC 47 (iii)	-	-	-	-	66,674	72,084	(27,057)	111,701
Deferred income tax and social contribution	-	-	-	-	66,364	12,934	(5,644)	73,654
Income tax and social contribution over financial instruments' adjustments	-	-	-	-	27,605	28,698	(3,376)	52,927
Income tax and social contribution over revaluation of real estate	2,932	174	(2,400)	706	20,058	199	(12,620)	7,637
Other	8,102	-	-	8,102	39,982	-	(17,042)	22,940
	270,578	174	(4,924)	265,828	726,149	119,042	(68,263)	776,928
Offset of deferred assets/liabilities	(6,838)			-	(359,474)			(295,501)
	263,740			265,828	366,675			481,427

(i) See Note 18.

(ii) It refers to the adoption of IFRS 17, as detailed in note 1.2.1.

(iii) Refers to taxes calculated by the adoption of BACEN Resolution 120/21, which provides for the general principles for recognition, measurement, bookkeeping and disclosure by consortium administrators.

11.4 RECONCILIATION OF INCOME AND SOCIAL CONTRIBUTION TAX EXPENSE ON INCOME

	Parent Company			
	2Q23	1S23	2Q22	1S22
Income (loss) before income tax (IRPJ) and social contribution (CSLL) (A)	671,325	1,014,080	163,680	336,207
Current rate (i)	34%	34%	34%	34%
Income tax and social contribution (at nominal rate) (B)	(228,251)	(344,787)	(55,651)	(114,310)
Equity in net income of subsidiaries	224,542	355,424	76,346	123,935
Write-off for loss - deferred	(47,265)	(61,420)	(24,835)	(13,634)
Dividends and interest on capital	47,590	47,590	(19,306)	(19,306)
Profit sharing	(571)	(587)	(91)	(189)
Technological innovation (ii)	5,217	4,504	24,799	26,028
Total effects of Corporate Income and Social Taxes on permanent differences (C)	229,513	345,511	56,913	116,834
Total income tax and social contribution (D = B + C)	1,262	724	1,262	2,524
Effective rate (D/-A)	-0.2%	-0.1%	-0.8%	-0.8%

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Consolidated			
	Restated			
	2Q23	1S23	2Q22	1S22
Income (loss) before income tax (IRPJ) and social contribution (CSLL) (A)	915,973	1,514,562	199,098	440,609
Current rate (i)	40%	40%	40%	40%
Income tax and social contribution (at nominal rate) (B)	(366,389)	(605,825)	(79,639)	(176,244)
Technological innovation (ii)	36,135	36,135	26,406	39,415
Judicial deposits	7,761	15,464	7,798	12,353
Tax incentives	1,545	2,548	1,138	2,307
Write-off for loss - deferred	(41,193)	(56,668)	(24,025)	(15,513)
Dividends and interest on capital	142,028	142,028	3,407	3,407
Profit sharing	(14,711)	(22,598)	(2,781)	(6,162)
Other	6,244	17,223	33,541	38,559
Total effects of Corporate Income and Social Taxes on permanent differences (C)	137,809	134,132	45,484	74,366
Total income tax and social contribution (D = B + C)	(228,580)	(471,693)	(34,155)	(101,878)
Effective rate (D/-A)	25.0%	31.1%	17.2%	23.1%

(i) On April 28, 2022, Provisional Measure 1115 was approved, which came into effect on August 1, 2022, with the application until December 31, 2022, of the change in the Social Contribution on Net Income - CSLL rate from 15% to 16% on insurance companies' profits, supplementary pension, capitalization, financial institutions, among others.

(ii) Refers mainly to the benefits related to projects linked to the law to encourage research and development of technological innovation (Lei do Bem), as of 2021.

12. GOODS FOR SALE - CONSOLIDATED

	June 2023	December 2022
Salvage (i)	258,091	232,544
Vehicles retired from leases (ii)	155,399	60,565
Vehicles recovered from financing agreements	5,713	9,780
Properties for sale (iii)	2,505	2,505
Provision for impairment	(57,272)	(48,926)
	364,436	256,468

(i) Deriving mainly from full indemnifications for auto claims, recorded at the estimated realizable value, based on historical studies of recovery.

(ii) Refers to vehicles arising from the deactivation of rentals by the company Mobitech.

(iii) Refers to the property whose deed was not transferred to the Fund on the same base date (see Note 16.4).

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	June 2023	December 2022
	Fair value	Fair value
Variable income options	117	(1,717)
IDI option	24	-
Future dollar option	-	334
Options and futures contracts (*)	141	(1,383)
Total - current assets	6,077	60
Total current liabilities	(30,200)	(1,443)

(*) Instruments allocated to the Company's investment funds.

Furthermore, the Company and its subsidiary Mobitech have cash flow hedges arising from the foreign currency funding (Law 4131/62) (see Note 22.2), whose impact on Shareholders' equity is presented below:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

					June 2023	December 2022
		Contracted average rate (p.a.)	Notional value	Curve value	Impact on shareholders' equity	Impact on shareholders' equity
Parent Company	Asset: fixed rate		100,000	-	108,481	110,512
	Short position: floating rate	CDI + 1.25%	(100,000)	-	(107,214)	(103,625)
	Gain from mark-to-market				1,267	6,887
Parent Company	Asset: floating rate		150,000	-	146,108	154,282
	Short position: floating rate	CDI + 0.95%	(150,000)	-	(162,341)	(153,133)
	Loss from mark-to-market				(16,233)	1,149
Portoseg	Asset: floating rate	CDI + 1.04%	2,653,778	-	2,746,132	-
	Short position: fixed rate	FIXED RATE 13.96%	(2,653,778)	-	(2,740,580)	-
	Gain from mark-to-market				5,552	-
Mobitech	Asset: floating rate	USD + 3.00%	50,000	-	-	49,789
	Short position: floating rate	CDI + 1.80%	(50,000)	-	-	(56,962)
	Loss from mark-to-market				-	(7,173)
Mobitech	Asset: floating rate	USD + 2.96%	100,000	-	-	101,339
	Short position: floating rate	CDI + 1.70%	(100,000)	-	-	(113,495)
	Loss from mark-to-market				-	(12,156)
Mobitech	Asset: floating rate	USD + 3.36%	100,000	-	108,641	114,182
	Short position: floating rate	CDI + 1.88%	(100,000)	-	(115,667)	(111,459)
	Loss from mark-to-market				(7,026)	2,723
Mobitech	Asset: floating rate	CDI + 1.28%	100,000	-	96,952	-
	Short position: fixed rate	FIXED RATE 15.25%	(100,000)	-	(103,107)	-
	Loss from mark-to-market				(6,155)	-
Mobitech	Asset: floating rate	CDI + 1.28%	153,641	-	152,528	155,020
	Short position: fixed rate	FIXED RATE 15.25%	(153,641)	-	(152,501)	(156,212)
	Gain from mark-to-market				27	(1,192)
Mobitech	Asset: floating rate	CDI + 1.33%	256,090	-	254,228	261,258
	Short position: fixed rate	FIXED RATE 14.94%	(256,090)	-	(254,089)	(264,885)
	Gain from mark-to-market				139	(3,627)
	Total impact on Shareholders' Equity				(22,429)	(13,389)
	Total impact on Shareholders' Equity (net of IR and CS)				(14,803)	(8,837)

14. OTHER ASSETS

	Parent Company		Consolidated	
	June 2023	December	June 2023	Restated
		2022		December
				2022
Prepaid expenses	-	-	402,018	352,371
Other credits receivable from credit card	-	-	106,976	172,252
Administrative advances	3,651	11,849	76,435	58,895
Withholding IOF [Tax of Financial Operations] – Portoseg	-	-	50,000	-
Commissions in processing	-	-	50,786	81,162
Accounts receivable - financial	-	-	47,469	34,712
<i>Sempre Presente</i> program	-	-	31,682	36,172
Amounts receivable - insurance	-	-	31,639	31,975
Accounts receivable - Oncoclinicas	-	-	30,000	-
Storeroom	-	-	8,957	7,464
Court-ordered freezing	35	39	7,606	8,194
Checks to deposit	-	-	6,090	7,176
DPVAT agreement	-	-	3,708	3,708
Mobitech Loan Agreement	24,429	-	-	-
Dividends and interest on capital receivable	1,421	30,320	-	-
Other	1,351	7,107	209,205	115,035
	30,887	49,315	1,062,571	909,116
Current	6,423	49,276	954,650	778,101
Non-current	24,464	39	107,921	131,015

15. JUDICIAL DEPOSITS

	Parent Company		Consolidated	
	June 2023	December	June 2023	December
		2022		2022
PIS & COFINS taxes	158,887	153,894	993,416	965,834
Lawsuits from adhesion to REFIS (i)	-	-	509,386	494,274
Judicial claims	-	-	35,699	37,536
Other	20	19	40,330	38,516
	158,907	153,913	1,578,831	1,536,160

(i) See Note 23.1 (a).

16. INVESTMENTS

16.1 INTEREST IN SUBSIDIARIES – PARENT COMPANY

	Balances on December 31, 2022	Equity in net income of subsidiaries	Capital increase	Financial instrument adjustments	Translation adjustment /other	Dividends	Corporate Reorganization (ii)	Balances on June 30, 2023
Porto Cia	5,684,406	692,510	-	92,718	(208,398)	(307,790)	(165,333)	5,788,113
Porto Bank	80,965	42,012	2,304	-	(62,425)	(45,000)	1,584,494	1,602,350
Porto Saúde Participações	51	11,610	-	-	1,592	-	1,169,372	1,182,625
Porto Serviços e Comércio	546,280	16,712	200	-	(12,002)	-	-	551,190
Porto Assistência Participações	251,475	136,194	-	-	(2,929)	-	(16,675)	368,065
Porto Asset Management	13,081	6,669	-	-	(646)	(6,029)	-	13,075
Azul Seguros	823,999	75,658	-	5,946	(7,280)	(82,236)	(816,087)	-
Itaú Auto e Residência	94,746	28,041	-	-	(1,370)	(15,000)	(106,417)	-
Porto Negócios Financeiros	1,537,002	68,862	-	-	116	(21,486)	(1,584,494)	-
Porto Saúde Serviços	72,715	1,699	-	-	-	-	(74,414)	-
Porto Saúde Operações	7,827	1,064	-	-	(1,770)	-	(7,121)	-
Business combination (i)	1,480,561	-	-	-	(30,610)	-	187,935	1,637,886
	10,593,108	1,081,031	2,504	98,664	(325,722)	(477,541)	171,260	11,143,304

(i) The amount refers to the business combination of Itaú Auto e Residência and Porto Assistência Participações (see Note 18).

(ii) The Company is structuring itself into verticals with the purpose of increasing autonomy and focus on each business, leveraging solutions that drive the growth of operations.

16.2 INTEREST IN ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

	Balances on December 31, 2022	Equity in net income of subsidiaries	Balances on June 30, 2023
Associated companies (i)	96,188	(11,468)	84,720
Jointly controlled entities (ii)	105,389	4,459	109,848
	201,577	(7,009)	194,568

(i) Corresponds to the minority interest of 13.50% in Petlove Cayman Ltd.

(ii) Shared control of 50.0% in ConectCar.

16.3 REAL ESTATE FOR INVESTMENTS

As of June 30, 2023, the amounts of R\$ 381,398 (Parent company) and R\$ 315,304 (Consolidated), R\$ 351,246 and R\$ 242,316 refer, respectively, to the sale value of properties held by the Real Estate Fund (see Note 16.4) and its measurement at market value in the Parent Company, and the same real estate are measured at book value in the Consolidated.

16.4 REAL ESTATE INVESTMENT FUND

On June 29, 2022, a real estate purchase and sale agreement was signed between the subsidiaries Porto Cia, Porto Saúde, Porto Vida e Previdência and Azul Seguros, as the sellers and Jive Properties Multiestratégia Fundo de Investimento Imobiliário (“Fund”) as the buyer and Porto S.A., parent company, as an intervening party in the transaction.

The purpose of the agreement was the sale of 45 properties to the Fund, considering current conditions of the real estate market, the legal situation and state of maintenance and conservation of the properties, as well as the opportunity for immediate liquidity to the subsidiaries, divided into two tranches. The first tranche negotiated 35 properties for R\$ 294,415, on the same date the agreement was signed. The second tranche negotiated 10 properties for a total of R\$ 74,223. Of the amount of the second tranche, the parties committed to making their best efforts to complete the stage in the amount of R\$ 2,276.

The Fund will seek opportunities to sell properties within 48 months, based on the following assumptions: obtaining authorization from Porto S.A. and maximizing the sale value. If there is a surplus between the purchase and sale value to third parties, Porto S.A. participates in 70% of the surplus, otherwise, the capital is returned to the Fund up to the limit of the purchase price, made by Porto S.A. Additionally, Porto S.A. has the right to veto the sale of the properties and, at the end of the contractual term, it has the option to purchase the remaining properties at the value negotiated on the date of signature of the aforementioned agreement adjusted to IPCA.

Porto S.A. will also pay the Fund a Vacancy Indemnity of IPCA + 0.5654% per month, applied to the price of the transferred and unsold properties, covering the maintenance expenses of the properties, so that they are empty and available for sale.

In compliance with the aspects of the control and repurchase agreement established by IFRS standards, Porto S.A. maintains the registration of properties in its individual financial information and recognized a liability for the amount received in cash. For consolidation purposes, the properties transferred to the Fund are being presented as real estate for investments, and the properties that are part of the agreement and which have not yet been transferred to the Fund are presented as non-current assets held for sale.

Porto S.A. is monetarily updating the amount allocated to liabilities for transactions with a real estate investment fund, using the IPCA ratio, with a contra entry recorded in Financial expenses (Note 35).

We present the balances related to the operation below:

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Current assets	-	-	2,505	2,505
Real estate available for sale (i)	-	-	2,505	2,505
Non-current	351,246	366,362	242,316	256,001
Real estate for investments (ii)	351,246	366,362	242,316	256,001
Non-current liabilities	363,674	366,774	363,674	366,774
Real estate investment fund transaction liabilities (iii)	363,674	366,774	363,674	366,774
Shareholders' equity		22,493		22,493
Revaluation Reserve - GAAP adjustment (ii)	-	22,493	-	22,493
Result	12,015	412		
Financial expense – inflation adjustment (iii)	12,015	412	-	-
Equity in net income of subsidiaries	-	-	1,431	-

(i) The amount represents one property of the second tranche, whose amount was settled in August 2022, but its deed was transferred to the Fund on the same base date (see Note 12) and its market value is R\$ 2,276.

(ii) The amount represents the properties of the first and second tranche, whose values were paid between June, July, August and October 2022 and had their deeds transferred to the Fund, totaling 44 properties, net of the effects of elimination of capital gains of the subsidiaries in the consolidated. The aforementioned revaluation reserve was recorded when permitted by current regulations.

(iii) The amount represents the liability related to the transaction with the Fund (see Note 25) and its respective inflation adjustment.

17. PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED

17.1 BREAKDOWN

	Annual depreciation rates (%)	June 2023			December 2022		
		Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Buildings (i)	2.0	528,577	(29,130)	499,447	552,212	(46,269)	505,943
Land	-	128,201	-	128,201	127,484	-	127,484
Leasehold improvements	5.0–33.3	194,404	(66,750)	127,654	191,988	(63,058)	128,930
		851,182	(95,880)	755,302	871,684	(109,327)	762,357
IT	20.0–33.3	502,365	(396,654)	105,711	488,829	(376,951)	111,878
Furniture, machinery and fixtures	10.0–50.0	83,873	(83,393)	480	84,417	(81,743)	2,674
Trackers	100.0	8,675	(6,185)	2,490	6,174	(3,358)	2,816
Equipment	10.0–14.3	36,801	(36,216)	585	36,951	(35,815)	1,136
Vehicles	20.0–25.0	10,094	(7,812)	2,282	9,256	(7,380)	1,876
		641,808	(530,260)	111,548	625,627	(505,247)	120,380
Vehicles and equipment leased to third parties	3.0–29.3	1,101,758	(51,423)	1,050,335	1,422,967	(50,707)	1,372,260
		1,101,758	(51,423)	1,050,335	1,422,967	(50,707)	1,372,260
		2,594,748	(677,563)	1,917,185	2,920,278	(665,281)	2,254,997

(i) For this item, the weighted average rate was used.

17.2 CHANGES

	Net balance on December 31, 2022	Changes			Net balance on June 30, 2023	
		Acquisitions	Write- offs/sales	Depreciation expenses		Other /Transfers
Buildings	505,943	-	(1,558)	(5,593)	655	499,447
Land	127,484	-	(208)	-	925	128,201
Leasehold improvements	128,930	4,955	-	(6,207)	(24)	127,654
	762,357	4,955	(1,766)	(11,800)	1,556	755,302
IT	111,878	15,263	(57)	(24,029)	2,656	105,711
Furniture, machinery and fixtures	2,674	29	(82)	(2,184)	43	480
Trackers	2,816	3,130	(101)	(3,053)	(302)	2,490
Equipment	1,136	104	(5)	(654)	4	585
Vehicles	1,876	827	-	(422)	1	2,282
	120,380	19,353	(245)	(30,342)	2,402	111,548
Vehicles and equipment leased to third parties (i)	1,372,260	27,266	(224,606)	(25,587)	(98,998)	1,050,335
	1,372,260	27,266	(224,606)	(25,587)	(98,998)	1,050,335
	2,254,997	51,574	(226,617)	(67,729)	(95,040)	1,917,185

18. INTANGIBLE ASSETS - CONSOLIDATED

18.1 BREAKDOWN

	Amortization annual rates (%)	June 2023			December 2 022		
		Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value
Software	6.67–20.0	2,472,225	(823,825)	1,648,400	2,337,269	(756,493)	1,580,776
Partnership agreements - Surplus - CDF		134,509	(24,298)	110,211	-	-	-
Up front contracts - CDF		133,557	(47,674)	85,883	137,861	(14,701)	123,160
Business combination, CDF – Montpellier/Tectotal		5,530	-	5,530	5,530	-	5,530
Other intangible assets	20.0	60,660	(49,948)	10,712	55,134	(39,944)	15,190
		2,806,481	(945,745)	1,860,736	2,535,794	(811,138)	1,724,656
Distribution channel	2.2	568,001	(171,452)	396,549	568,001	(165,141)	402,860
Goodwill on acquisition of investments		346,800	-	346,800	346,800	-	346,800
Brand		246,000	-	246,000	246,000	-	246,000
Business combination - Itaú Auto e Residência		1,160,801	(171,452)	989,349	1,160,801	(165,141)	995,660
Brand		78,716	-	78,716	78,716	-	78,716
Software	13.3	15,975	(4,260)	11,715	15,975	(3,195)	12,780
Goodwill		237,092	-	237,092	237,092	-	237,092
Other		8,555	(4,719)	3,836	8,554	(3,829)	4,725
Business combinations - Petlove		340,338	(8,979)	331,359	340,337	(7,024)	333,313
Partnership		-	-	-	127,671	-	127,671
Goodwill		538,327	-	538,327	357,230	-	357,230
Business combinations - Porto Assistência Participações		538,327	-	538,327	484,901	-	484,901
Brand		34,488	-	34,488	34,488	-	34,488
Partnership		1,900	-	1,900	1,900	-	1,900
Goodwill	24.0	43,974	-	43,974	43,974	-	43,974
Business combinations - Conectcar		80,362	-	80,362	80,362	-	80,362
Goodwill on the acquisition of Porto Seguro Saúde Ocupacional		23,981	-	23,981	23,981	-	23,981
Client portfolio - Nido		4,494	-	4,494	-	-	-
Goodwill - Nido		9,980	-	9,980	-	-	-
Other business combinations		38,455	-	38,455	23,981	-	23,981
		4,964,764	(1,126,176)	3,838,588	4,626,176	(983,303)	3,642,873

18.2 CHANGES

	Net balance on December 31, 2022	Changes				Net balance on June 30, 2023
		Acquisitions	Write- offs/sales	Amortization expenses	Other /Transfers	
Software	1,580,776	137,254	(1,426)	(66,608)	(1,596)	1,648,400
Partnership agreements - Surplus - CDF	-	134,509	-	(24,298)	-	110,211
Up front contracts - CDF	123,160	-	-	(22,260)	(15,017)	85,883
Business combination, CDF – Montpellier/Tectotal	5,530	-	-	-	-	5,530
Other intangible assets	15,190	-	-	(2,011)	(2,467)	10,712
	1,724,656	271,763	(1,426)	(115,177)	(19,080)	1,860,736
Distribution channel	402,860	-	-	(6,311)	-	396,549
Brand	246,000	-	-	-	-	246,000
Goodwill on acquisition of investments	346,800	-	-	-	-	346,800
Business combination - Itaú Auto e Residência	995,660	-	-	(6,311)	-	989,349
Brand	78,716	-	-	-	-	78,716
Software	12,780	-	-	(1,065)	-	11,715
Goodwill	237,092	-	-	-	-	237,092
Other	4,725	-	-	(889)	-	3,836
Business combinations - Petlove	333,313	-	-	(1,954)	-	331,359
Brand	34,488	-	-	-	-	34,488
Partnership	1,900	-	-	-	-	1,900
Goodwill	43,974	-	-	-	-	43,974
Business combinations - Conectcar	80,362	-	-	-	-	80,362
Partnership	127,671	-	(127,671)	-	-	-
Goodwill	357,230	181,097	-	-	-	538,327
Business combinations - Porto Assistência Participações	484,901	181,097	(127,671)	-	-	538,327
Goodwill on the acquisition of Porto Seguro Saúde Ocupacional	23,981	-	-	-	-	23,981
Client portfolio - Nido	-	4,494	-	-	-	4,494
Goodwill - Nido	-	9,980	-	-	-	9,980
Other business combinations	23,981	14,474	-	-	-	38,455
	3,642,873	467,334	(129,097)	(123,442)	(19,080)	3,838,588

19. RIGHT-OF-USE ASSETS – CONSOLIDATED

19.1 BREAKDOWN

	Annual depreciation rates (%)	June 2023			December 2022		
		Cost	Accumulated depreciation	Amount Net	Cost	Accumulated depreciation	Amount Net
Right-of-use	5.0–33.0	170,486	(60,067)	110,419	165,352	(54,737)	110,615

These are related to the properties that are leased from third parties in order to conduct Company business in several locations in Brazil.

19.2 CHANGES

	Balance on December 31, 2022	Changes		Balance on June 30, 2023
		Formation of new contracts, write-offs and cancellations	Depreciation expenses	
Right-of-use	110,615	13,370	(13,566)	110,419

20. IFRS 17 TRANSITION - IMPACTS

As mentioned in the new policies (see note 3.1.1 (i) Transition), the measurements under these approaches on the transition date are shown below:

Insurance contracts issued	BBA Insurance - other lines	VFA Personal insurance and supplementary pension	Total
Insurance revenue on December 31, 2022	538,568	3,306,005	3,844,573
Contracts under the full transition approach – FRA	(647,309)	(114,052)	(761,361)
Contracts under the fair value transition approach - FVA	1,185,877	3,420,057	4,605,934
Income (loss) on December 31, 2022	(82,821)	35,659	(47,162)
Contracts under the full transition approach – FRA	(82,859)	68,960	(13,899)
Contracts under the fair value transition approach - FVA	38	(33,301)	(33,263)

21. INSURANCE AND REINSURANCE CONTRACTS

The balances of insurance and reinsurance contracts are presented as follows by measurement method:

	June 2023			
Insurance and reinsurance contracts	PAA	BBA	VFA	Total
Net balance of insurance contracts	(4,890,175)	(1,379,867)	(4,028,942)	(10,298,984)
Insurance contract liabilities	(4,890,175)	(1,379,867)	(4,028,942)	(10,298,984)
Net balance of reinsurance contracts	67,862	-	-	67,862
Reinsurance contract assets	72,003	-	-	72,003
Reinsurance contract liabilities	(4,141)	-	-	(4,141)
				December 2022
Insurance and reinsurance contracts	PAA	BBA	VFA	Total
Net balance of insurance contracts	(4,668,346)	(1,384,449)	(3,898,121)	(9,950,916)
Insurance contract liabilities	(4,668,346)	(1,384,449)	(3,898,121)	(9,950,916)
Net balance of reinsurance contracts	136,218	-	-	136,218
Reinsurance contract assets	137,566	-	-	137,566
Reinsurance contract liabilities	(1,348)	-	-	(1,348)

A) CHANGES IN INSURANCE CONTRACTS – PAA

	Liabilities for remaining coverage	Liabilities for incurred claims		Assets for cash flows from acquisition of insurance (Note 21b)	June 2023
	Exclusion of Loss Component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk		Total
Changes in insurance contracts - PAA					
Opening balance of insurance liabilities	(2,070,594)	(2,721,501)	(58,607)	182,356	(4,668,346)
Opening balance for the year	(2,070,594)	(2,721,501)	(58,607)	182,356	(4,668,346)
Insurance revenue	11,484,726	-	-	-	11,484,726
Insurance service expenses	(1,961,355)	(7,526,118)	(5,352)	-	(9,492,825)
Incurred claims and other insurance service expenses	(69,997)	(7,526,118)	-	-	(7,596,115)
Amortization of cash flows from insurance acquisition	(1,891,358)	-	-	-	(1,891,358)
Adjustments to liabilities for incurred claims	-	-	(5,352)	-	(5,352)
Income (loss) from insurance service	9,523,371	(7,526,118)	(5,352)	-	1,991,901
Net financial result from insurance contracts	12,929	117,283	(2,888)	-	127,324
Total changes in the income statement and OCI	9,536,300	(7,408,835)	(8,240)	-	2,119,225
Cash flows					
Premiums received	(11,468,330)	-	-	-	(11,468,330)
Claims and other insurance service expenses paid, including investment components	-	7,115,912	-	-	7,115,912
Cash flows from acquisition of insurance	1,843,057	-	-	168,307	2,011,364
Total cash flows	(9,625,273)	7,115,912	-	168,307	(2,341,054)
Transfer to other items in the statement of financial position	113,668	-	-	(113,668)	-
Closing balance for the year	(2,045,899)	(3,014,424)	(66,847)	236,995	(4,890,175)
Final balance of insurance liabilities	(2,045,899)	(3,014,424)	(66,847)	236,995	(4,890,175)
Net closing balance	(2,045,899)	(3,014,424)	(66,847)	236,995	(4,890,175)
December 2022					
Changes in insurance contracts - PAA					
Opening balance of insurance liabilities	(1,692,643)	(2,475,405)	(52,743)	133,236	(4,087,555)
Opening balance for the year	(1,692,643)	(2,475,405)	(52,743)	133,236	(4,087,555)
Insurance revenue	19,406,345	-	-	-	19,406,345
Insurance service expenses	(3,484,064)	(13,778,391)	(998)	-	(17,263,453)
Incurred claims and other insurance service expenses	18,125	(13,778,391)	-	-	(13,760,266)
Amortization of cash flows from insurance acquisition	(3,502,189)	-	-	-	(3,502,189)
Adjustments to liabilities for incurred claims	-	-	(998)	-	(998)
Income (loss) from insurance service	15,922,281	(13,778,391)	(998)	-	2,142,892
Net financial result from insurance contracts	(6,594)	96,812	(4,866)	-	85,352
Total changes in the income statement and OCI	15,915,687	(13,681,579)	(5,864)	-	2,228,244
Cash flows					
Premiums received	(20,103,495)	-	-	-	(20,103,495)
Claims and other insurance service expenses paid, including investment components	-	13,435,483	-	-	13,435,483
Cash flows from acquisition of insurance	3,734,736	-	-	124,241	3,858,977
Total cash flows	(16,368,759)	13,435,483	-	124,241	(2,809,035)
Transfer to other items in the statement of financial position	75,121	-	-	(75,121)	-
Closing balance for the year	(2,070,594)	(2,721,501)	(58,607)	182,356	(4,668,346)
Final balance of insurance liabilities	(2,070,594)	(2,721,501)	(58,607)	182,356	(4,668,346)
Net closing balance	(2,070,594)	(2,721,501)	(58,607)	182,356	(4,668,346)

B) REALIZATION OF CASH FLOW FOR ACQUISITION

Realization of acquisition cash flow asset	≤01 year	01–05 years	Total
Acquisition cash flow asset - June 2023	93,264	143,732	236,995
	93,264	143,732	236,995
Acquisition cash flow asset - December 2022	113,668	68,688	182,356
	113,668	68,688	182,356

C) CHANGES IN INSURANCE CONTRACTS – BBA

	Liabilities for remaining coverage		Liabilities for incurred claims		June 2023
	Exclusion of Loss Component	Loss component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Changes in insurance contracts - BBA					
Opening balance of insurance liabilities	(1,209,353)	(94,581)	(79,581)	(934)	(1,384,449)
Opening balance for the year	(1,209,353)	(94,581)	(79,581)	(934)	(1,384,449)
Changes to the income statement and OCI					
Insurance revenue	423,410	-	-	-	423,410
Contracts under the full transition approach – FRA	329,148	-	-	-	329,148
Contracts under the fair value transition approach - FVA	94,262	-	-	-	94,262
Insurance service expenses	(114,226)	-	(240,032)	38	(354,220)
Incurred claims and other insurance service expenses	9,622	-	(240,032)	-	(230,410)
Amortization of cash flows from insurance acquisition	(123,848)	-	-	-	(123,848)
Adjustments to liabilities for incurred claims	-	-	-	38	38
Losses and reversals of losses on onerous contracts	-	(9,762)	-	-	(9,762)
Income (loss) from insurance service	309,184	(9,762)	(240,032)	38	59,428
Net financial result from insurance contracts	31,570	-	(8,182)	(96)	23,292
Total changes in the income statement and OCI	340,754	(9,762)	(248,214)	(58)	82,720
Cash flows					
Premiums received	(382,431)	-	-	-	(382,431)
Claims and other insurance service expenses paid, including investment components	-	-	240,590	-	240,590
Cash flows from acquisition of insurance	63,703	-	-	-	63,703
Total cash flows	(318,728)	-	240,590	-	(78,138)
Closing balance for the year	(1,187,327)	(104,343)	(87,205)	(992)	(1,379,867)
Final balance of insurance liabilities	(1,187,327)	(104,343)	(87,205)	(992)	(1,379,867)
Net closing balance	(1,187,327)	(104,343)	(87,205)	(992)	(1,379,867)

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Liabilities for remaining coverage		Liabilities for incurred claims		December 2022
	Exclusion of Loss Component	Loss component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Changes in insurance contracts - BBA					
Opening balance of insurance liabilities	(1,263,228)	-	(65,659)	(554)	(1,329,441)
Opening balance for the year	(1,263,228)	-	(65,659)	(554)	(1,329,441)
Changes to the income statement and OCI					
Insurance revenue	758,092	-	-	-	758,092
Contracts under the full transition approach – FRA	581,338	-	-	-	581,338
Contracts under the fair value transition approach - FVA	176,754	-	-	-	176,754
Insurance service expenses	(22,377)	-	(458,631)	(264)	(481,272)
Incurred claims and other insurance service expenses	94,060	-	(458,631)	-	(364,571)
Amortization of cash flows from insurance acquisition	(116,437)	-	-	-	(116,437)
Adjustments to liabilities for incurred claims	-	-	-	(264)	(264)
Losses and reversals of losses on onerous contracts	-	(94,581)	-	-	(94,581)
Income (loss) from insurance service	735,715	(94,581)	(458,631)	(264)	182,239
Net financial result from insurance contracts	(25,272)	-	17,403	(116)	(7,985)
Total changes in the income statement and OCI	710,443	(94,581)	(441,228)	(380)	174,254
Cash flows					
Premiums received	(744,467)	-	-	-	(744,467)
Claims and other insurance service expenses paid, including investment components	-	-	427,306	-	427,306
Cash flows from acquisition of insurance	87,899	-	-	-	87,899
Total cash flows	(656,568)	-	427,306	-	(229,262)
Closing balance for the year	(1,209,353)	(94,581)	(79,581)	(934)	(1,384,449)
Final balance of insurance liabilities	(1,209,353)	(94,581)	(79,581)	(934)	(1,384,449)
Net closing balance	(1,209,353)	(94,581)	(79,581)	(934)	(1,384,449)

D) CHANGES IN INSURANCE CONTRACTS – VFA

	Liabilities for remaining coverage	Liabilities for incurred claims		June 2023
	Exclusion of Loss Component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Changes in insurance contracts - VFA				
Opening balance of insurance liabilities	(3,893,281)	(4,834)	(6)	(3,898,121)
Opening balance for the year	(3,893,281)	(4,834)	(6)	(3,898,121)
Insurance revenue	615,173	-	-	615,173
Contracts under the full transition approach – FRA	152,500	-	-	152,500
Contracts under the fair value transition approach - FVA	462,673	-	-	462,673
Insurance service expenses	(506,216)	(7,046)	(1)	(513,263)
Incurred claims and other insurance service expenses	(502,016)	(7,046)	-	(509,062)
Amortization of cash flows from insurance acquisition	(4,200)	-	-	(4,200)
Adjustments to liabilities for incurred claims	-	-	(1)	(1)
Income (loss) from insurance service	108,957	(7,046)	(1)	101,910
Net financial result from insurance contracts	(81,331)	2,070	3	(79,258)
Total changes in the income statement and OCI	27,626	(4,976)	2	22,652
Cash flows				
Premiums received	(144,762)	-	-	(144,762)
Claims and other insurance service expenses paid, including investment components	-	6,388	-	6,388
Cash flows from acquisition of insurance	(15,099)	-	-	(15,099)
Total cash flows	(159,861)	6,388	-	(153,473)
Closing balance for the year	(4,025,516)	(3,422)	(4)	(4,028,942)
Final balance of insurance liabilities	(4,025,516)	(3,422)	(4)	(4,028,942)
Net closing balance	(4,025,516)	(3,422)	(4)	(4,028,942)

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Liabilities for remaining coverage	Liabilities for incurred claims		December 2022
	Exclusion of Loss Component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Changes in insurance contracts - VFA				
Opening balance of insurance liabilities	(3,818,394)	(6,400)	(8)	(3,824,802)
Opening balance for the year	(3,818,394)	(6,400)	(8)	(3,824,802)
Insurance revenue	1,266,946	-	-	1,266,946
Contracts under the full transition approach – FRA	141,839	-	-	141,839
Contracts under the fair value transition approach - FVA	1,125,107	-	-	1,125,107
Insurance service expenses	(8,641)	(1,029,204)	(6)	(1,037,851)
Incurred claims and other insurance service expenses	(33)	(1,029,204)	-	(1,029,237)
Amortization of cash flows from insurance acquisition	(8,608)	-	-	(8,608)
Adjustments to liabilities for incurred claims	-	-	(6)	(6)
Investment components and premium refunds	-	-	-	-
Income (loss) from insurance service	1,258,305	(1,029,204)	(6)	229,095
Net financial result from insurance contracts	(211,605)	140,228	8	(71,369)
Total changes in the income statement and OCI	1,046,700	(888,976)	2	157,726
Cash flows				
Premiums received	(1,090,852)	-	-	(1,090,852)
Claims and other insurance service expenses paid, including investment components	-	890,542	-	890,542
Cash flows from acquisition of insurance	(30,735)	-	-	(30,735)
Total cash flows	(1,121,587)	890,542	-	(231,045)
Closing balance for the year	(3,893,281)	(4,834)	(6)	(3,898,121)
Final balance of insurance liabilities	(3,893,281)	(4,834)	(6)	(3,898,121)
Net closing balance	(3,893,281)	(4,834)	(6)	(3,898,121)

E) CHANGES IN CONTRACTUAL SERVICE MARGIN – BBA

	Estimate of cash flow at present value	Risk adjustment for non-financial risk	Contractual service margin (Note 21 g)		June 2023
			Contracts under the fair value transition approach - FVA	Contracts under the full transition approach – FRA	Total
Changes in contractual service margin - BBA					
Opening balance of insurance liabilities	(1,307,541)	(45,904)	(3,142)	(27,862)	(1,384,449)
Opening balance for the year	(1,307,541)	(45,904)	(3,142)	(27,862)	(1,384,449)
Changes to the income statement and OCI					
Changes related to current services	282,867	4,461	(744)	22,610	309,194
CSM recognized for services provided	-	-	(744)	22,610	21,866
Change in the risk adjustment for non-financial risk for expired risk	-	4,461	-	-	4,461
Experience adjustments	282,867	-	-	-	282,867
Changes related to future services	36,763	(8,615)	(723)	(37,198)	(9,773)
Contracts initially recognized in the year (note 21h)	6,358	(1,348)	-	(5,010)	-
Changes in the CMS adjusting estimates	40,178	(7,267)	(723)	(32,188)	-
Changes in estimates resulting in losses and reversal of losses on contracts	(9,773)	-	-	-	(9,773)
Changes related to prior services	(240,032)	39	-	-	(239,993)
Adjustments to liabilities for incurred claims	(240,032)	39	-	-	(239,993)
Income (loss) from insurance service	79,598	(4,115)	(1,467)	(14,588)	59,428
Financial Result	23,388	(96)	-	-	23,292
Net financial result from insurance contracts	23,388	(96)	-	-	23,292
Total changes in the income statement and OCI	102,986	(4,211)	(1,467)	(14,588)	82,720
Cash flows	(78,138)	-	-	-	(78,138)
Premiums received	(382,431)	-	-	-	(382,431)
Claims and other insurance service expenses paid, including investment components	240,590	-	-	-	240,590
Cash flows from acquisition of insurance	63,703	-	-	-	63,703
Closing balance for the year	(1,282,693)	(50,115)	(4,609)	(42,450)	(1,379,867)
Final balance of insurance liabilities	(1,282,693)	(50,115)	(4,609)	(42,450)	(1,379,867)
Net closing balance	(1,282,693)	(50,115)	(4,609)	(42,450)	(1,379,867)

	Estimate of cash flow at present value	Risk adjustment for non-financial risk	Contractual service margin (Note 21 g)		December 2022
			Contracts under the fair value transition approach - FVA	Contracts under the full transition approach - FRA	
Changes in contractual service margin - BBA					Total
Opening balance of insurance liabilities	(1,217,921)	(48,307)	(3,043)	(60,170)	(1,329,441)
Opening balance for the year	(1,217,921)	(48,307)	(3,043)	(60,170)	(1,329,441)
Changes related to current services	636,382	17,677	(17,708)	101,261	737,612
CSM recognized for services provided	-	-	(17,708)	101,261	83,553
Change in the risk adjustment for non-financial risk for expired risk	-	17,677	-	-	17,677
Experience adjustments	636,382	-	-	-	636,382
Changes related to future services	(29,301)	(13,824)	17,609	(68,953)	(94,469)
Contracts initially recognized in the year (note 23h)	44,697	(1,006)	-	(43,575)	116
Changes in the CMS adjusting estimates	20,587	(12,818)	17,609	(25,378)	-
Changes in estimates resulting in losses and reversal of losses on contracts	(94,585)	-	-	-	(94,585)
Changes related to prior services	(460,640)	(264)	-	-	(460,904)
Adjustments to liabilities for incurred claims	(460,640)	(264)	-	-	(460,904)
Income (loss) from insurance service	146,441	3,589	(99)	32,308	182,239
Financial Result	(6,799)	(1,186)	-	-	(7,985)
Net financial results from insurance contracts	(6,799)	(1,186)	-	-	(7,985)
Total changes in the income statement and OCI	139,642	2,403	(99)	32,308	174,254
Cash flows	(229,262)	-	-	-	(229,262)
Premiums received	(744,467)	-	-	-	(744,467)
Claims and other paid insurance service expenses, including investment components	427,306	-	-	-	427,306
Cash flows from acquisition of insurance	87,899	-	-	-	87,899
Closing balance for the year	(1,307,541)	(45,904)	(3,142)	(27,862)	(1,384,449)
Final balance of insurance liabilities	(1,307,541)	(45,904)	(3,142)	(27,862)	(1,384,449)
Net closing balance	(1,307,541)	(45,904)	(3,142)	(27,862)	(1,384,449)

F) CHANGES IN CONTRACTUAL SERVICE MARGIN – VFA

	Estimate of cash flow at present value	Risk adjustment for non-financial risk	Contractual service margin (Note 21 g)		June 2023
			Contracts under the fair value transition approach - FVA	Contracts under the full transition approach - FRA	
Changes in contractual service margin - VFA					Total
Opening balance of insurance liabilities	(3,684,423)	(26,366)	(8,781)	(178,551)	(3,898,121)
Opening balance for the year	(3,684,423)	(26,366)	(8,781)	(178,551)	(3,898,121)
Changes related to current services	31,621	444	132,134	(55,244)	108,955
CSM recognized for services provided	-	-	132,134	(55,244)	76,890
Change in the risk adjustment for non-financial risk for expired risk	-	444	-	-	444
Experience adjustments	31,621	-	-	-	31,621
Changes related to future services	194,112	(1,094)	(136,926)	(56,092)	
Contracts initially recognized in the year (note 21h)	2,163	(243)	-	(1,920)	-
Changes in the CMS adjusting estimates	191,949	(851)	(136,926)	(54,172)	-
Changes related to prior services	(7,046)	1	-	-	(7,045)
Adjustments to liabilities for incurred claims	(7,046)	1	-	-	(7,045)
Income (loss) from insurance service	218,687	(649)	(4,792)	(111,336)	101,910
Financial Result	(79,262)	4	-	-	(79,258)
Net financial result from insurance contracts	(79,262)	4	-	-	(79,258)
Total changes in the income statement and OCI	139,425	(645)	(4,792)	(111,336)	22,652
Cash flows	(153,473)	-	-	-	(153,473)
Premiums received	(144,762)	-	-	-	(144,762)
Claims and other insurance service expenses paid, including investment components	6,388	-	-	-	6,388
Cash flows from acquisition of insurance	(15,099)	-	-	-	(15,099)
Closing balance for the year	(3,698,471)	(27,011)	(13,573)	(289,887)	(4,028,942)
Final balance of insurance liabilities	(3,698,471)	(27,011)	(13,573)	(289,887)	(4,028,942)
Net closing balance	(3,698,471)	(27,011)	(13,573)	(289,887)	(4,028,942)

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Estimate of cash flow at present value	Risk adjustment for non-financial risk	Contractual service margin (Note 21 g)		December 2022
			Contracts under the fair value transition approach - FVA	Contracts under the full transition approach - FRA	Total
Changes in contractual service margin - VFA					
Opening balance of insurance liabilities	(3,555,883)	(32,908)	(167,798)	(68,213)	(3,824,802)
Opening balance for the year	(3,555,883)	(32,908)	(167,798)	(68,213)	(3,824,802)
Changes related to current services	914,044	2,103	436,872	(94,714)	1,258,305
CSM recognized for services provided	-	-	436,872	(94,714)	342,158
Experience adjustments	914,044	-	-	-	914,044
Changes related to future services	289,041	4,438	(277,855)	(15,624)	-
Contracts initially recognized in the year (note 23h)	1,177	(198)	-	(979)	-
Changes in the CMS adjusting estimates	287,864	4,636	(277,855)	(14,645)	-
Changes related to prior services	(1,029,204)	(6)	-	-	(1,029,210)
Adjustments to liabilities for incurred claims	(1,029,204)	(6)	-	-	(1,029,210)
Income (loss) from insurance service	173,881	6,535	159,017	(110,338)	229,095
Financial Result	(71,376)	7	-	-	(71,369)
Net financial result from insurance contracts	(71,376)	7	-	-	(71,369)
Total changes in the income statement and OCI	102,505	6,542	159,017	(110,338)	157,726
Cash flows	(231,045)	-	-	-	(231,045)
Premiums received	(1,090,852)	-	-	-	(1,090,852)
Claims and other insurance service expenses paid, including investment components	890,542	-	-	-	890,542
Cash flows from acquisition of insurance	(30,735)	-	-	-	(30,735)
Closing balance for the year	(3,684,423)	(26,366)	(8,781)	(178,551)	(3,898,121)
Final balance of insurance liabilities	(3,684,423)	(26,366)	(8,781)	(178,551)	(3,898,121)
Net closing balance	(3,684,423)	(26,366)	(8,781)	(178,551)	(3,898,121)

G) REALIZATION OF CONTRACTUAL SERVICE MARGIN

Realization of contractual service margin	≤01 year	01–05 years	05–10 years	>10 years	Total
Contracts measured by BBA – June 2023	(19,424)	(25,456)	(835)	(1,344)	(47,059)
Contracts measured by VFA – June 2023	(36,629)	(112,799)	(76,760)	(77,272)	(303,460)
	(56,053)	(138,255)	(77,595)	(78,616)	(350,519)
Contracts measured by BBA – December 2022	(12,511)	(16,555)	(741)	(1,197)	(31,004)
Contracts measured by VFA – December 2022	(22,539)	(69,409)	(47,233)	(48,151)	(187,332)
	(35,050)	(85,964)	(47,974)	(49,348)	(218,336)

H) PROFITABILITY OF INSURANCE CONTRACTS - BBA AND VFA

Effects of contracts initially recognized in the year	BBA		VFA		Total
	Profitable contracts	Onerous Contracts	Profitable contracts		
Estimates of present value of cash flows	6,358	-	2,163		8,521
Written premiums, net	61,727	-	38,952		100,679
Claims and other insurance service expenses payable	(29,970)	-	(35,959)		(65,929)
Cash flows from acquisition of insurance	(25,399)	-	(830)		(26,229)
Risk adjustment for non-financial risk	(1,348)	-	(243)		(1,591)
CSM	(5,010)	-	(1,920)		(6,930)
Net effect on June 30, 2023	-	-	-		-

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

Effects of contracts initially recognized in the year	BBA		VFA	Total
	Profitable contracts	Onerous Contracts	Profitable contracts	
Estimates of present value of cash flows	44,581	116	1,177	45,874
Written Premium, net	62,712	164	29,529	92,405
Claims and other insurance service expenses payable	(22,533)	-	(27,595)	(50,128)
Cash flows from acquisition of insurance	4,402	(48)	(757)	3,597
Risk adjustment for non-financial risk	(1,006)	-	(198)	(1,204)
CSM	(43,575)	-	(979)	(44,554)
Net effect on December 31, 2022	-	116	-	116

I) CHANGES IN REINSURANCE CONTRACTS – PAA

Changes in reinsurance contracts - PAA	Asset for remaining coverage	Incurred claim asset		June 2023
	Exclusion of Loss Component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Opening balance of reinsurance assets	(12,423)	147,659	2,330	137,566
Opening balance of reinsurance liabilities	(1,878)	530	-	(1,348)
Opening balance for the year	(14,301)	148,189	2,330	136,218
Allocation of reinsurance premiums	52,292	-	-	52,292
Amounts recoverable from the reinsurer	(91,768)	(9,461)	(341)	(101,570)
Recoveries of incurred claims and other insurance service expenses	(89,996)	(9,461)	-	(99,457)
Adjustments to assets for incurred claims	-	-	(341)	(341)
Amortization of cash flows from insurance acquisition	(1,772)	-	-	(1,772)
Reinsurance contract net expenses	(39,476)	(9,461)	(341)	(49,278)
Net financial result from reinsurance contracts	353	1,046	164	1,563
Total changes in the income statement and OCI	(39,123)	(8,415)	(177)	(47,715)
Cash flows				
Premiums paid	23,879	-	-	23,879
Claims received	(40,391)	(346)	-	(40,737)
Cash flows from acquisition of insurance	(3,783)	-	-	(3,783)
Total cash flows	(20,295)	(346)	-	(20,641)
Closing balance for the year	(73,719)	139,428	2,153	67,862
Closing balance of reinsurance assets	(66,435)	138,438	-	72,003
Final balance of reinsurance liabilities	(7,284)	990	2,153	(4,141)
Net closing balance	(73,719)	139,428	2,153	67,862

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Asset for remaining coverage	Incurred claim asset		December 2022
	Exclusion of Loss Component	Estimate of present value of future cash flow	Risk adjustment for non-financial risk	Total
Changes in reinsurance contracts - PAA				
Opening balance of reinsurance assets	(28,527)	172,175	-	143,648
Opening balance of reinsurance liabilities	(1,036)	-	-	(1,036)
Opening balance for the year	(29,563)	172,175	-	142,612
Allocation of reinsurance premiums	26,635	-	-	26,635
Amounts recoverable from the reinsurer	(74,026)	12,460	2,448	(59,118)
Recoveries of incurred claims and other insurance service expenses	(90,442)	12,460	-	(77,982)
Adjustments to assets for incurred claims	-	-	2,448	2,448
Amortization of cash flows from insurance acquisition	16,416	-	-	16,416
Reinsurance contract net expenses	(47,391)	12,460	2,448	(32,483)
Net financial result from reinsurance contracts	(319)	(4,161)	(118)	(4,598)
Total changes in the income statement and OCI	(47,710)	8,299	2,330	(37,081)
Cash flows				
Premiums paid	151,009	-	-	151,009
Claims received	(69,811)	(32,285)	-	(102,096)
Cash flows from acquisition of insurance	(18,226)	-	-	(18,226)
Total cash flows	62,972	(32,285)	-	30,687
Closing balance for the year	(14,301)	148,189	2,330	136,218
Closing balance of reinsurance assets	(12,423)	147,659	2,330	137,566
Final balance of reinsurance liabilities	(1,878)	530	-	(1,348)
Net closing balance	(14,301)	148,189	2,330	136,218

22. FINANCIAL LIABILITIES

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Credit card operations ⁽ⁱ⁾	-	-	7,789,203	7,688,029
Acceptances and endorsements ⁽ⁱⁱ⁾	-	-	3,599,712	3,672,390
Debentures and loans - Note 24.1 & Note 24.2	79,697	441,433	1,581,945	2,180,142
Capitalization liabilities ⁽ⁱⁱⁱ⁾	-	-	1,426,087	1,318,807
Fundraising - Deposits ^(iv)	-	-	351,755	51,410
Lease liabilities (v)	-	-	20,351	26,780
Total	79,697	441,433	14,769,053	14,937,558
Current	77,614	426,850	13,402,569	13,581,379
Non-current	2,083	14,583	1,366,484	1,356,179

(i) Refer mainly to amounts payable to affiliated establishments.

(ii) Fundraising of Portoseg, remunerated based on the CDI rate.

(iii) They are comprised of: provisions for redemption of special savings bonds, corrected for inflation according to the Remuneration Rate ("TR"), plus a fixed rate of 0.35% to 0.50% per annum, and provisions for sweepstakes drawings.

(iv) They refer to interbank deposits, deposits with special guarantee, and deposits with Portoseg certificates.

(v) They refer to vehicle, machinery, and IT equipment financing liabilities that do not fall within the scope of IFRS 16/CPC 06 (R2) - Leases.

Financial liabilities measured at fair value are classified as "Level 2" in the fair value hierarchy.

22.1 DEBENTURES

Debentures	Institution	Company	Contracted value	Contracting	Maturity	Charges	Parent Company		Consolidated	
							June 2023	December 2022	June 2023	December 2022
1 st issue	Itaú BBA	Parent Company	75,000	07/26/2021	07/26/2024	DI + 1.80%	79,697	79,872	79,697	79,872
1 st issue	Bradesco BBI and Itaú BBA	Mobitech	400,000	11/19/2021	11/19/2024	DI + 1.31%	-	-	406,551	406,543
2 nd issue	Itaú BBA and Safra	Mobitech	400,000	05/18/2022	05/18/2025	DI + 1.31%	-	-	406,778	406,827
2 nd issue	Itaú BBA and ABC Brazil	CDF	135,040	10/10/2022	10/25/2025	DI + 2.32%	-	-	96,620	124,429
							79,697	79,872	989,646	1,017,671

22.2 LOANS

Loans	Company	Maturity	Charges	Parent Company		Consolidated	
				June 2023	December 2022	June 2023	December 2022
Loan – 4131	Parent Company	Oct, Dec 2022 Apr, May, June 2023	CDI avg. rate + 1.5%	-	361,561	-	361,561
Loan – 4131	Mobitech	Mar, Apr 2023	CDI avg. rate + 1.2%	-	-	103,107	263,682
CCB – Working capital – R\$	Porto Cia	Dec 2022 May, Aug 2024 Jan, Nov 2026	CDI avg. rate + 2%	-	-	144,785	134,568
CCB – Working capital – R\$	Mobitech	June 2023 Jan 2024 Apr 2028	CDI avg. rate + 1.4%	-	-	233,650	288,843
Guaranteed working capital - EUR	CDF	Mar 2025	5.82% avg. rate +	-	-	14,531	14,782
Guaranteed working capital - BRL	CDF	June 2024 Dec 2029	4.24% avg. rate +	-	-	96,226	99,035
				-	361,561	592,299	1,162,471

22.3 CHANGES IN FINANCIAL LIABILITIES - CONSOLIDATED

	Credit card operations	Acceptances and endorsements	Fundraising - Deposits	Capitalization liabilities	Lease liabilities	Debentures, loans and financing	Total
Balance on December 31, 2021	6,888,635	2,401,697	952,089	1,091,581	29,499	1,050,561	12,414,062
Acquisition of CDF (Note 1.2.3.2)	-	-	-	-	-	238,246	238,246
Acquisition/formation	39,045,976	1,371,600	2,378,590	1,701,310	10,618	858,109	45,366,203
Inflation adjustment/interest		389,681	64,973	71,844	1,743	704,098	1,232,339
Settlement/reversal	(38,246,582)	(490,588)	(3,344,242)	(1,545,928)	(15,080)	(670,872)	(44,313,292)
Balance on December 31, 2022	7,688,029	3,672,390	51,410	1,318,807	26,780	2,180,142	14,937,558
Acquisition/formation	20,175,505	-	2,767,295	531,997	-	20,362	23,495,159
Inflation adjustment/interest		258,368	11,381	44,489	1,011	154,722	469,971
Settlement/reversal	(20,074,331)	(331,046)	(2,478,331)	(469,206)	(7,440)	(773,281)	(24,133,635)
Balance on June 30, 2023	7,789,203	3,599,712	351,755	1,426,087	20,351	1,581,945	14,769,053

23. JUDICIAL PROVISIONS

23.1 PROBABLE

The Company is a party to legal, tax, civil and labor lawsuits. Provisions from these lawsuits are estimated and updated by Management, backed by the opinion of the legal department and external legal advisors. However, there are uncertainties in determining the probability of loss of the lawsuits, in the expected amount of cash outflow and in the final term of these outflows. The balances are shown below:

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Tax (a)	158,887	153,894	1,362,978	1,307,974
Civil (b)	-	-	57,894	49,457
Labor (c)	-	-	41,239	40,855
Total	158,887	153,894	1,462,111	1,398,286
Judicial deposits (*)	(158,887)	(153,894)	(1,341,902)	(1,303,742)
Net provision	-	-	120,209	94,544

(*) Refers to the balance of judicial deposits linked to the provision balances recorded.

(a) TAX AND SOCIAL SECURITY

Tax-related lawsuits, when classified as legal obligations, are subject to the formation of a provision irrespective of their likelihood of loss. The other tax lawsuits are provisioned when the classification of risk of loss is 'probable.' The breakdown of these lawsuits is shown below, by nature of the lawsuit:

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
PIS	28,165	27,280	608,186	591,068
COFINS	130,722	126,614	342,941	333,215
Lawsuits from adhesion to REFIS	-	-	312,116	288,478
Other	-	-	99,735	95,213
Total	158,887	153,894	1,362,978	1,307,974
Judicial deposits (*)	(158,887)	(153,894)	(1,331,743)	(1,293,719)
Net provision	-	-	31,235	14,255

(*) Refers to the balance of judicial deposits linked to the provision balances recorded.

(b) CIVIL

The Company is a party to civil lawsuits. Mostly relating to claims for pain and suffering, property damages, bodily injuries and loss of suit fees. The likelihood of loss on these lawsuits is classified as probable and the average term for the conclusion of these lawsuits in the Company is 30 months.

(c) LABOR

The Company is party to labor lawsuits. The most frequent claims refer to overtime, its effects, termination pay, salary equivalence and undue payroll deductions. The likelihood of loss on these lawsuits is classified as probable and the average term for the conclusion of these lawsuits in the Company is 30 months.

CHANGES IN PROBABLE PROVISIONS FOR LAWSUITS

	Parent Company	Consolidated			
	Tax	Tax	Labor	Civil	Total
Balance on December 31, 2022	153,894	1,307,974	40,855	49,457	1,398,286
Formations	-	17,305	9,912	16,805	44,022
Successes/reversals	-	(1,733)	(4,842)	(5,740)	(12,315)
Payments	-	-	(6,931)	(6,298)	(13,229)
Inflation adjustment	4,993	39,432	2,245	3,670	45,347
Balance on June 30, 2023	158,887	1,362,978	41,239	57,894	1,462,111
(-) Judicial deposits (*)	(158,887)	(1,331,743)	(2,623)	(7,536)	(1,341,902)
Net provision on June 30, 2023	-	31,235	38,616	50,358	120,209
Number of lawsuits	2	66	704	3,990	4,760

(*) Refers to the balance of judicial deposits linked to the provision balances recorded.

23.2 POSSIBLE - CONSOLIDATED

The Company is a party to other tax, civil and labor lawsuits that are not classified as legal obligations and since they are classified as possible loss, they are not provisioned. The breakdown of these lawsuits is shown below, by nature of the lawsuit:

	June 2023	December 2022
Tax (a)	1,209,231	1,156,908
Civil	246,411	232,496
Labor	7,331	6,939
Total	1,462,973	1,396,343

(a) TAX AND SOCIAL SECURITY PROCEEDINGS

The estimated total risk of these lawsuits total R\$ 1,208,188 (R\$ 847,317 with a possible impact on net income). The main reasons are: (i) inquiry by the Brazilian Federal Revenue Service challenging the non-inclusion of certain financial revenues in the PIS (Social Integration Program Contribution) and COFINS (Contribution to the Funding of Social Welfare Programs) calculation basis, with an estimated total risk of R\$ 480,148 (R\$ 352,626 of possible impact on net income); and (ii) INSS discussion regarding the profit sharing, with an estimated total risk by R\$ 422,809 (R\$ 297,077 of possible impact on net income).

24. LEASE LIABILITY – CONSOLIDATED

	<u>Lease liabilities</u>	<u>Unearned interest from lease contracts</u>	<u>Net lease liability</u>
Balance on December 31, 2022	217,052	(68,115)	148,937
Formation of new contracts, write-offs and cancellations	13,370	-	13,370
Interest appropriation	-	7,701	7,701
Payments	(18,042)	-	(18,042)
Balance on June 30, 2023	212,380	(60,414)	151,966
Current			20,272
Non-current			131,694

It refers to the lease liability, measured at the present value of the lease payments expected up to the end of the lease, calculated through an incremental financing rate considering possible renewals and cancellations.

25. OTHER LIABILITIES

	Parent Company		Consolidated	
	June 2023	December 2022	June 2023	December 2022
Suppliers	2,469	229	576,073	407,254
Real estate investment fund transaction liabilities (i)	363,674	366,774	363,674	366,774
Revenues to be deferred (ii)	-	-	297,951	280,350
Payable - credit card	-	-	210,954	116,938
Provision for vacation and social security charges	-	-	179,346	150,070
Amounts payable - Porto Socorro	-	-	164,296	172,290
Profit sharing	630	9,500	112,619	145,361
Post-employment benefits	-	-	82,875	83,104
Swap operations ⁽ⁱⁱⁱ⁾	-	3,589	26,454	47,140
Profit sharing provision	-	-	19,255	34,983
Return to consortium members	-	-	8,074	8,479
Other	-	-	92,388	156,013
	366,773	380,092	2,133,959	1,968,756
Current	3,099	13,318	1,476,334	1,325,281
Non-current	363,674	366,774	657,625	643,475

(i) See Note 16.4.

(ii) Refer to: revenue from brands and distribution channel that will be deferred over the term of the contracts with Petlove, revenue from the adhesion fee of Porto Consórcio and other revenue from the subsidiaries CDF S.A. and CDF LTDA.

(iii) Refers to losses from swap operations (see Note 13).

26. SHAREHOLDERS' EQUITY – PARENT COMPANY

(a) CAPITAL

As of June 30, 2023 and December 31, 2022, subscribed and paid-in capital amount to R\$ 8,500,000, divided into 646,586,060 common, nominative, book-entry shares with no par value.

The breakdown of capital is shown below:

	June 2023		December 2022	
	Quantity of common shares	% Interest	Quantity of common shares	% Interest
PSIUPAR	457,883,778	70.8%	457,883,778	70.8%
Treasury shares	5,494,524	0.8%	8,562,548	1.3%
Free Float	183,207,758	28.3%	180,139,734	27.9%
	646,586,060	100.0%	646,586,060	100.0%

(b) SHARE REPURCHASE PROGRAM

On February 8, 2023, the Board of Directors approved the renewal of the share repurchase program under the following conditions:

- Program's purpose: the objective of the share repurchase program, by means of the acquisition of shares issued by the Company to be held in treasury, canceled or sold, without a capital decrease, and/or linking to the Company's share-based remuneration plan, is to create an additional alternative for creating value for the shareholders if the conditions are favorable;
- Program period: beginning February 8, 2023, to February 7, 2024;
- Number of shares to be acquired: up to the limit of 18,855,322 common shares;
- Authorized financial institution: Itaú Corretora de Valores S.A.

Changes in treasury shares are as follows:

On June 30, 2023, the market value of treasury shares was R\$ 154,519 (R\$ 198,233 on December 31, 2022), already considering the share split.

	Treasury shares (R\$'000)	Quantity	Average amount per share (R\$)	Gain from use
Balance on December 31, 2022	<u>199,017</u>	<u>8,563</u>	<u>23.18</u>	<u>605</u>
Sold	(75,825)	(3,068)	23.88	-
Balance on June 30, 2023	<u>123,192</u>	<u>5,495</u>	<u>23.18</u>	<u>605</u>

(c) DIVIDENDS AND INTEREST ON CAPITAL

The Annual and Special Shareholders' Meeting held on March 31, 2023 approved the distribution of dividends for 2022, in the amount of R\$ 453,575 (R\$ 391,301, net of income tax), comprised by interest on capital ("JCP"), allocated to the minimum mandatory dividend for 2022. The Company also announces that the Annual and Special Shareholders' Meeting approved full payment on April 11, 2023, referring to the months from January to June 2022 and until December 31, 2023, referring to the months from July to December 2022.

(d) SHARE-BASED REMUNERATION

The Company has a share-based remuneration plan ("Plan"), approved by the general meeting held on March 31, 2022, which provides for the rules applicable to the assignment of shares to managers and employees of the Company and/or its subsidiaries and affiliates, directly or indirectly, as determined by the Remuneration Committee, as part of their remuneration.

The Plan aims to promote: (i) the long-term alignment between the interests of members, shareholders, the Company and its investee companies; (ii) the commitment, on the part of the administrators and employees, to obtain sustainable results for the Company and its investee companies; (iii) creating value for shareholders; and (iv) the Company's growth.

The terms and conditions provided for in the Plan were specified and complemented in programs approved by the Board of Directors, namely: (1) Annual Share-Based Remuneration, referring to the payment of part of the members' annual variable remuneration; (2) Additional Bonus, referring to the payment of variable remuneration according to the achievement of targets for clients and businesses of the Porto Group; (3) Mega Grant, referring to the payment of variable remuneration according to the achievement of targets for clients and businesses of the Porto Group; and (4) Porto em Ação, referring to the payment of variable remuneration according to the achievement of targets for clients and businesses of the Porto Group.

The Annual Share-Based Remuneration, Additional Bonus and Mega Grant programs have as members the statutory directors of the Company and/or its affiliates or subsidiaries, directly or indirectly. The members of the Porto em Ação program are employees of the Company and its direct or indirect subsidiaries.

Shares delivered to program members are subject to vesting periods ranging from 6 months to 3 years, depending on the program. Settlement of payments due to Plan members occurs upon delivery of shares issued by the Company held in treasury. The shares are valued based on their quoted price at the close of the last trading session of the month immediately preceding the date on which the shares are assigned to the members, under the terms of the Plan and its programs.

The Plan replaced the "Share-Based Remuneration Plan" approved at the general meeting held on March 29, 2018 ("2018 Plan"), which ceased to produce effects, except in relation to the rights already granted, which will remain in force and are subject to the rules provided for in said plan.

The 2018 Plan was intended for the Company's statutory directors and/or companies in which the Company holds a direct or indirect interest, as provided for by the Remuneration Committee, reflecting the payment of part of their annual variable remuneration. In the 2018 Plan, the effective transfer of shares to members is subject to a vesting period of 3 years. Settlement of payments due to members of the 2018 Plan takes place upon delivery of shares issued by the Company held in treasury. The shares are valued based on their quotation price at the close of the last trading session of the year immediately preceding the date on which the shares are assigned to the members, pursuant to the 2018 Plan.

Changes in share-based remuneration plan are as follows:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Consolidated	
	June 2023	December 2022
Opening balance	111,229	20,430
Deferment in the period	30,714	97,275
Shares canceled, granted, or loss of right	(75,825)	(6,476)
Closing balance	66,118	111,229
Average weighted market value (R\$)	23.58	23.52

	Quantity	
	June 2023	December 2022
Opening balance	3,599,463	743,875
Deferment in the period	1,326,734	2,855,900
Shares canceled, granted, or loss of right	(3,068)	(312)
Closing balance	4,923,129	3,599,463

27. OPERATING REVENUES AND EXPENSES FROM INSURANCE AND REINSURANCE CONTRACTS**A) RESULTS FROM INSURANCE CONTRACTS – PAA**

Result from insurance contracts - PAA	1S23	1S22
Premium allocation	(11,484,726)	(8,933,075)
Total insurance revenue	(11,484,726)	(8,933,075)
Insurance expenses	7,047,923	5,800,012
Incurred claims and other insurance service expenses incurred	7,556,270	6,402,590
Changes related to past service – adjustment to incurred claims	45,197	2,227
(-) Recovery of Salvages	(553,544)	(604,805)
Cash flows from acquisition of insurance	1,891,358	1,739,553
Acquisition expenses	1,891,358	1,739,553
Total insurance service expenses	8,939,281	7,539,565
Net result from insurance contracts - PAA	(2,545,445)	(1,393,510)

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

Result from insurance contracts - PAA	2Q23	2Q22
Premium allocation	(5,889,322)	(4,597,063)
Total insurance revenue	(5,889,322)	(4,597,063)
Insurance expenses	3,505,305	2,994,286
Incurred claims and other insurance service expenses incurred	3,712,724	3,284,561
Changes related to past service – adjustment to incurred claims	39,097	3,653
(-) Recovery of Salvages	(246,516)	(293,928)
Cash flows from acquisition of insurance	932,206	937,300
Acquisition expenses	932,206	937,300
Total insurance service expenses	4,437,511	3,931,586
Net result from insurance contracts - PAA	(1,451,811)	(665,477)

B) RESULT OF INSURANCE CONTRACTS - BBA AND VFA

Result of insurance contracts - BBA and VFA	BBA		VFA	
	1S23	1S22	1S23	1S22
Amounts relating to changes in liability for remaining coverage				
CSM recognized for services provided	16,055	(30,872)	116,129	27,147
Change in the risk adjustment for non-financial risk for expired risk	4,155	(2,955)	648	(3,291)
Expected incurred claims and other insurance service expenses	(18,720)	(73,263)	(227,464)	110,621
Issue of premiums and other receipts	(379,475)	(136,468)	(476,919)	(753,892)
Recovery of acquisition cash flow	(45,425)	(124,034)	(27,567)	11,399
Total Revenue	(423,410)	(367,592)	(615,173)	(608,016)
Incurred expenses	230,372	131,229	509,063	492,561
Incurred claims and other insurance service expenses incurred	240,032	234,734	509,062	492,561
Changes related to past service – adjustment to incurred claims	(38)	327	1	-
Other incurred expenses	(9,622)	(103,832)	-	-
Cash flows from acquisition of insurance	123,848	55,706	4,200	4,111
Acquisition expenses	123,848	55,706	4,200	4,111
Losses and reversals of losses on onerous contracts	9,762	104,168	-	-
Total insurance service expenses	363,982	291,103	513,263	496,672
Net Income (loss)	(59,428)	(76,489)	(101,910)	(111,344)

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

Result of insurance contracts - BBA and VFA	BBA		VFA	
	2Q23	2Q22	2Q23	2Q22
Amounts relating to changes in liability for remaining coverage				
CSM recognized for services provided	(3,626)	(17,138)	36,789	(5,150)
Change in risk adjustment for non-financial risk due to expired risk	3,497	1,931	1,045	(1,251)
Expected incurred claims and other insurance service expenses	8,130	(26,165)	(53,169)	(528,736)
Issue of premiums and other receipts	(209,426)	(72,878)	(296,142)	219,123
Recovery of acquisition cash flow	2,566	(66,363)	15,270	(10,755)
Total Revenue	(198,859)	(180,613)	(296,207)	(326,769)
Incurred expenses	101,591	65,754	244,777	263,777
Incurred claims and other insurance service expenses incurred	103,061	113,932	244,776	263,777
Changes related to past service – adjustment to incurred claims	(197)	54	1	-
Other incurred expenses	(1,273)	(48,232)	-	-
Cash flows from acquisition of insurance	91,603	27,884	2,339	2,173
Acquisition expenses	91,603	27,884	2,339	2,173
Losses and reversals of losses on onerous contracts	1,339	48,318	-	-
Total insurance service expenses	194,533	141,956	247,116	265,950
Net income (loss)	(4,326)	(38,657)	(49,091)	(60,819)

27.1 NET EXPENSES WITH REINSURANCE/RETROCESSION CONTRACTS

An analysis of the allocation of reinsurance premiums paid and amounts recovered from reinsurers is presented in the tables below:

Result from reinsurance contracts - PAA	1S23	1S22
Expected amount recoverable for claims and other insurance service expenses incurred in the period	101,229	(26,091)
Change in the risk adjustment for non-financial risk for expired risk	341	(2,348)
Premium allocation	(52,292)	36,587
Net revenue or expense from reinsurance contracts held	49,278	8,148

Result from reinsurance contracts - PAA	2Q23	2Q22
Expected amount recoverable for claims and other insurance service expenses incurred in the period	72,638	(12,074)
Change in the risk adjustment for non-financial risk for expired risk	465	(14)
Premium allocation	(31,107)	4,232
Net revenue or expense from reinsurance contracts held	41,996	(7,856)

28. REVENUES FROM LOAN OPERATIONS - CONSOLIDATED

	2023		2022	
	2nd Quarter	1st Sem.	2nd Quarter	1st Sem.
Credit card	472,735	946,892	423,836	813,407
Interchange ^(*)	176,150	347,296	155,446	304,048
Financing	103,235	205,799	91,840	179,013
Loans	36,935	73,977	30,525	57,984
Other	13,221	24,736	12,866	24,495
	802,276	1,598,700	714,513	1,378,947

(*) Refers to the remuneration received from the credit card brands on the transactions processed.

29. REVENUES FROM RENDERING OF SERVICES - CONSOLIDATED

	2023		2022	
	2nd Quarter	1st Sem.	2nd Quarter	1st Sem.
Porto Assistência	190,842	368,759	150,906	150,906
Porto Consórcio	168,054	322,469	100,831	234,622
Mobitech	72,747	157,505	51,697	112,454
Porto Atendimento	68,087	130,830	41,339	104,729
CDF. S.A.	62,525	124,908	-	-
Portopar and Porto Investimentos	23,408	45,078	12,546	28,899
Porto Seguro Saúde Ocupacional	17,301	34,907	12,700	28,453
Serviços Médicos	16,976	33,953	10,851	27,307
Porto Serviços e Comércio	10,177	21,760	15,539	35,022
Credi Porto	9,394	20,776	8,339	17,316
CDF. LTDA	10,552	21,526	-	-
Proteção e Monitoramento	3,337	6,796	2,091	5,047
Other	20,275	40,145	10,695	24,225
	673,675	1,329,412	417,533	768,979

30. OTHER OPERATING REVENUES - CONSOLIDATED

	Restated			
	2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Investments - Oncoclínicas (i)	59,199	59,199	-	-
Consortium	11,854	21,445	2,748	4,959
Sale of vehicles	6,718	20,697	75,014	84,233
Other revenues from credit card	6,846	15,398	8,295	12,037
Insurance	2,195	2,195	1,943	1,943
Other	2,443	6,652	493	2,135
	89,255	125,586	88,493	105,307

31. ADMINISTRATIVE EXPENSES

	Parent Company				Consolidated			
	2023		2022		2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Personnel and post-employment benefits	4,390	6,020	3,878	5,226	555,474	1,130,765	507,063	990,656
Outsourced services	1,038	1,767	413	934	227,543	470,096	221,406	402,114
Location and operation	893	1,492	558	1,031	127,336	252,030	117,254	223,745
Profit sharing	2,175	2,349	363	756	177,609	257,143	22,550	64,849
Advertising	87	464	25	389	39,112	66,789	34,818	54,328
Donations and contributions	-	-	-	-	7,141	12,046	5,891	14,089
Other	323	707	85	235	29,893	58,250	9,812	18,060
	8,906	12,799	5,322	8,571	1,164,108	2,247,119	918,794	1,767,841

32. TAX EXPENSES

	Parent Company				Consolidated			
	2023		2022		2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
COFINS	18,080	18,080	4,315	4,315	194,196	330,790	111,363	218,291
PIS	3,925	3,925	937	937	33,181	55,859	18,971	36,836
Service tax	-	-	-	-	16,394	32,042	13,304	25,465
Other	155	(187)	452	555	22,301	44,958	19,001	36,907
	22,160	21,818	5,704	5,807	266,072	463,649	162,639	317,499

33. OTHER OPERATING EXPENSES

	Parent Company				Consolidated			
	2023		2022		2023		Restated 2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Funding	-	-	-	-	366,634	729,698	304,459	592,861
Provision for credit risks	-	-	-	-	296,186	614,853	244,771	474,626
Collection and Management of policies and contracts	-	-	-	-	24,921	49,624	18,794	36,743
Amortization of intangible assets and business combination	28,898	32,054	3,154	6,310	28,899	32,055	8,228	11,384
Assistance services	-	-	-	-	10,315	22,273	27,880	70,951
Social charges upon insurance operations	-	-	-	-	10,989	20,957	8,788	18,939
Other	-	-	1,866	2,117	66,400	133,488	14,672	35,303
	28,898	32,054	5,020	8,427	804,344	1,602,948	627,592	1,240,807

34. FINANCIAL REVENUES

	Parent Company				Consolidated			
	2023		2022		2023		Restated 2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Valuation and interest from financial instruments at fair value through profit or loss	24,679	44,882	11,707	76,627	273,295	490,304	124,175	301,650
Revenues from insurance contracts issued	-	-	-	-	176,556	365,209	56,252	103,633
Interest of financial instruments – other categories	-	-	-	-	66,167	170,147	104,976	176,794
Revenues from reinsurance contracts held	-	-	-	-	2,517	5,139	1,938	3,019
Foreign exchange rate - loans	13,412	1,696	16,451	16,451	13,412	1,696	(3,549)	19,671
Other	20,058	19,250	1,933	847	60,450	93,033	42,375	89,832
	58,149	65,828	30,091	93,925	592,397	1,125,528	326,167	694,599

35. FINANCIAL EXPENSES

	Parent Company				Consolidated			
	2023		2022		2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Expenses with insurance contracts held	-	-	-	-	124,875	284,544	77,190	109,875
Expenses with loans	45,024	60,569	25,086	27,200	46,123	137,822	65,999	139,752
Inflation adjustment - capitalization liabilities					44,489	44,489	31,139	31,139
Devaluation of financial instruments at fair value through profit or loss	429	5,502	40,810	52,780	5,364	31,142	61,180	111,927
Real estate fund expenses					28,629	28,629	-	-
Inflation adjustment – other	-	-	-	-	9,010	9,010	9,631	9,631
Inflation adjustment of provision for long-term taxes	-	-	-	-	1,901	3,777	(6,913)	6,981
Expenses with reinsurance contracts held	(3,576)	(3,576)	-	-	(309)	3,576	3,736	6,775
Other	(22,543)	-	9,014	19,448	27,188	100,911	13,896	52,012
	19,334	62,495	74,910	99,428	287,270	643,900	255,858	468,092

36. RELATED-PARTY TRANSACTIONS

Related party transactions are carried out at values, terms and average rates in compliance with the rates used with third parties, if any, at the respective dates.

In addition to the amounts of Dividends and Interest on Capital receivable and payable in the amounts of R\$ 1,421 (see Note 14) and R\$ 337,880, respectively, the main transactions between related parties are presented below:

- (i) Administrative expenses transferred by Porto Cia, Porto Vida e Previdência, Porto Saúde, and Azul Seguros for the use of the physical and personnel structure;
- (ii) Health insurance and health plan services contracted from Porto Saúde and Portomed;
- (iii) Monitoring services carried out by “Protection & Monitoring”;
- (iv) Agreement for apportioning administrative costs between Itaú Auto e Residência and the companies of the Itaú Unibanco Group, due to the use of infrastructure;
- (v) Portfolio management and administration services by Porto Investimentos and Portopar;
- (vi) Agreement to use the means for credit card payment with Portoseg;
- (vii) Medical clinic services and administrative and agreement for apportioning operational costs among Serviços Médicos, Porto Saúde, and Portomed;
- (viii) Call center services contracted from Porto Atendimento;
- (ix) Subscription of special savings bonds issued by Porto Capitalização;
- (x) Provision of vehicle and homeowner assistance services with Porto Assistência;
- (xi) Provision of electronic hosting services and advisory and consulting services by Porto Serviços e Comércio; and
- (xii) Fund raising with companies of the Itaú Unibanco Group.

The amounts of related-party transactions are as follows:

Notes to quarterly information as of June 30, 2023

(In thousands of reais - R\$, unless otherwise indicated)

	Revenues		Expenses	
	2023		2023	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Porto Cia	270,449	542,511	363,443	716,399
Porto Assistência	421,005	853,778	36,499	77,998
Porto Atendimento	62,783	118,558	23,679	52,233
Porto Saúde	51,131	102,654	42,988	83,868
Porto S.A.	12,040	30,223	270	522
Crediporto	10,505	23,252	2,336	4,672
Portoseg	12,196	22,315	93,261	176,851
Mobitech	5,376	9,409	6,267	16,637
Porto Investimentos	4,472	9,075	1,920	3,752
Porto Capitalização	1,491	3,147	3,899	8,182
Itaú Auto e Residência	422	855	28,508	57,213
Portopar	351	756	2,336	3,702
Porto Consórcio	121	594	32,386	59,673
Azul Seguros	-	-	192,589	407,734
Porto Vida	-	-	7,491	16,846
Other	2,308	3,813	16,778	34,659
	854,650	1,720,939	854,650	1,720,941
	Revenues		Expenses	
	2022		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Porto Cia	308,957	558,512	163,004	218,478
Porto Assistência	156,871	156,871	1,665	1,665
Porto Saúde	42,289	86,672	39,361	73,494
Porto Atendimento	36,193	68,403	26,442	57,950
Crediporto	13,046	23,515	580	1,134
Portoseg	4,022	7,729	59,204	101,592
Porto Investimentos	3,056	6,218	1,464	2,825
Porto Capitalização	2,079	3,933	2,928	6,245
Mobitech	1,689	3,248	8,885	17,975
Portopar	860	1,713	1,627	4,149
Itaú Auto e Residência	323	772	18,772	31,712
Porto Consórcio	537	537	23,658	43,088
Serviços Médicos	458	458	8,568	17,752
Azul Seguros	-	-	194,114	299,677
Porto Vida	-	-	7,950	16,207
Other	2,319	4,385	14,478	29,023
	572,698	922,965	572,700	922,966

In the period ended June 30, 2023, the amount of R\$ 38,204 (R\$ 41,016 as of June 30, 2022) was recognized in the result and R\$ 1,046,414 in Portoseg liabilities (R\$ 997,175 in December 2022) regarding funding from Itaú Unibanco Group companies, which are remunerated at 100% of CDI, plus Fixed rate.

36.1 TRANSACTIONS WITH KEY PERSONNEL

Transactions with key Management personnel refer to amounts recognized in Income for the period, such as profit sharing, fees, and charges to the Board of Directors and directors, in addition to fees and charges of members of the Audit Committee and Tax Council, as shown below:

	Parent Company			
	2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Profit sharing - Directors	2,175	2,349	363	756
Fees and charges	443	2,840	1,453	2,703
	2,618	5,189	1,816	3,459
	Consolidated			
	2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Profit sharing - Directors	53,386	81,204	9,827	23,565
Fees and charges	8,976	23,154	16,007	24,798
	62,362	104,358	25,834	48,363

37. EARNINGS PER SHARE - PARENT COMPANY

The Company's basic earnings per share is calculated by dividing the taxable income to the shareholders at the weighted average of the number of shares issued during the period, excluding any treasury shares repurchased during the disclosure period and classified as treasury shares as a reducing component in shareholders' equity.

Porto Seguro does not have financial instruments convertible into treasury shares or transactions that generate a dilutive or antidilutive effect (as defined by IAS 33 - Earnings per Share) on the earnings per share for the period. Accordingly, the basic earnings per share that were calculated for the period are equal to the diluted earnings per share. Earnings per share already considering the stock split are presented below:

	2023		2022	
	2 nd Quarter	1 st Sem.	2 nd Quarter	1 st Sem.
Earnings attributable to Company's shareholders	676,201	1,018,417	164,943	338,731
Weighted average of the number of shares during the period	647,050	647,050	644,151	644,151
Basic and diluted earnings per share (R\$)	1.04505	1.57394	0.25606	0.52586

38. SUBSEQUENT EVENTS

- On October 31, 2023, Unigás was acquired by Porto Serviço S.A., amounting R\$ 19,046.
- In November 2023, Porto Serviço S.A. recognized investments directly in the companies Unigás, Porto Assistência Participações S.A. and indirectly in the companies Porto Assistência, CDF S.A. and CDF Ltda.
- The merger of Porto Seguro Assistência e Serviços into CDF Assistência Ltda. is scheduled for the 1st quarter of 2024.

There were no other events after the period ended that required adjustment or disclosure in the individual and consolidated interim accounting information or notes as of June 30, 2023.

PORTO SEGURO S.A.**SUMMARY OF THE AUDIT COMMITTEE REPORT****1st semester 2023**

The Audit Committee (“Audit Committee” or “Committee”) was created by the Board of Directors of Porto Seguro S.A. (“Porto Seguro” or “Company”) at a meeting held on December 16, 2005. It is a statutory body, which reports directly to the Board of Directors. It is made up of three members, among them one professional with proven knowledge in the areas of accounting and auditing of the markets in which the Company and its subsidiaries operate. The election of members takes into consideration the independence criteria included in the applicable legislation and regulations. It is a single Audit Committee, overseeing, within the limits of its responsibilities, the Company and all companies controlled by it, including companies supervised by SUSEP

The Audit Committee is mainly responsible for: **(i)** supervising the performance, independence and quality of work of the internal audit; **(ii)** supervising the performance, independence, objectivity and quality of work of the independent auditors; **(iii)** ensuring the quality and effectiveness of internal control systems and risk management; **(iv)** ensuring compliance with the legal and regulatory requirements, considering the particularities of each company, in addition to internal regulations and policies; **(v)** ensuring the quality and integrity of the financial statements of the Company and its subsidiaries, and recommend its approval to the Board of Directors; and **(vi)** ensuring the correction and improvement of policies, practices and procedures identified within the scope of its activities.

In carrying out its duties, the Audit Committee meets with the administrators responsible for the several business and control areas, as well as with the controllership area, internal controls, internal auditors and independent auditors. Its conclusions are based on information received from Management, Independent Auditors, Internal Audit and those in charge of risk management, internal controls and compliance. This report reflects the analysis carried out by the Company’s Audit Committee, based on the implementation of standards set forth by IFRS 17, describing the main activities performed by the Audit Committee during the first semester of 2023 to the present date.

In the period between January 30, 2023 and August 08, 2023, inclusive, there were eight meetings of the Audit Committee. All meetings have minutes that reflect the matters discussed by the Committee.

Monitoring of Internal Control and Risk Management systems: The Audit Committee monitored the work of Company's internal control area during the first semester of 2023, listening to the managers of the various business areas and monitoring the development of Action Plans for solving the matters raised by the Internal Audit, as well as those identified by the external auditors. Likewise, the Committee followed the risk panel, internal controls, cyber security and anti-money laundering.

Monitoring of External Audit activities: Ernst & Young (EY) audits the individual and consolidated financial statements of the Company, being responsible for the planning and execution of its work, according to the standards of the profession. The Committee held quarterly meetings with the external auditors, when they presented their work. The Committee considers that EY maintained its independence and worked with objectivity evaluating that its works were carried out with the expected quality.

Monitoring of Internal Audit activities: Considering the implementation of standards provided for in IFRS 17, applied by the Company, as guidance disclosed by the Brazilian Securities and Exchange Commission, the Committee monitored the work carried out by the Internal Audit and assessed the aspects related to the structure, resources, responsibilities and independence, in addition to examining the main reports prepared by the area in that period.

Monitoring of semi-annual financial statements: Due to the restatement of the Company's Quarterly Information (ITRs) for the periods ended March 31, June 30 and September 30, 2023, considering the implementation of the standards established in IFRS 17, in accordance with the guidelines issued by the Brazilian Securities and Exchange Commission (CVM), the controller's office presented the performance analysis and the individual and consolidated Financial Statements of the Company for the first half of the 2023 fiscal year. At the same time, the Committee met with the Independent Auditor and had access to the respective Financial Statements of the Porto Seguro Group's companies for the 1st semester of 2023. Considering the limitations resulting from the scope of its activities, the Committee understands that the individual and consolidated Financial Statements for the period, are ready to be analyzed by the Board of Directors.

Conclusion: Therefore, based on the conclusions on the activities developed for the period and considering the limitations resulting from the scope of its activities, the Committee recommends that the

Board of Directors review and approve the individual and consolidated Financial Statements of Porto Seguro S.A. for the year ended June 30, 2023.

São Paulo, February 21, 2024.

Lie Uema do Carmo
(Coordinator)

Cynthia Nesanovis Catlett

Eduardo Rogatto Luque

PORTO SEGURO S.A. | STATEMENTS – 2nd ITR 2023

STATEMENT OF THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITOR'S REPORT AND THE FINANCIAL STATEMENTS

Officers responsible for preparing financial statements, in accordance with provisions of article 27, paragraph 1, items V and VI, and article 31, paragraph 1, item II of CVM Resolution 80/2022, state that: a) reviewed, discussed and agreed with opinions expressed in the independent auditors' report on Company's financial statements for the second quarter of fiscal year 2023; and b) reviewed, discussed and agreed with the Company's financial statements for the 2nd quarter of the fiscal year 2023.

São Paulo, February 21, 2024.

Paulo Sérgio Kakinoff – Chief Executive Officer

Sami Foguel – Deputy Chief Executive Officer – Health

Celso Damadi – Deputy Chief Executive Officer – Finance, Controllershship and Investments

José Rivaldo Leite da Silva – Deputy Chief Executive Officer – Insurance

Lene Araújo de Lima – Deputy Chief Executive Officer – Corporate and Institutional

Luiz Augusto de Medeiros Arruda – Deputy Chief Executive Officer of Marketing, Clients and Data and Deputy Chief Executive Officer - Commercial

Marcos Roberto Loução – Deputy Chief Executive Officer – Financial Business and Services

Domingos de Toledo Piza Falavina – Chief Investor Relations Officer
