

(A free translation of the original in Portuguese)

Porto Seguro S.A.
Quarterly Information (ITR) at
June 30, 2020
and report on review of
quarterly condensed information

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Company Information / Capital Composition

Quantily of shares (thousand)	Quarter ended 06/30/2020
Paid-in capital	
Common	323,293
Preferred	-
Total	323,293
Held in treasury	
Common	1,282
Preferred	-
Total - in treasury	1,282

Company Information / Cash proceeds

Evento	Approval	Dividend	Start payment	Nature of share	Type of share	Earnings per share (R\$ / share)
Annual and special shareholders meeting	03/31/2020	Interest on own capital	04/09/2020	Common		0.71457
Annual and special shareholders meeting	03/31/2020	Interest on own capital	04/09/2020	Common		0.63709
Annual and special shareholders meeting	03/31/2020	Dividends		Common		0.98491
Board of Directors	06/24/2020	Interest on own capital		Common		0.59680

Individual Financial Statements/Balance Sheet - Assets

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
1	Total assets	9,268,470	8,894,767
1.01	Current assets	1,411,691	1,790,847
1.01.01	Cash and cash equivalents	408,826	214,389
1.01.02	Interest earning bank deposits	942,021	1,503,097
1.01.02.01	Interest earning bank deposits measured at fair value	942,021	1,503,097
1.01.02.01.03	Financial instruments at fair value through profit or loss	942,021	1,503,097
1.01.06	Recoverable taxes	48,706	42,288
1.01.06.01	Current taxes recoverable	48,706	42,288
1.01.06.01.01	Recoverable taxes and contributions	48,706	42,288
1.01.08	Other current assets	12,138	31,073
1.01.08.03	Other	12,138	31,073
1.01.08.03.01	Other assets	11,221	31,073
1.01.08.03.02	Derivative financial instruments	917	-
1.02	Non-current assets	7,856,779	7,103,920
1.02.01	Long term assets	83	176
1.02.01.10	Other non-current assets	83	176
1.02.01.10.03	Other assets	83	176
1.02.02	Investments	7,856,696	7,103,744
1.02.02.01	Equity interest	7,769,405	7,016,453
1.02.02.01.02	Interest in subsidiaries	7,769,405	7,016,453
1.02.02.02	investment properties	87,291	87,291

Individual Financial Statements/Balance Sheet - Liabilities

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2	Total liabilities	9,268,470	8,894,767
2.01	Current liabilities	514,763	351,906
2.01.03	Tax obligations	26,101	1,950
2.01.03.01	Federal tax obligations	26,101	1,950
2.01.03.01.02	Taxes and contributions payable	26,101	1,950
2.01.05	Other obligations	488,662	349,956
2.01.05.02	Other	488,662	349,956
2.01.05.02.01	Dividends and interest on own capital payable	479,236	322,669
2.01.05.02.04	Other liabilities	9,426	26,481
2.01.05.02.05	Derivative financial instruments	-	806
2.02	Non-current liabilities	257,169	273,216
2.02.03	Deferred taxes	257,169	273,216
2.02.03.01	Deferred income and social contribution taxes	257,169	273,216
2.03	Shareholders' equity	8,496,538	8,269,645
2.03.01	Realized capital	4,500,000	4,000,000
2.03.04	Profit reserves	3,925,980	4,135,163
2.03.04.08	Additional dividend proposed	-	361,418
2.03.04.09	Shares for maintaining in treasury	-59,717	-19,788
2.03.04.10	Profit reserves	3,296,535	3,793,533
2.03.04.11	Accumulated profits	689,162	-
2.03.08	Other comprehensive income	70,558	134,482

Individual Financial Statements/ Statement of Income

(In thousand of Brazilian reais)

Code of account	Account description	Current Quarter	Accumulated of the Current	Prior Quarter	Accumulated of the Prior Year
		04/01/2020–06/30/2020	Year 01/01/2020–06/30/2020	04/01/2019–06/30/2019	01/01/2019–06/30/2019
3.04	Operating expenses/income	576,115	893,024	318,056	575,402
3.04.02	General and administrative expenses	-13,904	-15,579	-17,504	-25,656
3.04.02.01	Administrative expenses	-1,776	-3,408	-3,013	-10,642
3.04.02.02	Tax expenses	-12,128	-12,171	-14,491	-15,014
3.04.04	Other operating income	-	-	-	1,675
3.04.05	Other operating expenses	-3,155	-6,311	-3,155	-4,205
3.04.06	Equity in net income of subsidiaries	593,174	914,914	338,715	603,588
3.04.06.01	Equity in net income of subsidiaries	593,174	914,914	338,715	603,588
3.05	Income (loss) before financial income (loss) and taxes	576,115	893,024	318,056	575,402
3.06	Financial income	110,260	-25,424	59,712	98,774
3.06.01	Financial income	112,319	126,818	63,646	125,092
3.06.02	Financial expenses	-2,059	-152,242	-3,934	-26,318
3.07	Income (loss) before income tax	686,375	867,600	377,768	674,176
3.08	Income and social contribution taxes	-31,562	13,738	1,262	2,524
3.08.01	Current	-1	-2,309	11,250	-1
3.08.02	Deferred	-31,561	16,047	-9,988	2,525
3.09	Net income (loss) of continued operations	654,813	881,338	379,030	676,700
3.11	Income/loss for the period	654,813	881,338	379,030	676,700
3.99	Earnings per share - (Reais / share)				
3.99.01	Basic earning per share				
3.99.01.01	Basic earning per share	2.02900	2.73091	1.17272	2.09371
3.99.02	Diluted earnings per share				
3.99.02.01	Diluted earnings per share	2.02900	2.73091	1.17272	2.09371

Individual Financial Statements/Statement of Comprehensive Income

(In thousand of Brazilian reais)

Code of account	Account description	Current Quarter	Accumulated of the Current	Prior Quarter	Accumulated of the Prior Year
		04/01/2020–06/30/2020	Year 01/01/2020–06/30/2020	04/01/2019–06/30/2019	01/01/2019–06/30/2019
4.01	Net income for the period	654,813	881,338	379,030	676,700
4.02	Other comprehensive income	-11,598	-63,924	38,193	48,503
4.02.01	Adjustments to securities in subsidiaries	-43,000	-127,957	65,402	86,135
4.02.02	Tax effects over adjustments to securities	17,200	51,183	-26,161	-34,454
4.02.03	Accumulated translation adjustments	14,271	10,516	-2,162	-4,104
4.02.04	Other equity valuation adjustments	-69	2,334	1,114	926
4.03	Comprehensive income for the period	643,215	817,414	417,223	725,203

Individual Financial Statement/Statement of Cash Flows - Indirect Method

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–06/30/2020	Accumulated of the prior year 01/01/2019–06/30/2019
6.01	Net cash from operating activities	512,529	479,225
6.01.01	Cash generated in operations	-27,265	79,423
6.01.01.01	Net income for the period	881,338	676,700
6.01.01.02	Amortizations	6,311	6,311
6.01.01.03	Equity in net income of subsidiaries	-914,914	-603,588
6.01.02	Changes in assets and liabilities	540,005	412,092
6.01.02.01	Financial instruments at fair value through profit or loss	561,076	437,802
6.01.02.03	Recoverable taxes and contributions	-6,418	-6,604
6.01.02.05	Derivative financial instruments	-1,723	-171
6.01.02.06	Other assets	19,945	-331
6.01.02.07	Taxes and contributions payable	24,362	24,986
6.01.02.08	Deferred income tax and social contribution	-16,047	-2,525
6.01.02.09	Provisions	-	1,199
6.01.02.10	Other liabilities	-41,190	-42,264
6.01.03	Other	-211	-12,290
6.01.03.01	Income and social contribution taxes paid	-211	-12,290
6.02	Net cash used in investment activities	93,825	226,092
6.02.02	Dividends and interest on own capital received	203,335	252,444
6.02.03	Capital increase - subsidiaries	-109,510	-26,352
6.03	Net cash from financing activities	-411,917	-663,222
6.03.01	Treasury shares	-40,135	-7,912
6.03.02	Dividends and interest on own capital paid	-371,782	-655,310
6.05	Increase (decrease) in cash and cash equivalents	194,437	42,095
6.05.01	Opening balance of cash and cash equivalents	214,389	115,798
6.05.02	Closing balance of cash and cash equivalents	408,826	157,893

Individual Financial Statements/Statement of Changes in Equity - 01/01/2020 to 06/30/2020

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,000,000	-19,788	4,154,951	-	134,482	8,269,645
5.03	Adjusted opening balances	4,000,000	-19,788	4,154,951	-	134,482	8,269,645
5.04	Capital transactions with partners	500,000	-39,929	-858,416	-192,176	-	-590,521
5.04.01	Capital increase	500,000	-	-500,000	-	-	-
5.04.09	Additional dividend/interest on own capital proposed	-	-	-361,418	-	-	-361,418
5.04.11	Shares in treasury	-	-40,135	-	-	-	-40,135
5.04.12	Payment of intermediary dividends	-	-	-	-192,176	-	-192,176
5.04.13	Shares canceled, granted, or loss of right	-	206	-206	-	-	-
5.04.14	Share payment recognized	-	-	3,208	-	-	3,208
5.05	Total comprehensive income	-	-	-	881,338	-63,924	817,414
5.05.01	Net income for the period	-	-	-	881,338	-	881,338
5.05.02	Other comprehensive income	-	-	-	-	-63,924	-63,924
5.05.02.06	Other equity valuation adjustments in subsidiaries	-	-	-	-	2,334	2,334
5.05.02.07	Financial instrument adjustments	-	-	-	-	-76,774	-76,774
5.05.02.08	Conversion Adjustments	-	-	-	-	10,516	10,516
5.07	Closing balances	4,500,000	-59,717	3,296,535	689,162	70,558	8,496,538

Individual Financial Statements/Statement of Changes in Equity - 01/01/2019 to 06/30/2019

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,000,000	-	3,552,388	-	90,856	7,643,244
5.03	Adjusted opening balances	4,000,000	-	3,552,388	-	90,856	7,643,244
5.04	Capital transactions with partners	-	-7,912	-403,526	-230,912	-	-642,350
5.04.04	Shares in treasury	-	-7,912	-	-	-	-7,912
5.04.09	Additional dividend/interest on own capital proposed	-	-	-343,055	-	-	-343,055
5.04.10	Initial adoption - IFRS 16 and IFRS 23	-	-	-60,471	-	-	-60,471
5.04.12	Payment of intermediary dividends	-	-	-	-230,912	-	-230,912
5.05	Total comprehensive income	-	-	-	676,700	48,503	725,203
5.05.01	Net income for the period	-	-	-	676,700	-	676,700
5.05.02	Other comprehensive income	-	-	-	-	48,503	48,503
5.05.02.04	Conversion Adjustments	-	-	-	-	-4,104	-4,104
5.05.02.06	Other equity valuation adjustments in subsidiaries	-	-	-	-	926	926
5.05.02.07	Financial instrument adjustments	-	-	-	-	51,681	51,681
5.07	Closing balances	4,000,000	-7,912	3,148,862	445,788	139,359	7,726,097

Individual Financial Statements/Statement of Value Added

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–06/30/2020	Accumulated of the prior year 01/01/2019–06/30/2019
7.01	Income	-	1,675
7.01.02	Others Income	-	1,675
7.02	Inputs acquired from third parties	-1,256	928
7.02.02	Materials, Energy, outsourced services and other	-980	1,359
7.02.04	Other	-276	-431
7.02.04.01	Depreciation, amortization and depletion	-276	-431
7.03	Gross added value	-1,256	2,603
7.04	Retentions	-6,311	-6,311
7.04.01	Depreciation, amortization and depletion	-6,311	-6,311
7.05	Net added value produced	-7,567	-3,708
7.06	Added value received as transfer	890,855	704,720
7.06.01	Equity in net income of subsidiaries	914,914	603,588
7.06.02	Financial income	126,818	109,294
7.06.03	Other	-150,877	-8,162
7.07	Total added value payable	883,288	701,012
7.08	Distribution of added value	883,288	701,012
7.08.01	Personnel	1,836	9,187
7.08.01.01	Direct remuneration	1,584	1,387
7.08.01.02	Benefits	252	7,800
7.08.02	Taxes, rates and contributions	-1,250	12,767
7.08.02.01	Federal	-1,250	12,767
7.08.03	Third-party capital remuneration	1,364	2,358
7.08.03.01	Interest	1,364	2,358
7.08.04	Remuneration of own capital	881,338	676,700
7.08.04.01	Interest on own capital proposed	192,176	230,912
7.08.04.03	Retained earnings / Loss for the period	689,162	445,788

Consolidated Financial Statements/Balance Sheet – Assets

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
1	Total assets	33,041,400	32,711,299
1.01	Current assets	25,223,429	22,783,780
1.01.01	Cash and cash equivalents	4,013,864	893,263
1.01.02	Interest earning bank deposits	9,631,674	9,304,762
1.01.02.01	Interest earning bank deposits measured at fair value	9,413,476	8,619,251
1.01.02.01.03	Financial instruments at fair value through profit or loss	9,413,476	8,619,251
1.01.02.02	Financial instruments at fair value through other comprehensive income	218,198	685,511
1.01.03	Accounts receivable	9,118,929	9,958,521
1.01.03.01	Clients	9,118,929	9,958,521
1.01.03.01.01	Premiums receivable from policyholders	3,777,598	3,994,251
1.01.03.01.02	Securities and credits receivable	5,275,214	5,900,861
1.01.03.01.04	Accounts receivable from rendering of services	66,117	63,409
1.01.06	Recoverable taxes	153,770	155,308
1.01.06.01	Current taxes recoverable	153,770	155,308
1.01.06.01.01	Recoverable taxes and contributions	153,770	155,308
1.01.08	Other current assets	2,305,192	2,471,926
1.01.08.03	Other	2,305,192	2,471,926
1.01.08.03.01	Non-financial assets held for sale	189,505	178,690
1.01.08.03.02	Deferred acquisition costs	1,697,750	1,815,191
1.01.08.03.03	Other assets	298,736	356,155
1.01.08.03.04	Derivative financial instruments	917	7,440
1.01.08.03.05	Reinsurance assets	118,284	114,450
1.02	Non-current assets	7,817,971	9,927,519
1.02.01	Long term assets	3,883,180	6,074,990
1.02.01.01	Interest earning bank deposits measured at fair value	1,570	1,552
1.02.01.01.01	Trading securities	1,570	1,552
1.02.01.02	Financial instruments at fair value through other comprehensive income	1,445,712	2,120,610
1.02.01.02.04	Financial instruments at fair value through other comprehensive income	1,445,712	2,120,610
1.02.01.03	Financial investments measured at amortized cost	690,217	2,514,697
1.02.01.03.01	Financial investments measured at amortized cost	690,217	2,514,697
1.02.01.04	Accounts receivable	883,501	685,064
1.02.01.04.01	Clients	826,569	680,789
1.02.01.04.02	Other accounts receivable	56,932	4,275
1.02.01.07	Deferred taxes	359,833	264,930
1.02.01.07.01	Deferred income and social contribution taxes	359,833	264,930
1.02.01.10	Other non-current assets	502,347	488,137
1.02.01.10.03	Reinsurance assets	7,064	4,027
1.02.01.10.04	Deferred acquisition costs	60,283	47,625
1.02.01.10.05	Other assets	2,288	2,281
1.02.01.10.06	Recoverable taxes and contrinutions	432,712	434,204
1.02.02	Investments	133,136	132,478
1.02.02.02	Investment property	133,136	132,478
1.02.03	Property, plant and equipment	1,724,677	1,683,403
1.02.03.01	Fixed assets in operation	1,616,043	1,564,446
1.02.03.02	Assets from a lease	108,634	118,957
1.02.04	Intangible assets	2,076,978	2,036,648
1.02.04.01	Intangibles	2,076,978	2,036,648

Consolidated Financial Statements/Balance Sheet - Liabilities

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 06/30/2020	Prior year 12/31/2019
2	Total liabilities	33,041,400	32,711,299
2.01	Current liabilities	17,842,970	18,000,704
2.01.03	Tax obligations	634,917	543,892
2.01.03.01	Federal tax obligations	634,917	543,892
2.01.03.01.02	Taxes and contributions payable	634,917	543,892
2.01.05	Other obligations	17,208,053	17,456,812
2.01.05.02	Other	17,208,053	17,456,812
2.01.05.02.01	Dividends and interest on own capital payable	484,131	328,555
2.01.05.02.04	Insurance contract liabilities	8,484,897	9,058,721
2.01.05.02.05	Debts from insurance and reinsurance operations	321,773	398,365
2.01.05.02.06	Financial liabilities	7,027,727	6,861,875
2.01.05.02.07	Derivative financial instruments	-	4,072
2.01.05.02.08	Other liabilities	868,811	785,271
2.01.05.02.09	liabilities from a lease	20,714	19,953
2.02	Non-current liabilities	6,701,750	6,440,811
2.02.02	Other obligations	6,297,913	6,004,465
2.02.02.02	Other	6,297,913	6,004,465
2.02.02.02.03	Insurance contract liabilities	5,937,944	5,577,061
2.02.02.02.04	Other liabilities	175,431	238,716
2.02.02.02.06	Derivative financial instruments	70,694	64,543
2.02.02.02.07	liabilities from a lease	113,844	124,145
2.02.03	Deferred taxes	257,634	292,139
2.02.03.01	Deferred income and social contribution taxes	257,634	292,139
2.02.04	Provisions	146,203	144,207
2.02.04.01	Tax, social security, labor and civil provisions	146,203	144,207
2.02.04.01.01	Tax provisions	113,482	111,772
2.02.04.01.02	Social security and labor provisions	12,853	11,470
2.02.04.01.04	Civil provisions	19,868	20,965
2.03	Consolidated shareholders' equity	8,496,680	8,269,784
2.03.01	Realized capital	4,500,000	4,000,000
2.03.04	Profit reserves	3,925,980	4,135,163
2.03.04.08	Additional dividend proposed	-	361,418
2.03.04.09	Shares for maintaining in treasury	-59,717	-19,788
2.03.04.10	Reserves	3,296,535	3,793,533
2.03.04.11	Accumulated profits	689,162	-
2.03.08	Other comprehensive income	70,558	134,482
2.03.09	Interest of non-controlling shareholders	142	139

Consolidated Financial Statements/Income Statement

(In thousand of Brazilian reais)

Code of account	Account description	Current Quarter	Accumulated of the Current	Prior Quarter	Accumulated of the Prior Year
		04/01/2020-06/30/2020	Year 01/01/2020-06/30/2020	04/01/2019-06/30/2019	01/01/2019-06/30/2019
3.01	Income from sales of goods and/or services	4,173,016	8,634,385	4,326,673	8,660,485
3.01.01	Insurance premiums issued and net considerations	3,488,561	7,232,505	3,690,373	7,399,994
3.01.02	(-) Premiums - reinsurance ceded	-34,671	-61,714	-32,290	-53,203
3.01.03	Income from loans	407,605	828,095	362,120	699,655
3.01.04	Income from services rendered	263,618	538,144	254,541	507,324
3.01.05	Contributions to pension plan	34,216	70,186	40,880	84,912
3.01.06	Income from special savings bonds	13,687	27,169	11,049	21,803
3.03	Gross income (loss)	4,173,016	8,634,385	4,326,673	8,660,485
3.04	Operating expenses/income	-3,682,533	-7,764,722	-4,062,066	-8,177,652
3.04.02	General and administrative expenses	-1,006,824	-1,875,391	-934,857	-1,829,547
3.04.02.01	Administrative expenses	-830,683	-1,557,101	-784,956	-1,548,560
3.04.02.02	Tax expenses	-176,141	-318,290	-149,901	-280,987
3.04.04	Other operating income	33,203	122,162	39,283	87,295
3.04.04.02	Other operating income	33,203	122,162	39,283	87,295
3.04.05	Other operating expenses	-2,708,912	-6,011,493	-3,166,492	-6,435,400
3.04.05.01	Changes in technical reserves - Insurance	227,200	273,004	35,093	24,729
3.04.05.02	Changes in technical reserves - pension	-35,222	-59,365	-63,396	-104,416
3.04.05.03	Retained claims - Gross	-1,665,548	-3,967,571	-2,209,566	-4,523,163
3.04.05.04	Private pension plan benefits	-4,194	-12,761	-5,776	-12,713
3.04.05.05	Recovery of reinsurance	15,813	37,327	3,945	21,786
3.04.05.06	Recovery of salvage and reimbursements	142,606	445,466	292,638	613,374
3.04.05.07	Acquisition cost - insurance	-839,005	-1,711,262	-808,960	-1,621,703
3.04.05.08	Acquisition costs - other	-46,691	-95,954	-54,510	-101,071
3.04.05.09	Cost of services rendered	-37,623	-81,028	-57,620	-107,446
3.04.05.10	Other operating expenses	-466,248	-839,349	-298,340	-624,777
3.05	Income (loss) before financial income (loss) and taxes	490,483	869,663	264,607	482,833
3.06	Financial income	497,671	496,134	246,172	517,244
3.06.01	Financial income	684,972	970,652	453,076	896,986
3.06.02	Financial expenses	-187,301	-474,518	-206,904	-379,742
3.07	Income (loss) before income tax	988,154	1,365,797	510,779	1,000,077
3.08	Income and social contribution taxes	-333,337	-484,447	-133,250	-325,040
3.08.01	Current	-387,471	-613,855	-119,178	-289,630
3.08.02	Deferred	54,134	129,408	-14,072	-35,410
3.09	Net income (loss) of continued operations	654,817	881,350	377,529	675,037
3.11	Consolidated income (loss) for the period	654,817	881,350	377,529	675,037
3.11.01	Attributed to the Parent company's partners	654,813	881,338	379,030	676,700
3.11.02	Attributed to non-controlling partners	4	12	-1,501	-1,663
3.99	Earnings per share - (Reais / share)				
3.99.01	Basic earning per share				
3.99.01.01	Common shares	2.02901	2.73095	1.16808	2.08857
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	2.02901	2.73095	1.16808	2.08857

Consolidated Financial Statements/Statement of Comprehensive Income

(In thousand of Brazilian reais)

Code of account	Account description	Current Quarter 04/01/2020–06/30/2020	Accumulated of the Current Year 01/01/2020–06/30/2020	Prior Quarter 04/01/2019–06/30/2019	Accumulated of the Prior Year 01/01/2019–06/30/2019
4.01	Consolidated net income for the period	654,817	881,350	377,529	675,037
4.02	Other comprehensive income	-11,598	-63,924	38,193	48,503
4.02.01	Adjustments to securities in subsidiaries	-43,000	-127,957	65,402	86,135
4.02.02	Tax effects over adjustments to securities	17,200	51,183	-26,161	-34,454
4.02.03	Accumulated translation adjustments	14,271	10,516	-2,162	-4,104
4.02.04	Other equity valuation adjustments	-69	2,334	1,114	926
4.03	Consolidated comprehensive income for the period	643,219	817,426	415,722	723,540
4.03.01	Attributed to the parent company's partners	643,215	817,414	417,223	725,203
4.03.02	Attributed to non-controlling partners	4	12	-1,501	-1,663

Consolidated Financial Statement/Statement of Cash Flows - Indirect Method

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–06/30/2020	Accumulated of the prior year 01/01/2019–06/30/2019
6.01	Net cash from operating activities	3,858,467	1,352,490
6.01.01	Cash generated in operations	1,014,399	793,327
6.01.01.01	Net income for the period	881,350	675,037
6.01.01.03	Depreciations - property, plant and equipment	55,290	63,904
6.01.01.05	Amortizations	61,983	58,457
6.01.01.06	Income (loss) from the sale of property, plant and equipment	15,776	-4,071
6.01.02	Changes in assets and liabilities	3,210,042	773,182
6.01.02.01	Financial instruments at fair value through profit or loss	-794,243	789,490
6.01.02.02	Financial instruments – other categories	2,966,691	-196,880
6.01.02.03	Premiums receivable from insured parties	163,996	176,066
6.01.02.04	Loan operations	479,867	38,985
6.01.02.06	Reinsurance assets	-6,871	5,821
6.01.02.07	Deferred income tax and social contribution	-129,408	35,410
6.01.02.08	Recoverable taxes and contributions	1,531	-5,171
6.01.02.10	Goods for sale	-10,815	-13,929
6.01.02.11	Other assets	55,545	-128,746
6.01.02.12	Deferred acquisition costs	104,783	18,966
6.01.02.13	Insurance contract liabilities	-212,941	-125,484
6.01.02.14	Debts from operations with insurance and reinsurance	-76,592	24,852
6.01.02.15	Financial liabilities	203,540	15,550
6.01.02.16	Taxes and contributions payable	393,066	226,764
6.01.02.17	Provisions	1,996	51,355
6.01.02.18	Other liabilities	66,663	-170,222
6.01.02.19	Derivative financial instruments	2,451	6,514
6.01.02.20	lease transactions	783	23,841
6.01.03	Other	-365,974	-214,019
6.01.03.01	Financial instrument adjustments	-63,924	48,503
6.01.03.02	Non-controlling interest	-9	623
6.01.03.03	Income and social contribution taxes paid	-302,041	-263,145
6.02	Net cash used in investment activities	-224,976	-135,619
6.02.01	Disposal of property, plant and equipment	49,777	81,502
6.02.02	Acquisition of property, plant and equipment	-161,844	-118,936
6.02.03	Acquisition of intangible assets	-112,909	-98,185
6.03	Net cash from financing activities	-512,890	-721,688
6.03.01	Treasury shares	-40,135	-7,912
6.03.02	Dividends and interest on own capital paid	-371,782	-655,310
6.03.04	Funding interest paid	-100,973	-58,466
6.05	Increase (decrease) in cash and cash equivalents	3,120,601	495,183
6.05.01	Opening balance of cash and cash equivalents	893,263	769,472
6.05.02	Closing balance of cash and cash equivalents	4,013,864	1,264,655

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2020 to 06/30/2020

(In thousand of Brazilian reais)

Code of account	Account description	Capital reserves, Options granted and Treasury		Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
		Paid-up capital	shares						
5.01	Opening balances	4,000,000	-19,788	4,154,951	-	134,482	8,269,645	139	8,269,784
5.03	Adjusted opening balances	4,000,000	-19,788	4,154,951	-	134,482	8,269,645	139	8,269,784
5.04	Capital transactions with partners	500,000	-39,929	-858,416	-192,176	-	-590,521	-9	-590,530
5.04.01	Capital increase	500,000	-	-500,000	-	-	-	-	-
5.04.09	Additional dividend/interest on own capital proposed	-	-	-361,418	-	-	-361,418	-	-361,418
5.04.11	Shares in treasury	-	-40,135	-	-	-	-40,135	-	-40,135
5.04.12	Increase of non-controlling interests in subsidiaries	-	-	-	-192,176	-	-192,176	-	-192,176
5.04.13	Shares canceled, granted, or loss of right	-	206	-206	-	-	-	-	-
5.04.14	Share payment recognized	-	-	3,208	-	-	3,208	-	3,208
5.04.15	Reduction in non-controlling interests in subsidiaries	-	-	-	-	-	-	-9	-9
5.05	Total comprehensive income	-	-	-	881,338	-63,924	817,414	12	817,426
5.05.01	Net income for the period	-	-	-	881,338	-	881,338	12	881,350
5.05.02	Other comprehensive income	-	-	-	-	-63,924	-63,924	-	-63,924
5.05.02.06	Other equity valuation adjustments in subsidiaries	-	-	-	-	2,334	2,334	-	2,334
5.05.02.07	Financial instrument adjustments	-	-	-	-	-76,774	-76,774	-	-76,774
5.05.02.08	Conversion Adjustments	-	-	-	-	10,516	10,516	-	10,516
5.07	Closing balances	4,500,000	-59,717	3,296,535	689,162	70,558	8,496,538	142	8,496,680

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2019 to 06/30/2019

(In thousand of Brazilian reais)

Code of account	Account description	Capital reserves, Options granted and Treasury		Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
		Paid-up capital	shares						
5.01	Opening balances	4,000,000	-	3,552,388	-	90,856	7,643,244	477	7,643,721
5.03	Adjusted opening balances	4,000,000	-	3,552,388	-	90,856	7,643,244	477	7,643,721
5.04	Capital transactions with partners	-	-7,912	-403,526	-230,912	-	-642,350	623	-641,727
5.04.04	Shares in treasury	-	-7,912	-	-	-	-7,912	-	-7,912
5.04.09	Additional dividend/interest on own capital proposed	-	-	-343,055	-	-	-343,055	-	-343,055
5.04.10	Initial adoption - IFRS 16 and IFRS 23	-	-	-60,471	-	-	-60,471	-	-60,471
5.04.12	Payment of intermediary dividends	-	-	-	-230,912	-	-230,912	-	-230,912
5.04.13	Increase of non-controlling interests in subsidiaries	-	-	-	-	-	-	623	623
5.05	Total comprehensive income	-	-	-	676,700	48,503	725,203	-1,663	723,540
5.05.01	Net income for the period	-	-	-	676,700	-	676,700	-1,663	675,037
5.05.02	Other comprehensive income	-	-	-	-	48,503	48,503	-	48,503
5.05.02.04	Conversion Adjustments	-	-	-	-	-4,104	-4,104	-	-4,104
5.05.02.06	Other equity valuation adjustments in subsidiaries	-	-	-	-	926	926	-	926
5.05.02.07	Financial instrument adjustments	-	-	-	-	51,681	51,681	-	51,681
5.07	Closing balances	4,000,000	-7,912	3,148,862	445,788	139,359	7,726,097	-563	7,725,534

Consolidated Financial Statements/Statement of Value Added

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2020–06/30/2020	Accumulated of the prior year 01/01/2019–06/30/2019
7.01	Income	5,325,350	4,838,903
7.01.02	Other income	5,489,848	4,831,766
7.01.02.01	Income with insurance operations	7,232,505	7,399,994
7.01.02.02	Loan operations	828,095	699,655
7.01.02.03	Rendering of services	564,214	531,797
7.01.02.04	Income from pension operations	70,186	84,912
7.01.02.06	Other	78,748	95,811
7.01.02.08	Changes in technical reserves - Insurance	273,004	24,729
7.01.02.09	Changes in technical reserves - pension	-59,365	-104,416
7.01.02.10	Retained claims	-3,484,778	-3,888,003
7.01.02.11	Expenses with benefits	-12,761	-12,713
7.01.04	Formation/reversal of allowance for doubtful accounts	-164,498	7,137
7.02	Inputs acquired from third parties	-3,006,616	-3,025,789
7.02.01	Cost of products, goods and services sold	-81,028	-107,446
7.02.02	Materials, Energy, outsourced services and other	-841,367	-913,206
7.02.03	Loss/recovery of asset values	53,728	6,660
7.02.04	Other	-2,137,949	-2,011,797
7.02.04.03	Outsourced services, net commissions	-2,063,415	-2,008,082
7.02.04.04	Change in deferred acquisition costs	-74,534	-3,715
7.03	Gross added value	2,318,734	1,813,114
7.04	Retentions	-117,273	-122,361
7.04.01	Depreciation, amortization and depletion	-117,273	-122,361
7.05	Net added value produced	2,201,461	1,690,753
7.06	Added value received as transfer	479,782	587,347
7.06.02	Financial income	970,652	896,986
7.06.03	Other	-490,870	-309,639
7.07	Total added value payable	2,681,243	2,278,100
7.08	Distribution of added value	2,681,243	2,278,100
7.08.01	Personnel	861,648	811,384
7.08.01.01	Direct remuneration	474,169	464,672
7.08.01.02	Benefits	354,717	314,377
7.08.01.03	Severance Pay Fund (FGTS)	32,762	32,335
7.08.02	Taxes, rates and contributions	935,563	768,336
7.08.02.01	Federal	901,719	733,915
7.08.02.02	State	468	3,574
7.08.02.03	Municipal	33,376	30,847
7.08.03	Third-party capital remuneration	2,682	23,343
7.08.03.01	Interest	9,590	32,821
7.08.03.02	Rents	-6,908	-9,478
7.08.04	Remuneration of own capital	881,350	675,037
7.08.04.01	Interest on own capital proposed	192,176	230,912
7.08.04.03	Retained earnings / Loss for the period	689,162	445,788
7.08.04.04	Non-controlling interest in retained earnings	12	-1,663



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Brasil 100 **IBRX 100**

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BM&FBovespa
MidLarge Cap **MLCX**

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Ações com Tag Along
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BM&FBovespa
Financeiro **IFNC**

 **apimec**
ASSOCIAÇÃO DOS ANALISTAS
E PROFISSIONAIS DE INVESTIMENTO
DO MERCADO DE CAPITAIS

abrasca 

Earnings Release Second Quarter and First Half of 2020



Porto Seguro S.A.

B3: PSSA3
Sector: Insurance
Segment: Novo Mercado

Market Indicators

Share Price: R\$ 50.42 (jun/20)
Variation (last 12 months): -17.8%
Number of shares in the Free Float (million): 93.0
Market Cap: R\$ 16.3 (R\$ billion)

Conference Call Second Quarter of 2020

August 5th, 2020

In Portuguese and English
(Simultaneously Translated)
11h00 (BRT)
10h00 (UST)
Phone Brazil: (+55) 11 3127-4971
or (+55) 11 3728-5971
Phone other countries:
1-516-3001066 or 1-929-3783440
Password: Porto Seguro
Link Webcast:

[Portuguese](#)
[English](#)

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Main Highlights 2Q20 vs. 2Q19

Revenues and Premiums	Ratios	Results
Total Revenues¹ R\$ 4.2 BI -3.2%	Combined Ratio 83.8% -9.6 p.p.	Operational Result R\$ 622 MM +83.4%
Written Premiums¹ R\$ 3.5 BI -4.9%	Total Loss Ratio 40.9% -10.6 p.p.	Financial Result R\$ 498 MM +101%
Revenues Financial and Services Businesses R\$ 690 MM +7.6%	G.A. + O.E. Insurance² 16.1% -1.1 p.p.	Net Earnings³ R\$ 657 MM +72.4%

¹ Excluding DPVAT, which in January 2020 started to be accounted for in a net manner under the heading of other insurance operating income and expenses

² Excluding donations related to the Covid-19 pandemic

³ Net earnings without Business Combination

Main Results

Main Results (R\$ Million)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Operational Insurance Results	590.5	241.2	144.8	230.3	156.4	820.7	414.2	98.1
Operational Results - Other Business	31.7	98.1	(67.7)	190.9	(83.4)	222.6	202.3	10.0
Consolidated Financial Results	497.6	247.5	101.1	(1.5)	-	496.1	518.4	(4.3)
Earnings before Income / Social contribution and Profit Sharing	1,119.8	586.8	90.8	419.7	166.8	1,539.4	1,134.9	35.6
Income / Social contribution taxes	(333.3)	(133.3)	150.0	(151.1)	120.6	(484.4)	(325.0)	49.0
Effective Tax Rate	33.7%	26.1%	7.6	40.0%	(6.3)	35.5%	32.5%	3.0
Profit Sharing	(131.6)	(74.5)	76.6	(42.1)	212.6	(173.7)	(133.2)	30.4
Net Earnings with Business Combination	654.8	379.0	72.8	226.5	189.1	881.3	676.7	30.2
Net Earnings w/o Business Combination	656.7	380.9	72.4	228.4	187.5	885.1	680.5	30.1
Average Shareholder's Equity (w/o Business Combination)	7,526.7	6,869.4	9.6	7,411.4	1.6	7,626.1	6,920.2	10.2
ROAE w/o Business Combination	34.9	22.2	12.7	12.3	22.6	23.2	19.7	3.5

Porto Seguro showed a significant increase in profitability in the second quarter and the first half of 2020, mainly due to the effects of social isolation, which resulted in a significant drop in claims and consequently an improvement in the operational performance, and also by the high return on financial investments in the second quarter, which captured the recovery in equity prices and offset losses in the first quarter. Despite the effects of the pandemic, the initiatives adopted by the Company since the beginning of the crisis have allowed it to maintain renewal rates at high levels and mitigate the impacts on financial businesses, demonstrating the resilience of its business model amid a challenging scenario of yet another crisis period.

Insurance premiums (ex-DPVAT¹) decreased 4.9% in the quarter compared to the same period last year. Auto insurance (-9.9% vs. 2Q19) was affected by the retraction in the new insurance sales and the reduction in the average premium, as a result of the decrease in risk, however the renewal rate remained high, favored by the measures adopted to protect the portfolio. Health insurance premiums expanded 16.7% compared to 2Q19, maintaining the double-digit growth, shown over the last years. Premiums for P&C insurances decreased -6.7% (vs. 2Q19) and Life insurance went down -1.3% (vs. 2Q19).

The combined insurance ratio reached 83.8% in the quarter (-9.6 p.p. vs. 2Q19), the best result in Porto Seguro's history, benefiting from the significant drop in Auto insurance claims (-15.4 p.p. vs. 2Q19), chiefly due to the reduction in the circulation of vehicles as a result of the social isolation, and the relevant improvement in the loss ratio of Health (-18.5 p.p. vs. 2Q19), as a result of the decrease in the elective procedures performed in the period, also as a consequence of the effects of the pandemic. The consolidated G&A + O&E ratio reduced 0.4 p.p. in the quarter (vs. 2Q19). Excluding the donations which were made due to the Covid-19 pandemic, the consolidated G&A + O&E ratio would have decreased 1.1 p.p. in 2Q20.

In the Financial and Service Business, quarterly revenues increased by 7.6% (vs. 2Q19), driven by Credit Card and Financing operations, which expanded 10.2% compared to the same period last year, whereas the amount of credit cards issued went up 28.9% to achieve 2.8 million (vs. 2Q19) in the end of the quarter. NPL (+90 days) reached 6.1% at the end of 2Q20, an increase of 0.4 p.p. compared to 2Q19. Disregarding the challenges in the period, the Financial and Service Business responded consistently to the crisis as a result of the effective portfolio management and the adopted measures to mitigate risks, mainly through debt renegotiation.

The high return on financial investments in the quarter is mainly explained by the increased positions in equities during the 1Q20, offsetting the losses observed in the first quarter, and the realization of inflation-linked bonds. The portfolio's quarterly profitability (ex-pension plan) was 5.3% (719% of the CDI) in the quarter.

Net income² reached R\$ 656.7 million in the quarter (+72.4% vs. 2Q19) and R\$ 885.1 million in the semester (+30.1% vs. 1H19), resulting in a ROAE² of 34.9% in 2Q20 and 23.2% in 1H20. Excluding the effect of excess capital and considering a return of 100% of the CDI for investments, the annualized return on equity would be 31.5% in the quarter and 25.4% in the semester.

Since the beginning of the crisis, Porto Seguro has taken several initiatives to support its stakeholders and society in general in addressing the challenges imposed by the Covid-19 pandemic, being intensified at the end of the semester through the launch of the "Meu Porto Seguro" program. Through this program, 10,000 temporary jobs are generated, with a monthly payment of R\$ 1,500 during the 3-month period, in which participants take free online training courses and are qualified to promote Porto Seguro's products and services, generating business opportunities for both brokers and the Company.

Over the years, Porto Seguro has improved its corporate governance practices and carried out several projects related to the areas of Social and Environmental Responsibility. In order to increase the transparency of the business and expand the reach of these projects, as of this quarter the Company starts to report information related to these ESG initiatives, which are increasingly aligned with the strategies business and generate positive impacts for society and the environment and contribute to the creation of long-term value for all its stakeholders.

Despite the challenging moment, Porto Seguro remains optimistic in the conduct of its operations and confident in the robustness and resilience of its business model to overcome this crisis and thanks once again to all employees, brokers, service providers, clients, shareholders, partners, investors and all other stakeholders for their dedication and trust in the Company.

OPERATIONAL AND FINANCIAL HIGHLIGHTS



**9 million
Clients**



**13K
employees**



**37K
independent
brokers**



**14K
exclusive
service
providers**



**3.3K Itaú
banking
branches**



**37 million
services / year**
(13 million human interaction
/ 24 million digital)

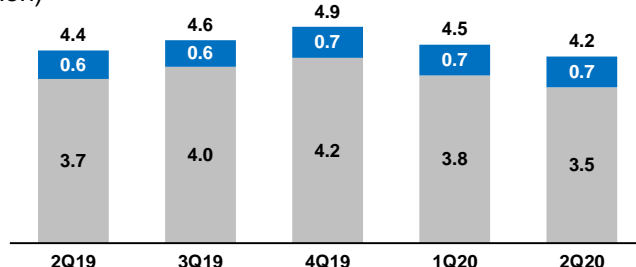
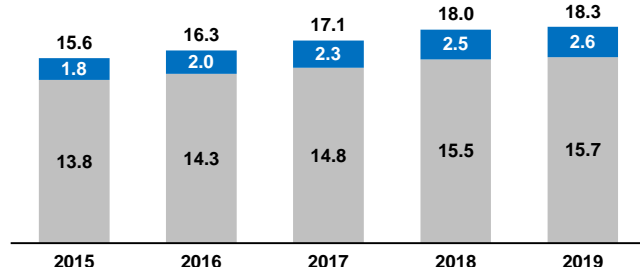


**1.5 million
home repair
services / year**



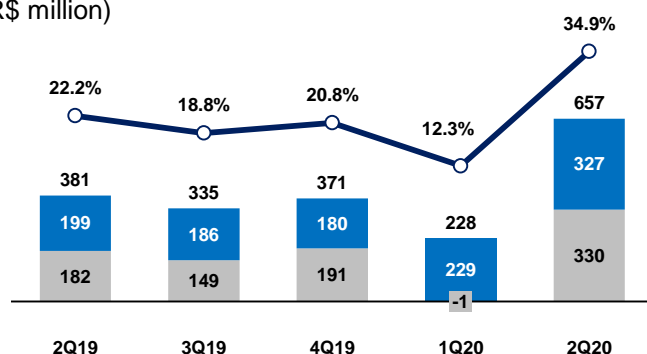
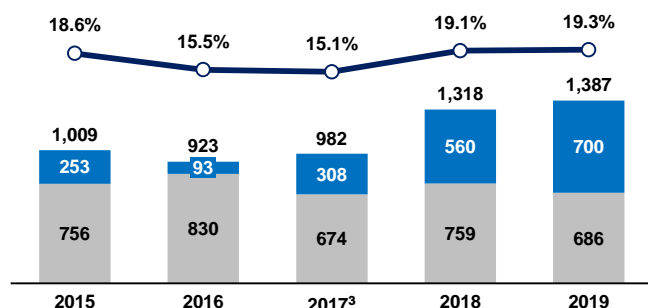
**2.8 million
roadside
assistance
services / year**

Total Revenues¹ (R\$ billion)



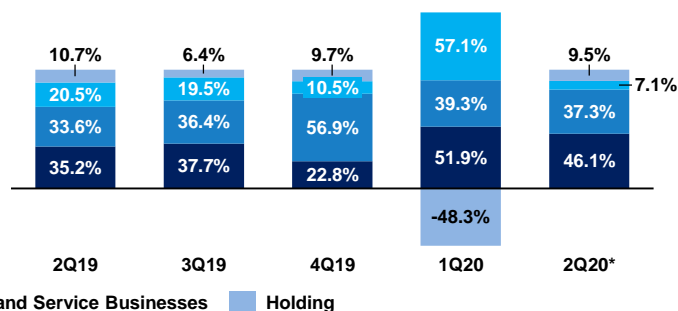
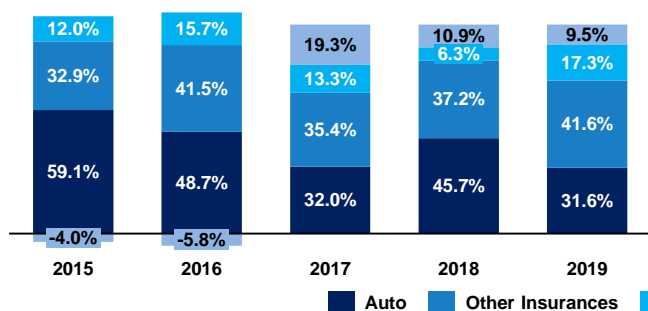
Insurance Other Revenues

Profitability² (R\$ million)



Financial Result Operational Result ROAE

Profit Breakdown per Segment⁴



¹ Insurance Written Premiums + Revenues from Financial and Service Businesses + Other operational revenues

² The effective tax was applied to the financial result calculation, while the operational result is the difference between the net income (w/o business combination) and the financial result net of taxes

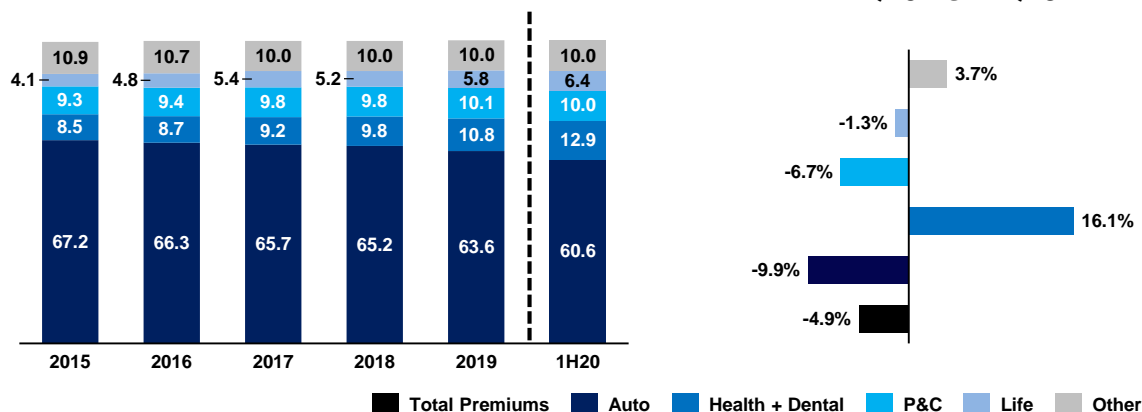
³ Not considering the effect of the sales of the share of IRB (Brasil Resseguros S.A.) with a net value of R\$ 126 million

⁴ Calculated in accordance with IFRS 8, taking into account the internal financial reports of performance of each segment, which are used by Management in conducting its business.

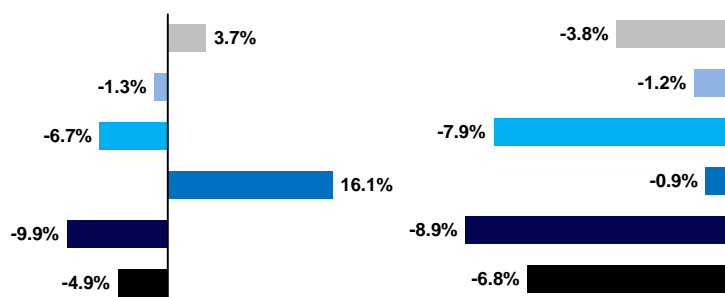
* Not considering the sale of the portfolio of the Monitoring of residences

INSURANCE

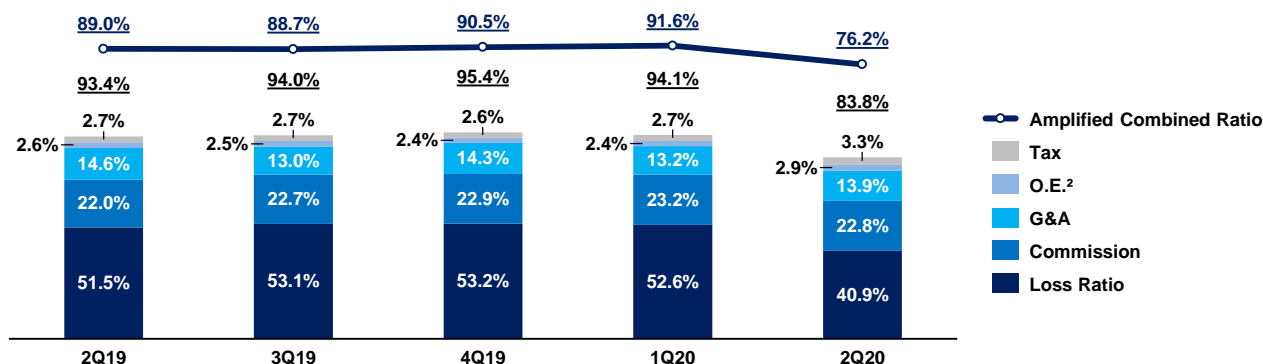
Insurance Written Premiums Breakdown (%)



Top Products Growth¹ 2Q20 vs. 2Q19 2Q20 vs. 1Q20



Insurance Combined Ratio

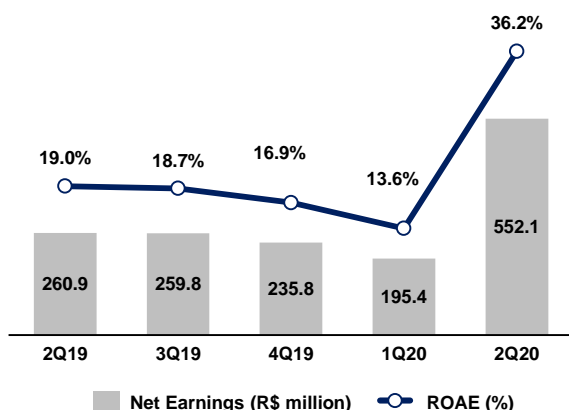


The combined ratio decreased 9.6 p.p. in the quarter (vs. 2Q19) explained by the significant reduction in loss ratio, as a result of the social isolation, mainly in Auto and Health insurance. The reduction in Auto insurance was mainly driven by the lower frequency of claims while the improvement in Health insurance claims was due to the decrease in elective procedures. In the semester, the combined ratio improved by 5.4 p.p. when compared to 1H19. Excluding the non-recurring expenses related to the pandemic (additional donations and social program incentives), the combined ratio would have improved 10.3 p.p. in the quarter and 5.7 p.p. in the first semester, reaching 83.1% in 2Q20 and 88.7% in 1H20.

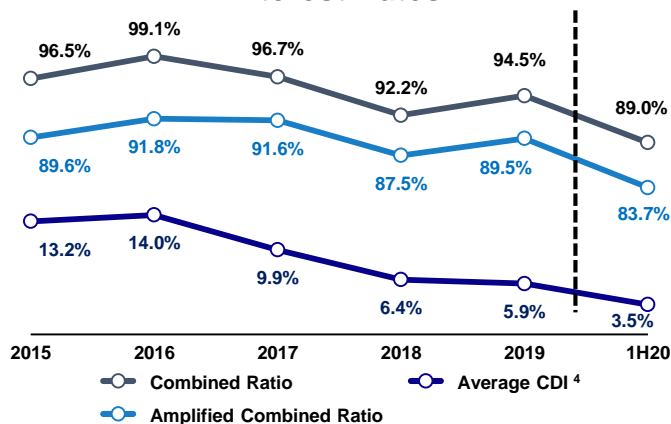
The amplified combined ratio was 12.8 p.p. lower (vs. 2Q19) as a result of the increase in operating and financial results.

In the quarter, insurance income reached R\$ 552.1 million, an increase of 111.6% (vs. 2Q19) and ROAE achieved 36.2% in the period.

Insurance Results³



Historical Operational Results vs. Interest Rates



¹ Considering insurance written premiums and pension gross funding (Total Contributions + Inputs + Incoming Portability)

² O.E. = Other Revenues – Operational Expenses

³ Including the operational results of Insurance, Pension and Capitalization

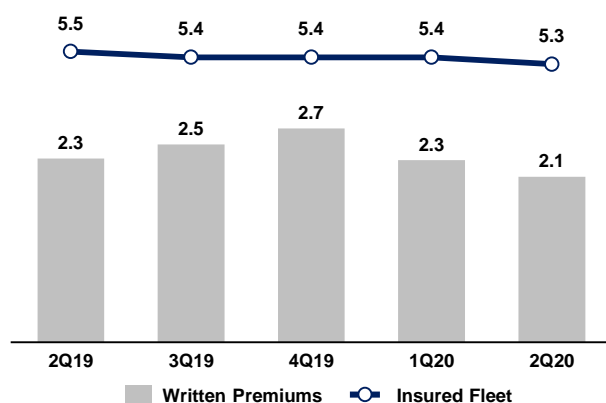
⁴ Similar to Libor - Source: Brazilian Central Bank

Auto Insurance

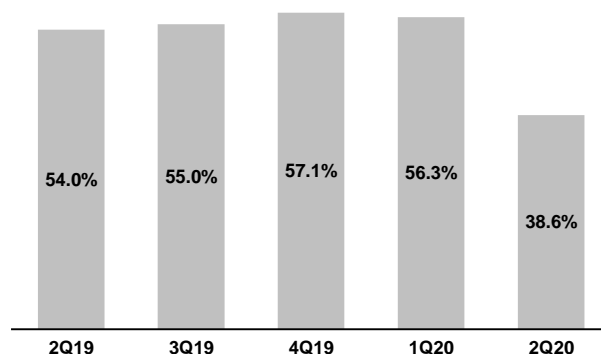
Auto	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	2,091.1	2,320.4	(9.9)	2,295.3	(8.9)	4,386.4	4,681.6	(6.3)
Earned Premium (R\$ million)	2,369.5	2,470.8	(4.1)	2,436.7	(2.8)	4,806.2	4,898.2	(1.9)
Loss Ratio (%) - Var (p.p.)	38.6	54.0	(15.4)	56.3	(17.7)	47.5	56.1	(8.6)
Insured Vehicles (thousand)	5,270.0	5,507.0	(4.3)	5,407	(2.5)	5,270	5,507	(4.3)

- Auto insurance reached its best operational result in history in 2Q20, mainly explained by the positive effects in loss ratio as a consequence of the social isolation and the responsible management of the Company's underwriting and pricing policy, compensating the decline in written premiums (vs. 2Q19).
- Premiums decreased by 9.9% in the quarter (vs. 2Q19), mainly due to the reduction in the sale of new insurances, which was impacted by the pandemic effects. On the other hand, the measures that were taken to protect the portfolio allowed the renewal rate to be kept at high levels. Despite the temporary decrease in risk, which permitted tariff adjustments, Porto Seguro has maintained pricing discipline in order to meet the expectation of a return on claims volume at levels closer to historical numbers.
- The quarterly loss ratio was 38.6%, an improvement of 15.4 p.p. compared to the same period of the previous year.
- Despite the reduction in the number of insured items caused by the current crisis (-4.3% vs. 2Q19), Porto Seguro believes in the recovery of the insured fleet through the resumption of the economy and the attractive potential to increase penetration in the country. To this end, the Company has sought to develop more personalized offers, simpler sales processes and more accessible products to serve a broader population.

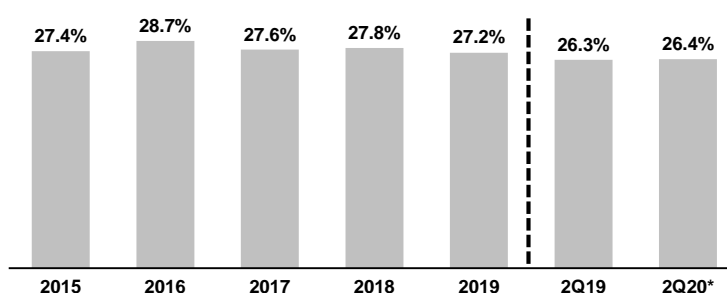
Written Premiums (R\$ billion) and Insured Fleet (million)



Loss Ratio



Market Share – Total Auto*

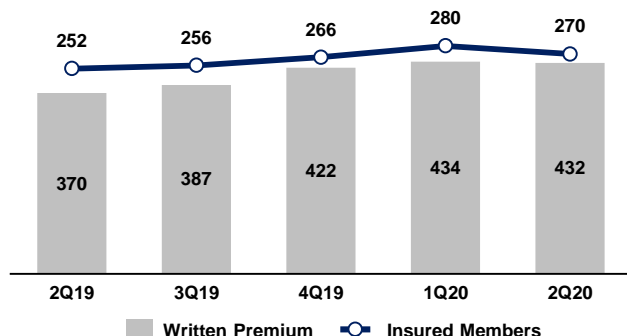


Health Insurance

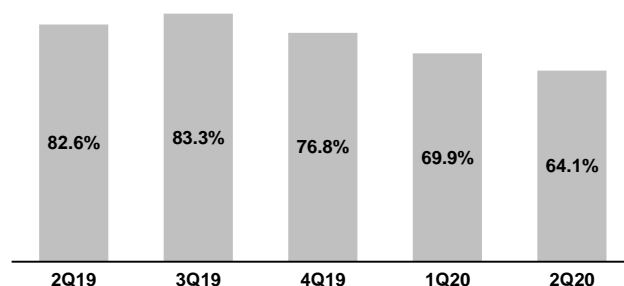
Health Insurance	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	431.7	370.0	16.7	433.6	(0.4)	865.3	731.9	18.2
Earned Premium (R\$ million)	431.7	370.1	16.6	433.7	(0.5)	865.4	731.9	18.2
Loss Ratio (%) - Var (p.p.)	64.1	82.6	(18.5)	69.9	(5.8)	67.0	76.5	(9.5)
Insured Members (thousand)	270.0	252.0	7.1	280.0	(3.6)	270.0	252.0	7.1

- Health insurance premiums expanded 16.7% in the quarter (vs. 2Q19), overcoming the challenges presented by the current crisis. The expansion was driven by the 7.1% growth in the insured members, leveraged by sales in the SME segment and by price adjustments made in the period. The strategy to increase participation in the SME segment in the portfolio has shown positive results and a potential attractive expansion.
- The loss ratio reached 64.1% (-18.5 p.p. vs. 2Q19), reaching the best historical level, mainly favored by the reduction in elective procedures due to the effects of the Covid-19 pandemic. In the quarter, an increase of *IBNR** was carried out in the Health operation, to face procedures that may be performed later.
- Health has strengthened the offer of services, such as telemedicine (Alô Saúde and Psicologia Viva) and the development of applications, in line with the new service trends observed around the world.

Written Premiums (R\$ million) and Insured Members (thousands)



Loss Ratio

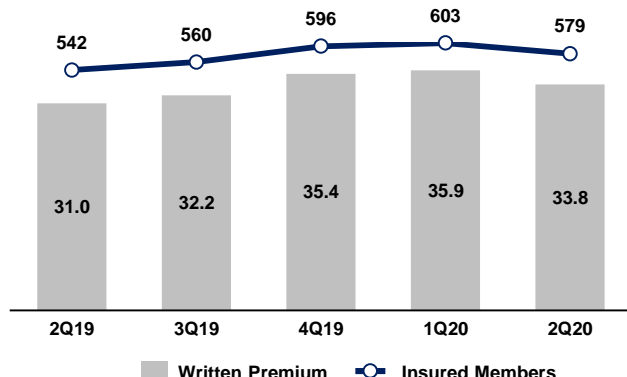


Dental Insurance

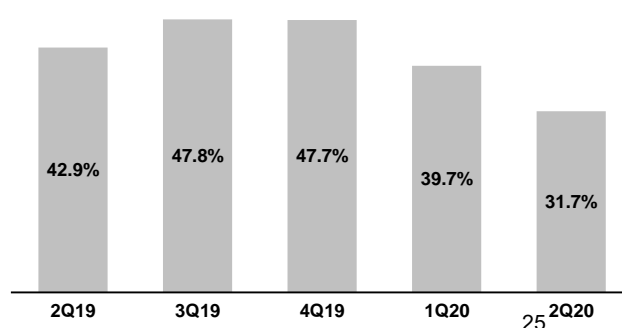
Dental Insurance	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	33.8	31.0	9.0	35.9	(5.8)	69.7	61.5	13.3
Earned Premium (R\$ million)	33.9	31.0	9.4	35.8	(5.3)	69.7	61.5	13.3
Loss Ratio (%) - Var (p.p.)	31.7	42.9	(11.2)	39.7	(8.0)	35.7	40.5	(4.8)
Insured Members (thousand)	579	542	6.8	603	(4.0)	579	542	6.8

- Dental insurance premiums grew 9.0% in the quarter (vs. 2Q19), while insured member increased 6.8% compared to the same period last year. Compared to the first quarter of 2020, premiums fell 5.8% and insured lives decreased 4.0%, due to the impacts of social isolation in dental offices over the period. The product offers an attractive growth potential, which Porto Seguro seeks to capture through initiatives such as the improvement in communication and the relationship with brokers and referenced network, in addition to the increase in cross-sales with the Health product.
- The quarterly loss ratio reached 31.7% in 2Q20, showing a significant improvement in relation to 2Q19, explained by the restrictions on assistance in dental offices as a consequence of the current health crisis. In the quarter, an increase of *IBNR** was carried out in the Dental operation, to face procedures that may be performed later.

Written Premiums (R\$ million) and Insured Members (thousands)



Loss Ratio



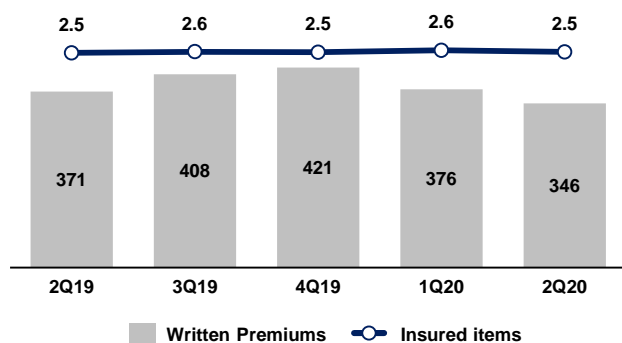
Property & Casualty

Porto Commercial	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	115.4	126.3	(8.6)	113.0	2.1	228.4	232.7	(1.8)
Earned Premium (R\$ million)	117.9	110.7	6.5	119.6	(1.7)	237.5	221.9	7.0
Loss Ratio (%) - Var (p.p.)	30.7	19.4	11.3	43.5	(12.8)	37.2	26.8	10.4
Insured Items	192	184	4.1	209	(8.3)	192	184	4.1
Itaú Homeowner	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	96.0	113.0	(15.0)	119.9	(19.9)	215.9	233.0	(7.3)
Earned Premium (R\$ million)	117.0	119.3	(1.9)	120.7	(3.7)	237.7	237.2	0.2
Loss Ratio (%) - Var (p.p.)	20.8	27.7	(6.9)	29.1	(8.3)	25.0	32.4	(7.4)
Insured Items	1,016	1,067	(4.8)	1,063	(4.5)	1,016	1,067	(4.8)
Porto Homeowner	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	78.3	80.7	(3.0)	90.0	(13.0)	168.3	166.8	0.9
Earned Premium (R\$ million)	87.7	83.8	4.7	88.6	(0.9)	176.3	164.5	7.2
Loss Ratio (%) - Var (p.p.)	30.5	31.8	(1.3)	35.3	(4.8)	32.9	35.0	(2.1)
Insured Items	665	614	8.2	696	(4.5)	665	614	8.2
Porto Other	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	56.6	51.0	11.0	53.3	6.2	109.9	94.8	15.9
Earned Premium (R\$ million)	53.3	43.8	21.7	51.0	2.3	104.3	86.1	21.1
Loss Ratio (%) - Var (p.p.)	21.2	27.2	(6.0)	36.2	(15.0)	28.5	29.1	(0.6)
Insured Items	664	610	8.9	679	(2.3)	664	610	8.9
Total P&C	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	346.3	371.0	(6.7)	376.2	(7.9)	722.5	727.2	(0.6)
Earned Premium (R\$ million)	376.0	357.6	5.1	379.8	(3.8)	755.8	709.7	6.5
Loss Ratio (%) - Var (p.p.)	26.3	26.0	0.3	36.0	(9.7)	31.2	30.8	0.4
Insured Items	2,536	2,475	2.5	2,647	(4.2)	2,536	2,475	2.5

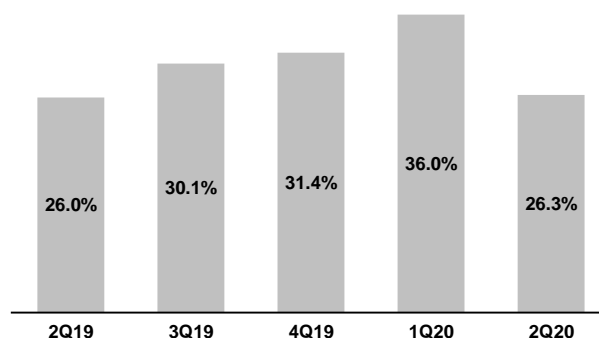
Consolidated premiums in P&C decreased 6.7% compared to 2Q19, mainly affected by the effects of the Covid-19 pandemic on the new insurance sales, while renewals remained resilient. In Commercial insurance, the drop was intensified by the reduction in business activity. In Itaú residential insurance, the decrease was more intense due to the limitation of services in the bank branches, while the drop in premiums for Porto Seguro residence was softer.

The total loss ratio of P&C products slightly increased by 0.3 p.p. in the quarter (vs. 2Q19), mainly due to the cyclone that hit the southern region of the country, yet remained 3.4 p.p. below the average of the second quarters over the last 5 years.

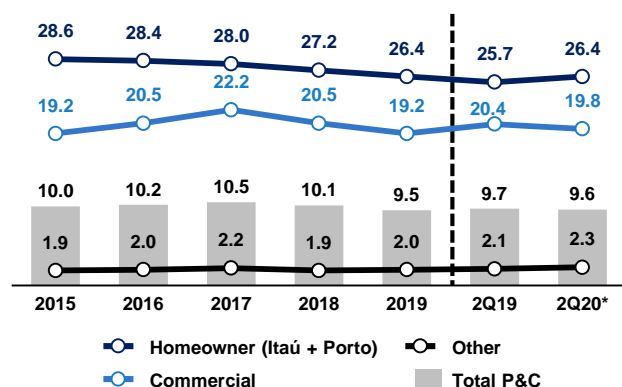
P&C Premiums (R\$ million) and Insured Items (million)



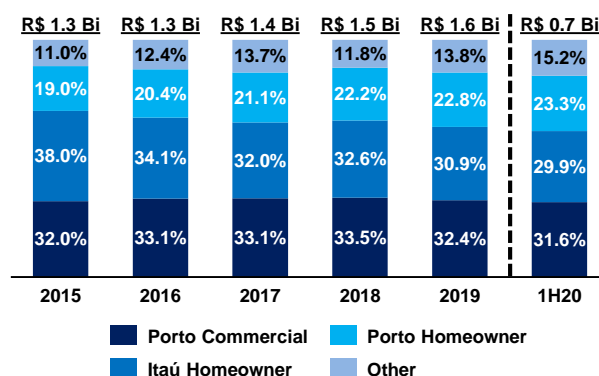
Loss Ratio



Market Share P&C*



P&C Premiums Breakdown



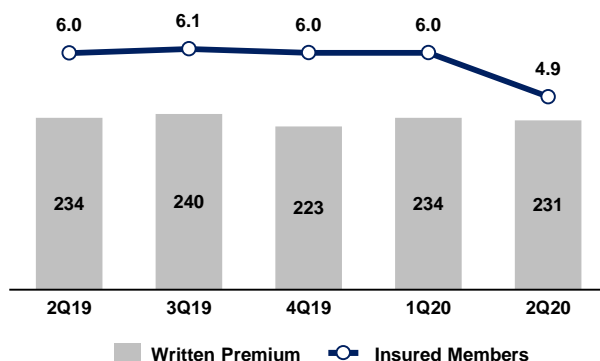
Life Insurance

Life Insurance	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Written Premiums (R\$ million)	230.9	234.0	(1.3)	233.8	(1.2)	464.7	442.2	5.1
Earned Premium (R\$ million)	218.1	215.3	1.3	228.3	(4.5)	446.4	417.2	7.0
Loss Ratio (%) - Var (p.p.)	37.1	31.1	6.0	27.9	9.2	32.5	28.9	3.6
Members insured (thousand)	4,883	5,990	(18.5)	5,976	(18.3)	4,883	5,990	(18.5)

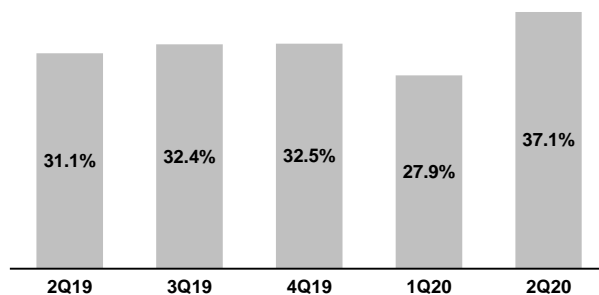
Life insurance premiums decreased 1.3% in the quarter (vs. 2Q19). Despite the positive answer of the main products (Individual Life and Group Life) to the portfolio protection measures, the premiums of Travel and Large-Scale insurances were significantly impacted as a result of the cancellation and postponement of trips and the closing of department stores. Despite the impact of the crisis on premiums, the life product remains an attractive growth potential, especially in the current health crisis, which emphasizes the relevance of Life insurance for society.

The loss ratio (+6.0 p.p. vs. 2Q19) was affected by the increase in indemnities related to Covid-19, mainly in Individual Life insurance. At Group Life, the increase in claims caused by the pandemic was offset by the reduction in accidents at work, due to the temporary closure of companies.

Written Premiums (R\$ million) and Insured Members (million)



Loss Ratio



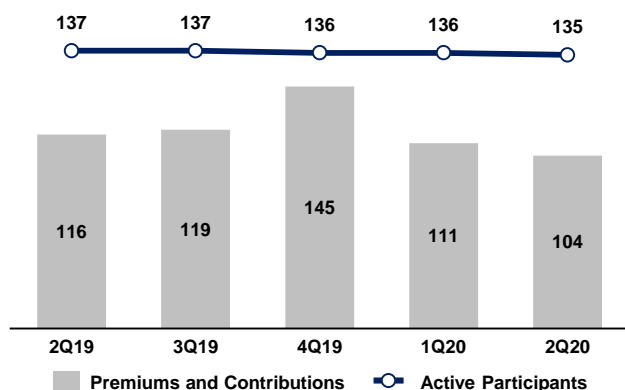
Pension

Pension Plan	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Gross Funding (R\$ million) ¹	118.9	153.9	(22.7)	141.4	(15.9)	260.3	311.1	(16.3)
Net Funding (R\$ million) ²	(39.3)	(68.9)	(43.0)	(129.2)	(69.6)	(168.5)	(86.7)	94.3
Assets under Management (R\$ million)	5,002.6	5,093.6	(1.8)	4,927.3	1.5	5,002.6	5,093.6	(1.8)
Total Active Participants (thousands)	135	137	(1.5)	136	(1.0)	135	137	(1.5)

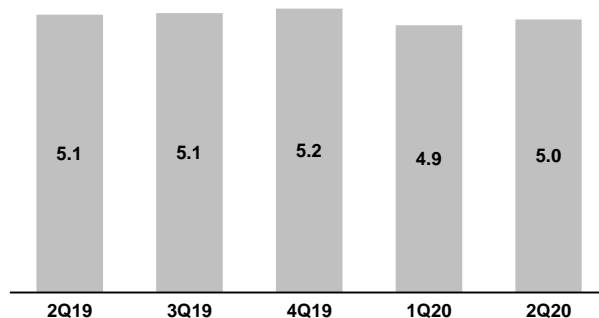
Assets under management decreased 1.8% compared to the same period of last year, reaching R\$ 5.0 billion. Net funding was negative by R\$ 39 million in the quarter, mainly due to the incoming portability reduction (vs. 2Q19).

Porto Seguro has been taking measures in order to increase clients retention and improve sales through the focus on diversifying brokers portfolio, new sales structures and investments in integrated risk protection solutions.

Active Participants (thousands) and Total Contributions³ (R\$ million)



Assets under Management⁴ (R\$ billion)



¹ Gross Funding = Total Contributions + inputs + incoming portability

² Net Funding = Gross funding - withdrawals - outgoing portability

³ Pension contribution revenues (risk + accumulation) + VGBL Premiums

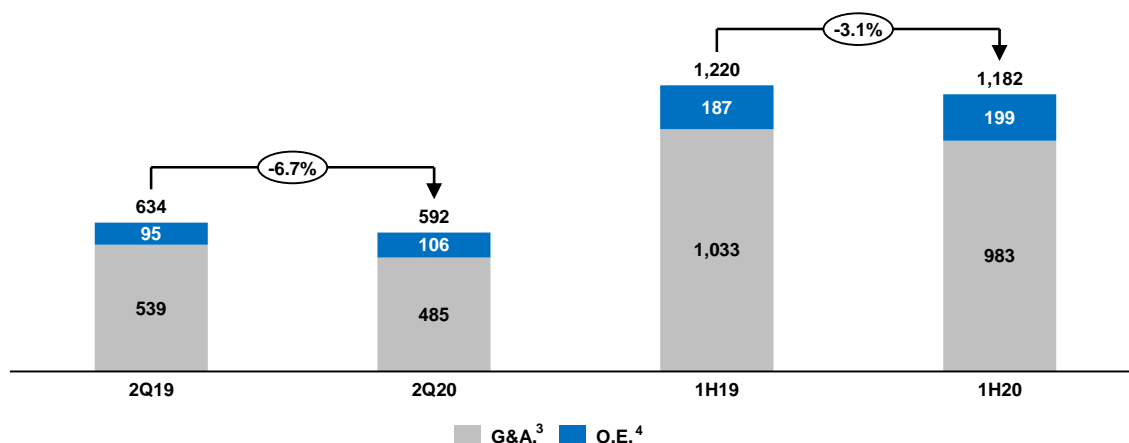
⁴ Considering only clients reserves

G&A and Operational Expenses Consolidated Insurances

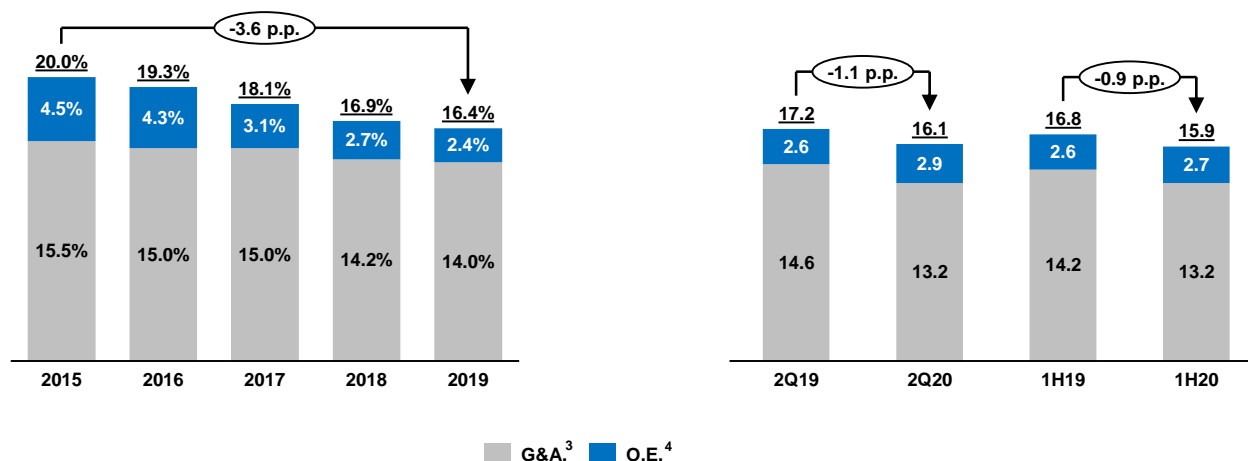
Administrative Expenses - Insurance (R\$ Million)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Employees	(315.3)	(342.7)	(8.0)	(325.6)	(3.2)	(640.9)	(656.9)	(2.4)
Location and operation	(68.3)	(89.1)	(23.4)	(75.3)	(9.4)	(143.6)	(179.3)	(19.9)
Third-party services	(80.4)	(77.2)	4.1	(74.8)	7.5	(155.2)	(142.7)	8.8
Other	(43.1)	(30.4)	41.8	(22.3)	93.7	(65.3)	(54.2)	20.5
Total Administrative Expenses - (Ex. profit sharing)	(507.1)	(539.4)	(6.0)	(498.0)	1.8	(1,005.0)	(1,033.1)	(2.7)
Other Operational Revenues/Expenses ¹	(106.1)	(94.9)	11.9	(92.7)	14.5	(198.8)	(187.1)	6.3
Total G&A + O.E.¹	(613.2)	(634.3)	(3.3)	(590.7)	3.8	(1,203.8)	(1,220.2)	(1.3)
Non-Recurring expenses related to Covid-19 ²	21.6	-	-	-	-	21.6	-	-
G&A + O.E. - Insurance (Adjusted ex non-recurring expenses Covid-19)²	(591.6)	(634.3)	(6.7)	(590.7)	3.8	(1,182.2)	(1,220.2)	(3.1)

- The Company has focused its efforts to increase operational efficiency. The optimization in expenses has a significant impact on getting a strong competitive advantage, with the objective to leverage future growth.
- Administrative and operating expenses for consolidated insurances, excluding additional donations and social program incentives made during the pandemic, decreased 6.7% in the quarter (vs. 2Q19) and 3.1% in the first half of the year (vs. 1H19). The consolidated ratios (G&A + O.E.) of the 2Q20 improved 1.1 p.p. (vs. 2Q19) and 0.9 p.p. in 1H20 (vs. 1H19).

Insurance G&A and Other Operational Revenues/Expenses² – R\$ million



Insurance G&A and Other Operational Revenues/Expenses Ratio²



¹ Excluding values originated from DPVAT consortium

² Excluding donations related to the Covid-19 pandemic

³ G&A = General and Administrative Expenses (Excluding profit sharing)

⁴ O.E = Other Revenues and Operational Expenses in Insurance

FINANCIAL AND SERVICE BUSINESSES

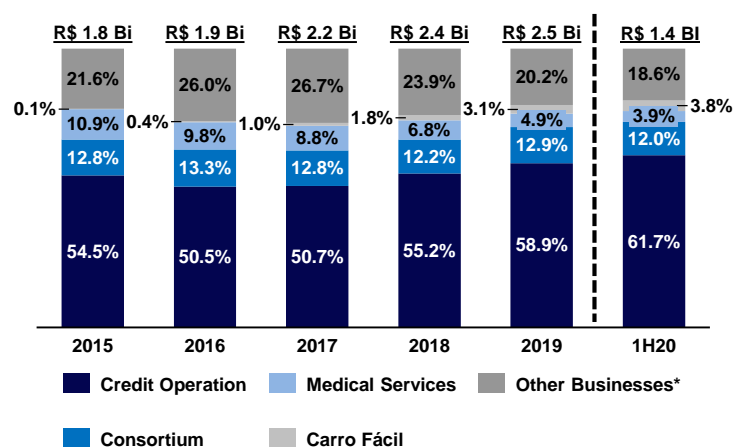
Summarized Income Statement - Non Insurance

(R\$ thousand)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Var. %/p.p.
Revenues from Credit Operation ¹	536.0	491.9	9.0	547.1	(2.0)	1,083.1	953.8	13.6
Revenues from Services ²	154.2	149.9	2.9	168.0	(8.2)	322.2	307.7	4.7
TOTAL REVENUE	690.2	641.7	7.6	715.1	(3.5)	1,405.3	1,261.5	11.4
Allowance for delinquent accounts - Financial	(187.8)	(100.0)	87.8	(117.0)	60.5	(304.8)	(192.7)	58.2
Costs of services rendered (a)	(37.6)	(57.6)	(34.7)	(43.4)	(13.4)	(81.0)	(107.4)	(24.6)
Commercial Expenses (b)	(39.7)	(48.2)	(17.6)	(41.5)	(4.3)	(81.2)	(86.9)	(6.6)
G&A - General Expenses (c)	(195.1)	(175.2)	11.4	(187.6)	4.0	(382.7)	(345.4)	10.8
Other Operational Revenues/Expenses (d)	(151.0)	(115.2)	31.1	(95.0)	58.9	(246.0)	(245.5)	0.2
Total (a+b+c+d)	(423.4)	(396.2)	6.9	(367.5)	15.2	(790.9)	(785.2)	0.7
Tax	(37.6)	(34.8)	8.0	(40.3)	(6.7)	(77.9)	(67.7)	15.1
TOTAL G&A AND OPERATIONAL EXPENSES	(648.8)	(531.0)	22.2	(524.8)	23.6	(1,173.6)	(1,045.6)	12.2
Depreciation	(3.3)	(5.6)	(41.1)	(4.2)	(21.4)	(7.5)	(11.6)	(35.3)
OPERATING INCOME	38.1	105.1	(63.8)	186.1	(79.5)	224.2	204.3	9.7
Financial and Equity Accounting Results	13.5	5.4	150.0	6.6	104.5	20.1	13.4	50.0
INCOME BEFORE TAX	51.6	110.5	(53.3)	192.7	(73.2)	244.3	217.7	12.2
Income Tax and Social Contribution	(10.4)	(34.2)	(69.6)	(66.4)	(84.3)	(76.8)	(78.3)	(1.9)
NET INCOME	41.2	76.3	(46.0)	126.3	(67.4)	167.5	139.4	20.2
NET INCOME - (Recurring)³	37.7	76.3	(50.6)	97.0	(61.1)	134.7	139.4	(3.4)
Average Shareholders Equity	1,502.0	1,174.0	27.9	1,376.6	9.1	1,388.8	1,158.1	19.9
ROAE (%) - var. p.p.	11.0	26.0	(15.0)	36.7	(25.7)	24.1	24.1	0.1
ROAE (%) - var. p.p. (Recurring)³	10.0	26.0	(16.0)	28.2	(18.2)	19.4	24.1	(4.7)

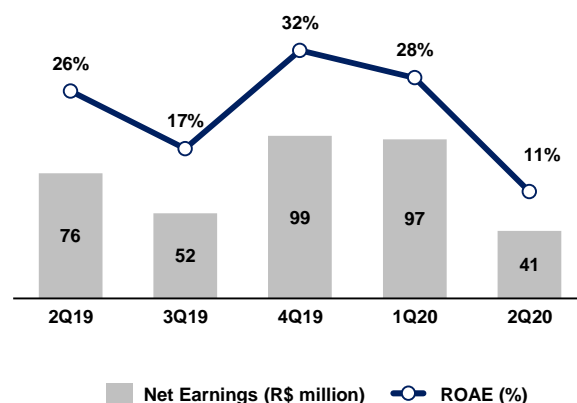
▶ The growth of 9.0% (vs. 2Q19) in revenues from Financial Businesses in the quarter was achieved chiefly due to the expansion in Credit Operations and Financing (+10.2% vs. 2Q19), even considering the negative impact caused by the drastic reduction in physical credit card transactions throughout the market during 2Q20. Services revenues grew 2.9% over the same period last year.

▶ Recurring net earnings³ of Financial and Service Businesses decreased 50.6% in the quarter (vs. 2Q19), mainly explained by the increased provisioning costs in Credit Operations, reinforced to face the increased risk resulting from the economic crisis resulting from the Covid- 19.

Revenues Breakdown Financial and Service Businesses



Recurring Net Earnings³ Financial and Service Businesses⁴



*Represents especially the revenues of Call Center operations, Surveillance and Monitoring, Assets Under Management, among others

Credit Card and Financing

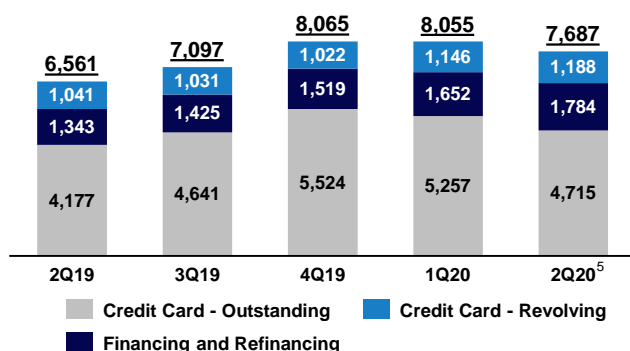
Credit Operation (Portoseg) (R\$ Million)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Net Revenues from Financial Intermediation (R\$ million) ¹	266.1	216.7	22.8	253.5	5.0	519.6	420.9	23.4
Revenues from Services ²	135.1	148.9	(9.3)	161.0	(16.1)	296.1	290.4	2.0
Other Revenues ³	25.4	21.6	17.6	26.1	(2.7)	51.5	42.9	20.0
Net Revenues from Credit Operation (R\$ million)	426.6	387.2	10.2	440.6	(3.2)	867.2	754.2	15.0
Allowance for portfolio doubtful accounts (%) p.p.	8.2	7.1	1.1	6.6	1.6	8.2	7.1	1.1
Total Financing Clients (thousand)	88	72	22.2	82	7.3	88	72	22.2
Credit Card Clients (million)	2,821	2,188	28.9	2,855	(1.2)	2,821	2,188	28.9

¹ Revenues arising from interest income charged on installments of credit card invoices and loans (CDC) / ² Revenues from interchange and credit card annuity

³ Interest and delay charges on late payments

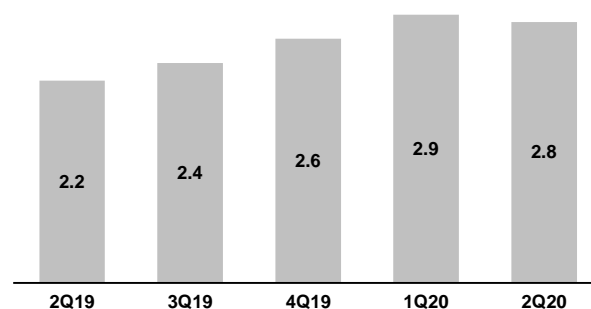
- The quarterly revenues from Credit Operations improved 10.2% (vs. 2Q19), driven by the expansion in revenues from Credit Card over the last 12 months and by the strategic increase in financial revenues from both Credit Card and Vehicle Financing.
- The number of new Credit Cards issued grew 28.9% in comparison with the same period of the previous year, leveraged by the sales generated by the repositioning of the card to Azul Seguros customers and by the new marketing campaign “Everything that a card has, plus the advantages of being a Porto Seguro”, which relaunched the benefits of the product in all media. The total number of active cards in the portfolio expanded 13.8% in the same period.
- In the case of financing, the highlight was the vehicle portfolio, which in the quarter managed to maintain its growth pace despite a more conservative credit policy, reinforcing the company's differential in providing integrated solutions for the entire automobile chain.
- The total Credit Operations portfolio reached R\$ 7.7 billion at the end of 2Q20, presenting an annual growth of 17.2% (vs. 2Q19), even with the impact of the pandemic on the population's consumption habits and closing of almost all sectors of commerce and face-to-face services. The effective management of the Company's product range, combined with more aggressive marketing strategies adopted since 2H19, contributed to this strong evolution. It is worth mentioning that the loan and financing portfolio reached the mark of R\$ 1.8 billion, maintaining the sustained pace of growth and presenting an increase of 32.8% in the year.
- In the 2Q20, there was an increase in provisions arising from the increase in NPL and the credit risk of the portfolio resulting from the impact of the Covid-19 pandemic on the customer portfolio. The level of PCLD grew 1.1 p.p. (vs. 2Q19), reaching 8.2% in the period.
- The NPL (over 90 days) of the Credit Portfolio grew 1.3 p.p. compared to 1Q20 and 0.4 p.p. related to 2Q19. Despite this growth, the indicator remained 1.0 p.p. below the market average, as a result of effective portfolio management and actions taken to mitigate risk, especially in debt renegotiations. In line with the increase in the Risk Cost in 2Q20 (+28 p.p. vs. 2Q19), there was also a reinforcement of the Coverage Ratio, which reached 135% in the quarter, an increase of 10 p.p. (vs. 2Q19)

Credit Operation Portfolio⁴ (R\$ million)



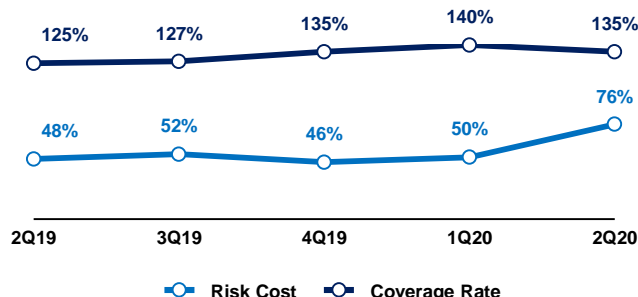
⁴ The balance of credit card operations portfolio (excluding private label operations) amounted R\$ 6,729 MM (R\$ 5,938 MM in 2Q19) / ⁵ The balance of credit card operations portfolio – excluding accrual operations, according to the IFRS9, amounted R\$ 7,641 MM (R\$ 6,536 MM in 2018)

Credit Card⁶ (million of units)

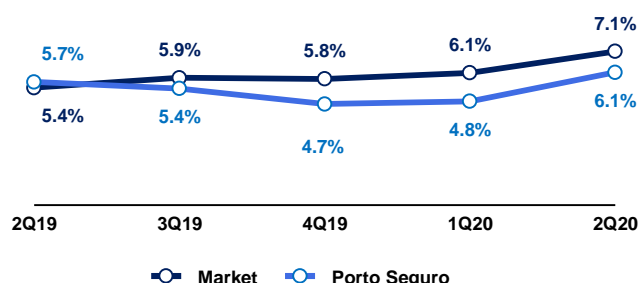


⁶Cards apt for use, including card holders and additional

Coverage Rate⁷ and Risk Cost⁸



NPL over 90 days⁹



⁷ A result of loan loss provisions balance related to the balance of overdue payments operation – considering late payments over 90 days within the active portfolio. Does not consider active agreement operations - (Central Bank methodology) / ⁸ Credit Loss (Provision Costs + Credit Loss) / Net Revenues from Financial Intermediation / ⁹ The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

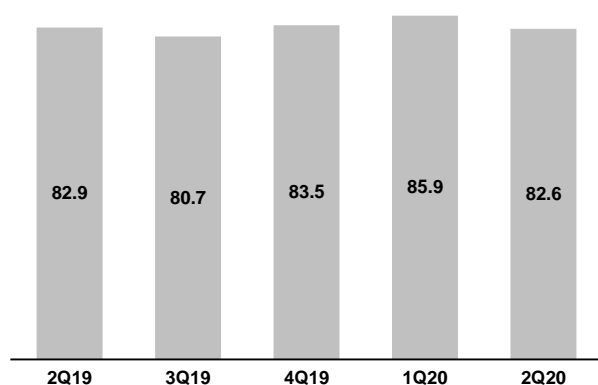
Consortium

Consortium Members (thousand)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Revenues from Consortium operation (R\$ million)	82.6	82.9	(0.4)	85.9	(3.8)	168.5	159.9	5.4
Consortium Members (thousand)	151	144	4.9	152	(0.7)	151	144	4.9

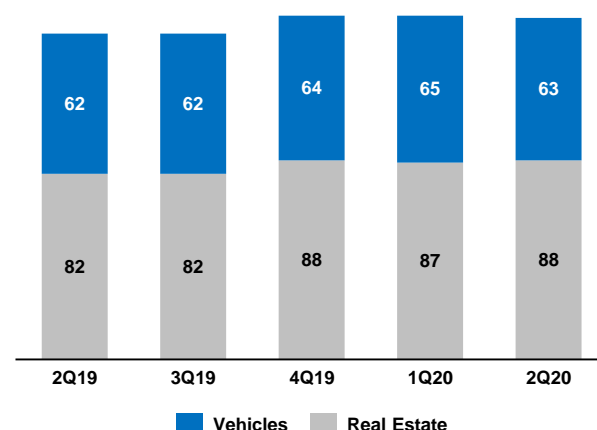
Consortium sustained the quarterly income (-0.4% vs. 2Q19) at a similar level compared to the same period last year. There was an increase of 7.3% in the number of real estate customers and 1.6% in the number of vehicle customers, while the market share remained stable in both segments.

In terms of expenses, the quarterly NPL improved 0.8 p.p. compared to 2Q19, which presented an important stability, mainly when comparing to the market, that showed a substantial increase in NPL for the same period.

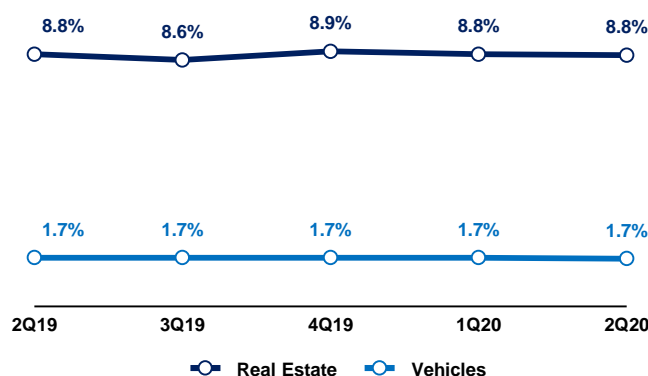
Total Revenue (R\$ million)



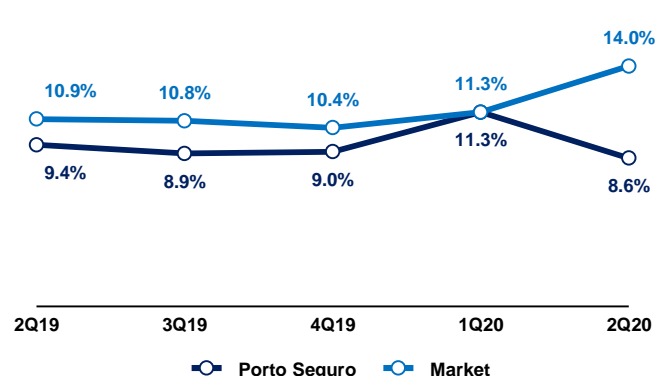
Active Clients (thousands)



Market Share¹
(Consortium members)



NPL¹

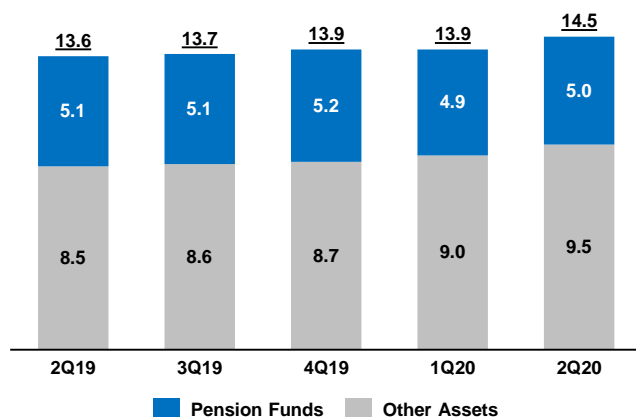


FINANCIAL RESULTS¹

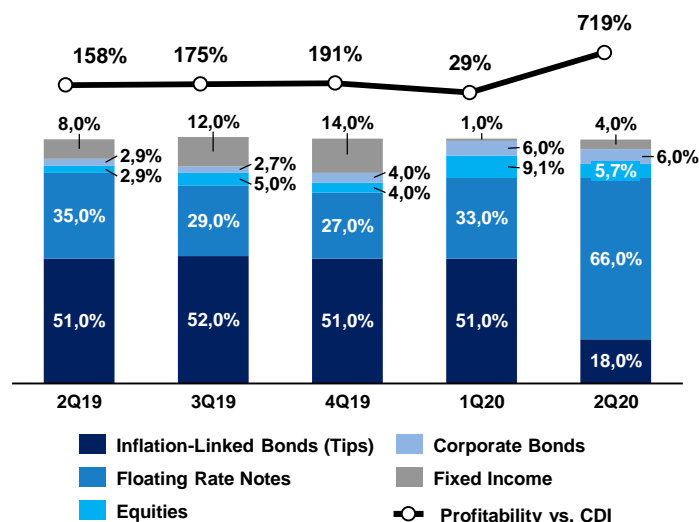
Financial Revenues (ex. pension)	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Investment	479.7	202.6	136.8	23.5	-	503.2	411.2	22.4
Other Financial Revenues/Expenses ²	12.8	22.9	(44.1)	22.2	(42.3)	35.0	60.0	(41.7)
Total Financial Income	492.5	225.5	118.4	45.7	-	538.2	471.2	14.2
Financial Revenues - Pension	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Investment	127.7	138.5	(7.8)	(104.6)	(222.1)	23.1	245.7	(90.6)
Other Financial Revenues/Expenses ³	(122.6)	(116.5)	5.2	57.4	(313.6)	(65.2)	(198.5)	(67.2)
Total Financial Income - Pension	5.1	22.0	(76.8)	(47.2)	(110.8)	(42.1)	47.2	(189.2)
Total Financial Result	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Total Financial Result	497.6	247.5	101.1	(1.5)	-	496.1	518.4	(4.3)

- The financial result in the quarter was R\$ 497,6 million (+101.1% vs. 2Q19) and R\$ 496,1 million in the 1H20 (-4.3% vs. 1H19).
- The total return on the financial investment portfolio (R\$ 14.5 billion) achieved a profit of +5.2% (699% of CDI) in the quarter. However, when excluding pension funds, the portfolio results (R\$ 9.5 billion) would have generated a return 5.3% (719% of CDI).
- In the first half of the year, the financial Investment portfolio achieved 293% of CDI. When excluding pension funds, the result would have been 320% of CDI.
- The significant increase in the profitability of the financial investments portfolio in the quarter is the result of the increase in equity positions held in 1Q20, offsetting the losses observed in the first quarter, and the realization of inflation-linked bonds. Considering the new interest rate scenario, Porto Seguro intends to carry a slightly higher equity position compared to that practiced historically.

Revenue from Investments Assets (R\$ billion)



Allocation and Returns on the Financial Portfolio (ex-Pension Funds) vs. CDI



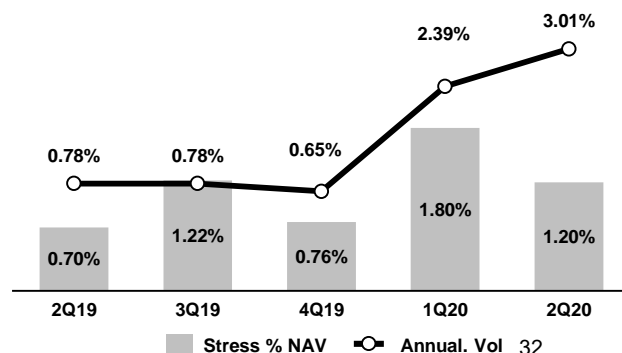
Quarterly Performance (ex. Pension)

Returns on Financial Investments vs. CDI

	ex-Pension Funds	% of CDI
Last 3 Months	5.32%	718.6%
Last 12 Months	11.05%	239.2%
Last 60 Months	70.05%	130.2%

Date: 06/30/2020

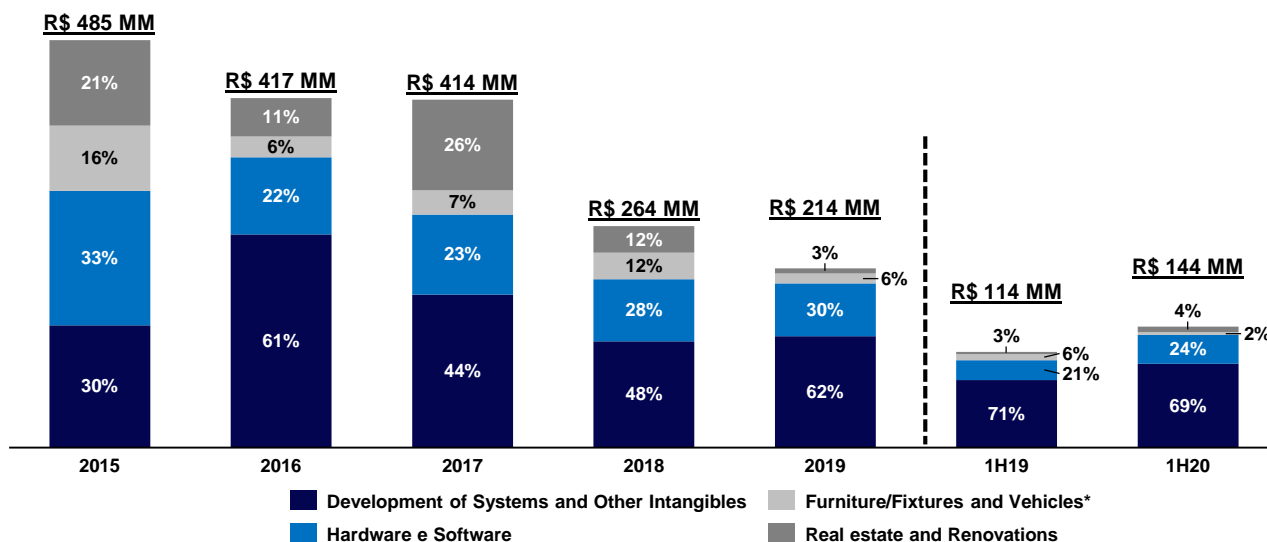
Risk Exposure (ex-Pension Funds)⁴



¹ Future exposures included / ² Results from additional fractioning of insurance premiums, monetary correction of insurance liabilities, among others / ³ Results from monetary correction of pension liabilities / ⁴ Brazilian Future Exchange (BM&FBOVESPA) stress scenarios

INVESTMENTS AND CAPITAL REQUIREMENTS

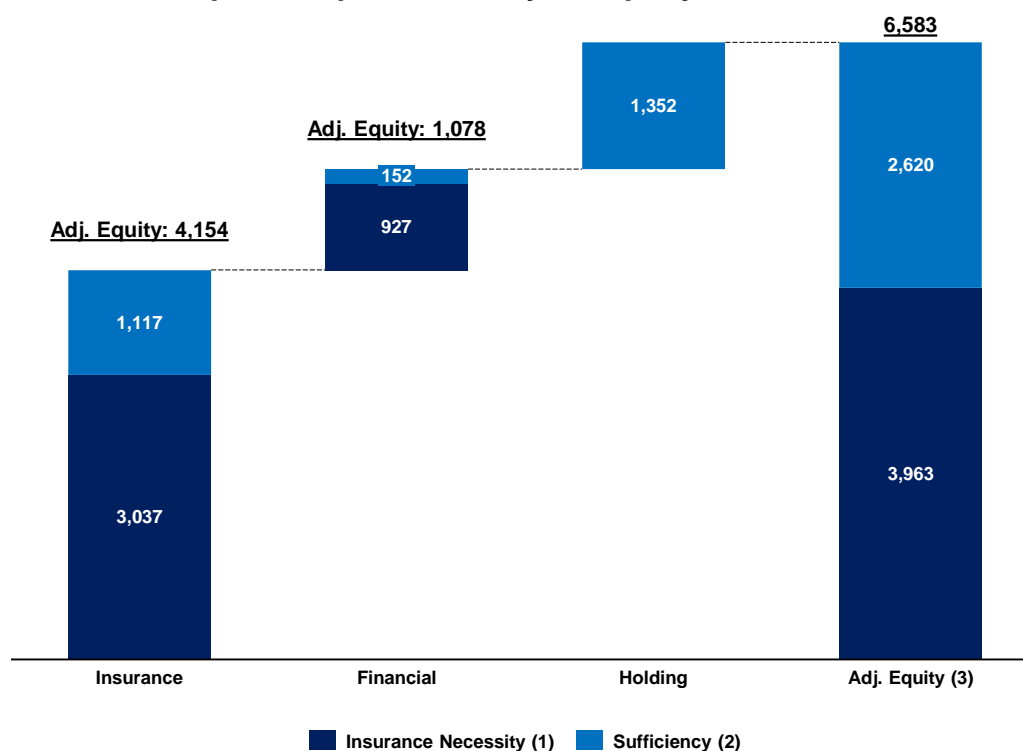
CAPEX Breakdown



*Does not include purchased vehicles for rental from third parties of the Carro Fácil operation

- ▶ The biggest part of the investments was allocated in system development, acquisition of software licenses, and hardware (such as mainframes and notebooks), altogether representing 93% of the total amount, in order to enhance the Company's control processes and upgrade the technology in higher potential businesses.

Capital Requirements by Company – 2Q20 (R\$ million)



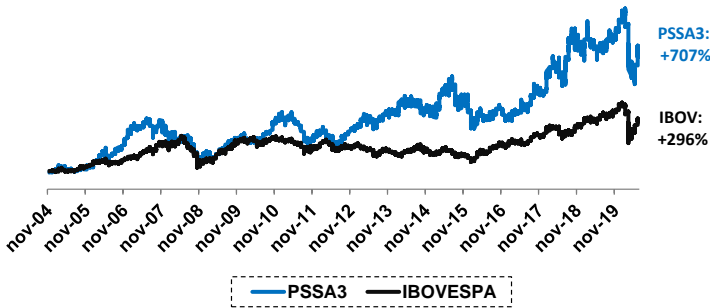
1 Capital necessity required according to agencies standardization (SUSEP, BACEN, ANS and Banco Central del Uruguay)

2 Refers to the difference between adjusted equity and necessity of capital requirement

3 Adjusted equity corresponds with exclusions according to the regulations of the specific regulatory agencies (SUSEP, BACEN e ANS)

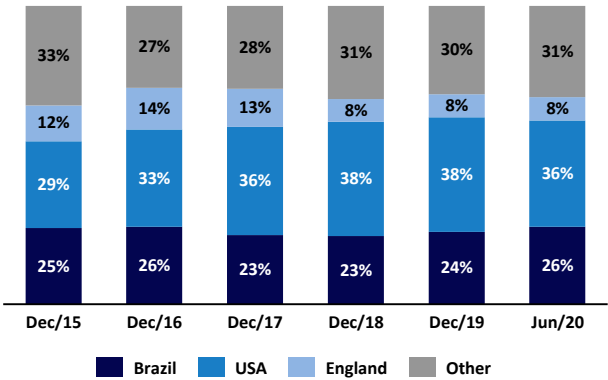
HISTORICAL PERFORMANCE PSSA3

Annual Performance PSSA3 vs. Ibovespa
Since IPO (November, 2004) until June 2020



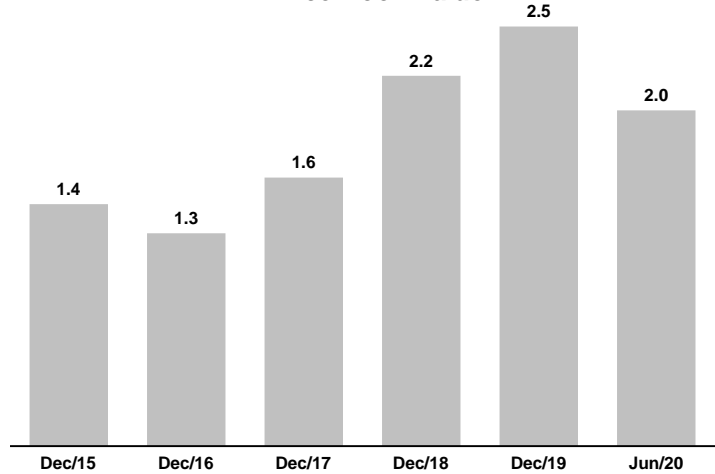
Source: Economática, not adjusted for dividends

Free Float Shareholders Breakdown



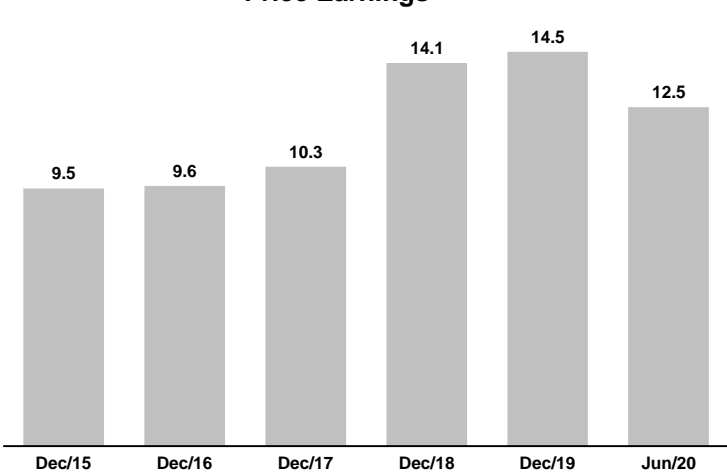
Source: Itaú Custódia

Price Book Value



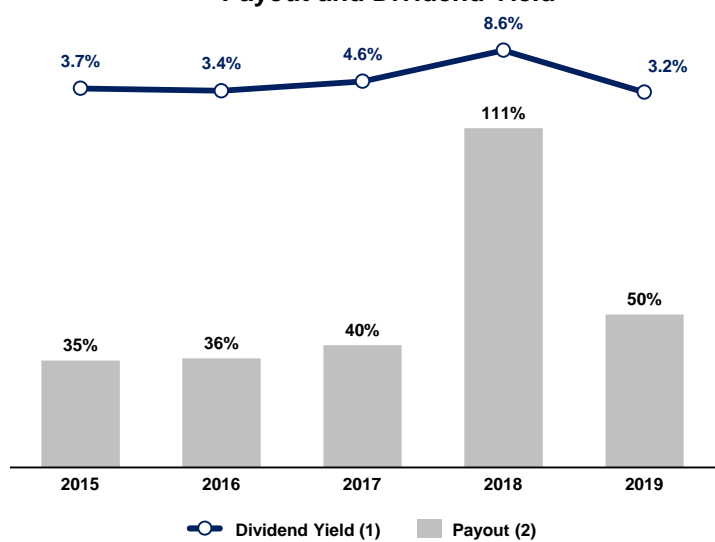
Source: Economática

Price Earnings



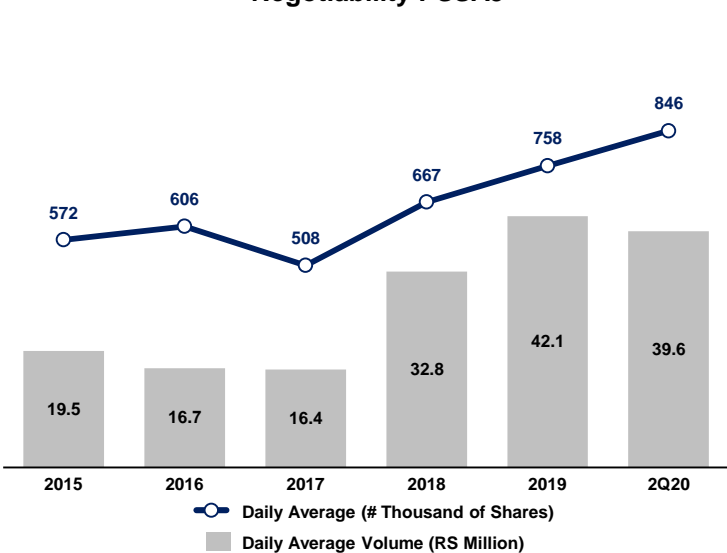
Source: Economática

Payout and Dividend Yield



Source: Economática

Negotiability PSSA3



Source: Economática

(1) Total Dividends Paid (Dividends + Interest on Capital Excluding Tax) divided by Adjusted Net Income
(2) Dividends Profitability in relations to the Share price (Total Dividends Paid divided by the Share Price on the last day of the period)

ESG – Environmental, Social and Governance

Porto Seguro believes that current and future generations expect companies to invest more in society and the environment than they invested in the past. Over the years, the Company has improved its Corporate Governance practices and carried out several projects related to Social and Environmental responsibility. In order to increase the transparency of its business and expand the reach of these projects, as of this quarter the Company started to include ESG in the Earnings Release to report information related to these initiatives, which are increasingly aligned to the business strategies, generating positive impacts for society and the environment and contributing to the creation of long-term value for all its stakeholders.

To publicly affirm its commitment to sustainability, Porto Seguro includes the actions and positioning of sustainability in the Company's mission. Since 2013, Porto Seguro has signed the Principles for Sustainability in Insurance (PSI), which consist out of four guiding principles that involve the insertion of environmental, social and governance issues such as; decision making in relationship with customers and government, in addition to transparency in the dissemination of practices and results. It also carries out initiatives in line with the Sustainable Development Goals (SDGs), the global agenda of the United Nations (UN), with goals to be met by 2030, and currently the projects contribute to the achievement of 13 of the 17 SDGs. The Company is also a signatory of World Heritage, invaluable and irreplaceable cultural and environmental assets for humanity, which are added to a list of heritage sites established by the United Nations Educational, Scientific and Cultural Organization (UNESCO), and in 2019 formally assumed the commitment to collaborate with the protection of these assets.

At the end of the first half of 2020, Porto Seguro published the Sustainability Report for the year 2019, prepared in accordance with the GRI Essencial standard and containing information on the Company's performance, including financial, strategy, management, and financial data, corporate governance, the relationship with its stakeholders and its social and environmental responsibility initiatives.

Porto Seguro's socioenvironmental initiatives have grown consistently, allowing Porto Seguro's employees and other audiences to look at activities and the business itself with a view to sustainability, and are concentrated in the "SER + gentil" initiative, which consolidates and unifies all sustainability actions, projects, programs and campaigns developed by the institutional, business areas and the Porto Seguro Institute, through three main fronts: (i) Institutional Front, consolidating the actions of Our Team, such as the Volunteering Program, donations and Private Social Investment, as well as Education and Eco-efficiency; (ii) Business and Regulation Front, where Incubation, Consulting and Sustainability trend studies are carried out, in addition to the preparation of the Sustainability Report; and (iii) Front of the Porto Seguro Institute, which promotes professional training through Vocational Courses, Projeto Ação Educa and Escola Empreendedora, and among other actions, is also responsible for the training of Young Apprentices and fundraising, in addition to the janitorial services of the neighborhood through the Associação Campos Elíseos + gentil.

Environmental

Porto Seguro maintains several initiatives related to the consumption of inputs and greenhouse gas emissions, since the management of these issues directly impact the company's operations, making them more efficient, both economically and environmentally; as well as contributing to the reduction of administrative expenses with consumption of water, energy, paper, plastic cups, among other inputs.

The Social and Environmental Responsibility area provides the other areas of the Company with advice, methods and controls in environmental management so that activities that contain environmental impact risks are managed. Among the various activities carried out, we highlight those with a focus on disseminating the results of the main projects in the area and general sustainability issues, aiming to keep these themes alive and easily accessible within Porto Seguro, either at the headquarters or branches.

In 2019, Porto Seguro's Eco-efficiency panel was created, a tool to compile, measure and evaluate the economic, environmental and social impacts of the Company's input consumption. This platform will assist in monitoring indicators and eco-efficiency and improving the management of its environmental impacts.

Through the environmental actions of the "SER + gentil" initiative, Porto Seguro develops a series of actions, programs and campaigns aimed at protecting the environment and promoting corporate culture and ecological efficiency, such as: (i) 57 socio-environmental education actions held in 2019 for the internal public, promoting conscious consumption, selective collection, eco-efficiency of water and electrical resources, among others; (ii) the Cooking Oil Recycling Program; (iii) the Recycling Programs, with the reuse of 30% of the waste discarded at the headquarters and also through the Renova business line, which recycles automotive parts; and (iv) the Hora da Terra Program, which saved more than 1 million kWh in 2019.

In addition, Porto Seguro has also sought to reduce the environmental impact of its operations through several sustainable initiatives, such as the use of solar energy in its buildings, service to customers by subway, bicycle and electric winches, offering recharging to electric vehicles in their customer service centers and also the provision of winches with the ability to recharge to customers who own electric cars.

Social

Porto Seguro believes in the relevance of its employees for the fulfillment of its strategic objectives and the reach of its mission, and it is part of its organizational strategy to offer a good experience with the employing brand, so that in this journey all employees support the essence of "Being more and more a Porto Seguro for its clients", but this care goes beyond and it also covers clients, brokers, service providers, suppliers and surrounding communities, valuing the entire public with which the Company has a constant interdependence and exchange relationship.

Porto Seguro strives to prepare ethical and responsible leaders and subordinates, providing them with memorable experiences and fostering a culture of efficiency within the Company, through the appreciation of its employees, the promotion of an open door policy, providing several channels for employees to seek support and ask for help, and through the provision of a series of benefits focusing on the health, well-being, integration and safety of its employees. In addition, it develops several training and development programs for employees, also promoting diversity, equality and inclusion and fighting discrimination in all its forms within the organization.

Through the "SER + gentil" initiative, Porto Seguro develops a series of social actions, programs and campaigns aimed at promoting the sustainable development of its surroundings, as well as of society in general, such as the following initiatives: (i) Porto Seguro Institute, which enhances the development of socio-environmental and cultural projects in the surroundings and with the public with which the Company relates; (ii) Crescer Semper Association, which proposes to supply the demand for education and professional training in the Paraisópolis community, in São Paulo; (iii) Corporate Volunteer Program, which promotes various forms of voluntary actions, individual or collective, inside or outside office hours, with children, adults and the elderly; and (iv) Campos Elíseos +gentil Association, which aims to improve the Campos Elíseos neighborhood, where Porto Seguro's headquarters is located, making it cleaner, more functional and safer.

Among Porto Seguro's several initiatives to support its stakeholders and society in general in addressing the challenges imposed by the Covid-19 pandemic, in addition to adhering to the Non-Dismiss Manifest, committing itself not to reduce its workforce during the crisis, by end of the semester also launched "Meu Porto Seguro" program, which will generate 10,000 temporary jobs, with payment of R\$ 1,500 per month during the 3-month period, in which participants will take training courses and qualify to promote Porto Seguro's products and services, generating business opportunities for both brokers and the Company.

*In free translation, Porto Seguro means safe harbour, with double meaning in the sentence, either a safe harbour and a solid brand for its clients.

Governance

Since its initial public offering on the Stock Exchange in 2004, Porto Seguro has been part of the Novo Mercado, the listing segment of the companies with the highest level of corporate governance at B3, which underwent a review in 2017, further elevating governance levels for segment participants. In addition, Porto Seguro is also part of the IGC (Stock Index with differentiated Corporate Governance) and ITAG (Stock Index with differentiated Tag Along rules), which bring together the companies that offer the minority shareholder greater protection in case of change of ownership.

To strengthen the principles that highlight transparency, equity and respect for its shareholders, Porto Seguro follows the best corporate governance practices, creating conditions for the development and maintenance of a long-term relationship with its stakeholders, being managed by a Board of Directors made up of seven members (three independent), two women and five men, and an Executive Committee made up of six people, one Chief Executive Officer and five Executive Vice-Presidents, who together manage 22 business units. The Company's Bylaws describe the duties, responsibilities and requirements of each governance body, in addition to determinations on the fiscal year, profits and dividends, as well as the remuneration of the members of it governance, which is still composed by a Fiscal Council and the following Committees: Audit, People, Compensation, Integrated Risk, Investments, Marketing, Digital and Ethics & Conduct. In 2019, Bruno Garfinkel replaced Jaime Garfinkel as Chairman of the Board of Directors.

Main Environmental and Social Indicators

		2016	2017	2018	2019	1Q20	2Q20
Environmental	Absolute water consumption (thousands of m ³)	N.D.	N.D.	59.2	89.8	11.8	6.9
	Absolute energy consumption (million kWh)	86.3	44.2	33.7	33.2	7.3	4.0
	Total waste (organic + recyclable) generated (tons)	1,075	1,075	857	760	130	21
	Efficiency of disposal of waste generated	68%	57%	76%	68%	67%	67%
Social and Environmental Education	Corporate Social and Environmental Education actions	36	47	42	57	79	67
	Number of participations	804	5,256	2,103	2,396	3,061	4,130
Volunteering	Number of volunteers	745	607	616	847	703	539
Porto Seguro Institute	Number of students in training for professional training	993	1,069	1,193	823	369	303
	Students Retention	77%	80%	83%	85%	86%	82%
	Number of children assisted by the "Ação Educa" Program	158	205	220	189	167	176
Association "Campos Elíseos + Gentil"	Number of open neighborhood cleaning and maintenance protocols	1,246	1,132	1,150	1,126	217	58
	Resolubility of protocols with public agencies	80%	84%	73%	84%	87%	69%

Operating and Financial Highlights

Earnings Release 2Q20 and 1H20

REVENUES (R\$ Million)								
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Auto	2,091.1	2,320.4	(9.9)	2,295.3	(8.9)	4,386.4	4,681.6	(6.3)
Total Health (Health + Dental)	465.5	401.0	16.1	469.5	(0.9)	935.0	793.4	17.8
Total P&C	346.3	371.0	(6.7)	376.2	(7.9)	722.5	727.2	(0.6)
Life	230.9	234.0	(1.3)	233.8	(1.2)	464.7	442.2	5.1
Financial Risks	137.3	110.4	24.4	140.6	(2.3)	277.9	218.9	27.0
Written Premiums VGBL	69.4	75.3	(7.8)	75.0	(7.5)	144.4	162.5	(11.1)
Porto Seguro Uruguay	81.0	78.0	3.8	83.0	(2.4)	164.0	162.1	1.2
Cargo	39.9	44.5	(10.3)	43.3	(7.9)	83.2	88.1	(5.6)
Other Insurance	27.3	34.0	(19.7)	27.2	0.4	54.5	52.1	4.6
Total Written Premiums	3,488.7	3,668.6	(4.9)	3,743.9	(6.8)	7,232.6	7,328.1	(1.3)
Other Operational Revenues - Insurance	8.1	9.0	(10.0)	8.9	(9.0)	17.0	19.5	(12.8)
Total Earned Premiums	3,681.1	3,683.8	(0.1)	3,762.7	(2.2)	7,443.8	7,284.3	2.2
Total Pension Revenues (PGBL + VGBL)	103.6	116.2	(10.8)	111.0	(6.7)	214.6	247.4	(13.3)
Capitalization Total Revenues	13.7	11.0	24.5	13.5	1.5	27.2	21.8	24.8
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Credit Card and Financing	426.6	387.2	10.2	440.6	(3.2)	867.2	754.2	15.0
Consortium	82.6	82.9	(0.4)	85.9	(3.8)	168.5	159.9	5.4
Asset Management	26.8	21.7	23.5	20.6	30.1	47.4	39.7	19.4
Financial Businesses - Total Revenues	536.0	491.8	9.0	547.1	(2.0)	1,083.1	953.8	13.6
Call Center	53.0	50.5	5.0	56.7	(6.5)	109.7	100.4	9.3
Medical Services and Saúde Ocupacional	27.0	29.3	(7.8)	27.7	(2.5)	54.7	59.0	(7.3)
Carro Fácil	26.7	18.5	44.3	27.4	(2.6)	54.1	35.0	54.6
Monitoring	7.0	17.4	(59.8)	14.7	(52.4)	21.7	35.6	(39.0)
Other Revenues	40.5	34.2	18.4	41.5	(2.4)	82.0	77.7	5.5
Service Businesses - Total Revenues	154.2	149.9	2.9	168.0	(8.2)	322.2	307.7	4.7
Financial Businesses and Services - Total Revenues	690.2	641.7	7.6	715.1	(3.5)	1,405.3	1,261.5	11.4
Other Operational Revenues - Financial Businesses and Services	5.5	7.3	(24.7)	19.6	(71.9)	25.1	23.9	5.0
Real Estate Revenues	-	0.3	(100.0)	1.0	(100.0)	1.0	1.3	(23.1)
Total Revenues	4,240.4	4,378.8	(3.2)	4,538.0	(6.6)	8,778.4	8,741.0	0.4
FINANCIAL RESULTS	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Financial Results - Insurance	363.4	179.8	102.1	104.9	246.4	468.3	401.9	16.5
Financial Results - Other (Financial Businesses / Services / Holding)	134.2	67.7	98.2	(106.4)	(226.1)	27.8	116.5	(76.1)
Total Financial Results	497.6	247.5	101.0	(1.5)	-	496.1	518.4	(4.3)
INDEX (%)								
LOSS RATIO	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Auto	38.6	54.0	(15.4)	56.3	(17.7)	47.5	56.1	(8.6)
Health	64.1	82.6	(18.5)	69.9	(5.8)	67.0	76.5	(0.6)
Dental	31.7	42.9	(11.2)	39.7	(8.0)	35.7	40.5	(0.5)
Health (Health + Dental)	61.7	79.6	(17.9)	67.6	(5.9)	64.7	73.7	(9.0)
Total P&C	26.3	26.0	0.3	36.0	(9.7)	31.2	30.8	0.4
Life	37.1	31.1	6.0	27.9	9.2	32.5	28.9	3.6
Total Loss Ratio	40.9	51.5	(10.6)	52.6	(11.7)	46.8	52.6	(5.8)
INSURANCE COMMISSION RATIO	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Acquisition costs - Insurance	22.8	22.0	0.8	23.2	(0.4)	23.1	22.3	0.8
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
G&A - Insurance	13.9	14.6	(0.7)	13.2	0.7	13.5	14.2	(0.7)
Other Operational Revenues/Expenses - Insurance	2.9	2.6	0.3	2.4	0.5	2.7	2.6	0.1
Total Administrative and Operational Expenses	16.8	17.2	(0.4)	15.6	1.2	16.2	16.8	(0.6)
Tax - Insurance	3.3	2.7	0.6	2.7	0.6	2.9	2.7	0.2
MARGIN AND PROFITABILITY	2Q20	2Q19	Δ % / p.p.	1Q20	Δ % / p.p.	1H20	1H19	Δ % / p.p.
Combined Ratio - Insurance - var.p.p	83.8	93.4	(9.6)	94.1	(10.3)	89.0	94.4	(5.4)
Amplified Combined Ratio - Insurance - var. p.p.	76.2	89.0	(12.8)	91.6	(15.4)	83.7	89.2	(5.5)
Shareholder's Equity w/o Business Combination - R\$ million - var. %	7,741.5	6,963.5	11.2	7,311.9	5.9	7,741.5	6,963.5	11.2
Shareholder's Equity with Business Combination - R\$ million - var. %	8,496.5	7,726.1	10.0	8,068.9	5.3	8,496.5	7,726.1	10.0
Net Earnings w/o Business Combination - R\$ million - var. %	656.7	380.9	72.4	228.4	187.5	885.1	680.5	30.1
Net Earnings with Business Combination - R\$ million - var. %	654.8	379.0	72.8	226.5	189.1	881.3	676.7	30.2
ROAE w/o Business Combination - p.p.	34.9	22.2	12.7	12.3	22.6	23.2	19.7	3.5
ROAE with Business Combination - p.p.	31.6	19.9	11.7	11.1	20.5	21.0	17.6	3.4
EPS w/o Business Combination - R\$ - var. %	2.03	1.18	72.0	0.71	185.9	2.74	2.11	29.9
EPS with Business Combination - R\$ var. %	2.03	1.17	73.5	0.70	190.0	2.73	2.09	30.6
# of thousand shares - var. %	322,727	323,206	(0.1)	323,033	(0.1)	322,727	323,206	(0.1)

1. OPERATIONS AND GENERAL INFORMATION

Porto Seguro S.A. ("Parent Company") is a publicly-held company headquartered at Alameda Barão de Piracicaba, nº 618/634 - Torre B (Rosa Garfinkel Building)- 11º andar, Campos Elíseos, São Paulo/SP, Brazil, with shares traded on B3's Novo Mercado, under the acronym PSSA3. It's 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" or "Company"), which may be engaged in the following activities: insurance, in all lines; financial institutions, similar organizations, and consortia administration entities; as well as activities related to, associated with or supplementary to the activities described above.

As announced to the market on January 10, 2020, the Company entered into a portfolio transfer agreement with ADT Serviços de Monitoramento Ltda (ADT). Under the terms of the agreement, the alarm and video surveillance customers of Porto Seguro Proteção e Monitoramento will be transferred to ADT, observing a migration schedule established by the parties. The revenue from this portfolio transfer will depend on the volume of customers migrated by the end of the operation; the possible provisions resulting from the discontinuity of this portfolio will not be relevant in view of the total amount of the operation. On January 29, 2020, this transaction was approved by Brazil's Administrative Council for Economic Defense (CADE) and the migration schedule is estimated to start in May 2020 and should be completed by August 2020.

According to the notice to shareholders on March 31, 2020, the Company announced that, pursuant to resolutions taken at the Annual and Special Shareholders' Meeting held on March 31, 2020, the distribution of dividends for the year 2019, in the approved amount of R\$ 689,541 (interest on own capital in the amount of R\$ 371,796 and additional dividends in the amount of R\$ 317,745). The Company also announces that the Annual and Special Shareholders' Meeting approved the payment of said interest on own capital on April 9, 2020, while the payment of additional dividends will be made up to December 20, 2020.

Also pursuant to the notice to shareholders in June 2020, the Company credited on June 29, 2020, R\$ 192,176 (gross of income tax) in Interest on Own Capital (JCP) to its shareholders for the first semester of 2020, to be included in the dividends for this year. The payment date will be determined at the Company's Annual Shareholders' Meeting, to be held until April 30, 2021.

1.1 OTHER INFORMATION – COVID19

The second quarter was marked by several actions implemented to fight the proliferation of the new Coronavirus. The strict and comprehensive social distancing measures are proving to be the most efficient mechanism to contain the spread of Covid-19. Some economic stimulus released by the government were necessary to mitigate the impact of the crisis. However, its magnitude will depend on the length of restrictive measures.

In this scenario, Porto Seguro continues monitoring the effects of the pandemic and within its operations. The main highlights by operating segment are as follows:

Insurance operation:

In the Auto segment, we have observed a 8.9% decrease in premiums written for the quarter, which is equivalent to approximately R\$ 2,789 in the average daily amount compared to the previous quarter. Nevertheless, we have observed a reduction of 43.4% in reported claims in the same period, which is equivalent to approximately R\$ 9,777 in the average daily amount. It is worth emphasizing that said reductions were mainly driven by the drop in the sale of new vehicles and the low volume of vehicle circulation in much of the national territory.

In the Healthcare operations, the premiums issued remained stable for the quarter. Moreover, we have observed a reduction of 19.2% in reported claims in the same period, which is equivalent to approximately R\$ 943 in the average daily amount. It is worth highlighting that said reduction in claims reported was driven by the transitory cancellation of elective surgeries during the pandemic period, which may be offset in subsequent periods.

In the Life segment, premiums written remained stable for the quarter. Furthermore, we have observed an increase of 20.1% in reported claims in the same period, which is equivalent to approximately R\$ 237 in the average daily amount. It is worth mentioning that, considering the circumstances of calamity and the difficulty in making accurate diagnoses, the Company is indemnifying the cases related to Covid-19 in this segment.

In the Surety Insurance segment, premiums issued remained stable for the quarter. Furthermore, we have observed an increase of 55.3% in reported claims in the same period, which is equivalent to approximately R\$ 444 in the average daily amount.

Financial business and services:

The portfolio of credit card and CDC operations remained stable in the quarter. However, there was a deterioration in default indicators. In this context, aiming to support the increase in credit risk, the Company increased the provision for losses by 17.3% in the second quarter, calculated using statistical models that capture historical and prospective information.

Financial income (loss):

The financial result, which was strongly impacted by the general decline in stock exchanges around the world in the first quarter, have a good recovery, following the movements of the financial markets in the last quarter and closed the semester with R\$ 496.1 million, accounting for a decrease of 4.1% when compared to the same period of the previous year.

In the remaining products and lines of financial statements, we have not recorded significant fluctuations in terms of results and equity.

Furthermore, Porto Seguro continues with a Working Group to coordinate the actions to be taken to face the pandemic, with the purpose of minimizing any impacts on the quality of service to its clients and beneficiaries, minimizing the risk to its employees and family members and ensuring the continuity of the Company's businesses. Thus, daily controls and monitoring of operations are being carried out to monitor and direct actions.

Among the main internal actions, we highlight the adoption of the home office regime for the vast majority of employees, the prioritization of videoconference meetings and the circulation of corporate communication to inform and raise awareness among all employees on the risks related to the spread of the virus and on where to look for information.

Regarding initiatives for the social good, the program Meu Porto Seguro (My Porto Seguro) stands out. Said initiative will offer over 10,000 temporary job and training opportunities for people who lost their jobs during the pandemic, who were already unemployed or in search of their first job throughout Brazil.

It is worth highlighting that after the base date, the Company continues monitoring the Covid-19 crisis daily. Moreover, up to the date of approval of the financial statements, the variations observed in insurance operations, financial businesses and services are similar to that reported above.

Porto Seguro emphasizes its confidence in the strength and soundness of its business model, in the solidity of its balance sheet and in the quality and experience of its executives and managers to face the current situation, with the certainty that it will be even stronger and well positioned to continue expanding its business and delivering the good financial and operating results that characterizes the Company at the end of this period.

2. DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and calculation methods adopted in the preparation of this quarterly information were the same as those used in the preparation of annual financial statements of Porto Seguro in the year ended December 31, 2019.

2.1 PREPARATION BASIS

Individual and consolidated quarterly information (ITR) has been prepared and is presented in the condensed format in accordance with technical pronouncement CPC 21 (R1) – “Interim Statement”, and with international accounting standard IAS 34 – “Interim Financial Reporting” issued by the International Accounting Standards Board (IASB), applicable to the preparation of quarterly information (ITR) and presented in compliance with standards issued by the Securities Commission (CVM).

This quarterly information is presented in line with the concept of selected explanatory notes, without repeating certain notes disclosed previously, but with the changes that occurred in the period, and therefore should be read in conjunction with the annual financial statements of Porto Seguro for the year Ended on December 31, 2019, available on the Company's website (<http://ri.portoseguro.com.br>) and CVM website (www.cvm.gov.br). A list of notes to the financial statements that are not repeated

in this ITR can be found in note 40.1.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by Company's Management. Quarterly information was approved and publication was authorized by the Board of Directors on July 29, 2020.

3. ESTIMATES AND ACCOUNTING JUDGMENTS

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. Criteria for determining estimates regarding financial statements for the year ended December 31, 2019 were not amended.

The Company's management does not foresee medium and long-term scenarios for business continuity risks 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; (iv) it has consistent past economic-financial results and a robust equity condition.

4. RISK MANAGEMENT

Porto Seguro is exposed to a set of risks inherent to its activities and, in order to manage these risks, it has a set of principles, guidelines, actions, roles and responsibilities necessary for identifying, evaluating, treatment and controlling risks.

In the period ended June 30, 2020, when compared to the year ended December 31, 2019, there were no significant changes in risks: (i) liquidity risk, since the average durations of the Company's main assets and liabilities have not changed significantly; and (ii) liquidity risk, since the average durations of the Porto Seguro's main assets and liabilities have not changed significantly. Regarding credit risk, there was a deterioration in the quality of the main credits to which the Company is exposed, mainly related to the credit card and financing operation. Thus, the Company reviewed the statistical models that capture historical and prospective information and increased the provision recognition for the quarter (see note 1.1).

4.1 MARKET RISK

The following table shows the sensitivity analysis of financial instruments, on June 30, 2020, pursuant to CVM Instruction 475/08:

Risk factor	Scenario (*)	Impact on investment portfolio
Price indices	+ 50 b.p.	(337,811)
	+ 25 b.p.	(179,560)
	+ 10 b.p.	(74,669)
	- 10 b.p.	74,669
	- 25 b.p.	179,560
	- 50 b.p.	337,811
Prefixed interest	+ 50 b.p.	(11,427)
	+ 25 b.p.	(5,701)
	+ 10 b.p.	(2,279)
	- 10 b.p.	2,279
	- 25 b.p.	5,701
	- 50 b.p.	11,427
Shares	± 34%	231,283
	± 17%	115,641
	± 9%	57,821
Post-fixed interest	± 50 b.p.	29,514
	± 25 b.p.	24,635
	± 10 b.p.	19,708

(*) 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 14. This sensitivity analysis shows the Company’s exposure already with the use of derivative instruments used in order to hedge its operations.

Further information on the risks inherent to the activities to which the Company is exposed can be obtained in the Reference Form published annually on the Brazilian Securities and Exchange Commission (CVM) website (www.cvm.gov.br).

5. CAPITAL MANAGEMENT

Capital adequacy is assessed according to the criteria issued by CNSP, SUSEP, ANS and BACEN. In this sense, the capital requirements necessary to support the inherent risks, including credit, market, operational and underwriting risks, are assessed.

Capital levels are above the required level, which provides comfort for adapting to possible regulatory changes and capital requirements.

6. OPERATING SEGMENTS – 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 – Operating Segments, and designated

the following segments, according to qualitative and quantitative criteria and considering the similarities between the services and products offered, in order to determine reportable segments:

- Automobile insurance: includes auto insurance premiums issued by Porto Cia, Itaú Auto e Residência, and Azul Seguros, net of cancellations, refunds and reinsurance assignments.
- Health insurance and health plans: comprise health and dental insurance premiums issued by Porto Saúde, net of cancellations and refunds, and the net consideration from the health plans marketed by Portomed.
- Personal insurance and supplementary pension insurance: comprising: (i) the insurance premiums of persons issued by Porto Cia and Porto Vida e Previdência, net of cancellations, refunds and assignments of reinsurance, and (ii) income from management fees and contributions made monthly by participants in pension plans operated by Porto Vida.
- Insurance – other lines: comprising insurance premiums for damages (other than auto) and DPVAT issued 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 assets consortia: comprising (a) income from management fees of consortia groups operated by Porto Consórcio; (b) income 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) income from the management of investment funds and management of financial assets of Portopar and Porto Investimentos.
- Other: mainly comprised of income from services rendered by all other companies of the Company (including income from services rendered in Uruguay by Porto Serviços Uruguai) and income 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 income on June 30, 2020 and December 31, 2019, 98.1% were from Brazil and the rest from Uruguay. At Porto Seguro, there is no concentration of income by client or by economic group.

	Auto Insurance	Health plans and insurance	Personal insurance and supplementary pension	Insurance - other lines	Financial entities and consortia	Other	2nd Quarter 2020	2nd Quarter 2019
Insurance premiums issued and net considerations	2,091,025	466,608	295,349	635,579	-	-	3,488,561	3,690,373
Changes in technical reserves for insurance and reinsurance premiums ceded	276,696	3,327	(77,254)	(10,240)	-	-	192,529	2,803
Premium earned	2,367,721	469,935	218,095	625,339	-	-	3,681,090	3,693,176
Income from loans	-	-	-	-	407,605	-	407,605	362,120
Income from rendering of services	-	-	-	-	109,426	154,192	263,618	254,541
Pension plan contribution	-	-	34,216	-	-	-	34,216	40,880
Income from special savings bonds	-	-	-	-	-	13,687	13,687	11,049
Withheld claims and supplementary pension benefits - net (i)	(915,096)	(285,382)	(85,720)	(225,125)	-	-	(1,511,323)	(1,918,759)
Costs of purchase	(522,874)	(37,239)	(79,120)	(213,508)	(14,883)	(18,072)	(885,696)	(863,470)
Costs of services rendered	-	-	-	-	-	(37,623)	(37,623)	(57,620)
Changes in pension technical reserves	-	-	(35,222)	-	-	-	(35,222)	(63,396)
Other income (expenses)	(476,240)	(60,281)	(51,149)	(275,544)	(462,450)	(114,205)	(1,439,869)	(1,193,914)
Operating income (loss)	453,511	87,033	1,100	(88,838)	39,698	(2,021)	490,483	264,607
Financial income (loss) (v)	42,971	35,074	11,100	274,300	13,009	121,217	497,671	246,172
Income (loss) before taxes	496,482	122,107	12,200	185,462	52,707	119,196	988,154	510,779
Income tax expenses	(196,145)	(46,448)	(4,201)	(38,942)	(5,850)	(41,751)	(333,337)	(133,250)
Net income - 2nd Quarter 2020	300,337	75,659	7,999	146,520	46,857	77,445	654,817	377,529
Net income - 2nd Quarter 2019	132,929	8,254	13,639	104,883	82,543	35,281		

	Auto Insurance	Health plans and insurance	Personal insurance and supplementary pension	Insurance - other lines	Financial entities and consortia	Other	June 2020	June 2019
Insurance premiums issued and net considerations	4,386,395	937,404	598,796	1,309,910	-	-	7,232,505	7,399,994
Changes in technical reserves for insurance and reinsurance premiums ceded	419,770	88	(151,918)	(56,650)	-	-	211,290	(28,474)
Premium earned	4,806,165	937,492	446,878	1,253,260	-	-	7,443,795	7,371,520
Income from loans	-	-	-	-	828,095	-	828,095	699,655
Income from rendering of services	-	-	-	-	215,882	322,262	538,144	507,324
Pension plan contribution	-	-	70,186	-	-	-	70,186	84,912
Income from special savings bonds	-	-	-	-	-	27,169	27,169	21,803
Withheld claims and supplementary pension benefits - net (i)	(2,287,165)	(604,375)	(158,214)	(447,785)	-	-	(3,497,539)	(3,900,716)
Costs of purchase	(1,059,278)	(83,701)	(160,549)	(410,261)	(55,711)	(37,716)	(1,807,216)	(1,722,774)
Costs of services rendered	-	-	-	-	-	(81,028)	(81,028)	(107,446)
Changes in pension technical reserves	-	-	(59,365)	-	-	-	(59,365)	(104,416)
Other income (expenses)	(906,301)	(113,703)	(107,396)	(455,274)	(829,197)	(180,707)	(2,592,578)	(2,367,029)
Operating income (loss)	553,421	135,713	31,540	(60,060)	159,069	49,980	869,663	482,833
Financial income (loss) (v)	97,539	42,417	(31,121)	359,462	22,397	5,440	496,134	517,244
Income (loss) before taxes	650,960	178,130	419	299,402	181,466	55,420	1,365,797	1,000,077
Income tax expenses	(248,224)	(70,019)	958	(88,229)	(57,680)	(21,253)	(484,447)	(325,040)
Net income - 1st Semester 2020	402,736	108,111	1,377	211,173	123,786	34,167	881,350	675,037
Net income - 1st Semester 2019	225,523	47,285	49,445	145,442	144,962	62,380		
Assets and liabilities							June 2020	December 2019
Assets related to segments	9,203,921	567,028	5,162,700	2,718,682	7,493,786	1,143,732	26,289,849	26,483,790
Fixed and intangible assets (ii)	137,667	-	-	296,748	-	2,637,484	3,071,899	2,979,972
Goodwill from business combination (iii)	109,902	-	-	236,898	-	28,322	375,122	375,122
Intangible asset with undefined useful life (iii)	77,958	-	-	168,042	-	-	246,000	246,000
Other assets (iv)	-	-	-	-	-	3,058,530	3,058,530	2,626,415
	9,529,448	567,028	5,162,700	3,420,370	7,493,786	6,868,068	33,041,400	32,711,299
Liabilities related to segments	6,762,992	434,342	5,527,469	1,698,038	6,391,439	1,247,714	22,061,994	22,338,995
Other liabilities	-	-	-	-	-	2,482,726	2,482,726	2,102,520
	6,762,992	434,342	5,527,469	1,698,038	6,391,439	3,730,440	24,544,720	24,441,515

(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 indefinite useful lives allocated to the “Automobile insurance” and “Insurance – other lines” segments refer to those stemming from the acquisition of Itaú Auto e Residência (see Note 18). The goodwill allocated to the “Others” segment refers to that stemming from the acquisition of Bioqualynet and H4P.

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

7. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	June 2020	December 2019	June 2020	December 2019
Cash equivalents (*)	393,513	213,995	3,797,028	721,326
Bank deposits	15,313	394	216,836	171,937
	408,826	214,389	4,013,864	893,263

(*) Comprised of backed up repurchase and resale agreements with maturity date and mainly by National Treasury Bills (LTN) and National Treasury Bills (LTN).

8. FINANCIAL ASSETS

8.1 MEASURED AT FAIR VALUE

8.1.1 THROUGH PROFIT OR LOSS (FVTPL)

					June 2020	December 2019
	Parent company	Insurance	Pension	Other activities	Total consolidated	Total consolidated
Open-end funds						
Investment fund quotas - DPVAT	-	871,131	155,353	-	1,026,484	772,491
Investment fund quotas	33,985	174,802	-	44,038	252,825	148,006
Other investments	-	1,570	-	-	1,570	1,828
	33,985	1,047,503	155,353	44,038	1,280,879	922,325
Exclusive funds						
LFTs	188,662	1,925,080	1,692,329	466,235	4,272,306	3,872,407
NTNs - B	29,133	-	866,549	-	895,682	1,727,939
Debentures	149,540	143,451	526,035	18,670	837,696	652,048
Shares of publicly-held companies	259,161	325,696	151,635	-	736,492	257,696
Fund quotas	228,143	71,858	99,380	8,845	408,226	538,407
Financial Bills - Private	21,348	46,553	316,354	2,664	386,919	317,208
LTNs	27,061	345,725	4,916	3,379	381,081	166,696
CDBs	4,988	2,766	72,985	622	81,361	57,972
NTNs - C	-	43,253	30,741	-	73,994	71,495
DI	-	-	-	60,410	60,410	-
	908,036	2,904,382	3,760,924	560,825	8,134,167	7,661,868
Own portfolio						
LFTs	-	-	-	-	-	36,610
Total	942,021	3,951,885	3,916,277	604,863	9,415,046	8,620,803
Current	942,021				9,413,476	8,619,251
Non-current	-				1,570	1,552

8.1.2 THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

			June 2020	December 2019
	Insurance	Pension	Total consolidated	Total consolidated
Own portfolio (*)				
NTNs - B	1,284,821	-	1,284,821	1,754,838
NTNs - C	218,198	160,891	379,089	365,772
LTNs	-	-	-	685,511
Total	1,503,019	160,891	1,663,910	2,806,121
Current			218,198	685,511
Non-current			1,445,712	2,120,610

(*) The curve value (adjusted cost) of the securities in "Own portfolio" on June 30, 2020 was R\$ 1,569,644 (R\$ 2,583,898 on December 31, 2019), thus generating a non-recurring gain recorded in shareholders' equity of R\$ 94,266 (R\$ 222,223 on December 31, 2019), and an effect of -R\$ 127,957 (R\$ 73,680 on December 31, 2019) in the statement of comprehensive income, gross of tax effects.

8.1.3 FAIR VALUE HIERARCHY – CONSOLIDATED

			June 2020	December 2019
	Level 1	Level 2	Total	Total
Exclusive investment funds	5,623,064	2,511,103	8,134,167	7,661,870
Own portfolio	1,663,910	-	1,663,910	2,842,729
Open-end investment funds	1,280,879	-	1,280,879	922,325
Total	8,567,853	2,511,103	11,078,956	11,426,924
Current			9,631,674	9,304,762
Non-current			1,447,282	2,122,162

8.2 MEASURED AT AMORTIZED COST

	June 2020			December 2019	
	Insurance	Pension	Other activities	Total consolidated	Total consolidated
Exclusive funds (*)					
NTNs - C	-	611,648	-	611,648	591,746
NTNs - B	-	74,365	-	74,365	1,622,373
NTNs - F	-	-	-	-	220,026
LTN	-	-	-	-	77,106
	-	686,013	-	686,013	2,511,251
Other investments					
Others	3,328	564	312	4,204	3,446
	3,328	564	312	4,204	3,446
Total non-current	3,328	686,577	312	690,217	2,514,697

(*) Market value of papers on June 30, 2020 was R\$ 868.122 (R\$ 2,811,044 on December 31, 2019).

8.3 CHANGES IN FINANCIAL INSTRUMENTS DURING THE PERIOD – CONSOLIDATED

	June 2020	December 2019
Opening balance	13,941,621	13,896,202
Investments	15,144,397	18,515,073
Redemptions	(17,715,216)	(19,859,345)
Net income	526,328	1,316,011
Mark-to-Market	(127,957)	73,680
Closing balance	11,769,173	13,941,621
Current	9,631,674	9,304,762
Non-current	2,137,499	4,636,859

8.4 CONTRACTED INTEREST RATES

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

	June 2020		December 2019	
	Parent company	Consolidated	Parent company	Consolidated
Cash equivalents (*)	2.13	2.13	4.38	4.44
Exclusive funds				
LTNs	3.62	3.44	6.15	7.72
NTNs C - IGPM +	-	6.21	-	6.21
NTNs B - IPCA +	2.30	3.45	4.64	4.00
Financial Bills %CDI	111.35	119.53	109.44	110.34
Own portfolio				
LTNs	-	-	-	11.34
NTNs B - IPCA +	-	3.42	-	4.92
NTNs C - IGPM +	-	5.66	-	5.66
DI	-	109.00	-	-

(*) See Note 7.

9. LOANS AND FINANCING (AT AMORTIZED COST) - CONSOLIDATED

	June 2020			December 2019		
	Portfolio	Provision for credit risks	Net portfolio	Portfolio	Provision for credit risks	Net portfolio
Securities, notes and credits receivable (i)	3,758,293	(46,145)	3,712,148	4,543,622	(34,614)	4,509,008
Financing (ii)	1,526,965	(78,391)	1,448,574	1,278,720	(44,564)	1,234,156
Credit card operations (iii)	1,187,664	(468,517)	719,147	1,022,420	(397,819)	624,601
Loans	255,734	(33,820)	221,914	239,369	(25,484)	213,885
	6,728,656	(626,873)	6,101,783	7,084,131	(502,481)	6,581,650
Provision % about portfolio			9.32%			7.09%
Current			5,275,214			5,900,861
Non-current			826,569			680,789

(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 under "Credit card transactions" (see Note 22).

(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.

9.1 CHANGES IN IMPAIRMENT OF LOANS AND FINANCING - CONSOLIDATED

Movement among stages in the period are as follows:

	Stage 1	Stage 2	Stage 3	Total (i)
Balance at december 31, 2018	137,064	73,237	253,351	463,652
New entries	352,916	256,157	250,391	859,464
Improvement in stage	40,309	(25,934)	(14,375)	-
Worsening of stage	(66,373)	(112,666)	179,038	-
Settlements (total or partial)	(341,342)	(142,854)	(336,439)	(820,635)
Balance at december 31, 2019	122,575	47,940	331,966	502,481
New entries	199,377	153,638	203,918	556,933
Improvement in stage	7,223	(1,284)	(5,939)	-
Worsening of stage	(46,754)	(81,402)	128,156	-
Settlements (total or partial)	(155,752)	(44,718)	(232,071)	(432,541)
Balance at june 30, 2020	126,669	74,174	426,030	626,873

(i) The amount recognized as loss from loan operations was R\$ 180,374 on June 30, 2020 (R\$ 363,664 as of December 31, 2019).

10. PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	June 2020			December 2019		
	Premiums receivable from insured parties	Provision for credit risks	Premiums receivable, net	Premiums receivable from insured parties	Provision for credit risks	Premiums receivable, net
Automobile	2,451,225	(5,895)	2,445,330	2,652,401	(4,515)	2,647,886
Property and Casualty						662,890
Insurance Lines	696,634	(7,078)	689,556	666,320	(3,430)	
Life	466,175	(7,123)	459,052	465,085	(5,921)	459,164
Health	140,074	(10,236)	129,838	132,039	(3,378)	128,661
Porto Uruguai	92,309	(6,382)	85,927	81,907	(7,347)	74,560
Transportation	25,609	(782)	24,827	26,772	(1,407)	25,365
	3,872,026	(37,496)	3,834,530	4,024,524	(25,998)	3,998,526
Current			3,777,598			3,994,251
Non-current			56,932			4,275

10.1 CHANGES IN PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	June 2020	December 2019
Opening balance	3,998,526	3,629,846
Premiums issued	7,624,051	16,167,055
IOF	402,284	872,305
Interest for installment insurance payment	95,696	252,503
Canceled premiums	(550,490)	(1,093,676)
Receipts	(7,724,039)	(15,830,422)
Provision for credit risks	(11,498)	915
Closing balance	3,834,530	3,998,526

10.2 CHANGES IN IMPAIRMENT OF PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	June 2020	December 2019
Opening balance	25,998	26,913
Formations	29,073	23,311
Reversals	(15,549)	(18,240)
Write-offs to loss (non-collectible)	(2,026)	(5,986)
Closing balance	37,496	25,998

Expenses/reversals of provisions for credit risks were recorded in the "Other operating expenses" account of the Statement of Income (See Note 36).

11. TAXES

11.1 RECOVERABLE TAXES AND CONTRIBUTIONS – CONSOLIDATED (*)

	June 2020	December 2019
Income tax	83,449	82,117
Social contribution	30,075	35,974
PIS and COFINS	19,352	15,899
Taxes - Uruguay	13,005	11,813
INSS	3,846	3,376
Other	6,331	8,410
	156,058	157,589
Current	153,770	155,308
Non-current	2,288	2,281

(*) The Parent Company's balances refer to income tax and social contribution.

11.2 TAXES AND CONTRIBUTIONS PAYABLE - CONSOLIDATED (i)

	June 2020	December 2019
IOF over insurance premiums	219,134	234,362
Income tax (ii)	87,873	89,474
INSS and FGTS (iii)	84,088	34,948
PIS and COFINS (iii)	83,879	55,706
Social contribution (ii)	65,322	67,535
IRRF	44,555	24,510
ISS	7,872	9,182
Other	42,194	28,175
	634,917	543,892

(i) Parent company's balances refer mainly to income tax withholdings and PIS/COFINS on interest on own capital.

(ii) Refer mainly to withholding income tax and social contribution on interest on own capital.

(iii) The Company joined the extension program granted by the government to postpone the tax payment for 4 months.

11.3 DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

11.3.1 ASSETS - CONSOLIDATED

	December 2019	Formation	Reversal/ Realization	June 2020
	15,123	102,313	(69,409)	48,027
	15,123	102,313	(69,409)	48,027
Temporary differences arising from:				
Provision for credit risks	172,949	64,122	(28,321)	208,750
Provision for legal obligations	159,862	2,476	(3,379)	158,959
PIS and COFINS over PSL and IBNR	84,888	10,979	(8,362)	87,505
Provision for profit sharing	68,856	56,480	(74,162)	51,174
Provision for lawsuits - civil and labor	18,476	3,349	(3,817)	18,008
Other provisions	79,865	21,291	(11,477)	89,679
	584,896	158,697	(129,518)	614,075
Offset of deferred assets/liabilities (*)	(335,089)	-	-	(302,269)
	264,930	-	-	359,833

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

11.3.2 LIABILITIES

	Controladora			Consolidado			
	December 2019	Reversal/ Realization	June 2020	December 2019	Formation	Reversal/Re alization	June 2020
Income tax and social contribution over business combination (*)	274,691	(2,524)	272,167	275,603	-	(2,524)	273,079
Income and social contribution over revaluation of real estate	4,102	-	4,102	51,875	-	(349)	51,526
Income tax and social contribution over financial instruments' adjustments	-	-	-	99,226	31,270	(82,453)	48,043
Income and social contribution over (incentives)	-	-	-	36,023	-	-	36,023
Deferred income tax and social contribution	-	-	-	33,365	5,191	(4,120)	34,436
Other	8,102	-	8,102	10,127	148	-	10,275
	286,895	(2,524)	284,371	506,219	36,609	(89,446)	453,382
Offset of deferred assets/liabilities	(13,679)	-	(27,202)	(214,080)	-	-	(195,748)
	273,216	-	257,169	292,139	-	-	257,634

(*) See Note 16.

11.4 RECONCILIATION OF INCOME AND SOCIAL CONTRIBUTION TAX EXPENSE ON INCOME

	Parent company			
	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Income (loss) before income tax (IRPJ) and social contribution (CSLL) (A)	686,375	867,600	377,768	674,176
Current rate (*)	34%	34%	34%	34%
Income tax and social contribution (at nominal rate) (B)	(233,368)	(294,984)	(128,441)	(229,220)
Equity in net income of subsidiaries	201,679	311,071	115,163	205,220
JCP	21,191	21,191	27,837	26,338
Profit sharing	(63)	(63)	(1,950)	(1,950)
Other	(21,001)	(23,477)	(11,347)	2,136
Total effects of Corporate Income and Social Taxes on permanent differences (C)	201,806	308,722	129,703	231,744
Total income tax and social contribution (D = B + C)	(31,562)	13,738	1,262	2,524
Effective rate (D/A)	4.6%	-1.6%	-0.3%	-0.4%

	Consolidated			
	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Income (loss) before income tax (IRPJ) and social contribution (CSLL) (A)	988,154	1,365,797	510,779	1,000,077
Current rate (*)	40%	40%	40%	40%
Income tax and social contribution (at nominal rate) (B)	(395,262)	(546,319)	(204,312)	(400,031)
Dividends and JCP	73,131	73,131	87,717	87,717
Profit Sharing	(11,566)	(13,316)	(17,068)	(14,632)
Tax incentives	1,612	2,971	9,046	4,512
Other	(1,252)	(914)	(8,633)	(2,606)
Total effects of Corporate Income and Social Taxes on permanent differences (C)	61,925	61,872	71,062	74,991
Total income tax and social contribution (D = B + C)	(333,337)	(484,447)	(133,250)	(325,040)
Effective rate (D/A)	33.7%	35.5%	26.1%	32.5%

(*) The rate used in this reconciliation of income tax and social contribution expense refers to the effective nominal rate of Porto Seguro's insurance companies and financial companies, which correspond to the companies that contribute the most to consolidated net income.

12. GOODS FOR SALE – CONSOLIDATED

	June 2020	December 2019
Salvage (*)	224,207	189,548
Vehicles retired from leases	14,257	10,023
Vehicles recovered from financing agreements	11,031	10,501
Provision for impairment	(59,990)	(31,382)
	189,505	178,690

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

13. DEFERRED ACQUISITION COSTS (DAC) - CONSOLIDATED

	June 2020	December 2019
Automobile	1,159,760	1,256,457
Properties	309,278	324,158
People	104,440	109,951
Financial risks	78,709	72,890
Health	77,629	68,715
Liabilities	6,679	7,125
Transportation	2,121	2,290
Other	19,417	21,230
	1,758,033	1,862,816
Current	1,697,750	1,815,191
Non-current	60,283	47,625

The average term of deferral of the DAC is 12 months.

13.1 CHANGES IN THE DAC (IN THE PERIOD) – CONSOLIDATED

	June 2020	December 2019
Opening balance	1,862,816	1,680,731
Formation	1,345,101	3,004,496
Appropriation to expense	(1,449,884)	(2,822,411)
Closing balance	1,758,033	1,862,816

14. DERIVATIVE FINANCIAL INSTRUMENTS – CONSOLIDATED

				June 2020	December 2019
	Contracted average rate (p.a.)	Notional value	Curve value	Fair value	Fair value
"Swap" - asset leg: fixed rate + Dollar	4,28% + USD	150,200	-	-	173,053
"Swap" - liability side: post-fixed rate at CDI (i)	108.50%	(150,200)	-	-	(165,613)
Gain from mark-to-market				-	7,440
Index futures contract		(212,288)	-	-	-
Dollar futures contract		(64,358)	-	-	-
Futures contract of prefixed interest		(9,066)	-	-	-
Dollar future option		-	-	-	(1,624)
Variable income options		(3,245)	-	884	(2,448)
IDI options		663	-	33	-
Options and futures contracts (ii)				917	(4,072)
Total assets (current)				917	7,440
Total liabilities (current)				-	(4,072)

(i) Exchange the difference between the long position (change in USD + fixed rate) and the short position (change in CDI rate), aimed at mitigating the risk of exchange-rate change on foreign currency borrowings, settled in June 2020 (See Note 22).

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

15. OTHER ASSETS – CONSOLIDATED

	June 2020	December 2019
Prepaid expenses (iii)	101,467	54,664
Commissions in processing (i)	71,656	75,387
Reinsurance receivables	23,994	20,384
Administrative advances	36,292	18,926
Amounts receivable - insurance	15,843	24,926
Storeroom	8,815	8,949
Credits receivable from credit card - other	7,766	82,953
DPVAT agreement	6,490	8,198
Checks to deposit	3,457	19,895
Other	22,956	41,873
Current	298,736	356,155
Judicial deposits (ii)	379,846	376,309
Prepaid expenses	26,003	32,568
Administrative advances	6,884	5,989
Other	19,979	19,338
Non-current	432,712	434,204
	731,448	790,359

(i) Represent payments of commissions to brokers on current and non-issued risks.

(ii) See Note 15.1

(ii) The balance increase is mainly due to the advance purchase of miles by Portoseg to be used throughout the year, as well as prepaid IPTU expenses.

15.1 JUDICIAL DEPOSITS

	June 2020	December 2019
Lawsuits from adhesion to REFIS (*)	240,364	235,764
Judicial claims	80,925	84,312
PIS/COFINS	37,941	37,638
Other	20,616	18,595
	379,846	376,309

(*) Refers to the difference between the amount of the judicial deposit and the provisions for legal obligations arising from the benefits provided for in the REFIS. See Note 23 (a).

16. INVESTMENTS IN SUBSIDIARIES – PARENT COMPANY

	Interest (%)	Balances December 2019	Equity income (loss)	Capital increase/ (decrease)	Financial instrument adjustments	Translation adjustment/ other	Dividends	Balances June 2020
Porto Cia	99.99	4,056,488	578,483	-	(52,297)	14,087	(112,132)	4,484,629
Portoseg	99.99	823,173	65,883	45,000	-	-	(22,030)	912,026
Azul Seguros (i)	67.83	552,824	116,233	15,601	(21,863)	603	(11,608)	651,790
Itaú Auto e Residência	99.99	165,201	47,281	-	(1,641)	-	(4,076)	206,765
Porto Consórcio	99.99	140,653	48,059	-	-	81	(2,150)	186,643
Porto Serviços e Comércio	99.99	92,389	5,878	59,350	-	766	-	158,383
Serviços Médicos Proteção e Monitoramento	99.99	59,809	3,914	-	-	-	-	63,723
Porto Investimentos	99.98	26,840	35,129	-	-	-	(36,991)	24,978
Portomed	99.99	22,367	14,765	-	-	62	(14,999)	22,195
Portopar	99.99	30,938	3,029	(12,526)	(973)	-	-	20,468
Renova	99.99	9,416	(2,515)	-	-	-	-	6,901
Crediporto	99.99	1,667	(1,214)	2,000	-	-	-	2,453
Porto Odonto	99.80	823	11	-	-	-	-	834
Business combination (ii)	99.98	339	(22)	85	-	-	-	402
	-	1,033,526	-	-	-	(6,311)	-	1,027,215
		7,016,453	914,914	109,510	(76,774)	9,288	(203,986)	7,769,405

(i) "Porto Cia" holds a 32.17% interest in this company.

(ii) On August 23, 2009, Porto Seguro entered into an association with Itaú Unibanco Holding S.A., aimed at unifying its home and auto insurance operations, as well as an operational agreement for the exclusive offer and distribution of these products to clients of Itaú Unibanco in Brazil and Uruguay. On November 30, 2009, Itaú Auto e Residência, a company that received the assets and liabilities of this operation from Itaú Seguros S.A., became controlled by Porto Seguro. Goodwill and other intangible assets originated from this business combination (see Note 18).

Indirect subsidiaries

Interest %

Porto Vida e Previdência	99.97
Porto Saúde	99.99
Porto Capitalização	100.00
Porto Seguro Uruguai	100.00
Porto Serviços Uruguai	100.00
Porto Atendimento	99.99
Porto Conecta	100.00
Bioqualynet	100.00
Franco	100.00
Porto Locadora	100.00
Health For Pet	100.00
Renova Peças Novas	99.99

16.1 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. The main transactions are:

- (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 Investimento 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 “Medical Services,” Porto Saúde, and Portomed;
- (viii) Call center services contracted from Porto Atendimento;
- (ix) Subscription of special savings bonds issued by Porto Capitalização;
- (x) Fund raising with companies of the Itaú Unibanco Group;
- (xi) Income from rendering of telecommunication services by Porto Conecta.

The amounts of related-party transactions are as follows:

Statement of operations	Income		Expenses	
	2020		2020	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Porto Cia	180,229	387,447	48,582	101,279
Porto Atendimento	48,377	100,454	22,996	49,488
Porto Saúde	42,715	88,251	28,526	55,348
Crediporto	13,883	28,372	2,242	4,510
Porto Investimentos	2,893	5,715	1,446	3,200
Portoseg	2,191	4,382	55,764	113,800
Porto Capitalização	1,636	3,551	2,428	5,480
Porto Vida	738	1,476	6,768	14,422
Itaú Auto e Residência	341	786	9,202	23,298
Proteção e Monitoramento	241	543	4,886	10,368
Azul Seguros	-	-	68,492	156,267
Others	2,576	3,927	44,488	87,444
	295,820	624,904	295,820	624,904

Statement of operations	Income		Expenses	
	2019		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Porto Cia	178,692	361,683	58,391	118,709
Porto Atendimento	45,623	90,382	24,196	48,189
Porto Saúde	41,344	87,278	22,727	45,543
Crediporto	10,625	20,280	1,604	3,227
Portoseg	4,508	9,088	42,378	85,112
Porto Investimentos	2,640	5,392	923	1,802
Porto Capitalização	2,210	4,318	2,427	5,879
Porto Vida	1,226	2,453	5,989	11,940
Proteção e Monitoramento	1,300	2,321	5,395	11,177
Itaú Auto e Residência	1,892	3,802	18,336	37,070
Conecta	714	5,026	2,290	6,439
Azul Seguros	-	-	76,303	155,011
Portomed	-	-	2,958	9,120
Others	6,242	10,793	33,099	63,598
	297,016	602,816	297,016	602,816

In the year ended June 30, 2020, the amount of R\$ 11,567 (R\$ 8,616 in June 2019) was recognized in statement of income and R\$ 788,924 in Portoseg liabilities (R\$ 330,425 in December 2019) regarding funding from Itaú Unibanco Group companies which are remunerated at 100% of the CDI, plus a fixed rate.

	Parent company	
	June	December
	2020	2019
Liabilities		
Dividends and interest on own capital payable	479,236	322,669
	479,236	322,669

16.2 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, directors, members of the Audit Committee and Tax Council, as shown below:

	Parent company			
	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Profit sharing - Directors	152	252	1,805	7,800
Fees and charges	1,098	1,900	816	1,665
	1,250	2,152	2,621	9,465

	Consolidated			
	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Profit sharing - Directors	46,466	55,308	28,972	47,719
Fees and charges	5,523	10,845	4,296	8,661
	51,989	66,153	33,268	56,380

17. FIXED ASSETS - CONSOLIDATED

	Residual balance in December 2019	Changes				June 2020			Annual depreciation rates (%)
		Acquisitions	Write- offs/sales	Depreciation expenses	Other /Transfers	Cost	Accumulated depreciation	Net value	
Buildings (i)	711,866	94	-	(9,040)	(841)	812,605	(110,526)	702,079	2.4
Land	257,910	-	(4,764)	(412)	7,546	264,008	(3,728)	260,280	-
Works in progress	35,701	-	-	-	-	35,701	-	35,701	-
Leasehold improvements	139,398	6,264	(88)	(5,117)	388	193,720	(52,875)	140,845	5.0 a 33.3
	1,144,875	6,358	(4,852)	(14,569)	7,093	1,306,034	(167,129)	1,138,905	
Equipment	68,190	21,348	(506)	(25,341)	106	413,945	(350,148)	63,797	20.0 a 33.3
Furniture, machinery and fixtures	20,607	399	(334)	(3,843)	62	96,595	(79,704)	16,891	10.0 a 50.0
Equipment	10,702	118	(5,091)	(1,472)	(420)	37,864	(34,027)	3,837	10.0 a 14.3
Trackers	5,364	2,432	(2,586)	(3,393)	-	2,239	(422)	1,817	50.0
Vehicles	2,502	369	(35)	(516)	(63)	9,107	(6,850)	2,257	20.0 a 25.0
	107,365	24,666	(8,552)	(34,565)	(315)	559,750	(471,151)	88,599	
Vehicles and equipment leased to third-parties	312,206	130,820	(44,088)	(6,156)	(4,243)	399,327	(10,788)	388,539	3.0 a 20.0
	312,206	130,820	(44,088)	(6,156)	(4,243)	399,327	(10,788)	388,539	
	1,564,446	161,844	(57,492)	(55,290)	2,535	2,265,111	(649,068)	1,616,043	

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

18. INTANGIBLE ASSETS - CONSOLIDATED

	Residual balance in December	Changes				June 2020			Amortization annual rates (%)
		Acquisitions	Decreases	Amortization expenses	Other/ transfers	Cost	Accumulated amortization	Net value	
Software	946,275	112,909	(11,304)	(52,488)	708	1,481,780	(485,680)	996,100	6.67 a 20.0
Other intangible assets	28,497	-	-	(3,157)	-	55,135	(29,795)	25,340	20
	974,772	112,909	(11,304)	(55,645)	708	1,536,915	(515,475)	1,021,440	
Brand	246,000	-	-	-	-	246,000	-	246,000	-
Distribution channel	440,726	-	-	(6,311)	-	568,000	(133,585)	434,415	2.2
Goodwill in investment acquisitions	346,800	-	-	-	-	346,800	-	346,800	-
Business combination - Itaú Auto e Residência (*)	1,033,526	-	-	(6,311)	-	1,160,800	(133,585)	1,027,215	
Goodwill in investment acquisitions	28,323	-	-	-	-	28,323	-	28,323	-
Other intangible assets	27	-	-	(27)	-	652	(652)	-	20.0
Other business combinations	28,350	-	-	(27)	-	28,975	(652)	28,323	
	2,036,648	112,909	(11,304)	(61,983)	708	2,726,690	(649,712)	2,076,978	

(*) See Note 16.

19. RIGHT-OF-USE ASSET - CONSOLIDATED

	Balance on December 31, 2019	Changes		June 2020		Annual depreciation rates (%)
		Depreciation expenses	Cost	Accumulated depreciation	Net value	
Right-of-use	118,957	(10,323)	195,723	(87,089)	108,634	5.0 a 12.5
	118,957	(10,323)	195,723	(87,089)	108,634	

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

20. INSURANCE CONTRACT LIABILITIES AND SUPPLEMENTARY PENSION - CONSOLIDATED

	June 2020		December 2019	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Insurance (20.1)	11,634,918	11,509,570	11,804,672	11,686,195
Supplementary Pension (20.2)	2,787,923	2,787,923	2,831,110	2,831,110
	14,422,841	14,297,493	14,635,782	14,517,305
Current	8,484,897		9,058,721	
Non-current	5,937,944		5,577,061	

20.1 INSURANCE – CONSOLIDATED

	June 2020		December 2019	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Provision for unearned premiums	6,427,153	6,379,826	6,824,813	6,777,926
Mathematical provision - insurance	2,209,060	2,209,060	2,277,791	2,277,791
Unsettled claims (administrative and legal)	1,429,032	1,364,769	1,527,078	1,462,292
Provision for incurred but not reported claims - DPVAT	1,025,424	1,025,424	685,975	685,975
Provision for incurred but not reported claims	455,332	441,574	414,682	407,878
Other provisions	88,917	88,917	74,333	74,333
	11,634,918	11,509,570	11,804,672	11,686,195
Current	8,141,535		8,697,087	
Non-current	3,493,383		3,107,585	

20.2 SUPPLEMENTARY PENSION – CONSOLIDATED

	June 2020		December 2019	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Mathematical provision for benefits to be granted	2,519,055	2,519,055	2,568,911	2,568,911
Mathematical provision for benefits granted	172,796	172,796	162,449	162,449
Complementary provision for coverage	77,273	77,273	76,128	76,128
Other provisions	18,799	18,799	23,622	23,622
	2,787,923	2,787,923	2,831,110	2,831,110
Current	343,362		361,634	
Non-current	2,444,561		2,469,476	

20.3 CHANGES IN LIABILITIES OF INSURANCE CONTRACTS, SUPPLEMENTARY PENSION AND REINSURANCE ASSETS – CONSOLIDATED

	Liabilities from Insurance Contracts	Reinsurance contract assets
Balances at december 31, 2018	14,402,642	104,737
Formation arising from premiums/contributions	15,188,197	95,076
Deferral of the risk	(15,486,838)	(88,850)
Claim Notice	8,721,938	60,378
Payment of claims/benefits	(8,037,409)	(56,366)
Inflation adjustment and interest	513,699	3,522
Redemptions	(396,544)	-
Net portability	(325,211)	-
(+/-) Other (formation-reversal)	55,308	(20)
Balances at december 31, 2019	14,635,782	118,477
Formation arising from premiums/contributions	7,095,356	50,551
Deferral of the risk	(8,031,704)	(48,989)
Claim Notice	4,792,002	51,884
Payment of claims/benefits	(3,561,504)	(43,013)
Inflation adjustment and interest	126,139	(3,013)
Redemptions	(240,859)	-
Net portability	(135,087)	-
(+/-) Other (formation-reversal)	(257,284)	(549)
Balances at june 30, 2020	14,422,841	125,348
Current	8,484,897	118,284
Non-current	5,937,944	7,064

20.4 GUARANTEE ASSETS – CONSOLIDATED

Pursuant to the current rules, the following assets were linked to SUSEP and ANS:

	June 2020	December 2019
Total liabilities of insurance and supplementary pension plan (A)	14,422,841	14,635,782
Credits receivable (i)	3,153,666	3,257,104
Deferred and paid acquisition costs	728,365	809,535
Reinsurance assets	77,962	71,472
Other	9,254	8,988
Total assets that reduce the need for coverage (B)	3,969,247	4,147,099
Need to cover technical reserves (C = A - B)	10,453,594	10,488,683
Need for liquid assets (ii) (D)	524,221	535,923
Investment Fund Quotas	6,344,533	5,003,210
Fund quotas specially formed	4,088,581	4,200,617
Fixed income securities - Public	1,486,933	2,827,030
Real estate	19,617	20,131
Total assets offered as guarantee (E)	11,939,664	12,050,988
Surplus (E - C - D)	961,849	1,026,382

(i) Amount corresponding to the installments due of the premiums receivable from insured parties and risk policies in progress.

(ii) Companies supervised by SUSEP must offer at least 20% of Risk Capital in National Treasury securities or funds composed of such securities.

21. DEBTS FROM INSURANCE AND REINSURANCE OPERATIONS - CONSOLIDATED

	June 2020	December 2019
Commissions on issued premiums	278,781	321,091
Reinsurance companies	38,006	52,862
Other insurance debts (*)	4,986	24,412
	321,773	398,365

(*) Refers mainly to amounts payable for assistance services offered to insured parties.

22. FINANCIAL LIABILITIES – CONSOLIDATED

	June 2020	December 2019
Credit card operations (i)	3,630,053	4,354,424
Acceptances and endorsements (ii)	1,412,086	1,337,087
Capitalization liabilities (iii)	826,372	783,496
Interbank deposits (ii)	922,259	108,742
Other loans and financing	412,388	343,789
Total financial liabilities valued under amortized cost	7,203,158	6,927,538
Funding and financing in foreign currency (iv)	-	173,053
Total financial liabilities valued under fair value	-	173,053
	7,203,158	7,100,591
Current	7,027,727	6,861,875
Non-current	175,431	238,716

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

(ii) Funding from Portoseg, remunerated on the CDI.

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

(iv) The company raised funds in foreign currency during the second quarter.

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

22.1 CHANGES IN FINANCIAL LIABILITIES - CONSOLIDATED

	Credit card operations	Other financial liabilities	Total
Balance at december 31, 2018	3,687,084	2,465,063	6,152,147
Acquisition/formation	35,293,588	1,234,275	36,527,863
Inflation adjustment/interest	-	221,612	221,612
Settlement/reversal	(34,626,248)	(1,174,783)	(35,801,031)
Balance at december 31, 2019	4,354,424	2,746,167	7,100,591
Acquisition/formation	10,307,516	1,828,766	12,136,282
Inflation adjustment/interest	-	87,801	87,801
Settlement/reversal	(11,031,887)	(1,089,629)	(12,121,516)
Balance at june 30, 2020	3,630,053	3,573,105	7,203,158

23. JUDICIAL PROVISIONS – CONSOLIDATED

The Company is a party to ongoing tax, labor and civil 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 and changes in the provisions are shown below:

	Fiscais (a)	Trabalhistas	Cíveis	Total
Balance at December 31, 2019	1,308,922	17,408	29,769	1,356,099
Formations	-	4,239	8,695	12,934
Successes/reversals	-	(2,647)	(6,337)	(8,984)
Payments	-	(1,995)	(3,485)	(5,480)
Inflation adjustment	26,757	404	712	27,873
Balance at June 30, 2020	1,335,679	17,409	29,354	1,382,442
(-) Judicial deposits (*)	(1,222,197)	(4,556)	(9,486)	(1,236,239)
Net provision as of June 30, 2020	113,482	12,853	19,868	146,203
Quantidade de processos	68	724	2,001	2,793

(*) Refers to the balance of judicial deposits linked to the provision balances recognized in the accounting.

(a) PROVISION FOR TAX AND SOCIAL SECURITY PROCESSES

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 2020	December 2019	June 2020	December 2019
PIS	25,064	24,822	535,640	522,868
COFINS	116,335	115,213	307,270	294,678
Lawsuits from adhesion to REFIS	-	-	420,655	416,988
Other	-	-	72,114	74,388
Total	141,399	140,035	1,335,679	1,308,922
Judicial deposits (*)	(141,399)	(140,035)	(1,222,197)	(1,197,150)
Net provision	-	-	113,482	111,772

(b) TAX AND SOCIAL SECURITY CONTINGENCIES

The Company is a party to other tax and social security lawsuits that are not classified as legal obligations and since they are classified as possible loss, they will not be provisioned. The estimated total risk of these lawsuits total R\$ 1,427,536 (R\$ 1,034,759 with a possible impact on net income). The main reasons are: (i) discussion on the INSS levied on profit sharing with estimated total risk by R\$ 600,043 (R\$ 436,943 with possible impact in net income); (ii) inquiry by the Brazilian Internal 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\$ 332,358 (R\$ 245,551 of possible impact on net income) and (iii) discussion on the INSS about the worker's meal program with estimated total risk by R\$ 285,560 (R\$ 213,793 with possible impact in net income).

24. LEASE LIABILITY – CONSOLIDATED

	Lease liabilities	Unearned interest from lease contracts	Net lease liability
Balances at December 31, 2019	255,302	(111,204)	144,098
Payments	(17,336)	-	(17,336)
Interest appropriation	-	7,796	7,796
Balances at June 30, 2020	237,966	(103,408)	134,558
Current			20,714
Non-current			113,844

Refer to the lease liability, measured at the present value of the lease payments expected up to the end of the lease, considering possible renewals or cancellations.

25. OTHER LIABILITIES - CONSOLIDATED (*)

	June 2020	December 2019
Suppliers	299,294	246,178
Profit sharing	177,553	183,021
Provision for vacation and social security charges	118,649	112,844
Return to consortium members	96,059	93,651
Loyalty Program - Credit Card	93,841	93,178
Post-employment benefits	66,488	63,907
Other	87,621	57,035
	939,505	849,814
Current	868,811	785,271
Non-current	70,694	64,543

(*) The other liabilities of the Parent Company refer substantially to the profit- sharing payable.

26. SHAREHOLDERS' EQUITY – PARENT COMPANY

(a) CAPITAL

As of June 30, 2020, subscribed and paid-up capital amounted to R\$ 4,500,000, divided into 323,293,030 common, nominative, book-entry shares with no par value, of which 1.281,666 were held in treasury.

The Annual/Special Shareholders' Meeting held on March 31, 2020 approved an increase in the Capital in the amount of R\$ 500,000, arising from statutory reserves for the adjustment of profit reserves according to the limits established by Law 6404/76, with no change in the amount of shares of the Parent Company.

(b) SHARE REPURCHASE PROGRAM

On January 30, 2020, 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: February 2, 2020–January 31, 2021;
- Number of shares to be acquired: up to the limit of 5 million shares;
- Authorized financial institution: Itaú Corretora de Valores S.A.

Changes in treasury shares are as follows:

	Treasury shares (In thousands of Reais)	Quantity	Average amount per share (R\$)	Gain from use
Balance at December 31, 2019	19,788	372,386	53.22	30
Repurchases	40,135	912,600	43.98	-
Used in the remuneration plan and/or traded (i)	(206)	(3,320)	53.22	29
Balance at June 30, 2020	59,717	1,281,666	46.67	59

- (i) Refer to the shares used in the granting exercise provided for in the share-based remuneration plan. Note 26 (d).

On June 30, 2020, the market value of treasury shares was R\$ 64,622 (R\$ 23,363 on December 31, 2019).

(c) DIVIDENDS AND INTEREST ON OWN CAPITAL

The Annual and Special Shareholders' Meeting held on March 31, 2020 approved the distribution of

dividends for 2019, in the amount of R\$ 689,541, comprised by: (i) interest on own capital charged to the mandatory dividend for the year 2019, in the amount of R\$ 371,796, net of income tax; and (ii) dividends in addition to the mandatory minimum dividend for the year of 2019, in the amount of R\$ 317,745. The Company approved the payment of said interest on own capital as of April 9, 2020, and the payment of additional dividends up to December 20, 2020.

Pursuant to the notice to shareholders in June 2020, the Company credited on June 29, 2020, R\$ 192,176, gross of income tax (R\$ 164,188, net of income tax) in Interest on Own Capital (JCP) to its shareholders for the first semester of 2020, to be included in the dividends for this year. The payment date will be determined at the Company's Annual Shareholders' Meeting, to be held until April 30, 2021.

(d) SHARE-BASED REMUNERATION

The Company has a plan for payment of share-based remuneration in eligible shares to the statutory officers of the Company and/or the Subsidiaries, as part of its annual variable remuneration.

The purpose of the plan is to promote long-term alignment between the interests of administrators and shareholders of the Company and its Subsidiaries; the commitment, on the part of the administrators, to obtain sustainable results for the Company and its Subsidiaries; and creating value for shareholders.

In view of this plan, the annual variable remuneration owed to Company directors will now be paid (in part) in shares, under the terms of the plan and the granting contract, according to the following implementation schedule:

- i) 2018-base Fiscal Year (variable remuneration approved in 2019): 7.50% (seven and a half percent) of the variable remuneration of the directors will be paid in Shares;
- ii) 2019-base Fiscal Year (variable remuneration approved in 2020): 15.00% (fifteen percent) of the variable remuneration of the directors will be paid in Shares;
- iii) 2020-base Fiscal Year (variable remuneration approved in 2021): 22.50% (twenty-two and a half percent) of the variable remuneration of the directors will be paid in Shares; and
- iv) 2021-base Fiscal Year (variable remuneration approved in 2022) and subsequent fiscal years: 30.00% (thirty percent) of the variable remuneration of the directors will be paid in Shares.

The plan does not change the current parameters for calculating and paying variable remuneration to the rights, but only modifies the payment method, which, in part, ceases to be immediate and in cash, and will henceforth be in shares issued by Company, which will only be transferred / granted to the directors after the vesting period (3 years) subsequent to the base-year for determining the variable remuneration, or the termination of the director, provided that all the conditions set forth in the plan and in the respective granting contract are met. This plan is settled through the delivery of PSSA shares held in treasury.

Changes in share-based remuneration plan are as follows:

	Consolidated	
	June 2020	December 2019
Balance at December 31, 2019	1,931	-
Vesting deferral for the period	3,208	2,297
Shares canceled, granted, or loss of right	(206)	(366)
Balance at June 30, 2020	4,933	1,931
Average weighted market value (R\$)	60.41	52.15

	Quantity	
	June 2020	December 2019
Opening balance	37,734	-
Vesting deferral for the period	45,662	44,046
Shares canceled, granted, or loss of right	(3,320)	(6,312)
Closing balance	80,076	37,734

Expenses with the share-based remuneration plan totaled R\$ 3,208 in June 2020 (R\$ 1,027 in June 2019).

27. INSURANCE PREMIUMS ISSUED AND NET CONSIDERATIONS – CONSOLIDATED

The premiums earned comprise insurance premiums issued, net of cancellations, refunds and assignments of premiums to similar products and net consideration of health insurance plans. The amounts of the main groups of insurance lines are composed as follows:

	2020			2019		
	2nd Quarter		Earned premiums, net	1st Semester		Earned premiums, net
	Earned premiums	Premiums ceded (reinsurance)		Earned premiums	Premiums ceded (reinsurance)	
Automobile	2,091,023	-	2,091,023	4,386,393	-	4,386,393
Health	466,608	-	466,608	937,404	-	937,404
Properties	346,258	(17,240)	329,018	722,510	(26,827)	695,683
People	230,851	(4,291)	226,560	464,690	(8,614)	456,076
Financial risks	137,287	(1,351)	135,936	277,885	(3,965)	273,920
Uruguay	80,972	(332)	80,640	163,968	(709)	163,259
VGBL	69,419	(19)	69,400	144,372	(19)	144,353
Transportation	39,921	(2)	39,919	83,247	(1,034)	82,213
Other	26,222	(11,436)	14,786	52,036	(20,546)	31,490
	3,488,561	(34,671)	3,453,890	7,232,505	(61,714)	7,170,791

	2019			2019		
	2nd Quarter			1st Semester		
	Earned premiums	Premiums ceded (reinsurance)	Earned premiums, net	Earned premiums	Premiums ceded (reinsurance)	Earned premiums, net
Automobile	2,320,500	-	2,320,500	4,681,614	-	4,681,614
Health	403,107	-	403,107	798,025	-	798,025
Properties	370,904	(14,283)	356,621	727,157	(25,473)	701,684
People	234,029	(2,542)	231,487	442,223	(5,865)	436,358
Financial risks	110,355	(950)	109,405	218,886	(2,187)	216,699
VGBL	75,286	(176)	75,110	162,512	(176)	162,336
Uruguay	77,994	(628)	77,366	162,072	(947)	161,125
DPVAT	21,749	-	21,749	71,902	-	71,902
Transportation	44,551	242	44,793	88,132	(894)	87,238
Other	31,898	(13,953)	17,945	47,471	(17,661)	29,810
	3,690,373	(32,290)	3,658,083	7,399,994	(53,203)	7,346,791

28. INCOME FROM LOAN OPERATIONS - CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Credit card	224,894	463,379	195,534	373,694
"Interchange" (*)	83,678	186,929	89,876	180,147
Financing	64,306	123,116	48,787	93,650
Loans	23,985	36,339	21,673	42,408
Other	10,742	18,332	6,250	9,756
	407,605	828,095	362,120	699,655

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

29. INCOME FROM RENDERING OF SERVICES – CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Porto Consórcio	82,602	168,463	82,868	159,853
Porto Atendimento	53,018	109,719	50,475	100,425
Porto Locadora	26,702	54,117	18,535	35,013
Portopar e Porto Investimentos	26,823	47,418	21,716	39,707
Serviços Médicos e Centros Médicos	14,793	29,466	15,059	29,657
Porto Seguro Saúde Ocupacional	12,249	25,280	14,201	29,334
Crediporto	11,905	24,329	9,111	17,390
Porto Serviços e Comércio	10,218	21,379	6,664	12,966
Proteção e Monitoramento	7,063	21,744	17,418	35,614
Other	18,245	36,229	18,494	47,365
	263,618	538,144	254,541	507,324

30. OTHER OPERATING INCOME - CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Sale of real estate and investments (i)	12,517	60,442	5,490	15,808
Other income from credit card	2,886	18,955	8,170	17,861
Insurance (ii)	4,355	17,016	4,658	27,095
Pension	2,623	8,935	3,088	9,198
Consórcio	613	6,108	14,133	6,063
Other	10,209	10,706	3,744	11,270
	33,203	122,162	39,283	87,295

(i) Refers mainly to the sale of the monitored alarms portfolio of "PMO".

(ii) Refer, mainly, to income from fees (honoraria) of the DPVAT Agreement for attending to insured parties.

31. CHANGES IN TECHNICAL RESERVES - CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Mathematical Provision	65,349	65,349	143,591	143,591
Provision for unearned premiums	(300,757)	(295,416)	(420,244)	(418,081)
Provision of pension plan	35,222	35,222	59,365	59,365
Other provisions	2,867	2,867	1,486	1,486
	(197,319)	(191,978)	(215,802)	(213,639)

	2019		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Provision for unearned premiums	(122,162)	(111,376)	(195,767)	(189,155)
Mathematical Provision	74,493	74,493	162,636	162,636
Provision of pension plan	63,396	63,396	104,416	104,416
Other provisions	1,790	1,790	1,790	1,790
	17,517	28,303	73,075	79,687

32. RETAINED CLAIMS – CONSOLIDATED

The retained claims (expenses on claims) comprise the indemnities notified and IBNR change. The following table shows the gross retained salvage claims and compensations.

	2020					
	2nd Quarter			1st Semester		
	Gross reinsurance	Recovery of reinsurance	Net of reinsurance	Gross reinsurance	Recovery of reinsurance	Net of reinsurance
Automobile	1,031,702	(13)	1,031,689	2,681,830	(23)	2,681,807
Health	285,244	-	285,244	603,898	-	603,898
Properties	106,635	(4,302)	102,333	259,518	(16,464)	243,054
Financial risks	104,668	(164)	104,504	164,302	(1,693)	162,609
People	88,074	(7,146)	80,928	156,925	(11,534)	145,391
Porto Uruguai	36,534	-	36,534	71,186	-	71,186
Other	12,691	(4,188)	8,503	29,912	(7,613)	22,299
	1,665,548	(15,813)	1,649,735	3,967,571	(37,327)	3,930,244

	2019					
	2nd Quarter			1st Semester		
	Gross reinsurance	Recovery of reinsurance	Net of reinsurance	Gross reinsurance	Recovery of reinsurance	Net of reinsurance
Automobile	1,603,881	-	1,603,881	3,313,695	-	3,313,695
Health	319,789	-	319,789	585,622	-	585,622
Properties	98,132	(2,537)	95,595	234,408	(10,484)	223,924
People	70,826	(3,825)	67,001	126,190	(5,727)	120,463
Financial risks	42,376	474	42,850	78,960	(458)	78,502
Porto Uruguai	40,239	-	40,239	80,882	-	80,882
DPVAT	15,878	-	15,878	60,565	-	60,565
Other	18,445	1,943	20,388	42,841	(5,117)	37,724
	2,209,566	(3,945)	2,205,621	4,523,163	(21,786)	4,501,377

33. ACQUISITION COSTS – INSURANCE (*) - Consolidated

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Automobile	546,730	1,110,024	545,609	1,095,941
Properties	116,255	234,345	105,113	212,313
People	76,052	154,938	64,338	126,980
Health	37,239	83,700	29,520	59,495
Financial risks	27,187	56,652	27,645	54,920
Other	35,542	71,603	36,735	72,054
	839,005	1,711,262	808,960	1,621,703

(*) Includes amortization of deferred acquisition costs (Note 13) and non-deferred marketing expenses.

34. ADMINISTRATIVE EXPENSES - CONSOLIDATED (*)

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Personnel and post-employment benefits	388,931	785,714	416,534	806,748
Outsourced services	155,534	288,529	130,379	244,309
Localization and operation	106,279	220,453	123,501	248,337
Profit sharing	131,616	173,736	74,471	133,192
Advertising	19,068	37,948	17,922	38,157
Donations and contributions	15,525	21,945	8,158	17,816
Other	13,730	28,776	13,991	60,001
	830,683	1,557,101	784,956	1,548,560

(*) The Parent Company's administrative expenses refer mainly to profit sharing, fees, and charges. See Note 16.2.

35. TAX EXPENSES – CONSOLIDATED (*)

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
COFINS	131,247	232,170	107,825	201,054
PIS	22,227	39,066	18,658	34,159
Service tax	8,546	17,262	8,242	15,924
Other	14,121	29,792	15,176	29,850
	176,141	318,290	149,901	280,987

(*) Tax expenses of the Parent Company refer substantially to PIS/COFINS on interest on own capital received.

36. OTHER OPERATING EXPENSES - CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Provision for credit risks	187,740	304,766	99,914	192,654
Credit card and financing expenses	142,845	288,004	116,379	230,154
Assistance services	32,021	78,272	46,135	94,469
Allowance for doubtful accounts - insurance	9,184	11,498	(2,224)	(6,773)
Collection and Management of policies and contracts	16,397	35,069	25,155	52,581
Social charges upon insurance operations	8,579	17,826	9,006	18,219
Amortization of intangible assets and business combination	3,160	6,337	3,180	6,371
Other	66,322	97,577	795	37,102
	466,248	839,349	298,340	624,777

37. FINANCIAL INCOME (*)

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Valuation and interest from financial instruments at fair value through profit or loss	362,355	471,763	199,635	398,767
Interest of financial instruments – other categories	154,266	226,033	71,263	143,625
PGBL/VGBL Operations	92,788	118,677	88,273	163,733
Insurance operations	44,122	95,696	65,097	133,911
Inflation adjustment of judicial deposits	20,616	27,571	11,746	23,287
Other	10,825	30,912	17,062	33,663
	684,972	970,652	453,076	896,986

(*) The balances of the Parent Company refer mainly to the appreciation of securities at fair value.

38. FINANCIAL EXPENSES - CONSOLIDATED

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Devaluation of financial instruments at fair value through profit or loss	2,019	290,145	2,962	18,917
Inflation adjustment - insurance liabilities	29,179	60,926	45,226	87,229
Inflation adjustment - pension liabilities	30,111	53,932	28,997	38,133
Inflation adjustment - PGBL and VGBL	92,486	11,281	87,459	160,369
Inflation adjustment of provision for long-term taxes	4,754	9,590	26,247	32,821
Other	28,752	48,644	16,013	42,273
	187,301	474,518	206,904	379,742

39. 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 are shown as follow:

	2020		2019	
	2nd Quarter	1st Semester	2nd Quarter	1st Semester
Earnings attributable to Company's shareholders	654,813	881,338	379,030	676,700
Weighted average of the number of shares during the period	322,727	322,727	323,206	323,206
Basic and diluted earnings per share - R\$	2.02900	2.73091	1.17272	2.09371

40. OTHER INFORMATION

40.1 NOTES NOT REPEATED IN THE QUARTERLY INFORMATION

According to IAS 34/CPC 21 and Circular Letter CVM/SNC/SEP/Nº 003/2011, in this quarterly information, Porto Seguro removed or condensed the following notes in relation to the Financial Statements for the year ended December 31, 2019:

Nº da nota na DFP	Título	Página na DFP (*)
2	Description of significant accounting policies	37 - 54
3	Estimates and accounting judgments	54 - 56
4	Risk management	56 - 67
5	Capital management	67 - 69
10.2	Changes in impairment of premiums receivable from insured parties	77
11.3.3	Realization estimate - Consolidated	79
16.1	Summarized financial information of subsidiaries	85
18.1	Measurement of recovery of goodwill and intangible	89
20.5	Behavior of provision for claims	94
23 (c) (d)	Legal provisions - Consolidated	99
26 (c) (d)	Shareholders' equity	101 - 102
39	Employee benefits - Consolidated	109 - 110

(*) Page where the Note is located in the Standardized Financial Statements (SFS), available on the CVM website (www.cvm.gov.br) and (ri.portoseguro.com.br).



(A free translation of the original in Portuguese)

Report on review of quarterly condensed information

To the Board of Directors and Stockholders
Porto Seguro S.A.

Introduction

We have reviewed the accompanying parent company and consolidated condensed interim accounting information of Porto Seguro S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2020, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim condensed accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), 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). Our responsibility is to express a conclusion on this interim condensed accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International Standards on Auditing and consequently did 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 the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim condensed accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information and presented in accordance with the standards issued by the CVM.



Porto Seguro S.A.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, 29 de julho de 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Carlos Eduardo Sá da Matta
Contador CRC 1SP216397/O-5

FISCAL COMMITTEE REPORT

"Analysed the Financial Statements of Porto Seguro SA and its subsidiaries (Consolidated) for the quarter ended June 30, 2020, and considering the favorable recommendation of the Audit Committee and the independent audit report was not reported issued presented on July 28, 2020 and signed on July 29, 2020 by PricewaterhouseCoopers Auditores Independentes, the members of the Fiscal committee understand that these documents adequately reflect the patrimonial situation, financial position and activities of the Company and the subsidiaries in the period. "

São Paulo, July 28, 2020.

AUDIT COMMITTEE REPORT

The Audit Committee is a statutory board that reports to and was established by the Board of Directors of Porto Seguro S.A., at a meeting held on December 16, 2005. 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. This single Audit Committee, installed at Porto Seguro S.A., oversees the Company and its subsidiaries.

The main responsibilities of the Audit Committee are to evaluate, monitor and recommend, in an independent manner, the following relevant matters: (i) the financial statements of Porto Seguro S.A. and its subsidiaries; (ii) the internal control systems of Porto Seguro S.A. and its subsidiaries; (iii) the compliance with legal and regulatory provisions applicable to Porto Seguro S.A. and its subsidiaries, considering the characteristics inherent in each entity, in addition to internal rules and policies; (iv) the work performed by the internal and external audit teams; and (v) the adjustment to or improvement of policies, practices and procedures identified within the scope of its activities.

The management of Porto Seguro S.A. is responsible for the preparation, presentation and completeness of the financial statements of Porto Seguro S.A. and its subsidiaries, as well as for the implementation and maintenance of internal controls considering the complexity of their operations, in order to comply with accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

PricewaterhouseCoopers Auditores Independentes is responsible for auditing the financial statements of Porto Seguro S.A. (parent company) and of Porto Seguro S.A. and its subsidiaries (consolidated), in accordance with Brazilian and international audit standards.

Based on the provisions of its mandate, the Audit Committee developed, for the quarter ended June 30, 2020, the following activities, among others, and monitored relevant matters, including for the entities under supervision of SUSEP: (a) analysis and monitoring of the Internal Audit's and Independent Auditors' activities, and approval of the Internal Audit's annual plan; (b) analysis and monitoring of Internal Control and Risk Management activities; (c) conduction of meetings with various departments of the organization; (d) assessment of the level of work performed by the Internal and Independent Audit teams, and of the maintenance of the independence policy; (e) request and analysis of the main accounting aspects and the progress of the main lawsuits in course; and (f) analysis of the compliance with standards specifically applicable to the industries in which Porto Seguro S.A. and its subsidiaries operate; and (g) analysis and monitoring of the work carried out by the internal audit and by the Crisis Committee, due to the crisis scenario caused by COVID-19.

The Committee met with the Independent Auditor to review the report on the financial statements of Porto Seguro S.A. (parent company and of Porto Seguro S.A. and its subsidiaries (consolidated) at June 30, 2020.

Based on the conclusions on the activities developed during the period, and considering the limitations arising from the scope of its activities, the Audit Committee understands that the financial statements of Porto Seguro S.A. (parent company) and of Porto Seguro S.A. and its subsidiaries (consolidated), including the entities under supervision of SUSEP, at June 30, 2020, have been prepared in accordance with the accounting practices adopted in Brazil, and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and recommends the approval of the financial statements by the Board of Directors.

São Paulo, July 28, 2020.

FERNANDO KASINSKI LOTTENBERG

LIE UEMA DO CARMO

GUY ALMEIDA ANDRADE

DECLARATION

The Directors responsible for the preparation of the financial statements, in accordance with the considerations of article 29, § 1º, subsection II, and Article 25, § 1º, subsection V e VI, of Instruction CVM nº 480/2009, declare that:

- a) reviewed, discussed and agreed with the opinions expressed in the independent auditor's report on the Company's financial statements for the second quarter of fiscal year 2020;
- b) reviewed, discussed and agreed with the Company's financial statements for the second quarter of fiscal year 2020.

São Paulo, July 29, 2020.

ROBERTO DE SOUZA SANTOS

Diretor Presidente

CELSO DAMADI

Diretor Vice-Presidente – Financeiro, Controladoria e
Investimentos e Diretor de Relações com Investidores

LENE ARAÚJO DE LIMA

Diretor Vice-Presidente – Corporativo e
Institucional

MARCELO BARROSO PICANÇO

Diretor Vice-Presidente – Seguros

JOSÉ RIVALDO LEITE DA SILVA

Diretor Vice-Presidente – Comercial e Marketing

MARCOS ROBERTO LOUÇÃO

Diretor Vice-Presidente – Negócios Financeiros e Serviços

DECLARATION

The Directors responsible for the preparation of the financial statements, in accordance with the considerations of article 29, § 1º, subsection II, and Article 25, § 1º, subsection V e VI, of Instruction CVM nº 480/2009, declare that:

- a) reviewed, discussed and agreed with the opinions expressed in the independent auditor's report on the Company's financial statements for the second quarter of fiscal year 2020;
- b) reviewed, discussed and agreed with the Company's financial statements for the second quarter of fiscal year 2020.

São Paulo, July 29, 2020.

ROBERTO DE SOUZA SANTOS

Diretor Presidente

CELSO DAMADI

Diretor Vice-Presidente – Financeiro, Controladoria e
Investimentos e Diretor de Relações com Investidores

LENE ARAÚJO DE LIMA

Diretor Vice-Presidente – Corporativo e
Institucional

MARCELO BARROSO PICAÑO

Diretor Vice-Presidente – Seguros

JOSÉ RIVALDO LEITE DA SILVA

Diretor Vice-Presidente – Comercial e Marketing

MARCOS ROBERTO LOUÇÃO

Diretor Vice-Presidente – Negócios Financeiros e Serviços