Porto

PSSA3 | 2Q26 Results: Resilient Insurance Offsets a More Challenging Credit Cycle

Insurance

Analysts

Eduardo Nishio
+55 (11) 3206-8286
eduardo.nishio@genial.com.vc

Alan Frydman
+55 (11) 3206-8286
alan.frydman@genial.com.vc

Company

PSSA3 BZ Equity
Buy

Price: R$ 50.13 (06-August-2026)
Target Price 12M: R$ 67.00

Better-than-expected loss ratios in Insurance and Health offset the deterioration in credit at the Bank and support a positive guidance revision.

As we anticipated in our preview, we expected a quarter marked by the deterioration of the credit cycle at Porto Bank and by less favorable seasonality at Porto Saúde. The quarter confirmed this dynamic, but the intensity and the mix were different: **the loss ratio at Porto Seguro surprised positively and offset a sharper deterioration in credit losses at the Bank**.

Porto reported **consolidated recurring net income of R$889 million (+4.2% vs. Est.; -7.2% QoQ; +1.2% YoY)**, slightly above our estimate and in line with consensus. **Recurring ROE closed the quarter at 22.3%** (+0.9pp vs. Est.; -2.2pp QoQ; -2.3pp YoY), remaining above 20% for the eighth consecutive quarter. The composition of the result, however, differed from what we had projected: Porto Seguro, Porto Saúde and Other Businesses beat our estimates, while **Porto Bank posted credit losses significantly above expectations**.

One of the highlights of the quarter was **the revision to 2026 guidance**. The company now expects a lower loss ratio at Porto Seguro, higher operating efficiency at Porto Bank and a lower effective tax rate, offsetting the upward revision to credit losses at the financing arm. As a consequence, **the midpoint of the earnings guidance now implies growth of approximately 12.4% in 2026**, above our previous expectation. On the other hand, the composition of that growth became somewhat less favorable, with a larger contribution from the reduction in the tax burden and a smaller contribution from Porto Bank's operating result.

- At **Porto Seguro**, net income of **R$456 million (-1.8% vs. Est.; -2.4% QoQ; +4.9% YoY)**. The loss ratio came in at 49.1% (-2.4pp vs. Est.), below the floor of the annual guidance, but commissions consumed the gain.
- At **Porto Saúde**, net income of **R$144 million (+9.6% vs. Est.; -33.3% QoQ; +36.4% YoY)**. Seasonality was confirmed (loss ratio of 76.9%, -0.1pp vs. Est.), but the operating result came in 20.5% above our estimate.
- **Porto Bank was the negative highlight of the quarter**, with net income of **R$138 million (-29.8% vs. Est.; -34.9% QoQ; -32.5% YoY)**. Credit losses totaled R$868 million (+18.7% vs. Est.; +67.3% YoY), pushing the vertical's ROAE down to 16.3%.
- **Serviços** delivered **R$50 million (+21.2% vs. Est.; -5.3% QoQ; +11.2% YoY)**.
- Finally, **Other Businesses**, **R$92 million (+368.5% vs. Est.; -50.9% QoQ; +3.2% YoY)**, helped by a positive IFRS 17 adjustment of R$38.8 million.

Exhibit 1. 2Q26 Results | Consolidated: Earnings Above Estimate, with the Composition Swapped

Porto Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Porto Seguro Net Income	464	456	467	434	(1.8%)	(2.4%)	4.9%
Porto Saúde Net Income	131	144	216	106	9.6%	(33.3%)	36.4%
Porto Bank Net Income	196	138	211	204	(29.8%)	(34.9%)	(32.5%)
Porto Serviços Net Income	41	50	53	45	21.2%	(5.3%)	11.2%
Other Businesses Net Income	20	92	187	89	368.5%	(50.9%)	3.2%
Porto Net Income	**853**	**879**	**1,134**	**878**	**3.1%**	**(22.4%)**	**0.2%**
Recurring Net Income	**853**	**889**	**958**	**878**	**4.2%**	**(7.2%)**	**1.2%**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Earned Premiums	7,998	7,930	7,744	7,418	(0.9%)	2.4%	6.9%
Non-Insurance Revenues	2,673	2,724	2,666	2,619	1.9%	2.2%	4.0%
Total Revenue	**10,671**	**10,653**	**10,410**	**10,037**	**(0.2%)**	**2.3%**	**6.1%**
Retained Claims	(4,708)	(4,524)	(4,347)	(4,278)	(3.9%)	4.1%	5.7%
Credit Losses	(733)	(867)	(726)	(520)	18.3%	19.5%	66.7%
Selling Expenses	(1,833)	(1,980)	(1,854)	(1,788)	8.0%	6.8%	10.8%
Taxes on Revenue	(339)	(333)	(319)	(345)	(1.6%)	4.4%	(3.3%)
Operating Expenses	(750)	(687)	(708)	(852)	(8.4%)	(2.9%)	(19.4%)
Administrative Expenses	(1,182)	(1,166)	(1,176)	(1,097)	(1.3%)	(0.9%)	6.3%
Total Expenses	**(9,544)**	**(9,558)**	**(9,131)**	**(8,880)**	**0.1%**	**4.7%**	**7.6%**
Operating Result	**1,127**	**1,096**	**1,279**	**1,158**	**(2.8%)**	**(14.4%)**	**(5.4%)**
Financial Result Porto Seguro - 100% CDI	260	236	235	217	(9.1%)	0.6%	8.8%
Financial Result Porto Saúde - 100% CDI	85	88	81	45	3.4%	8.7%	94.9%
Financial Result Porto Serviços - 100% CDI	-	2	3	0	n.a.	(23.9%)	515.1%
Financial Result Other Businesses	64	60	(12)	113	(5.5%)	(594.6%)	(46.7%)
Financial Result	409	387	307	376	(5.4%)	26.2%	3.0%
Intangible Amortization	(11)	(11)	(11)	(11)	0.0%	0.0%	0.2%
Income Before Taxes and Profit Sharing	**1,525**	**1,472**	**1,575**	**1,523**	**(3.5%)**	**(6.6%)**	**(3.3%)**
Profit Sharing	(277)	(284)	(264)	(292)	2.3%	7.4%	(2.8%)
Income Before Taxes	**1,248**	**1,188**	**1,311**	**1,231**	**(4.8%)**	**(9.4%)**	**(3.5%)**
Income Taxes	(376)	(340)	(180)	(350)	(9.5%)	88.9%	(2.6%)
Effective Tax Rate (IR/CSLL)	(30.1%)	(28.7%)	(13.8%)	(28.4%)	1.5 p.p.	(14.9 p.p.)	(0.3 p.p.)
Other	(19)	32	3	(3)	(270.7%)	833.3%	(1172.1%)
Net Income	**853**	**879**	**1,134**	**878**	**3.1%**	**(22.4%)**	**0.2%**
Extraordinary Effects	-	(9)	176	-	n.a.	n.a.	n.a.
Recurring Net Income	**853**	**889**	**958**	**878**	**4.2%**	**(7.2%)**	**1.2%**
Balance Sheet Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Total Accounting Assets	**81,513**	**72,758**	**70,789**	**63,530**	**(10.7%)**	**2.8%**	**14.5%**
Managerial Shareholders' Equity	**15,931**	**15,934**	**15,639**	**14,267**	**0.0%**	**1.9%**	**11.7%**
Profitability	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Managerial ROAE Porto Seguro - 100% CDI (%)	31.7%	32.9%	33.8%	31.1%	1.2 p.p.	(0.9 p.p.)	1.8 p.p.
Managerial ROAE Porto Saúde - 100% CDI (%)	22.8%	24.0%	36.5%	22.4%	1.3 p.p.	(12.4 p.p.)	1.6 p.p.
Managerial ROAE Porto Bank - 100% CDI (%)	23.4%	16.3%	24.8%	27.6%	(7.1 p.p.)	(8.4 p.p.)	(11.2 p.p.)
Managerial ROAE Porto Serviços - 100% CDI (%)	17.4%	25.4%	22.8%	21.5%	8.0 p.p.	2.6 p.p.	4.0 p.p.
Managerial ROAE (%)	**21.4%**	**22.1%**	**29.0%**	**24.6%**	**0.7 p.p.**	**(6.9 p.p.)**	**(2.5 p.p.)**
Recurring Managerial ROAE (%)	**21.4%**	**22.3%**	**24.5%**	**24.6%**	**0.9 p.p.**	**(2.2 p.p.)**	**(2.3 p.p.)**
Accounting ROAE (%)	**21.7%**	**22.7%**	**24.7%**	**25.2%**	**0.9 p.p.**	**(2.0 p.p.)**	**(2.5 p.p.)**

Source: Porto Seguro e Genial Investimentos

We Reiterate Our BUY Recommendation

We believe the market's negative reaction to the result — with the shares falling approximately 5% in the session — **represents a buying opportunity**. In our view, the market placed excessive weight on the deterioration of the credit cycle at Porto Bank and ended up underestimating the operating improvement of the insurance businesses, as well as the positive revision to 2026 guidance.

Although the company raised its expectation for credit losses at Porto Bank, it also revised upward its projections for Porto Seguro's loss ratio, the Bank's operating efficiency and the effective tax rate. As a consequence, **the midpoint of guidance now implies earnings growth above what was previously expected**, reinforcing our confidence in the company's ability to sustain high levels of profitability.

We reiterate our **BUY recommendation, with a price target of R$67.00**. We continue to see **Porto as our top pick in the insurance sector**. The stock trades at **8.9x 2026e P/E, 7.7x 2027e P/E and 2.0x 2026e P/BV**, multiples we consider attractive for a company that combines ROEs consistently above 20%, underwriting discipline and strong cash generation.

New Guidance: Slight Improvement in Earnings, Despite Adjustments for a Worse Credit Cycle

The company revised five guidance lines for 2026 and maintained the others. At the midpoint of the new ranges, **implied accounting net income rises from R$3,737 million to R$3,800 million (+1.7%)**, or **+12.4% over the R$3,381 million of 2025**. Since 1H26 has already been reported, the entire increment falls on the second half — the read is of a 2H26 stronger than the previous guidance implied.

- **Porto Seguro drives the upward revision.** The vertical's loss ratio range fell from 50.5%-54.5% to **50%-54%**, the only change in this Insurance unit. Guidance for earned premiums (+3% to +7%) and G&A (10.0%-10.6%) was maintained. EBIT at the midpoint rises from R$2,233 million to R$2,348 million (+5.1%), moving to growth of +9.1% YoY.
- **Porto Bank has negative revisions.** Credit losses rose from -R$2.7/-3.1 billion to **-R$3.1/-3.5 billion**, more than offsetting the favorable revisions to gross revenue (from R$7.5bn-7.9bn to R$7.7bn-8.1bn) and to the efficiency ratio (from 27%-31% to 24%-28%). EBIT at the midpoint falls from R$1,523 million to R$1,430 million (-6.1%), making the Bank the only vertical with contracting profitability in the year.
- **Effective Rate: Less Tax.** The effective tax rate range fell from 24%-28% to **23%-27%**, reflecting the reversal of deferred taxes on the acquisition goodwill of a subsidiary following its merger — the same R$185 million effect from ISAR recognized in 1Q26.
- **Health, Services, Other Businesses and the financial result remain unchanged.**

Exhibit 2. Consolidated | New 2026 Guidance: A More Positive Balance of Changes, Despite the Deterioration at the Bank, Offset by Improvements in Insurance and Taxes

2026 Guidance - Porto Consolidated (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
EBIT	**4,415**	**3,259**	**4,669**	**6,121**	**(26.2%)**	**5.8%**	**38.6%**
Financial Result	*1,430*	*1,400*	*1,600*	*1,800*	*(2.1%)*	*11.9%*	*25.9%*
Intangible Amortization	(44)	(44)	(44)	(44)	-	-	-
EBT Pre Profit Sharing	**5,801**	**4,615**	**6,225**	**7,877**	**(20.4%)**	**7.3%**	**35.8%**
Profit Sharing (PLR)	(1,129)	(898)	(1,212)	(1,533)	(20.4%)	7.3%	35.8%
EBT Post Profit Sharing	**4,671**	**3,717**	**5,013**	**6,343**	**(20.4%)**	**7.3%**	**35.8%**
Income Tax	(1,254)	(1,003)	(1,253)	(1,459)	(20.0%)	(0.1%)	16.3%
Effective Tax Rate	*26.8%*	*27.0%*	*25.0%*	*23.0%*	*0.2 p.p.*	*(1.8 p.p.)*	*(3.8 p.p.)*
Other	37	29	40	52	(20.6%)	10.0%	42.9%
Accounting Net Income (2Q26 Guidance)	**3,381**	**2,742**	**3,800**	**4,937**	**(18.9%)**	**12.4%**	**46.0%**
Accounting Net Income (1Q26 Guidance)	**3,381**	**2,696**	**3,737**	**4,855**	**(20.3%)**	**10.5%**	**43.6%**
Accounting Net Income (4Q25 Guidance)	**3,381**	**2,546**	**3,535**	**4,600**	**(24.7%)**	**4.5%**	**36.1%**

Source: Porto Seguro e Genial Investimentos

Exhibit 3. Insurance | New 2026 Guidance: Positive Revision to the Loss Ratio

2026 Guidance - Porto Seguro (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
Earned Premiums	**21,839**	**22,494**	**22,931**	**23,367**	**3.0%**	**5.0%**	**7.0%**
Revenues	52	54	55	56	3.0%	5.0%	7.0%
Total Revenue	**21,891**	**22,548**	**22,986**	**23,423**	**3.0%**	**5.0%**	**7.0%**
Net Retained Claims	(11,300)	(12,147)	(11,924)	(11,684)	7.5%	5.5%	3.4%
Loss Ratio	*51.7%*	*54.0%*	*52.0%*	*50.0%*	*2.3 p.p.*	*0.3 p.p.*	*(1.7 p.p.)*
Administrative Expenses	(2,258)	(2,384)	(2,362)	(2,337)	5.6%	4.6%	3.5%
G&A Ratio	*10.3%*	*10.6%*	*10.3%*	*10.0%*	*0.3 p.p.*	*(0.0 p.p.)*	*(0.3 p.p.)*
Other Expenses	(6,181)	(6,231)	(6,352)	(6,473)	0.8%	2.8%	4.7%
EBIT (2Q26 Guidance)	**2,152**	**1,786**	**2,348**	**2,930**	**(17.0%)**	**9.1%**	**36.1%**
EBIT (1Q26 Guidance)	**2,152**	**1,673**	**2,233**	**2,813**	**(22.3%)**	**3.8%**	**30.7%**
EBIT (4Q25 Guidance)	**2,152**	**1,673**	**2,233**	**2,813**	**(22.3%)**	**3.8%**	**30.7%**

Source: Porto Seguro e Genial Investimentos

Exhibit 4. Health | New 2026 Guidance: No Changes; Guidance Implies a Controlled Deterioration in the Loss Ratio in 2H26

2026 Guidance - Porto Saúde (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
Earned Premiums	**8,178**	**9,323**	**9,650**	**9,977**	**14.0%**	**18.0%**	**22.0%**
Revenues	154	176	182	188	14.0%	18.0%	22.0%
Total Revenue	**8,333**	**9,499**	**9,832**	**10,166**	**14.0%**	**18.0%**	**22.0%**
Net Retained Claims	(6,099)	(7,179)	(7,189)	(7,184)	17.7%	17.9%	17.8%
Loss Ratio	*74.6%*	*77.0%*	*74.5%*	*72.0%*	*2.4 p.p.*	*(0.1 p.p.)*	*(2.6 p.p.)*
Administrative Expenses	(416)	(531)	(502)	(469)	27.8%	20.7%	12.8%
G&A Ratio	*5.1%*	*5.7%*	*5.2%*	*4.7%*	*0.6 p.p.*	*0.1 p.p.*	*(0.4 p.p.)*
Other Expenses	(919)	(1,081)	(1,119)	(1,157)	17.7%	21.8%	25.9%
EBIT (2Q26 Guidance)	**899**	**707**	**1,022**	**1,356**	**(21.3%)**	**13.7%**	**50.9%**
EBIT (1Q26 Guidance)	**899**	**707**	**1,022**	**1,356**	**(21.3%)**	**13.7%**	**50.9%**
EBIT (4Q25 Guidance)	**899**	**707**	**1,022**	**1,356**	**(21.3%)**	**13.7%**	**50.9%**

Source: Porto Seguro e Genial Investimentos

Exhibit 5. Bank | New 2026 Guidance: Relevant Deterioration in Credit Losses, Partially Offset by Improvements in Revenue and Efficiency

2026 Guidance - Porto Bank (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
Gross Revenue	**7,302**	**7,700**	**7,900**	**8,100**	**5.4%**	**8.2%**	**10.9%**
Taxes on Revenue	(433)	(456)	(468)	(480)	5.4%	8.2%	10.9%
Net Revenue	**6,870**	**7,244**	**7,432**	**7,620**	**5.4%**	**8.2%**	**10.9%**
Credit Losses	*(2,280)*	*(3,500)*	*(3,300)*	*(3,100)*	*53.5%*	*44.8%*	*36.0%*
Selling Expenses	(732)	(942)	(1,040)	(1,143)	28.6%	42.1%	56.1%
Operating + Administrative Expenses	(2,337)	(1,765)	(1,662)	(1,554)	(24.5%)	(28.9%)	(33.5%)
Efficiency Ratio	*33.1%*	*28.0%*	*26.0%*	*24.0%*	*(5.1 p.p.)*	*(7.1 p.p.)*	*(9.1 p.p.)*
EBIT (2Q26 Guidance)	**1,521**	**1,037**	**1,430**	**1,823**	**(31.8%)**	**(6.0%)**	**19.8%**
EBIT (1Q26 Guidance)	**1,527**	**1,135**	**1,523**	**1,911**	**(25.6%)**	**(0.3%)**	**25.2%**
EBIT (4Q25 Guidance)	**1,527**	**1,135**	**1,523**	**1,911**	**(25.6%)**	**(0.3%)**	**25.2%**

Source: Porto Seguro e Genial Investimentos

Exhibit 6. Services | New 2026 Guidance: No Changes

2026 Guidance - Porto Serviços (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
Total Revenue	**2,563**	**2,600**	**2,750**	**2,900**	**1.5%**	**7.3%**	**13.2%**
Cost of Services	(1,557)	(1,580)	(1,671)	(1,762)	1.5%	7.3%	13.2%
Administrative Expenses	(189)	(260)	(261)	(261)	37.4%	38.0%	37.9%
G&A Ratio	*7.4%*	*10.0%*	*9.5%*	*9.0%*	*2.6 p.p.*	*2.1 p.p.*	*1.6 p.p.*
Other Expenses	(325)	(283)	(300)	(316)	(12.8%)	(7.8%)	(2.8%)
EBIT (2Q26 Guidance)	**491**	**477**	**518**	**561**	**(2.9%)**	**5.5%**	**14.2%**
EBIT (1Q26 Guidance)	**491**	**477**	**518**	**561**	**(2.9%)**	**5.5%**	**14.2%**
EBIT (4Q25 Guidance)	**491**	**477**	**518**	**561**	**(2.9%)**	**5.5%**	**14.2%**

Source: Porto Seguro e Genial Investimentos

Exhibit 7. Other Businesses | New 2026 Guidance: No Changes

2026 Guidance - Other Businesses (R$m)	Actual	2026 Estimates			YoY Changes		
	2025	Low	Mid	High	% Low	% Mid	% High
EBIT	**(648)**	**(748)**	**(648)**	**(548)**	**15.4%**	**-**	**(15.4%)**

Source: Porto Seguro e Genial Investimentos

Segment Highlights

Porto Seguro: Loss Ratio Surprises and Sustains the Result

Net income was **R$456 million (-1.8% vs. Est.; -2.4% QoQ; +4.9% YoY)** and **ROAE of 32.9%** (+1.2pp vs. Est.; -0.9pp QoQ; +1.8pp YoY):

- **Written Premiums: Recovery Confirmed.** They reached **R$5.9 billion (+0.6% vs. Est.; +3.2% QoQ; +8.5% YoY)**, with Auto insurance surprising at R$4.2 billion (+2.3% vs. Est.; +7.9% YoY) and P&C as the growth highlight, at R$982 million (+12.4% YoY), with market share gains of 0.8pp in Homeowners and 1.3pp in Commercial. Life came in below our estimate, at R$508 million (-6.0% vs. Est.; +5.8% YoY). Earned premiums totaled R$5.6 billion (-0.8% vs. Est.; +2.2% QoQ; +4.3% YoY).

- **Combined Ratio: Pressure Came from Where We Did Not Expect.** It came in at **89.1% (-0.2pp vs. Est.; +0.2pp QoQ; stable YoY)**, in line with the 89.3% projected, but with a different composition: **the loss ratio surprised at 49.1% (-2.4pp vs. Est.; -1.4pp YoY)**, below the guidance floor — the company credits the improvement to pricing and underwriting discipline and to lower claims frequency in Auto (56.7%, -1.8pp YoY), while commissions came in at 25.8% (+1.8pp vs. Est.; +1.5pp YoY), consuming practically the entire gain. Administrative expenses came in at 10.2% (+0.2pp vs. Est.), stable YoY. The company revised the vertical's loss ratio guidance from 50.5%-54.5% to 50%-54%.

Exhibit 8. Porto Seguro | 2Q26: Loss Ratio Surprises and Sustains the Result

Porto Seguro Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Porto Seguro Net Income	**464**	**456**	**467**	**434**	**(1.8%)**	**(2.4%)**	**4.9%**
Managerial ROAE Porto Seguro - 100% CDI (%)	**31.7%**	**32.9%**	**33.8%**	**31.1%**	**1.2 p.p.**	**(0.9 p.p.)**	**1.8 p.p.**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Written Premiums	5,838	5,875	5,694	5,417	0.6%	3.2%	8.5%
Auto	4,127	4,221	4,101	3,912	2.3%	2.9%	7.9%
P&C	1,000	982	955	874	(1.8%)	2.9%	12.4%
Life	540	508	484	480	(6.0%)	4.9%	5.8%
Other	170	164	155	152	(4.0%)	5.7%	8.0%
Earned Premiums	5,687	5,644	5,525	5,413	(0.8%)	2.2%	4.3%
Other Revenues	14	14	13	13	2.6%	6.7%	7.7%
Total Revenue	**5,701**	**5,658**	**5,538**	**5,426**	**(0.8%)**	**2.2%**	**4.3%**
Retained Claims	(2,929)	(2,769)	(2,821)	(2,730)	(5.5%)	(1.9%)	1.4%
Auto	(2,413)	(2,292)	(2,323)	(2,324)	(5.0%)	(1.3%)	(1.4%)
P&C	(308)	(261)	(279)	(208)	(15.1%)	(6.5%)	25.5%
Life	(154)	(158)	(163)	(138)	2.0%	(3.1%)	14.3%
Other	(53)	(58)	(56)	(59)	8.6%	3.2%	(2.1%)
Commissions	(1,365)	(1,456)	(1,373)	(1,316)	6.7%	6.1%	10.6%
Operating Expenses	(74)	(78)	(63)	(68)	5.8%	24.4%	14.6%
Taxes on Revenue	(142)	(151)	(97)	(155)	6.0%	54.9%	(3.1%)
Administrative Expenses	(569)	(575)	(559)	(553)	1.1%	2.9%	3.9%
Operating Result	**622**	**629**	**625**	**603**	**1.1%**	**0.7%**	**4.2%**
Financial Result	260	236	235	217	(9.1%)	0.6%	8.8%
Income Before Taxes and Profit Sharing	**882**	**865**	**860**	**820**	**(1.9%)**	**0.6%**	**5.4%**
Profit Sharing	(142)	(132)	(136)	(130)	(7.0%)	(2.5%)	1.8%
Income Before Taxes	**740**	**733**	**724**	**691**	**(1.0%)**	**1.2%**	**6.1%**
Income Taxes	(273)	(274)	(254)	(254)	0.5%	7.7%	8.1%
Effective Tax Rate (IR/CSLL)	(36.8%)	(37.4%)	(35.1%)	(36.7%)	0.0 p.p.	0.1 p.p.	0.0 p.p.
Other	(3)	(3)	(3)	(3)	(0.3%)	18.6%	19.8%
Porto Seguro Net Income	**464**	**456**	**467**	**434**	**(1.8%)**	**(2.4%)**	**4.9%**
Ratios	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Loss Ratio	51.5%	49.1%	51.1%	50.4%	(2.4 p.p.)	(2.0 p.p.)	(1.4 p.p.)
Auto	59.0%	56.7%	58.5%	58.5%	(2.3 p.p.)	(1.8 p.p.)	(1.8 p.p.)
P&C	32.0%	28.0%	31.4%	25.2%	(4.0 p.p.)	(3.3 p.p.)	2.9 p.p.
Life	32.0%	33.0%	34.9%	32.2%	1.0 p.p.	(1.8 p.p.)	0.8 p.p.
Other	35.0%	30.2%	28.7%	32.2%	(4.8 p.p.)	1.5 p.p.	(2.0 p.p.)
Commission Ratio	24.0%	25.8%	24.8%	24.3%	1.8 p.p.	1.0 p.p.	1.5 p.p.
Administrative Expenses	10.0%	10.2%	10.1%	10.2%	0.2 p.p.	0.1 p.p.	(0.0 p.p.)
Combined Ratio (Calculated)	**89.3%**	**89.1%**	**88.9%**	**89.1%**	**(0.2 p.p.)**	**0.2 p.p.**	**0.0 p.p.**
Expanded Combined Ratio (Calculated)	**84.7%**	**84.9%**	**84.7%**	**85.1%**	**0.2 p.p.**	**0.2 p.p.**	**(0.2 p.p.)**

Source: Porto Seguro e Genial Investimentos

Porto Saúde: Seasonality Without Surprises and Annual Improvement Preserved

Net income was **R$144 million (+9.6% vs. Est.; -33.3% QoQ; +36.4% YoY)** and **ROAE of 24.0%** (+1.3pp vs. Est.; -12.4pp QoQ; +1.6pp YoY).

- **Earned Premiums: In Line, with Added Lives.** They totaled **R$2.3 billion (-1.1% vs. Est.; +3.0% QoQ; +14.1% YoY)**, practically identical to our projection, with Health Insurance reaching 904 thousand lives (+20.3% YoY) and Dental 1,267 thousand (+16.1% YoY).
- **Combined Ratio: Seasonality Confirmed, Annual Improvement Preserved.** It came in at **93.5% (-1.4pp vs. Est.; +7.1pp QoQ; -0.8pp YoY)**, with a loss ratio of 76.9% (-0.1pp vs. Est.; -0.4pp YoY) exactly at the projected level, credited by the company to its virtual verticalization strategy. Commissions came in at 8.1% (+0.3pp vs. Est.) and administrative expenses at 5.4% (-0.1pp vs. Est.), within the annual guidance. The earnings surprise came from the operating result, at R$190 million (+20.5% vs. Est.), with operating expenses 44.4% below our estimate.

Exhibit 9. Porto Saúde | 2Q26: Seasonality Without Surprises and Annual Improvement Preserved

Porto Saúde Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Porto Saúde Net Income	**131**	**144**	**216**	**106**	**9.6%**	**(33.3%)**	**36.4%**
Managerial ROAE Porto Saúde - 100% CDI (%)	**22.8%**	**24.0%**	**36.5%**	**22.4%**	**1.3 p.p.**	**(12.4 p.p.)**	**1.6 p.p.**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Earned Premiums	**2,306**	**2,281**	**2,215**	**1,999**	**(1.1%)**	**3.0%**	**14.1%**
Other Revenues	**40**	**40**	**39**	**38**	**1.4%**	**4.0%**	**6.5%**
Claims	(1,776)	(1,753)	(1,527)	(1,545)	(1.2%)	14.8%	13.5%
Commissions	(180)	(185)	(175)	(146)	3.1%	5.7%	27.3%
Operating Expenses	(81)	(45)	(47)	(71)	(44.4%)	(3.5%)	(36.5%)
Taxes on Revenue	(25)	(26)	(34)	(22)	0.8%	(25.9%)	13.9%
Administrative Expenses	(127)	(123)	(131)	(100)	(3.4%)	(6.1%)	22.8%
Operating Result	**157**	**190**	**340**	**153**	**20.5%**	**(44.2%)**	**23.8%**
Financial Result	85	88	81	45	3.4%	8.7%	94.9%
Income Before Taxes and Profit Sharing	**243**	**278**	**421**	**198**	**14.5%**	**(34.0%)**	**40.0%**
Profit Sharing	(37)	(43)	(64)	(32)	15.0%	(33.3%)	32.6%
Income Before Taxes	**205**	**235**	**357**	**166**	**14.4%**	**(34.2%)**	**41.5%**
Income Taxes	(74)	(91)	(141)	(60)	23.0%	(35.5%)	50.5%
Effective Tax Rate (IR/CSLL)	(36.0%)	(38.7%)	(39.5%)	(36.4%)	(2.7 p.p.)	0.8 p.p.	(2.3 p.p.)
Other	-	-	-	-	n.a.	n.a.	n.a.
Porto Saúde Net Income	**131**	**144**	**216**	**106**	**9.6%**	**(33.3%)**	**36.4%**
Ratios	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Loss Ratio	77.0%	76.9%	68.9%	77.3%	(0.1 p.p.)	7.9 p.p.	(0.4 p.p.)
Commission Ratio	7.8%	8.1%	7.9%	7.3%	0.3 p.p.	0.2 p.p.	0.8 p.p.
Administrative Expenses	5.5%	5.4%	5.9%	5.0%	(0.1 p.p.)	(0.5 p.p.)	0.4 p.p.
Combined Ratio (Calculated)	**94.9%**	**93.5%**	**86.4%**	**94.2%**	**(1.4 p.p.)**	**7.1 p.p.**	**(0.8 p.p.)**
Expanded Combined Ratio (Calculated)	**91.2%**	**89.6%**	**82.7%**	**92.0%**	**(1.6 p.p.)**	**6.8 p.p.**	**(2.4 p.p.)**

Source: Porto Seguro e Genial Investimentos

Porto Bank: A More Adverse Credit Cycle Pressured the Quarter

Net income was **R$138 million (-29.8% vs. Est.; -34.9% QoQ; -32.5% YoY)** and **ROAE of 16.3%** (-7.1pp vs. Est.; -8.4pp QoQ; -11.2pp YoY).

- **Total Revenue: In Line, with Consortium Holding Up.** It reached **R$1.9 billion (+0.5% vs. Est.; +0.7% QoQ; +2.3% YoY)**, with cards and financing at R$785 million (+0.8% vs. Est.; -0.4% QoQ) confirming the slowdown we had anticipated — cards eligible for use fell 2.3% QoQ, to 3.85 million, on adjustments to approval policies. The Consortium remains the most resilient pillar, at R$413 million (+1.4% vs. Est.) and an assets-under-management portfolio of R$116 billion (+41.1% YoY). The annual read on fee-based revenue and operating expenses is affected by the reclassification of Rewards and card networks adopted in 2026; on the comparable basis disclosed by the company, fee-based would have been R$839.6 million (+29.5% YoY).

- **Efficiency Ratio: Better Than Expected.** It came in at **25.4% (-2.5pp vs. Est.; -2.3pp QoQ; -7.7pp YoY)**, below the 27.9% projected and below the floor of the previous guidance, of 27%. The company attributes the gain to contract renegotiation, self-service, digital collection and technology insourcing, and revised the line's guidance to 24%-28%.
- **Credit Losses: Above the Top of Our Scenario.** They reached **R$868 million (+18.7% vs. Est.; +19.3% QoQ; +67.3% YoY)** against the R$732 million projected, the main driver of the deviation in the vertical's earnings. The company attributes the increase to a more adverse credit cycle and to a more conservative stance in risk management. The indicators followed suit: **the over-90 ratio rose to 9.4% (+1.1pp QoQ; +2.4pp YoY)**, Stage 3 coverage fell to 62.5% and the risk-adjusted NIM closed at 0.1%, against the 2.8% projected, with the compression concentrated in cards — management signals that the over 15-90 has already declined in the quarter. Annual guidance for the credit losses line was revised from -R$2.7/-3.1 billion to -R$3.1/-3.5 billion.

Exhibit 10. Porto Bank | 2Q26: A More Adverse Credit Cycle Takes Its Toll

Porto Bank Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Porto Bank Net Income	**196**	**138**	**211**	**204**	**(29.8%)**	**(34.9%)**	**(32.5%)**
Managerial ROAE Porto Bank	**23.4%**	**16.3%**	**24.8%**	**27.6%**	**(7.1 p.p.)**	**(8.4 p.p.)**	**(11.2 p.p.)**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Financial Revenues	**1,126**	**1,119**	**1,133**	**1,010**	**(0.7%)**	**(1.3%)**	**10.7%**
Credit Card and Financing	779	785	788	689	0.8%	(0.4%)	13.8%
Rental Guarantee	273	284	269	249	3.8%	5.3%	13.8%
Capitalization	31	34	30	28	10.4%	11.8%	20.5%
Other	44	16	46	44	(62.3%)	(64.1%)	(62.3%)
Fee-Based Revenues	**736**	**753**	**726**	**820**	**2.3%**	**3.7%**	**(8.2%)**
Credit Card and Financing	308	319	299	424	3.7%	6.6%	(24.6%)
Capitalization	21	21	22	19	(0.9%)	(4.7%)	8.2%
Consortium	408	413	405	377	1.4%	2.1%	9.5%
Total Revenue	**1,863**	**1,872**	**1,859**	**1,831**	**0.5%**	**0.7%**	**2.3%**
Taxes on Revenue	(110)	(98)	(113)	(108)	(11.1%)	(13.7%)	(9.5%)
Net Revenue	**1,753**	**1,774**	**1,746**	**1,723**	**1.2%**	**1.6%**	**3.0%**
Credit Losses	(732)	(868)	(728)	(519)	18.7%	19.3%	67.3%
Commission	(235)	(276)	(227)	(265)	17.5%	21.4%	4.3%
Operating + Administrative Expenses	(423)	(381)	(421)	(548)	(10.0%)	(9.4%)	(30.4%)
Operating Expenses	(166)	(147)	(167)	(316)	(11.0%)	(11.9%)	(53.4%)
Administrative Expenses	(258)	(234)	(253)	(232)	(9.3%)	(7.8%)	0.9%
Income Before Taxes and Profit Sharing	**362**	**249**	**370**	**391**	**(31.4%)**	**(32.8%)**	**(36.4%)**
Profit Sharing	(64)	(41)	(58)	(63)	(35.9%)	(29.2%)	(34.7%)
Income Before Taxes	**299**	**208**	**312**	**328**	**(30.5%)**	**(33.5%)**	**(36.7%)**
Income Taxes	(115)	(70)	(114)	(124)	(39.4%)	(38.6%)	(43.8%)
Effective Tax Rate (IR/CSLL)	(38.5%)	(33.6%)	(36.4%)	(37.8%)	5.0 p.p.	2.8 p.p.	4.2 p.p.
Other	13	(0)	13	0	(101.7%)	(101.7%)	(910.0%)
Net Income	**196**	**138**	**211**	**204**	**(29.8%)**	**(34.9%)**	**(32.5%)**
Ratios	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Default Rate over 90 days	9.1%	9.4%	8.2%	6.9%	0.2 p.p.	1.1 p.p.	2.4 p.p.
Coverage Ratio	86.4%	78.1%	82.0%	129.4%	(8.3 p.p.)	(3.9 p.p.)	(51.3 p.p.)
NPL Formation (%)	-	12.7%	9.0%	8.4%	-	3.7 p.p.	4.2 p.p.
Efficiency Ratio (%)	27.9%	25.4%	27.7%	33.2%	(2.5 p.p.)	(2.3 p.p.)	(7.7 p.p.)
ROAE	**23.4%**	**16.3%**	**24.8%**	**27.6%**	**(7.1 p.p.)**	**(8.4 p.p.)**	**(11.2 p.p.)**

Source: Porto Seguro e Genial Investimentos

Porto Serviços: Above Expectations, but Still Not Drawing Attention

Net income came in better than expected, reaching **R$50 million (+21.2% vs. Est.; -5.3% QoQ; +11.2% YoY)** and **ROAE of 25.4%** (+8.0pp vs. Est.; +4.0pp YoY), above expectations. Revenues totaled R$659 million (+0.7% vs. Est.; +5.6% YoY), with Strategic Partnerships (+8.2% YoY) and Digital Products (+34.3% YoY) as highlights. EBITDA fell to R$95 million (-6.2% YoY), with a margin of 14.4% (-1.8pp YoY), pressured by administrative expenses 41.5% higher YoY.

Exhibit 11. Porto Serviços | 2Q26: Above Expectations, but Still Not Drawing Attention

Porto Serviços Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Porto Serviços Net Income	**41**	**50**	**53**	**45**	**21.2%**	**(5.3%)**	**11.2%**
Managerial ROAE Porto Serviços - 100% CDI (%)	**17.4%**	**25.4%**	**22.8%**	**21.5%**	**8.0 p.p.**	**2.6 p.p.**	**4.0 p.p.**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Revenues	654	659	674	624	0.7%	(2.2%)	5.6%
Cost of Services	(406)	(395)	(418)	(373)	(2.7%)	(5.6%)	5.7%
Taxes on Revenue	(31)	(33)	(32)	(29)	8.5%	4.9%	13.7%
Commission	(36)	(40)	(37)	(45)	12.3%	8.2%	(9.6%)
Operating Expenses	(12)	(9)	(4)	(11)	(21.9%)	117.0%	(18.1%)
Administrative Expenses	(62)	(71)	(65)	(50)	0.1 p.p.	0.1 p.p.	0.4 p.p.
Operating Result	**108**	**111**	**118**	**116**	**2.6%**	**(5.9%)**	**(4.3%)**
Financial Result	-	2	3	0	n.a.	(23.9%)	515.1%
Intangible Amortization	(8)	(8)	(8)	(8)	0.0%	0.0%	0.1%
Income Before Taxes and Profit Sharing	**100**	**106**	**113**	**109**	**5.0%**	**(6.8%)**	**(2.9%)**
Profit Sharing	(20)	(17)	(18)	(15)	(0.1 p.p.)	(0.1 p.p.)	0.1 p.p.
Income Before Taxes	**81**	**88**	**95**	**93**	**9.3%**	**(7.1%)**	**(5.1%)**
Income Taxes	(32)	(31)	(35)	(36)	(3.6%)	(10.3%)	(14.8%)
Effective Tax Rate (IR/CSLL)	(39.8%)	(35.1%)	(36.3%)	(39.1%)	4.7 p.p.	1.2 p.p.	4.0 p.p.
Other	(7)	(7)	(8)	(12)	(0.0 p.p.)	(0.1 p.p.)	(0.4 p.p.)
Net Income	**41**	**50**	**53**	**45**	**21.2%**	**(5.3%)**	**11.2%**
Ratios	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Administrative Expenses	**9.5%**	**10.7%**	**9.6%**	**8.0%**	**1.2 p.p.**	**1.1 p.p.**	**2.7 p.p.**

Source: Porto Seguro e Genial Investimentos

Other Businesses: EBIT Still Negative, but Much Better Than Projected

Net income was **R$92 million (+368.5% vs. Est.; -50.9% QoQ; +3.2% YoY)**, the largest individual deviation of the quarter. Revenues came in 33.4% above our estimate, at R$143 million, and the operating result remained negative, but far less so than we had projected (-R$82 million vs. -R$123 million). The remainder of the deviation came from the Other line, which captured the positive IFRS 17 adjustment of R$38.8 million.

Exhibit 12. Other Businesses | 2Q26: EBIT Still Negative, but Much Better Than Projected

Other Businesses Review (R$m)	2Q26E	2Q26	1Q26	2Q25	Vs. Est	QoQ	YoY
Other Businesses Net Income	**20**	**92**	**187**	**89**	**368.5%**	**(50.9%)**	**3.2%**
P&L Summary	**2Q26E**	**2Q26**	**1Q26**	**2Q25**	**Vs. Est**	**QoQ**	**YoY**
Revenues	**107**	**143**	**85**	**119**	**33.4%**	**68.6%**	**20.0%**
Operating Result	**(123)**	**(82)**	**(174)**	**(106)**	**(33.1%)**	**(52.5%)**	**(21.9%)**
Financial Result	64	60	(12)	113	(5.5%)	(594.6%)	(46.7%)
Intangible Amortization	-	-	-	0	n.a.	n.a.	(100.0%)
Income Before Taxes and Profit Sharing	**(60)**	**(22)**	**(186)**	**8**	**(62.8%)**	**(88.1%)**	**(390.4%)**
Profit Sharing	(14)	(51)	12	(52)	249.8%	(535.4%)	(2.0%)
Income Before Taxes	**(74)**	**(73)**	**(174)**	**(44)**	**(1.7%)**	**(58.2%)**	**65.3%**
Income Taxes	118	125	363	125	0.1 p.p.	(0.7 p.p.)	0.0 p.p.
Effective Tax Rate (IR/CSLL)	(159.1%)	(172.1%)	(208.4%)	(283.5%)	(13.0 p.p.)	36.4 p.p.	111.5 p.p.
Other	(24)	39	(2)	8	(262.8%)	(1916.2%)	384.4%
Net Income	**20**	**92**	**187**	**89**	**368.5%**	**(50.9%)**	**3.2%**

Source: Porto Seguro e Genial Investimentos

Financial Result and Taxes

Consolidated Financial Result: totaled **R$387 million (-5.4% vs. Est.; +26.2% QoQ; +3.0% YoY)**, below the R$409 million projected. The strong sequential increase we had anticipated was confirmed for the same reason we had pointed out: the quarter was not impacted by bond roll-overs, an effect that consumed R$33.9 million in Porto Cap's ALM in 1Q26. The portfolio managed by the treasury yielded R$475 million, or 89.9% of the CDI, a performance the company attributes mainly to its equity allocation, even though it outperformed the Ibovespa, which fell 8.2% in the quarter.

Consolidated Taxes: the effective tax rate came in at **28.7%**, below the 30.1% projected (1.5pp vs. Est.) and practically stable YoY (28.4% in 2Q25), normalizing from the 13.8% of 1Q26, which had been helped by the R$185 million deferred tax reversal from the ISAR merger. In 2Q26, the only adjustment to recurring earnings was the R$9.2 million benefit from the amortization of CDF goodwill. **Effective tax rate guidance for 2026 was revised from 24%-28% to 23%-27%.**

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under Review	Under review	**5%**

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