

ANNUAL REPORT

2021

**Fidelidade – Companhia de
Seguros, S.A.**

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

Consolidated and Separate Annual Report and Accounts 2021

Fidelidade – Companhia de Seguros, S.A.

Head Office: Largo do Calhariz nº 30 - 1249-001 Lisboa

Tax No. 500 918 880

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

Index

A MANAGEMENT REPORT

B CONSOLIDATED ANNUAL REPORT AND ACCOUNTS

B1 Consolidated Financial Statements

B2 Report and Opinions on the Consolidated Accounts

C SEPARATE ANNUAL REPORT AND ACCOUNTS

C1 Separate Financial Statements

C2 Report and Opinions on the Separate Accounts

D CORPORATE GOVERNANCE REPORT

E. SUSTAINABILITY REPORT



A Management Report

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

Contents

1. MESSAGE FROM THE BOARD OF DIRECTORS
2. WHO WE ARE
 - 2.1 Key Indicators
 - 2.2 Value Creation Model
 - 2.3 Mission and Values
 - 2.4 Our History
 - 2.5 Shareholder and Company Structure
 - 2.6 Our Presence in the World
 - 2.7 Corporate Bodies and Corporate Governance
 - 2.8 2021 Highlights
3. OUR BUSINESS MODEL
 - 3.1 Our Brand
 - 3.2 Products and Services
 - 3.3 Distribution Channels
 - 3.4 Innovation and Digitalisation
 - 3.5 Our People
4. STRATEGY AND RISK MANAGEMENT
 - 4.1 Fidelidade Group Strategy
 - 4.2 How we manage risk
5. FINANCIAL PERFORMANCE
 - 5.1 Market Environment
 - 5.2 Market Shares
 - 5.3 Consolidated Financial Performance
 - 5.4 Separate Financial Performance
 - 5.5 Subsequent Events
 - 5.6 How we see the Future
6. NON-FINANCIAL STATEMENT
7. APPLICATION OF INCOME
 - 7.1 Proposal for the Application of Income

1. MESSAGE FROM THE BOARD OF DIRECTORS

MESSAGE FROM THE BOARD OF DIRECTORS

These last two years have undoubtedly been among the most challenging of recent decades. A test of resilience, the capacity for adaptation and social awareness. Resilience to overcome the economic effects of the pandemic, adaptation to the resulting social changes, and social awareness to respond to the needs of the population.

When, in 2020, we were surprised by the onset of the pandemic, we made the decision to support our clients in every way possible. And, in 2021, we continued along this path, seeking to do what an insurer should do i.e. protect people and their assets, protect our staff, clients and business partners, and extend this wave of protection to all of society.

We are entirely convinced that the positive results we achieved in 2021 were profoundly impacted by the recognition afforded by all stakeholders, in particular our clients, to this solid and unequivocal support to the community.

The 2021 results demonstrate that Fidelidade has been able to manage this instability and combine its attributes to grow above market rate. In Portugal, we expanded our market share by 1.9 pp to reach an all-time record of 29.1%, in a difficult macroeconomic context that saw Portugal go through its worst economic and health crisis in contemporary history. In a context of significant difficulties in all the locations where we are present, we were able to generate overall growth in premiums of 38% to reach 4.912 billion euros, in addition to increasing our net profit to 270 million euros, with a year-on-year surge of 21.6%. In this chapter, we may highlight the notable growth in premiums for the Life Financial segment, up 107%, together with the 20% increase in international business, generated from operations spread across 12 countries and four continents.

Our internationalisation strategy, heavily pushed in recent years, has proven correct. For the first time in our history, we have broken the barrier of one billion euros in premiums generated outside of Portugal. A large majority of the international operations registered sustained growth with particular highlights being our subsidiary in Chile, a green field operation that managed to boost its turnover from 32.4 million euros in 2020 to 61.6 million euros in 2021, an extraordinary leap demonstrating the capacity for innovation and growth in such a highly competitive market.

Continuing with the internationalisation process, we also enhanced our presence in Mozambique through the acquisition of 70% of the capital of SIM, Seguradora Internacional de Moçambique, in an operation that will enable us to rank third place among the largest insurers in the market. In Europe, we reached agreement over purchasing a 70% stake in the insurtech The Prosperity Group AG, a group primarily focused on developing long-term savings products based on innovative technological solutions, with 98% of its clients in Switzerland and Germany, markets with major potential in this segment. With gross premiums of 200 million euros in 2021, the company has a volume of expected global committed premiums of over 5.5 billion euros in the coming years. With these recent developments, Fidelidade will be the market leader in Portugal, Bolivia and Cape Verde and in the Top 3 in Peru, Angola and Mozambique.

The A-rating granted to Fidelidade by Fitch, a classification that ranks higher than Portuguese sovereign debt and the leading financial institutions of Portugal, confirms our company as one of the most solvent in the country. Furthermore, in May 2021, Fidelidade issued 500 million euros in 10-year subordinated debt (Tier II), which enabled a decisive strengthening of its capital position and guaranteed the conditions for the Group to continue its solid growth.

In Portugal, we continue along the path of innovation and investing in the client experience based upon both our digital strategy and strengthening of the omni-channel approach. The best example of the success of our

strategy is the fact that we already have over one million clients in Portugal using our APP and the private client area. We have launched new product and service solutions, among which we may highlight the launch of the Mysavings 2.0 Application, fundamental to strengthening our position as a partner to our clients when planning their financial futures, and the speechbot “Maria”, a solution for client support services using artificial intelligence that has received several innovation awards in Portugal.

Preparing the future is an essential task for Fidelidade. Sustainability is always one of our core concerns and we therefore continue to invest in the prevention and mitigation of risks, and environmental responsibility. The continued investment in the Vitality program, which rewards the adoption of healthy lifestyle habits by our clients, reflects this attitude in the health sector. Furthermore, in the motor segment, through the Mydrive App, we continue to encourage more sustainable driving behaviour from the environmental perspective and to foster a lower accident rate, rewarding clients who adopt more efficient and safer driving habits. We have also launched the PPR 40+ESG, a financial solution that links saving to the promotion of good environmental practices, which is totally aligned with the principles of sustainability that Fidelidade defends.

Honouring our WeCare spirit, we have continued to do far more than we are obliged to, providing continuous support to the Portuguese population and in every market where we have operations. As an example of this support, we can highlight the provision of a free post-Covid health check-up for all health insurance clients in Portugal.

To conclude, we would like to offer a very special vote of thanks to our employees and partners. The good results and success that we have obtained would not be possible without the strong commitment of everybody involved who, in particularly difficult conditions, throughout wave after wave of this pandemic, continued to display great resilience and unquestionable loyalty to our constant purpose: Protecting our clients so that life does not stop.

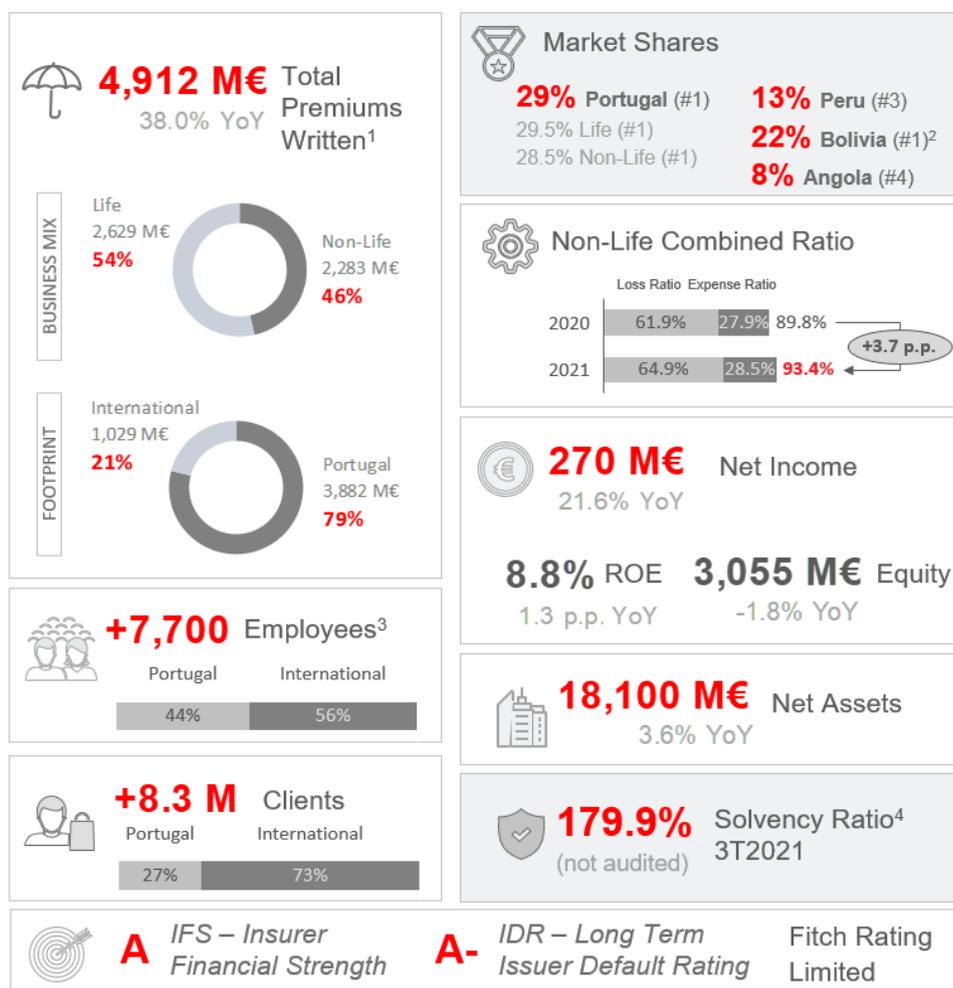
Confident in our strategy, we will continue to work towards facing the post-pandemic future, especially advancing with our efforts at rejuvenation and strengthening the competences of our staff. Our sustained ambition of innovation, internationalisation and people focus will continue to be decisive for Fidelidade throughout 2022. We are preparing ourselves for the future, a future that will be increasingly sustainable.

Rogério Campos Henriques
Chairman of the Executive Committee of the BD

Jorge Magalhães Correia
Chairman of the Board of Directors

2. WHO WE ARE

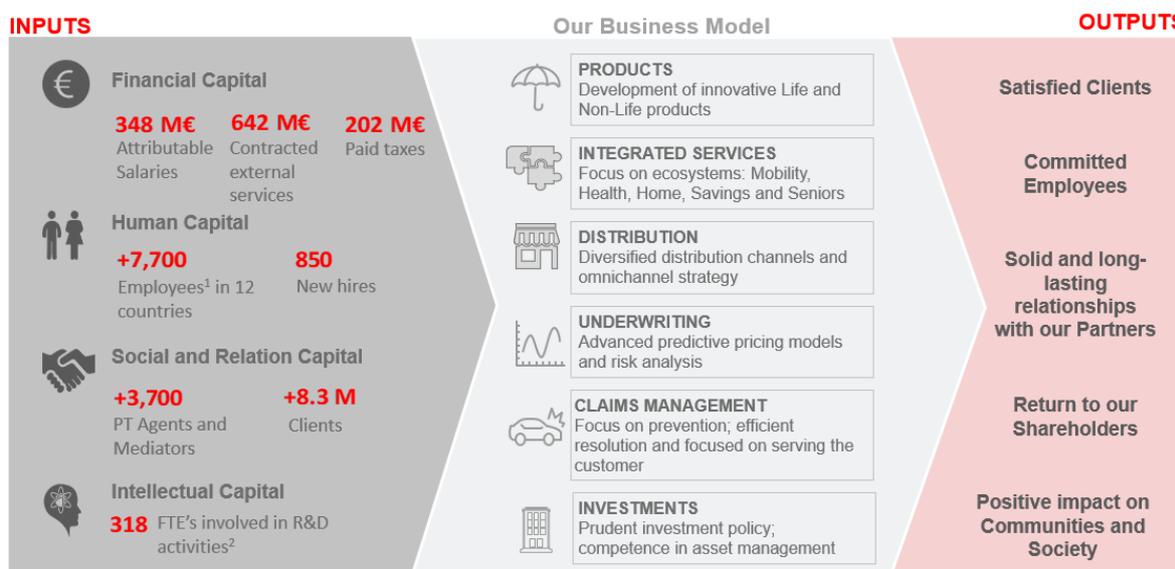
2.1 Key Indicators



1. Includes investment contracts; 2. #1 among private capital insurers; 3. Excludes Luz Saúde employees; 4. Fidelidade Consolidated.

2.2 Value Creation Model

The Fidelidade Group’s Business Model is born out of our mission and values, and is supported by our strategy and governance model. Its main aim is to create value for our clients, employees, partners, shareholders and society in general. The Fidelidade Group’s activity is client-focused, guaranteeing them protection and satisfaction.



1. Excludes Luz Saúde Employees; 2. Number of people who developed R&D activities at Grupo Fidelidade in 2021, excluding Luz Saúde (Source: IPCTN19)

2.3 Mission and Values

The Fidelidade Group's mission is to support development and the building of a sustainable society. The Group is committed to educating, serving, assisting and caring for people throughout their lives, with innovative products and services that provide effective protection.

From our early origins, we have always been a human company made up of people thinking about people. We are genuine in everything we say and do. People know they can trust us. This is the commitment we have made, which also promotes stability in our relations with all those who are Fidelidade – customers, employees, partners, shareholders and society itself. This is what we work for every day, giving meaning to our purpose, so that life never stops!

It is by sharing our values that we are Fidelidade!

BE PROUD OF OUR PAST, INSPIRE OUR FUTURE

We are Fidelidade whenever we reinvent the past with the future. Our history makes us proud, challenges us, and gives us strength, responsibility and inspiration to reinvent the future. We honour our History by sharing our knowledge.

BE INNOVATIVE, CHASE THE PROGRESS

We are Fidelidade whenever we drive change. We believe it is always possible to find better solutions to protect the Lives and Property of our clients. And it is this spirit that drives us to change and reinvent what we do.

BE OUTSTANDING, OVERCOME YOUR LIMITS

We are Fidelidade whenever we outdo ourselves. We always want to do more, and we try to go further in everything we do. We dare to dream and outdo ourselves so we can continue to transform society.

BE PEOPLE DRIVEN, BE THERE

We are Fidelidade whenever we are there. The Fidelidade Group is made up of people who contribute to protecting and caring for people. We are reliable, and we honour our commitments. People know they can count on our skills. Because every story is a part of our story.

*To be Fidelidade is to be present in the world in a special way.
Knowing how to be close at hand, driving change.
Reinventing the future with a pride in our past.
Overcoming challenges and limits, to go further each day.*

2.4 Our History

Two centuries of history have contributed to Fidelidade's current credibility, size and solidity.

With roots dating back to 1808, when the insurer Bonança was founded, Fidelidade is the result of the combining of two major operators in the Portuguese market: Fidelidade Mundial and Império Bonança, after the latter was acquired by the Caixa Geral de Depósitos ("CGD") Group in 2005.

The years that followed were marked by progressive integration of the two companies, culminating in their merger in 2012 and the launch of the single brand Fidelidade in 2013. In 2014, Fidelidade was privatised, with the Fosun Group acquiring most of its share capital, beginning a new phase marked by consolidation of the company's leadership in Portugal and international expansion.

A HISTORY THAT NEVER STOPS

1800



- 1808: Foundation of Bonança
- 1816: Bonança adopts an anchor as its first symbol
- 1835: Foundation of Fidelidade
- 1845: Fidelidade is the pioneer in Life Insurance



1900



1910: Mundial is the pioneer in Employment insurance

1945: Império innovates with Popular Life Insurance

1975: Nationalisation of the Insurance sector in Portugal

1978: Creation of Mundial Confiança E.P.

1979: Constitution of Grupo Segurador Fidelidade E.P.

1980: Merger of Bonança with Comercio e Industria, União Ultramarina

1990: Reprivatisation of Bonança

1992: Reprivatisation of Império and Mundial Confiança

1995: CGD holds the entire share capital of Fidelidade

1997: Mundial Confiança launches Multicare health insurance

1999: Rebranding of Fidelidade

2000



2001: Foundation of Império Bonança S.A.

2002: Merger of Fidelidade and Mundial Confiança



2004: Launch of the single brand Fidelidade Mundial

2005: Multicare is leader in health insurance



2006: Fidelidade Mundial is market leader

2007: Acquisition of Companhia Portuguesa de Resseguros (CPR)



2008: Leve PPR is leader in retirement savings

2011: Start-up of Universal Seguros

2012: Merger of Império Bonança and Fidelidade Mundial and constitution of Fidelidade C³ Seg.



2013: Launch of the single Fidelidade brand

FOSUN 复星



2022

2014: Acquisition of Garantia (Cape Verde) by Fidelidade, acquisition of 85% interest in Fidelidade by Fosun, Fidelidade Mozambique starts operations and acquisition of ES Saúde (Luz Saúde) by Fidelidade

2017: Rebranding of Universal Seguros to Fidelidade Angola

2019: Acquisition of majority stake in the Peruvian group La Positiva

2020: Fid Chile starts operations and acquisition of Tenax, an Asset Management company (UK)

2021: Acquisition of 70% of Ímpar and agreement to acquire 70% of Insurtech Prosperity Group AG

**AND CONTINUES
WITH YOU**

2.5 Shareholder and Company Structure

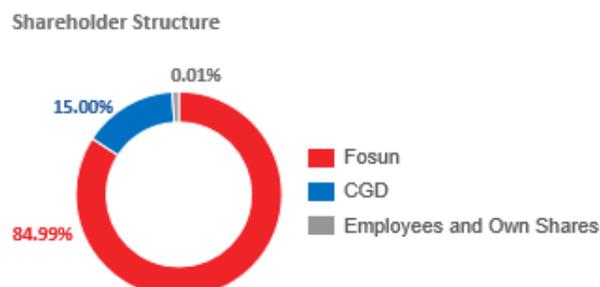
SHAREHOLDER STRUCTURE

Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group. It is owned 84.99% by the Fosun Group, through Longrun Portugal, SGPS, S.A., and 15.00% by Caixa Geral de Depósitos, S.A.

The **Fosun Group** is one of the largest Chinese private conglomerates with an international presence that is listed (Fosun International Limited) on the Hong Kong Stock Exchange (00656.HK). It has shareholdings in several sectors including insurance, banking, the pharmaceutical industry and tourism.

CGD is a Portuguese state-owned bank. It was established in 1876 and is currently one of the largest financial institutions in Portugal, with around 4 million clients, and is present in around 20 countries.

The complementary relationship and ambition of these two shareholders of reference provide a guarantee of the stability and dynamism of the Fidelidade Group's operations.

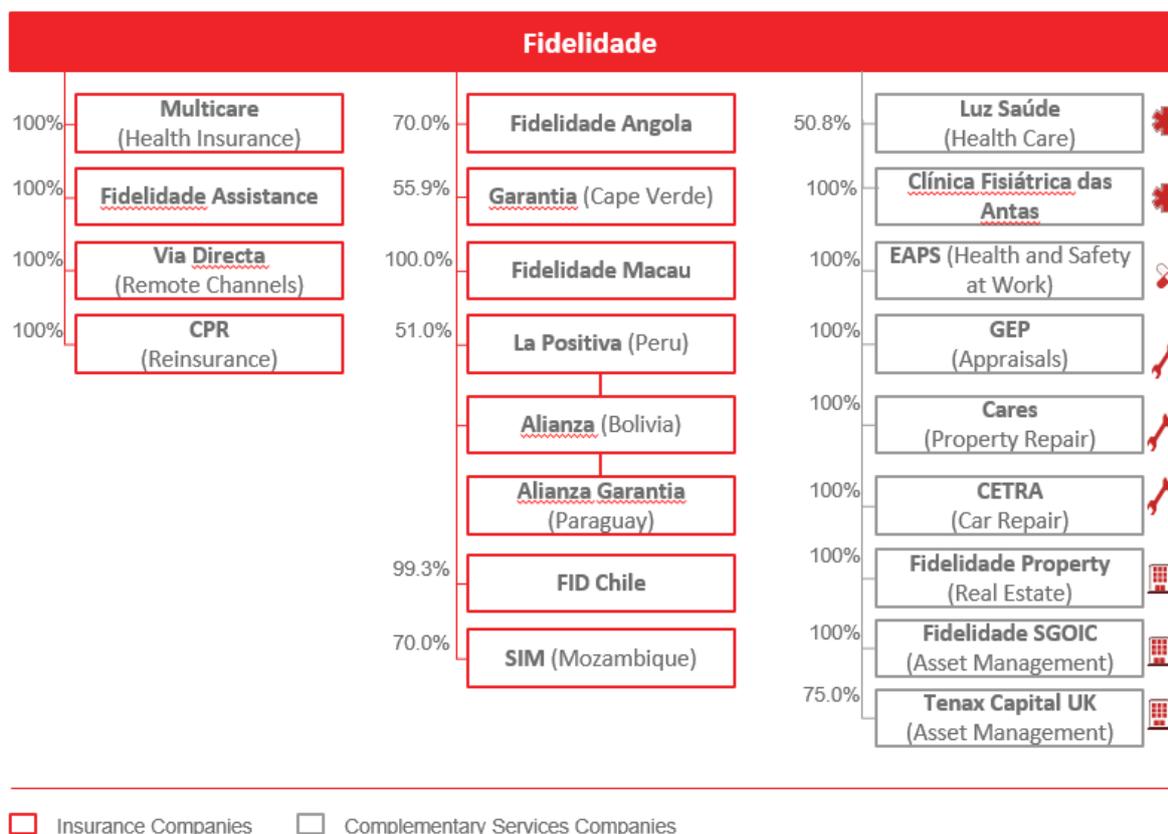


GROUP COMPANIES

The Fidelidade Group operates in the Portuguese insurance market through five companies: Fidelidade, Multicare, Fidelidade Assistência, Via Directa and Companhia Portuguesa de Resseguro. In the international market it operates through its branches – in Spain, France, Luxembourg and Mozambique – and through its subsidiaries - Fidelidade Angola, Garantia Cabo Verde, Fidelidade Macau, La Positiva (Peru), Alianza (Bolivia), Alianza Garantia (Paraguay) and Fid Chile. The Fidelidade Group also has subsidiaries and strategic shareholdings in companies that provide services that are complementary to insurance (e.g. the Luz Saúde Group, CETRA, EAPS, Fidelidade Property, Tenax, etc.). These fit within the strategy of guaranteeing operational excellence and service quality throughout the value chain, enabling the Fidelidade Group to position itself as a global service provider of people protection.

The main companies that constitute the Fidelidade Group are:

Simplified Organisation Chart

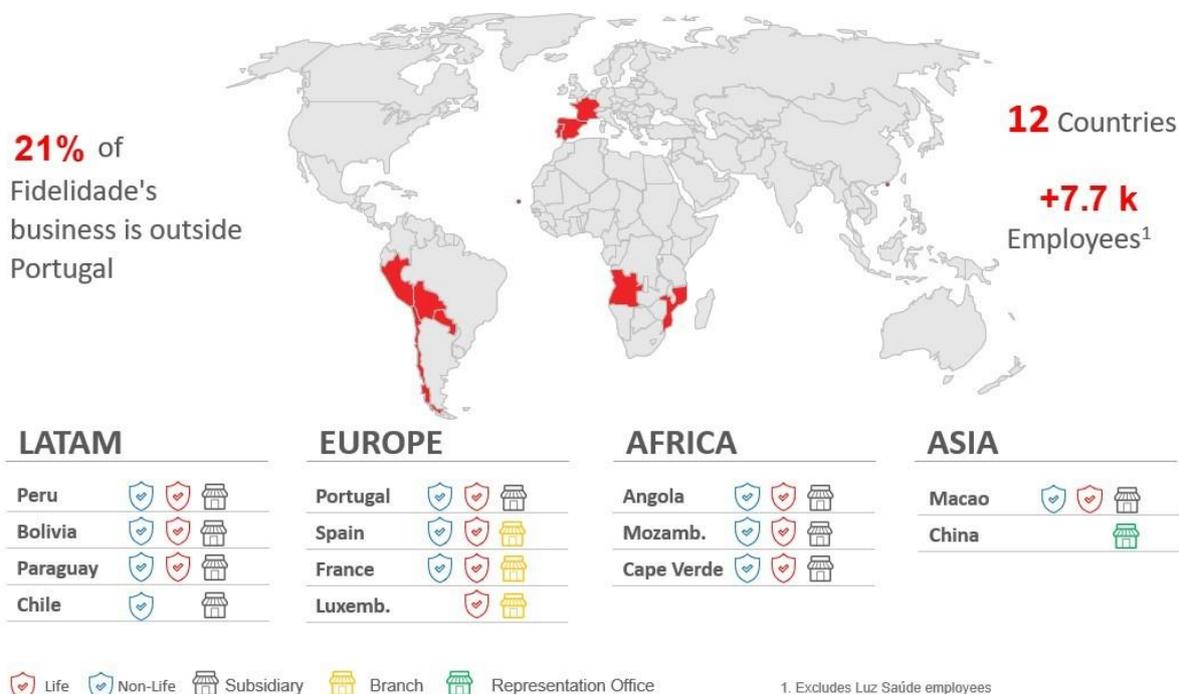


	<p>Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group and is market leader in the Portuguese insurance market. It provides a wide range of Life and Non-Life products and, as previously mentioned, has operations in several geographies.</p>
	<p>Multicare – Seguros de Saúde, S.A. is the insurance company within the group dedicated to health insurance, managing the market leader in health insurance in Portugal, with over one million clients. It has the largest private network of health providers in Portugal (with around 5,000 healthcare providers) and a network with over 700 providers of reference in Mozambique, Angola and Cape Verde, among other countries.</p>
	<p>Fidelidade Assistência – Companhia de Seguros, S.A. is an insurance company specialised in Assistance and Legal Protection insurance. Operating essentially as a reinsurer, it is the market leader in Portugal. It provides support to its customers, on a global scale, through its network of representatives, and the international APRIL network to which it belongs.</p>
	<p>Via Directa – Companhia de Seguros S.A. is the insurance company within the Fidelidade Group designed to sell insurance policies through remote channels (telephone and internet), and operates through several brands, among them the OK!Telesseguros brand. It is a pioneer in online sales of insurance in Portugal and leader in the direct insurers segment.</p>
	<p>Companhia Portuguesa de Resseguros, S.A. operates in reinsurance in the Non-Life segment in Portugal, essentially underwriting risks under the Non-Proportional Treaties with Fidelidade.</p>

	<p>Fidelidade Angola – Companhia de Seguros, S.A., (previously Universal Seguros, S.A.), set up in 2012, is currently the third largest insurer in Angola in terms of turnover and the largest private capital insurer. It operates in the Non-Life and Life segments, offering a wide range of products, especially in the Corporate sector.</p>
	<p>Fidelidade has been present in Macao since 1999, and is duly authorised to carry on the insurance business, serving the local population with a diverse offer of protection solutions for private clients and companies. It initially operated through local branches and subsequently through companies incorporated under local law, Fidelidade Macau – Companhia de Seguros, S.A. (set up in 2015) and Fidelidade Macau Vida – Companhia de Seguros, S.A. (set up in 2020). These companies sell Non-Life and Life insurance, respectively, through an agents’ network and Banco Nacional Ultramarino (“BNU”), with which they have a Bancassurance agreement.</p>
	<p>Garantia - Companhia de Seguros de Cabo Verde, S.A., which is celebrating its 30th anniversary, is the market leader in insurance in Cape Verde and operates in the Life and Non-Life segments with a diverse range of products, including health insurance (the pioneer in the market). The company distributes its insurance through agencies and the banking channel, having entered into a Bancassurance agreement with Banco Comercial do Atlântico, its shareholder with 25% of the share capital.</p>
	<p>Founded in 1937, La Positiva Seguros y Reaseguros, S.A.A. heads the insurance group that occupies 3rd place in the Peruvian market. It provides a wide range of products in the Non-Life and Life segments, and has almost 4 million customers and a vast distribution network in that country. The La Positiva Group is also present in Bolivia and Paraguay, through its holdings in the companies Alianza Compañía de Seguros y Reaseguros S.A. E.M.A. and Alianza Vida Seguros y Reaseguros, S.A.. The company La Positiva Seguros y Reaseguros, S.A.A. (Non-Life) and its subsidiary La Positiva Vida Seguros y Reaseguros, S.A.A. (Life) are listed companies on the Lima stock market (POSITIC1; POSITVC1).</p>
	<p>Alianza Compañía de Seguros y Reaseguros S.A. was founded in 1991 and heads the largest private capital insurance group in Bolivia, selling Non-Life and Life insurance. It operates through Alianza Vida Seguros y Reaseguros S.A., which is also the market leader among private capital insurers, with around 650,000 customers. Both companies are listed on the Bolivian stock market.</p>
	<p>Alianza Garantia S.A. is an insurance company that has been operating in the Non-Life and Life segments in Paraguay since 1972. The company is a subsidiary of Alianza Compañía de Seguros y Reaseguros S.A. (Bolivia), which became a shareholder in 2014. It is currently ranked 9th among Non-Life insurers in Paraguay.</p>
	<p>Seguradora Internacional de Moçambique, S.A. is one of the largest and most experienced insurance companies operating in Mozambique, with a diverse offer of products in the Life and Non-Life segments. It is present throughout the country through a network of own stores in the province capitals and through exclusive access to the Millennium Bim network, one of the largest and most prestigious banks operating in Mozambique.</p>
	<p>FID Chile Seguros Generales, S.A. is an insurance company in the Non-Life segment that began operating in January 2020, after having obtained authorisation from the Chilean regulator in the final quarter of 2019. FID Chile has developed a range of Non-Life products aimed at individual and corporate customers, and distributes these through brokers and other non-traditional channels.</p>
	<p>Luz Saúde, S.A. is the head of the Luz Saúde group, which is market leader in the provision of private healthcare in Portugal, managing fifteen private hospitals, one NHS hospital, under a public-private partnership arrangement, eleven private clinics operating on an out-patient basis, and two senior residences. In 2020 it had 1,700 beds, and performed over 1.9 million out-patient consults, 420,000 emergency consults and 68,000 surgeries and deliveries.</p>

 <p>safemode Gestão de Segurança e Saúde nas Empresas</p>	<p>Safemode is the brand under which EAPS – Empresa de Análise, Prevenção e Segurança, S.A. develops and provides risk analysis and health and safety at work services, including workplace medicine, among others.</p>
 <p>G E P GESTÃO DE PERITAGENS S.A.</p>	<p>GEP – Gestão de Peritagens, S.A. is the company responsible for providing loss adjusting opinions and claims inquiries for the insurers in the Fidelidade Group, and is present in Portugal, Angola and Cape Verde.</p>
 <p>CAR SERVICE Associação Reparação Automóvel FIDELIDADE</p>	<p>CETRA – Centro Técnico de Reparação Automóvel, S.A. is the company in the Fidelidade Group that provides motor vehicle repair services. It operates under the Fidelidade Car Service brand.</p>
 <p>FIDELIDADE PROPERTY</p>	<p>The companies Fidelidade - Property Europe, S.A. and Fidelidade - Property International, S.A. are responsible for managing the Fidelidade Group's real estate investments in the European Union and in the rest of the world.</p>
 <p>FIDELIDADE REAL ESTATE INVESTMENT MANAGEMENT</p>	<p>Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A. was set up in 2018, with the aim of managing real estate investment funds in Southern European markets.</p>
 <p>TENAXCAPITAL Asset Management</p>	<p>Tenax Capital Limited is an asset management company, with its headquarters in London, specialising in the management of funds for insurers and private banks, with a focus on building low-capital-intensive products in these financial institutions. The company currently has around 800 million euros of assets under management in different equity, bonds and alternative investment funds.</p>

2.6 Our Presence in the World



Beyond the operation in Portugal, the Fidelidade Group's international insurance business is an important means of sustained growth and pursuit of its medium and long-term goals. The Group currently operates in four continents and twelve countries.

The Fidelidade Group regards international expansion as a strategic priority to diversify its business, create synergies and transfer innovation between companies and, above all, between markets. The Group is also committed to developing the markets where it chooses to operate, in terms of both developing people and creating infrastructures or providing services and solutions for the people, while always keeping in mind the importance of guaranteeing that every operation is financially and operationally sustainable.

INITIAL PHASE OF INTERNATIONAL EXPANSION

Initially, Fidelidade's internationalisation process sought out markets with which Portugal had economic, cultural and language ties. Later, the Fidelidade Group began to analyse investment opportunities in more attractive selected markets, i.e., in countries with significant potential for growth in the insurance sector, and where the Group believes it can add value through its experience and knowledge.

ENTRY IN LATIN AMERICA

Until 2019, Fidelidade's internationalisation strategy had been focused on Portuguese-speaking markets. That year marked a turning point when the Group entered Latin America. It acquired a majority share in the La Positiva Insurance Group, a leading company in the Peruvian market, set up a new insurer in Chile, and gained access to the Bolivia and Paraguay market.

Currently, with the inclusion of these companies in the Fidelidade Group, the number of Spanish-speaking employees and clients in the Group is similar to that of their Portuguese-speaking counterparts.

2.7 Corporate Bodies and Corporate Governance

CORPORATE BODIES

At 31 December 2021, the members of the corporate bodies of Fidelidade - Companhia de Seguros, S.A. are as follows:

Board of Directors

Chairman

Jorge Manuel Baptista Magalhães Correia

Vice-Chairman

José Manuel Alvarez Quintero

Members

Lingjiang Xu

José João Guilherme

Francisco Ravara Cary

António Manuel Marques de Sousa Noronha

Rogério Miguel Antunes Campos Henriques

Wai Lam William Mak

André Simões Cardoso

Tao Li

Hui Chen

Carlos António Torroaes Albuquerque

Andrew John Zeissink

Yulong Peng

Juan Ignacio Arsuaga Serrats

Executive Committee

Chairman

Rogério Miguel Antunes Campos Henriques

Members

António Manuel Marques de Sousa Noronha

Juan Ignacio Arsuaga Serrats

André Simões Cardoso

Wai Lam William Mak

Hui Chen

Presiding Board of the General Meeting

President

Nuno Azevedo Neves

Secretary

Nuno Ricardo Santos Jorge Pena

Supervisory Board

Chairman

Vasco Jorge Valdez Ferreira Matias

Members

João Filipe Gonçalves Pinto

Pedro Antunes de Almeida

Alternate

Anabela de Jesus Nunes Prates

Statutory Auditors

Ernst & Young Audit & Associados - SROC, S.A.,
represented by Ricardo Nuno Lopes Pinto, ROC

EXECUTIVE COMMITTEE

ROGÉRIO CAMPOS HENRIQUES | Chief Executive Officer (CEO)



Rogério Campos Henriques holds a degree in Economics from Universidade Católica Portuguesa and has an MBA from INSEAD. He previously worked at the Boston Consulting Group (1994-2002) and later at the Portugal Telecom Group (2003-2008), where he was Marketing Director at PT Investimentos Internacionais and at Africatel Holdings BV. He joined Fidelidade in 2008 as head of the IT Systems area and Board Member of Multicare. Currently, in addition to being a Member of the Board of Directors, he is Chairman of Fidelidade's Executive Committee with responsibility for the following areas: People and Organisation, IT Systems, Marketing, Advanced Analytics, the Center for Transformation and the health insurance line of business – Multicare.

ANTÓNIO DE SOUSA NORONHA | Responsible for the Commercial Areas and Life Business



António de Sousa Noronha has over 20 years of experience in the insurance sector, and holds a degree in Business Organisation and Management from Universidade Livre de Lisboa and a postgraduate qualification in Management from Universidade Nova de Lisboa. He has held various positions in companies such as Chase Manhattan Bank and PWC, and was a Member of the Board of Directors of the Grupo Totta/Valores Ibéricos Investment Fund and of the Totta Pensões Pension Fund. He joined Fidelidade in 1997 as head of the commercial area. Currently, in addition to being a Member of the Board of Directors, he is a Member of Fidelidade's Executive Committee with responsibility for the Life business area and the commercial areas.

JUAN ARSUAGA SERRATS | Responsible for Underwriting and Operations, and the Non-Life Business



Juan Arsuaga has approximately 25 years of professional experience in the insurance sector, and holds a degree in Economics and Business Management from Universidade Complutense de Madrid. In recent years he has performed a number of different roles in Spain and Portugal at Lloyd's, and prior to that he was the Chairman and CEO of the Portuguese branch of Willis. Juan Arsuaga joined Fidelidade in July 2020 as a Member of the Board of Directors and as a Member of the Executive Committee with responsibility for the underwriting, claims and reinsurance areas of the various Non-Life lines of business, excluding health.

ANDRÉ SIMÕES CARDOSO | Responsible for International Operations, Business Strategy and Development



André Cardoso has been a member of Fidelidade's Executive Committee since 2017, where besides being responsible for Business Planning and Development, he also oversees International Operations. He has been at Fidelidade since 2014 and currently holds Board positions at several of Fidelidade's overseas subsidiaries, including in Africa, Asia and Latin America.

Before joining Fidelidade, André worked at the Boston Consulting Group, where he participated in and managed projects mostly in the financial area in Portugal, Spain, France, Italy, the United Kingdom and Angola. André completed his Masters in Industrial Engineering and Management from the Instituto Superior Técnico in 2007, and went on to do an MBA at INSEAD in 2012.



WILLIAM MAK | Responsible for the Investments Management area

William Mak holds a Master's in Professional Accounting from the Hong Kong Polytechnic University and has over 25 years of experience in the banking and insurance sectors. He was IT Director at Sun Life Financial Ltd., Hong Kong (2001 to 2003) and a consultant at New York Life International LLC (2003 to 2005), where he was responsible for project management in finance, reinsurance and actuarial. Between 2005 and 2014, he was Director of Finance at Ping An Insurance (Group) Company of China, Ltd. and at Ping An Life Company Ltd. He joined Fidelidade in 2014 as a Member of the Board of Directors and the Executive Committee, positions which he continues to hold with responsibility for investments management.



THOMAS CHEN (Hui Chen) | Responsible for Risk Management and Accounting

Thomas Chen has approximately 16 years of professional experience, mostly in the banking and insurance area, and was CFO and executive director at the Belgian insurer FIDEA until September 2019, when he was appointed as an adviser to the Board of Directors of Fidelidade. Currently, in addition to being a Member of the Board of Directors, he is a Member of the Executive Committee with responsibility for the accounting area and risk management area.

2.8 2021 Highlights

CORPORATE MATTERS

Ratings	Fidelidade Group: The American ratings agency Fitch assigned Fidelidade an A- stable (IDR) rating and an A - stable (IFS) rating, the highest ratings within the national business panorama, which reflects the robust capacity of Fidelidade to honour its financial commitments.
	FID Chile: The Feller Rate agency assigned an A+ rating with a stable outlook, contributing towards a process of consolidation for FID Seguros in the Chilean insurance market.
	Fidelidade Macau — Received a 3 rating from Moody's Investors Service for the insurance sector (IFSR - Insurance Financial Strength Rating).
M&A	La Positiva — La Positiva Generales and La Positiva Vida were awarded A ratings with stable outlooks by Moodys and by Pacific Credit Rating.
	Agreement for the acquisition of The Prosperity Company (“TPC”) — Fidelidade reached an agreement with the majority shareholders and the TPC management team for the purchase of 70% of capital of the company that heads the TPC Group. The core activity of TPC involves developing long-term savings products based on innovative technological solutions. The conclusion of this transaction is subject to the necessary approval/non-opposition of the respective supervisory authorities, which is expected in early 2022.
Capital Markets	Acquisition of Seguradora Internacional Moçambique — Fidelidade completed the purchase of 70% of the capital of Seguradora Internacional Moçambique, S.A. (“SIM”), which operates under the brand Ímpar, from Banco Internacional de Moçambique (“BIM”), part of the BCP Group. The scope of this transaction includes a long-term distribution agreement, under a regime of exclusivity, under which BIM will distribute SIM insurance products through the banking channel, thereby ensuring different insurance distribution channels and partnerships.
	Fidelidade issued 500 million euros in 10-year Tier II debt with an interest rate of 4.25%. This issue was underwritten by a broad panel of mostly European and American institutional investors, and reinforces the solvency ratios of the insurer at around 25 pp, thus enabling optimisation of the company capital structure. Demand outstripped offer twice over and the interest rate dropped below the proposed reference level, enabling Fidelidade to opt to raise the amount issued to 500 million euros against the initial proposal of 300 million euros.

PORTUGAL PRODUCT RANGE

HEALTH

Symptom Checker	In the midst of the third wave of the COVID-19 pandemic, Multicare made its Symptom Checker available to all citizens resident in Portugal, free of charge and without any registration or identification requirements. This is an artificial intelligence tool on the Multicare telemedicine platform that identifies the most probable pathologies associated with health symptoms (including COVID-19) and indicates the type of medical assistance required.
Online medicine	Multicare made its Quit Smoking Programme available to all customers with standard insurance.
	To improve the customer experience, the MyMulticare application was launched, which enables customers to access Online Medicine services (video consults, remote consults and the symptom checker), manage their insurance policies, search for service providers within the Multicare Network and book appointments at healthcare units in the Luz Saúde Group.
	The Psychology consults provided by Online Medicine are complemented by other mental health services provided by psychologists and at no extra cost to customers: the Sleep Better Programme, Parenting Consults and the Stress and Anxiety Management Programme.
	The value proposition of the Online Medicine platform is further enhanced with the launch of the Orthopaedic and Urology specialities.
	In a pioneering approach in the Bolivian insurance market, Alianza Bolívia incorporated the online medicine model <i>Mi Empresa Segura</i> .

Check-up	Post-COVID-19 check-ups — Multicare provides its customers who have been diagnosed with COVID-19 and who have Preventive Medicine coverage with the option of a Post-COVID-19 check-up, free of charge, at any of the main Luz Saúde Group units. With paediatric and adult versions, this check-up enables early identification of any after-effects and, when possible, fosters recovery.
	Check-up in pharmacies — Through a partnership with the National Association of Pharmacies (“ANF”), Multicare provides its clients with Preventive Medicine coverage with the option to undergo check-ups of their clinical and biometric parameters at pharmacies throughout the country that belong to the insurer’s network of preventive medicine providers. Since pharmacies are local in-person healthcare providers, this partnership enables Multicare to strengthen its value proposition in the field of prevention.
Mental Health	Multicare introduced innovative Mental Health coverage into its standard health insurance with capital for out-patient treatment, including for the prevention and treatment of illnesses of a psychiatric nature. This cover guarantees Psychiatry and Psychology consults, Psychotherapy sessions and psychiatric hospitalisation.

INVESTMENT, SAVINGS AND LIFE

Property portfolio	Acquisition of the <i>Logistics</i> asset portfolio in Japan. Sale of the <i>Saudeinveste</i> fund.
Transition to non-guaranteed Life Financial products	Transition to a range focused on secure but non-guaranteed products in the Life Financial sector, with very positive results in 2021, with more products, greater commercial efforts and greater proximity and support to the network. The non-guaranteed life financial premiums correspondingly rose to 1.272 billion euros in 2021, a significant increase on 2020 (up 384 million euros).
Investment Portugal 2021	Launch of the 4th and 5th series of this single premium financial product based on Portuguese issued securities.
Global Investment	Beginning of marketing of the 2nd Global Investment series with an 8-year maturity and alongside a new line of single premium financial products. Launch of the 3rd Global Investment series with a 5-year maturity.
PPR	Beginning of marketing of the 1st series and subsequent 2nd series of the PPR 52+, which consists of a single premium PPR (pension plan) with its earnings fixed to the PPR 52+ index that reflects the performance of a basket of assets made up of global stock indices, German and American public debt and gold. Beginning of marketing of PPR 40+ ESG, the first PPR ESG (<i>Environmental, Social and Governance</i>), with a single premium, indexed to a dedicated index reflecting the performance of a basket of ESG share indices balanced by German and French sovereign debt. Thus, the PPR 40+ ESG product allies saving for retirement with fostering sustainability. Within the scope of PPR Evoluir, marketed by CGD, we promoted the Prepare for Retirement with Advantages awareness campaign.
Life Protection Plan	We reformulated this product through the inclusion of a new cover (hospitalisation allowance), reviewed the sums insured of the covers and introduced extraordinary savings with a maximum of 5,000 euros per year in the savings component.
Essential Life Insurance	Beginning of marketing, on the CGD channel, of the Life Risk product that guarantees a capital amount on death, disability or serious illness, a daily allowance for in-patient hospital care in the event of temporary incapacity, and cover for diagnosis confirmation, in addition to access to the Vitality programme.
PVF	The innovative <i>Proteção Vital Família</i> (PVF) [Family Vital Protection] reached 100,000 insured persons.
Express Credit	Beginning of marketing of insurance associated with the new offer of CGD Personal Loans.
	The My Savings platform enables the presentation of experience-based investment objectives focused on yield, through two risk alternatives and pre-determined guarantees and maturities.

My Savings Digital Platform	Provides functions for resetting savings/investment options for Fidelidade Savings products. Clients thus become able to make changes in terms of their investment risk levels in accordance with their expectations.
------------------------------------	---

OTHER SEGMENTS

Personal Accidents Mobility and Sport	Fidelidade Portugal launched a new Personal Accidents - Mobility and Sports product, covering both indoor and outdoor sports, designed to guarantee protection when travelling to and playing sports.
Fidelidade Company Multirisks	A new product launched by Fidelidade to meet the needs of the business market and targeting small businesses and small and medium-sized enterprises, providing specific coverage for each sector of activity.

PORTUGAL OPERATION

MyFidelidade	The digitalisation of our processes continues with the first million users registered on MyFidelidade having been achieved, thus guaranteeing a better customer experience.
Insurope Network	Fidelidade has signed up to the Insurope Network, one of the largest networks of insurers worldwide, which provides integrated management services for Employee Benefits programmes for multinationals, with particular attention paid to Life Risk.
Consolidation of IT systems and processes	Fidelidade Angola consolidated the 120 day Plan with the objective of strengthening internal controls of IT systems and optimising the core processes, with a particular focus on the tasks of billing, reinsurance, health claims, financing, planning and control, reconciliation and current accounts.

PORTUGAL ORGANISATION AND ENABLERS

Reorganisation of the Life Organic Structure	Set up of the Life Business General Directorate, comprising the Life Financial and Life Risk Departments, the Business Support Office and the Management and Control Information Office.
Setting up an Office for Business Agility	Set up of the Office for Business Agility, a Fidelidade structural unit with the mission of implementing an integrated perspective on transformation within the Group, supporting the planning and development of transformational projects impacting on specific Fidelidade Group processes following the Agile method.

INTERNATIONAL ACTIVITY

International operational premiums	In 2021, the Fidelidade Group, for the first time, exceeded the total of one billion euros in premiums generated outside of Portugal.
Underwriting agencies	Fidelidade Espanha embarked on a new path of collaboration for the distribution and sale of Life Risk Insurance.
Integrated customer vision	Fidelidade Moçambique is now equipped with a commercial platform that provides a transversal tool returning a 360° vision of the customer.
Banco Itaú distribution agreement	FID Chile signed an agreement with Banco Itaú to begin distribution of an accidental death and health insurance policy through the Bancassurance channel.
Online Marketing Platform	Garantia's first fully online platform marketing Mandatory Civil Liability Motor Insurance has brought innovation to the Cape Verde insurance market.

Process Reengineering	Alongside the ongoing digital transformation at the French branch, process reengineering took place, seeking to analyse current processes and introduce greater management efficiency.
Northbound Motor Cars	Fidelidade Macau launched a Motor Insurance Product in Continental China, following developments in the relationship between Macau and Grande Baía.
FID Remote Working Product	FID Chile launched an innovative product in the Chilean market with damage and accident covers for remote workers.
New Digital Ecosystem	A new product for pets, launched by Fidelidade Espanha on an entirely digital platform, has been considered a success case, positioning the company in the vanguard of new technology-based business models.
New Health Product	Fidelidade Moçambique launched four new products which transversally include cover for COVID-19, HIV, haemodialysis, organ transplants, vaccinations, among other provisions.

RECOGNITION AND SOCIETY

Vitality Fun Run	Multicare organised the First Multicare Vitality Fun Run to commemorate World Mental Health Day, thus highlighting the importance of physical health for wellbeing, energy levels, sleep quality and the prevention of chronic diseases and mental illness. This event also featured a charitable goal with the funds raised by runner registration going to the Manicómio association, a Lisbon institution that brings together artistic creativity, mental health and human rights.
25th Anniversary	Celebrations of this Safemode anniversary included the presentation of a new brand design. Safemode operates as the centre of competences for the Fidelidade Group analysing, preventing and managing the risks associated with products and the development of ecosystems.
Investing in the Community	Fidelidade: Launch of the 4th edition of the <i>Fidelidade Community Award</i> , with its biennial format and two different phases in May and October, with a total amount of 750,000 euros to support entities from the social sector in the area of Social Inclusion of persons with physical and mental disabilities, ageing and prevention in the health sector. Garantia: Ceremony of the 1st edition of the <i>Garantia Community Award</i> , which has the mission of developing the social sector through support to organisations acting in the field of Social Inclusion. Chaired by the Prime Minister of the Government of the Republic of Cape Verde with the participation of the Chairman of Fidelidade.
Global Business Outlook Awards	FID Chile Seguros received awards in two categories: the Most Promising Insurance Start-up and the Fastest Growing SME Insurance Services Provider.
International Finance Awards	FID Chile is recognised as the Best New General Insurance Company based on its talent and leadership capacity.
Global Brand Magazine Award	La Positiva is classified as Best Brand 2021 in an assessment of the results obtained over the last two years.
30th anniversary	Celebrations for the anniversary of the Garantia insurance company under the slogan <i>30 YEARS AS THE FACE OF CAPE VERDE</i> , symbolising the various facets of the company: “The face of protection”, “The face of health” and “The face of innovation”.

3. OUR BUSINESS MODEL

3.1 Our Brand

MAIN INSURANCE BRANDS IN PORTUGAL

The Fidelidade Group operates in the Portuguese insurance market, selling products across all lines of business, as part of a multi-brand strategy using a vast and diversified distribution network. The Fidelidade Group's products reach customers through three different brands, all of which are leaders in their segments:

	<p>Brand for the sale of Life and Non-Life Products (other than health insurance) Benchmark brand present in all distribution channels</p>
	<p>Brand for the sale of Health Insurance, supported by a set of Healthcare Providers, and a range of solutions adjusted to customers' needs, through Individual and Group plans</p>
	<p>Brand for the sale of Non-Life Products using remote channels</p>

BRAND REPUTATION

A focus on operational excellence and service quality has long been a priority for the Fidelidade Group and has a strong impact in terms of customer satisfaction. As a result of this effort, the Fidelidade Group is known for these competences, which are identified and recognised by customers.

Fidelidade is proud to have consolidated its leadership as the best insurer in Portugal and to have been recognised on several occasions as a **benchmark brand for the Portuguese**. It is the insurance company that has won the most awards in Portugal.

These results are the fruit of continual work. They are a consequence of the innovative products and covers that the Fidelidade Group has developed, thinking about people's real needs, and the commitment to giving customers exemplary service and accompanying them closely when they need it most.



Markets Reputation Index'21
Fidelidade and Multicare were once again elected Consumer's Choice in the Insurance and Health Systems categories



Excellentia Choice 2021
Fidelidade was recognised as the *Excellentia Consumer's Choice 2021*, which rewards the company that adopts the best customer-centric organisational practices



Marktest 2021

Fidelidade and Multicare were once again distinguished by Marktest Reputation Index, as the insurers with the best reputation in Portugal, in the Insurance Companies and Health Insurance categories



Superbrands 2021

Fidelidade and Multicare were singled out as Top of Mind brands of excellence, which lists brands identified spontaneously by consumers



Trusted Brand 2021

Fidelidade is recognised for the 20th time in a row with the Trusted Brand award



Five Stars Award 2021

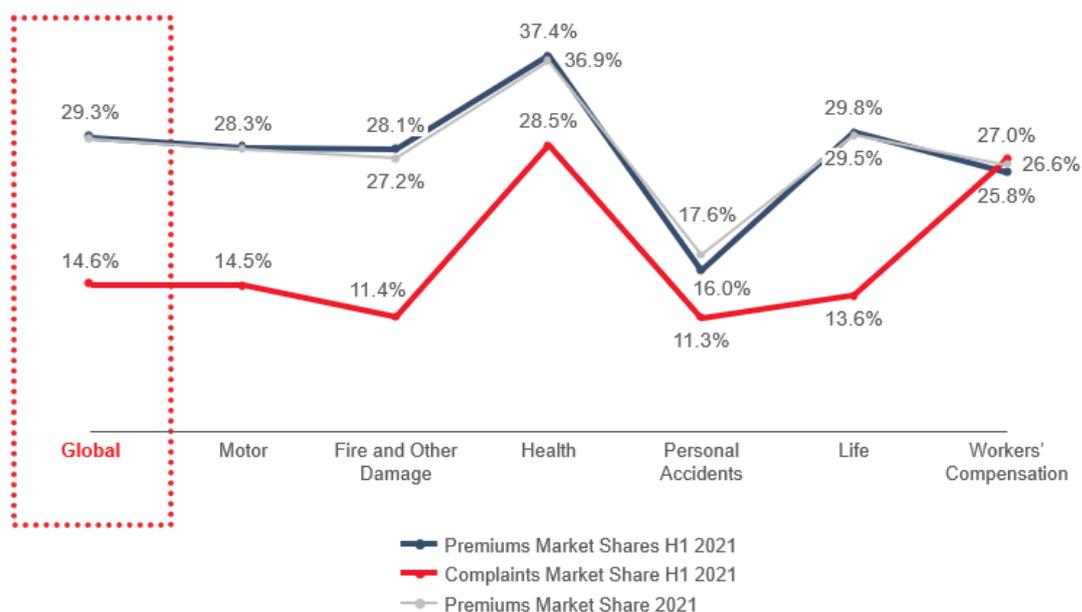
OK! teleseguros is recognised for the 4th time in a row, in the Direct Insurance category

In the international market, Alianza in Bolivia received the award for “Mejor Empresa de Seguros Generales” in the 25th edition of the Maya Bolivia Awards, which highlight efforts and contributions made to the country’s economic development.

Focus on the customer and the provision of a quality service make the Fidelidade Group one of the operators with the fewest complaints made to the Insurance and Pension Funds Supervisory Authority (“ASF”) in Portugal. During the first half of 2021, the number of complaints relating to Fidelidade as a percentage of the total number of complaints registered by ASF in Portugal was 14.6%, which is significantly lower than the company’s share of premiums in the Portuguese market (29.3%).

In the Motor line of business, if we consider the ratio between the complaints made and the volume of premiums recorded in the first half of 2021, the figure for Fidelidade is 0.7 complaints per million euros of premiums, which is around half the market average, which stood at 1.4 complaints in June 2021.

Fidelidade - Complaints registered with the ASF vs. Premiums (market share)



3.2 Products and Services

TRADITIONAL PRODUCTS AND SERVICES

The Fidelidade Group has a wide range of products and services available to its customers, resulting from its solid experience and the constant focus on diversification and innovation. The Group has been developing a comprehensive offer in the insurance business and reaffirming its aim of positioning itself more as a partner for its customers in the provision of protection and assistance services.

Within the scope of the insurance business, the Fidelidade Group has a wide range of products, which cover most Life and Non-Life lines of business. Through the Group companies, services are also provided in other areas such as Health, Assistance, Real Estate, Asset Management, Loss Adjusting and Motor Vehicle Repairs.

Motor

Varied range of motor insurance, for companies and individuals (including own damage, or only third party liability)

Home and Commercial/Industrial

Housing, industrial and commercial, Fires and other damage

Health

From basic protection to total protection with tailor-made offers in specific segments (e.g. 60+) with access to the largest private medical network in the country

Workers' Compensation

Complemented with a rehabilitation programme – WeCare



Travel/Leisure

Personal accidents, travel insurance, and insurance for students living abroad

PETs

Insurance offers for dogs and cats exploring a new emerging segment, including health insurance

Life Financial

Savings products with different maturities and objectives (PPR, capitalisation products,...)

Life Risk and Annuities

Different products, including life risk, funeral insurance and civil liability for families

INNOVATIVE PRODUCTS IN 2021

Throughout 2021, the Fidelidade Group continued to invest in the launch of innovative products to meet customers' needs.

NATIONAL MARKET

Fidelidade Multirriscos Empresa: Product that seeks to meet the needs of the company sector, focusing on small businesses and small and medium-sized enterprises, providing cover specific to each sector of activity, with the scope for choosing facultative cover, different levels of insured capital and options for deductibles.

Investimento Global 8 Anos: A financial solution, interconnected with investment funds but without participation in the results and without any earnings or capital guarantees, which seeks balanced and diversified returns on savings.

PPR 52+ September 2021: This Pension Retirement Plan, of the Individual Life Insurance type, tracks an index of assets. The product has no capital guarantee and stands out according to three core criteria: diversified investment strategy; guaranteed minimum of 95% of the value of the subscribed amount at the end of the first twelve months in effect; and a mechanism for the control of volatility at 8% (dynamic risk management).

Investimento Portugal May 2021: Fidelidade Individual Life Insurance, tracking investment funds, for a fixed period, without any participation in the results and without any capital or earnings guarantees, representing an insurance-based investment product.

PPR 40+ ESG: This Pension Retirement Plan seeks, through the positive selection of issuers in alignment with Fidelidade's sustainability principles, to support best environmental, social and governance practices.

Personal Accidents Mobility and Sports: Product aimed at participants in both indoor and outdoor sports that guarantees, in the event of an accident, access to medical assistance (via video or remote consult) and includes capital for the payment of treatment expenses and monthly rehabilitation fees to deal with the costs resulting from more serious accidents.

Multicare Health Insurance – Mental Health Cover: A differentiating level of cover that includes prevention and treatment of mental health of a psychiatric nature. Hence, psychiatric internment, psychiatry and psychology consults and psychotherapy sessions are guaranteed within the scope of the standard insurance policy, both for new contracts and those already in effect.

US IN THE WORLD

Alianza (Bolivia): Inclusion of remote-medical coverage (Mi Empresa Segura) in health insurance products.

Fidelidade Angola: Launch of the Individual Funeral product on the Partners website (Fidnet), constituting the first of several Life products made available through decentralised channels by Fidelidade Angola partners.

Fidelidade Seguros Chile: Provision of FID Teletrabalho, an innovative product in the Chilean market that ensures damage and accidents cover for remote workers.

Fidelidade Macau: Introduction of insurance for the COVID-19 Vaccination Programme by ERA of Macau.

Alianza Garantia (Paraguay): Introduction of SOATDP – mandatory insurance for Workplace Accidents and Occupational Diseases.

Fidelidade Espanha: Launch of the Fidelidade Pets insurance policy in collaboration with Caja Almedralejo.

Fidelidade França: Launch of Health and Life Risk products for companies through the *Bancassurance* channel and beginning of the process of renewing the provision of Life Risk products associated with mortgage loans and unit-linked Life financial products on this channel. Also beginning of operation of the airline line of business in the brokers channel with a portfolio built up over the course of 2021.

Fidelidade Moçambique: Launch of agricultural insurance based on the indices for the Mozambican market. Also launch of the new Health range, highlighting the launch of four new products and the transversal inclusion of covers for Covid, HIV, haemodialysis, organ transplants, hepatitis, assistance in the home, vaccines, vitamins and dermatological creams.

ADDED VALUE PARTNERSHIPS

In order to enable the expansion of innovative business models, the Fidelidade Group has been establishing partnerships with benchmark entities in other business areas that bring complementary strengths to the insurance business, with the aim of creating broader and more competitive value propositions for its customers in areas such as Mobility, Health or Assistance. Based on digital processes, this ecosystem favours the development of a service range able to respond to changes in customer profiles, which are displaying a consolidated trend towards the use of new technologies in their daily lives. Without overlooking our collaboration with other partners, in both technical and commercial areas, here we can highlight the following strategic partnerships:

	<p>The online medicine partnership with the global market leader Teladoc has helped to continually expand the services available to Multicare clients. Besides general practice consults by phone or video, the services include nutrition consults and travellers' consults, and psychological and nutritional support for oncology patients, and cover specialisations such as paediatrics, dermatology, psychology and gynaecology. The association with Teladoc also ensures the delivery of medicines to the home.</p>
	<p>The partnership with Vitality, the leading global programme for the creation of healthy lifestyle habits created by the South African insurer Discovery, allows the Fidelidade Group to focus on prevention and reducing risk factors in the development of diseases, by promoting healthy behaviour. With the Vitality programme, clients benefiting from it earn weekly and monthly rewards and gain annual discounts on their insurance premium.</p>
	<p>The mobile applications Fidelidade Drive and <i>Smart Drive</i> were developed as a result of the technological partnership with The Floop, a benchmark company in telematics and mobility.</p>

	<p>The Smart Drive project to enhance the mobility ecosystem envisaged a partnership with Brisa/Via Verde, the largest motorway concessionaire in Portugal, to develop telematics-based insurance products and mobility insurance products aimed at their clients.</p>
	<p>The Funeral Protection insurance was developed in conjunction with Santa Lucia, the Spanish insurer of reference.</p>

2021 was characterised as a year to consolidate the strategy defined for development of a partners ecosystem. In the motor area Fidelidade consolidated the partnership with Brisa as part of digital mobility and with The Flow within the scope of telematics, with the launch of the Fidelidade Drive 2.0. app. We also invested in the expansion of new ecosystems in the field of Personal Accidents, where the partnership with NOS Telecomunicações brings travel insurance solutions, and in the Pets area, where the ongoing development of synergies will bring news in 2022.

This focus has enabled Fidelidade to consolidate its strategy of diversification and cooperation in key sectors of the national economy. This is an essential route in order to guarantee a unique and differentiating offer of products, gaining customer loyalty and enhancing the importance of insurance in the daily lives of the Portuguese.

3.3 Distribution Channels

OMNI-CHANNEL PLATFORM IN PORTUGAL

As a result of an omni-channel strategy, based on the multi-channel distribution platform, the Fidelidade Group promotes interaction of its product range and service levels, between the various channels, to ensure an integrated and consistent customer experience.

The multi-channel approach has allowed Fidelidade to ensure a unique position in the distribution of its products and stand out as the leader in all the channels through which it operates¹.

Agents	Fidelidade has the support of 3,682 agents selling its products, and who offer a personalised service to its customers in Portugal. Fidelidade is the leader in this channel, with 26% of market share.
Remote Channels	Distribution also takes place remotely via the Internet and telephone , and the current context of a pandemic has helped to develop this channel. The Fidelidade Group leads in remote channels, with over 42% of market share.
Brokers	The number of brokers rose to 65 in 2021, and the premiums earned through this channel accounted for 38% of all premiums in the Portuguese market originating from this channel.
Own Stores	The Fidelidade Group has 59 own stores spread across the country, and is also the leader in this channel with 44% of market share.
Bank Channel	Fidelidade's bank channel distributors are CGD, Banco CTT and EUROBIC, between them totalling 900 bank branches selling the company's products . The market share in bancassurance was 24%.

Technology and digitalisation play a particularly important role in the search for solutions that enhance interaction with customers and offer increasingly customised services. However, although the digitalisation process is essential for greater proximity with customers, the Fidelidade Group has always been founded on a sales force based in agencies, stores and brokers' centres, and the Group continues to place emphasis on improving these partners' skills.

We can now summarise the training given to internal teams and brokers in 2021:

- Construction and **launch of the Business Knowledge Center Platform**, an e-learning tool for brokers;
- **Strengthening of engagement of the Commercial Network**, with training on processes and procedures to guarantee efficiency and autonomy;
- Launch of 5 e-learning modules on the products that are now including in the training in this model: Personal Accidents, Fidelidade Casa, Proteção Vital 65+, Proteção Vital Família and Life Insurance;
- Training programmes for new employees in the commercial department of Fidelidade agencies, employees of the Mozambique branch, communicators at the Fidelidade Contact Center and Multicare service posts.

¹ Source: APS and Fidelidade. Data from December 2020.

INTERNATIONAL DISTRIBUTION

LATIN AMERICA

Peru

La Positiva's distribution platform is also based on several distribution channels that allow the Group to be near its customers and provide them with service quality. The distribution channels in Peru² include Brokers (with 43% of premiums written), Non-traditional Channels (17%), Own Distribution (10%), Direct Channel (10%), Public Tenders (18%) and the Digital Channel (2%). The non-traditional channels include the establishment of partnerships with banks, retailers and other entities. Own distribution is split between the sales force (organised in four teams: Annuities, Family Protection, Traditional Life and Non-Life), the call centre and e-commerce. It is important to highlight the potential of the e-commerce channel, which has two websites for Mandatory Traffic Accident Insurance (SOAT) and travel insurance and enables insurance to be purchased directly online. The direct channel is mostly composed of retail agencies in shopping centres, located for the most part in Lima. The increase in shopping centres that has been occurring outside the city of Lima represents an opportunity for La Positiva to reach new clients.

Bolivia

The distribution channels in Bolivia include Brokers (36% of Gross Premiums Written), Direct Channel (15%), Sales Force (9%) and Bancassurance (39%). The Brokers channel offers personalised sales assistance by line of business. In the Bancassurance channel, we can highlight the commercial partnerships with three of the largest retail banks in Bolivia: BMSC, FASSIL and FIE.

Chile

In Chile we may note Comercial Santiago (30%), the Branches (29%), Corporate (24%) and Affinities (17%). The business model of this subsidiary is based on a scalable technological platform that enables agile interface with different distribution partners.

AFRICA

The main distribution channels in **Angola**³ include Brokers (74%), Agencies (10%), with 16 own stores and a team of specialist salespersons, and Bancassurance (16%), with commercial partnerships with seven local banks: Caixa Angola, Banco Fomento Angola, Standard Bank, Banco Investimento Rural, Banco Valor, Banco Comercial do Huambo and Banco Prestígio.

In **Cape Verde**, the most important channel are the Agencies, with 69% of gross premiums written. The Fidelidade Group places emphasis on the continual training of its human resources and on digital transformation of the services offered by the agencies. The other channels include Brokers (15%) and Bancassurance (16%). In Bancassurance, the Group has commercial partnerships with BCA, BI, BAI, Ecobank and International Investment Bank (IIB).

The distribution channels in **Mozambique** are based on Brokers (45%), the Direct Channel and Agents (41%) and Bancassurance (14%), with partnerships with Banco Único, Banco Mais and First Capital Bank.

EUROPE

In **Spain**, following the sale of Banco Caixa Geral (part of the CGD Group) in October 2019 and the end of Fidelidade Spain's bancassurance agreement with the bank, the Agents and Brokers channel is now the most representative channel in the Spanish operation (68%). Fidelidade Espanha also has some representation in two other channels, Bancassurance with 18% of sales and the Direct Channel with 14%. In Bancassurance, New

² Source: Internal, percentage of gross premiums written at September 2021.

³ Source: Internal, percentage of gross premiums written at November 2021.

distribution agreements have also been made with Cajalmendralejo and with Abanca, for the sale of corporate insurance.

The distribution channels in **France** are based on Brokers (65%), Bancassurance (32%) and the Direct Channel (3%).

ASIA

In **Macao**, the distribution channels differ according to the segment. In Life, they mainly include Bancassurance, with 94% of gross premiums written, and the direct channel with a less representative role of 6%. In Non-Life, the distribution channels include Brokers (31%), Bancassurance (31%), Direct Channel (25%) and Agents (13%).

3.4 Innovation and Digitalisation

Fidelidade embraces its innovation and digitalisation journey in three main pillars, setting clear goals for each of these.



IMPROVEMENT OF INTERNAL PROCESSES

The main aim of the first pillar of action in terms of innovation is to increase efficiency, with a focus on improving business processes and the relationship with the customer.

DIGITALISATION OF PROCESSES

- Vehicle loss adjusting has seen new advances, and our new system enables quotes from repair shops to be validated using intelligent algorithms and, at the same time, damage to be assessed solely from photographs. Additionally, in the field of home insurance loss adjusting, since 2018 Fidelidade has been conducting video loss adjusting, in less complex processes, thereby facilitating assessment of damage at a distance, without the need for loss adjusters to travel to the claim location. Accordingly, Fidelidade and CARES have leveraged efforts to consolidate the digital loss adjusting process, with a focus on increasing accident repairs. Moreover, GEP implemented the Automatic Budgeting project for vehicle loss adjusting, so that it is no longer necessary for a loss adjuster to be present at the repair shop, and it also implemented video loss adjusting, thereby facilitating loss adjusting at a distance and the inclusion of instant photographs in the IT system. In 2021 GEP launched the App GEPEXPERT MOBILE, which enables photographs to be collected as part of the motor loss adjusting process. A 33% reduction in average loss adjusting time is expected.

AUTOMATION OF MANAGEMENT PROCESSES

- In 2021, the policy management processes that were previously manual were automated, through the application of RPA (Robotic Process Automation), robots able to ensure greater speed and accuracy in the information processed. Within this framework, Fidelidade Assistance continued developing the speech bot Maria, which enables improved performance in the completion of end-to-end processes e.g. the percentage of process openings that are completed through to the end without the call being transferred to a human assistant. Speech bot Maria won the 2021 digital transformation award in the category efficiency/effectiveness run by the Association for the Promotion and Development of the Information Society and the Best Insurance Project award at the Portugal Digital Awards staged by the IDC. 2021 also saw the implementation of chatbots in the Contact Center and Fidelidade and Multicare websites, thereby bringing about greater speed of response to Fidelidade clients.

- At the international level, the push to digitalise processes has also been strengthened. At Fidelidade Angola, throughout 2021, the 120 Days Plan was consolidated. The major objective of this plan was to strengthen internal information technology control systems and optimise the main processes, with a particular emphasis on billing, reinsurance, health claims, financial area, planning and control, reconciliation and current accounts. Furthermore, associated with the advent of Digital Transformation, we may highlight the optimisation of Fidelidade Angola's billing mechanisms, through the adoption of direct debits, the evolution of EMIS payments (made by reference number) to real time payments and provision of the Multicaixa payment option (equivalent to the MBWay online payment channel in Portugal), with the provision of virtual POS. These processes have contributed to optimising the company's internal resources and improving customer services.

AUTOMATION OF REIMBURSEMENT PROCESSES

- Since 2020, the MyFidelidade application has enabled clients to submit their requests for reimbursement for healthcare expenditure in real time. This led to a 20% reduction in the time needed for processing. In 2021, the automation of claims management processes was extended to the Health and Personal Accidents lines of business. The direct real estate investment management process was also automated.

CREATION OF THE COMMERCIAL STIMULATION PLATFORM

- In 2021, the Commercial Stimulation Platform was developed to improve how managers of agents and assistants can accompany the commercial activity, enabling them to now do this on a single platform. In the international market, the Commercial Platform for Fidelidade Moçambique was also developed, providing a 360° vision of the customer. Furthermore, at Alianza (Bolivia) a technological platform for retailing insurance products via Whatsapp (sales force commercial channel) was launched. 2021 also saw Alianza launch another technological platform for the sale of the online insurance product "Seguro Odontológico".

OTHER PROCESS IMPROVEMENT PROJECTS

- In 2021, attention also focused on implementing and reviewing the IT Service Management processes with the aim of improving and speeding up IT responses across all of Fidelidade's internal areas. Within this scope, there was also significant investment in IT knowledge management with the creation of training academies with external partners. Investment also continued in the Agile method, both in terms of IT and in the organisation as a whole. The La Positiva Group in Peru introduced the new Management Model of initiatives based on this methodology, setting up a structure based on business clusters.

INNOVATIVE VALUE PROPOSITIONS

The main aim of the second pillar of action in terms of innovation is to improve the quality of our range of products and services, responding to customers' needs and seeking to respond proactively to trends and challenges in the insurance market and in society in general: some of the challenges that drive us and that we seek the best responses for are how to guarantee fast and extensive access to quality health services, how to deal with the challenges raised by the ageing population and how to increase awareness of the need to save.

We invest in services and solutions that are increasingly integrated and complete in the various ecosystems where we operate, such as Mobility, Health, Home and Savings, Seniors, Travel and Pets.

VALUE PROPOSITIONS IN THE INSURANCE BUSINESS

Validity Programme

This prevention model associated with the Health line of business has a positive influence on risk, through the promotion of healthy lifestyles among customers and the rewards that the programme gives to customers, such as discounts on insurance or activities and events. Accordingly, the Fidelidade Group, through Multicare Vitality, rewards its customers for adopting healthier lifestyles and behaviours, working towards socially responsible impacts.



MyMulticare Application

Online Medicine has been one of the main areas of intervention in the Health line of business. The aim of continually expanding this service is improvement in the customer experience, but also prevention and the promotion of healthy habits. Hence, we launched the MyMulticare app to facilitate access and process management, as this allows customers to access the Online Medicine services (video consults, remote consults and the symptom checker) and manage their insurance digitally.

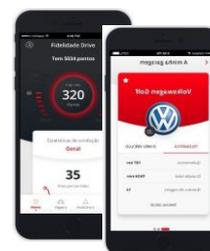
Cyber Safety for Families

At the beginning of 2020, the Fidelidade Group launched the Cyber Families Legal Protection insurance, to protect its customers and their families against the risks associated with Internet use. This innovative product is unique in the Portuguese market and provides services such as screening and deleting of sensitive information, parental control and psychological assistance. In 2021, La Positiva in Peru introduced the Cyber Safety Programme, enabling the rating assigned by the company Bitsight to be increased to advanced level.



Fidelidade Drive Application 2.0

The Mobility ecosystem has been gaining ground with the launch of telematics-based products that aim to contribute to improvements in quality and safety on the road, by recording driving behaviour in real time. An example of this is Fidelidade Drive application introduced in 2017 for clients with Fidelidade motor insurance, which has been improved with new functions and is now called Fidelidade Drive 2.0. In 2019, in partnership with Brisa, we developed the Via Verde Clients Smart Drive Application, which, among other services, recommends better options for travel, as part of sustainable mobility. We are continuing to develop these products, always with a view to safe driving, savings on fuel and discount options in our network of partners. The Fidelidade Drive 2.0 application thus encourages customers to drive responsibly, at the same time promoting environmental sustainability and safety on the roads.



My Pets Application

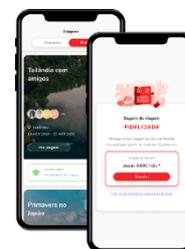
Developed by a team of vets, MyPets is an app that provides support to pet owners. Launched in 2021 under a free access system, it allows customers to create a profile for each pet, with details of their weight, chronic health conditions and chip. The app also informs users of the nearest Veterinary Centres, including those that are part of the Pets Network. Customers can do a simulation based on the species, gender and breed of the registered pet and the best owners are given rewards, through a points system.

An entirely digital version of the Pets insurance was developed, which was also launched in Spain. The technological innovation associated with the product places the operation in this country at the vanguard of these business models.



Just in Case insured by Fidelidade

This travel planning application is a 100% digital experience, strengthening the Travel ecosystem. Just in Case offers free services of personalised checklists, tips for different destinations and free support to travellers 24 hours a day, 365 days of the year, with the possibility of taking out travel insurance on demand. This application also has a partnership with Collinson, giving access to lounges all over the world. The project stands out for its digitalisation and innovation and won the EFMA 2020 Innovation and Insurance Awards – Product & Service Innovation Silver Award.



In 2021, the market test of the existing value proposition was conducted, the user experience was optimised through the inclusion of new functions (destination contents, integration of access to airport lounges), and subscription flows on the app were improved. Assistance cover in the event of COVID-19 infection was also added to travel insurance products.

Investment Portugal 2021

Throughout 2021, Fidelidade continued its strategy of launching closed series of unit-linked products, which began in 2020, made available to customers on different distribution channels. This broad and diverse offer (Investment Portugal, Global Investment, PPR ESG) is aimed at medium-term investment and a prudent/conservative risk profile.



My Savings Application

To encourage saving, since 2021 customers have had an application that allows them to define objectives and make investments. The MySavings APP now includes an investment component, beyond savings, thereby increasing the range of options available to our customers when they wish to apply funds. Achievement of objectives fosters repeated saving and investments provide a solution for customers who wish to apply their capital without necessarily defining a payment schedule.



VALUE PROPOSITIONS BEYOND THE INSURANCE BUSINESS

ALÔ by Fidelidade

ALÔ by Fidelidade is a technological solution that combines a tablet and an application for carers, family and friends, with access to assistance in the home services. The aim of this solution is to contribute to providing a response to social isolation and also technological inclusion of the senior segment. Interest in this application has led to two types of partnerships:



- Partnerships with GrandPad (software), Altice (logistics) and SantaLucía and Jane (marketing of the product internationally);
- Partnership with *União das Misericórdias Portuguesas* as a means of promoting communication between family members, especially in the current pandemic context.

In 2021, the solution was launched on the market, with and without an associated Personal Accidents insurance product, with sales being leveraged through agents and brokers, and also on “beyond insurance” channels, in particular through e-commerce and a pop-up store. In terms of the “beyond insurance” channels, ALÔ by Fidelidade is the first of Fidelidade’s products to be introduced in the retail channel, through a pop-up store at CaiscaíShopping shopping centre for two months and also through e-commerce provided through its landing page. Throughout this year, emphasis has also been placed on the continuing development of the technological solution and continual Customer Listening actions, to collect feedback, which provides support for decision making in the management of development priorities.

FIXO

This platform for the provision of services for the home with an end-to-end digital experience saw a number of improvements in 2021, aimed at improving the customer experience and the services provided:

- Expansion of the offer to more than 10 services and beginning of tests with new clusters (e.g. small businesses segment);
- Redesigning of the user experience through the inclusion of new functions (promotional area, subscription model, wallet, Member-Get-Member) and improved checkout flows on the app;
- Launch of highly creative campaigns within a framework of retail of services aimed at the acquisition of new customers with a mix of online and offline formats. Additionally, accounts on social media were also created, in particular Instagram, Facebook and Spotify, with specific playlists for FIXO customers.



TRANSFORMATION ENABLERS

The third pillar of action in terms of innovation promotes an atmosphere of transformation throughout the organisation, developing innovative solutions and making these accessible through state-of-the-art platforms. Transformation enablers work from the perspective of consolidating synergies, enabling the creation of innovative digital solutions that are market disruptors.

- The **Center for Transformation** and the **Center for Advanced Analytics** were created with the aim of leading innovation projects and enhancing analytics capacities;
- The **OBA (Office for Business Agility)** was created to guarantee and support the planning and development of transformational projects with impact on specific localised processes in the Fidelidade Group, following the Agile method, within a hub & spoke model;
- **Strategic partnerships** reinvent or consolidate value propositions in an ecosystem approach;
- The **Proteching Programme** was created as a startup accelerator, strengthening our digital position.

In 2021, the Center for Transformation participated in key events to promote digital transformation both in the Fidelidade Group and in society as a whole:

- Participation in key events on national innovation, in particular the WebSummit, World Economic Forum and IDC;
- Collaboration and knowledge-sharing at university events, with NOVA SBE, ISEG, Católica Lisboa SBE, Universidade de Coimbra, aimed at promotion and greater proximity with the academic community, presenting the Fidelidade Group's projects and innovation culture;
- Participation in Fintech365 by Portugal Fintech, an event sponsored by Microsoft for startups, based on the acceleration of PoCs (proofs of concept) in large national companies.

Creation of Fidelidade Inovação, S.A. (FID I&D)

- Consolidation of the position of FID I&D as a company set up to optimise the pursuit of research, experimental development and innovation projects (R&D+I), acting as an incubator for innovative digital solutions within the heart of the Fidelidade Group;
- Obtaining of the status of reputable company, from the National Innovation Agency, in the following areas of activity: Cyber-safety, the Internet of Things; New means of communication; ICT applied to Health and ICT for open access to knowledge;
- Consolidation of a knowledge and intelligence network with technological focus that will enable the Group to capitalise on the results of joint and increasingly close cooperation between the teams of FID I&D, the Group and key partners from the academic arena, the business sector and government bodies (connected to innovation, entrepreneurship and internationalisation).

3.5 Our People

THE FIDELIDADE TEAM

General Information on Employees of the Fidelidade Group⁴

At the end of 2021, the total number of employees in the Fidelidade Group's insurance area was 7,771, which represented an increase of 12.3% compared to the previous year. This increase was due to an additional 850 employees being admitted, 94 of them in Portugal (mostly linked to the increase in functions related to Digitalisation, Analytics and Transformation) and 756 employees in international operations, largely reflecting the acquisition of SIM and the expansion of the commercial network in Angola.

Total No. of Employees	2020	2021
Portugal	3,342	3,436
International	3,579	4,335
Total	6,921	7,771

Of the total number of employees in the Group, 44.2% work in the Portuguese operation and the remaining 55.8% work in the international operations.

Distribution of Employees with a contract⁵ with the Fidelidade Group by Length of Service

In 2021, the average length of service of the Fidelidade Group employees was 10.4 years versus 10.7 in 2020.

Length of Service	2020	2021
10 years or less	60.4%	62.5%
11-20 years	17.2%	15.4%
21-30 years	16.9%	16.4%
31-40 years	4.3%	4.7%
Over 40 years	1.2%	1.0%
Total	100%	100%

HUMAN RESOURCES POLICY

The Fidelidade Group's **human resources policy** is guided by a series of pillars based on the following principles:

- i. Humanisation of working relations and conditions;
- ii. Non-discrimination in the form of management based on equality, without ignoring diversity;
- iii. Respect for the dignity and promotion of the Person;
- iv. Adoption of integrated policies that combine measures of prevention, education, training, employment, balance between work and family life and equal opportunities;
- v. Implementation of human resource policies aimed at developing the individual and strengthening motivation and the stimulus to increase productivity;
- vi. Application of human resources policies aimed at treating employees with respect and integrity which actively contribute to their professional development.

⁴ These figures do not include the employees of Luz Saúde

⁵ Includes employees assigned by the Company and with their contract suspended.

Inclusion of Persons with a Disability or Incapacity

Additionally, the inclusion of people with disabilities or incapacities is also a priority of the Group, and it enhances the development of local communities, by (re)creating better and more appropriate long-term care and through maximum (re)capacitating of these citizens for active living, whenever possible, thereby contributing to reducing social inequality.

Equal treatment and opportunities for men and women

The Group's human resources are evenly distributed between the genders. The recruitment and selection process fully respects the equal opportunities principle, and selection is according to the curriculum and skills profile of each candidate. Thus, when recruiting the Group does not discriminate based on gender/ethnicity/nationality or any other factors.

Balancing personal, family and professional life

The Fidelidade Group has sought to implement a range of measures to support balancing work and family life, which include the following:

- Appropriateness and flexibility of work schedules and conditions;
- Internal mobility;
- Appropriateness of each placement to the physical and psychological conditions of employees, equipping work stations according to specific needs identified.

Professional development of employees

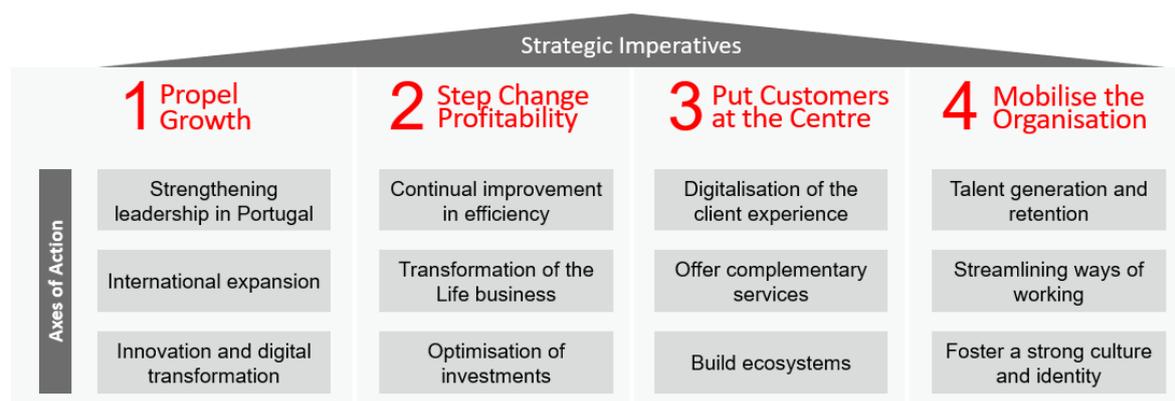
The Group promotes employee training, as a means of professional development. Employees are encouraged to undertake permanent and continual training throughout their professional life.

Accordingly, in line with the human resources policy, the Group has assumed the commitment to prepare teams, leaders and every one of its employees for appropriate professional development that also fosters the development of the business. The Fidelidade Group is committed to continuing to create conditions to improve the quality of life of its employees.

4. STRATEGY AND RISK MANAGEMENT

4.1 Fidelidade Group Strategy

The activity of the Fidelidade Group is based on **4 strategic imperatives**, upon which the Group has defined a growth and transformation plan with defined action-oriented initiatives. These strategic imperatives are the guiding force behind the Fidelidade Group's actions, and give rise to a wide range of initiatives that are being implemented by the different companies in the Group.



PROPEL GROWTH

Growth is a strategic priority for the Fidelidade Group. To achieve this objective, we have defined three growth areas: strengthening leadership in Portugal, international expansion and innovation and digital transformation.

STRENGTHENING LEADERSHIP IN PORTUGAL

In order to strengthen its position in the Portuguese market, the Fidelidade Group leverages the strength of its brands, its presence in the various distribution channels, its recognised technical capabilities and its culture of innovation, to serve more and more customers.

Added to this is the continual effort to improve sales dynamics, with greater coordination between the different sales channels, seeking to offer an **omni-channel experience**, and adapting the product range to customers' expectations in the different distribution channels.

This action plan has resulted in a continual increase in market share, mainly in the Non-Life business, and proven resilience in the face of external adversities, as seen in recent years. At the same time, the potential identified in the Life business in Portugal, strengthened by Fidelidade's position in the Savings market, has been one of the main drivers of growth.

INTERNATIONAL EXPANSION

International expansion plays a decisive role in the Fidelidade Group's growth strategy, at the same time helping to reduce the historical concentration in the Portuguese market and serving as a mechanism for transferring knowledge, skills and innovation between each of the companies that are part of the Group.

The Fidelidade Group's goal is to act in new markets where it can use its skills base to offer competitive advantage, while strictly meeting all the criteria for financial and operational sustainability.

Initially, the Fidelidade Group's internationalisation process sought out markets with which Portugal had greater economic, cultural and language ties. For the most part, the Group followed its natural partner in the bank channel (CGD), concentrating its operations in markets where the Bank was present.

In the future, the main focus of the Fidelidade Group's expansion will be markets with proximity in cultural terms and growth potential and where the Group can add value. The acquisition of a majority shareholding in the La Positiva Group in 2019 and the start of operations in Chile in 2020 marked the beginning of Fidelidade's international expansion into this type of markets. This was followed by the acquisition of a majority share in Seguradora Internacional de Moçambique (SIM) and the signing of an agreement for the acquisition of a majority share in The Prosperity Group AG, whose operations are focused in European markets (operation to be completed in 2022).

INNOVATION AND DIGITAL TRANSFORMATION

Lastly, innovation and digital transformation are a way for the Fidelidade Group to boost its insurance business, through the creation of new business models based on new technologies. They are also a key element in strengthening the Group's lead in the Portuguese market and a means of adding value to the international operations, by exporting proven success stories in Portugal to other geographies.

As market leader in Portugal and being present in several geographies, the Fidelidade Group is focused on understanding the trends where it is operating and identifying new market directions, in order to generate ideas for innovation projects.

STEP CHANGE PROFITABILITY

In recent years, the Fidelidade Group has returned consistently positive results, thanks to various initiatives to improve yields, and which continue to be a focus for action in the future. The most important of these initiatives include continual automation of internal processes, transformation of the Life business and optimisation of investment portfolio management.

CONTINUAL IMPROVEMENT IN EFFICIENCY

Continual improvement in efficiency is based on automation and the use of analytics technologies, reflected in increasing digitalisation of interactions with customers and distribution partners. This focus has allowed the Group to increase the number of processes that do not require human intervention, thereby freeing up human resources to perform activities with more added value. Another result are the gains in efficiency obtained, with a significant impact in different areas of the business, for example underwriting or claims management.

TRANSFORMATION OF THE LIFE BUSINESS

A macroeconomic context of low interest rates has made it necessary to review Fidelidade's product range, focusing on non-guaranteed capital products (unit-linked). The redefinition of the offer, with particular emphasis on regular launching of closed non-guaranteed series, has led to an increase in the weight of this type of products, contributing to a more balanced portfolio. This reformulation has been coupled with a focus on differentiated asset management capabilities in order to capitalise on the potential that this line of business presents in the Portuguese market.

OPTIMISATION OF INVESTMENTS

Optimisation of investment management involves ensuring the right fit for the market and regulatory context in which Fidelidade operates. We seek to optimise return and risk, but safeguarding the level of prudence that has always characterised the company's activity. This optimisation also centres around diversification of

investments, whether in terms of geography or class of assets, to mitigate risks and guarantee protection against adverse market contexts.

PUT CUSTOMERS AT THE CENTRE

Our activity and innovation are customer-centric. Yet we no longer only purport to offer insurance and mutualise customers' risks, but also to proactively support them in managing their risks and solving their problems and needs as these arise. This ambition requires the development of new offers integrated in the ecosystems in which the Group operates, in particular the home, mobility, health and savings, providing products and services that are outside its core business and increasingly focused on prevention and on solving customers' holistic needs.

We have achieved this route by acquiring and internalising different services that are relevant to the business and also by forming strategy partnerships with important groups with a global presence, such as Discovery Vitality.

MOBILISE THE ORGANISATION

In order to achieve the three first goals of growth, profitability and customer focus, the Fidelidade Group needs to have the necessary talent and working methods. Hence, we are keeping up to speed with the sector's transformation and trends, in order to guarantee today the talent that will be needed for the challenges of tomorrow, in line with the ambition of becoming an employer of reference in the Portuguese market.

We have developed an action plan that allows us, in a structured manner, to provide a response to the demanding challenges we face and to fill potential gaps identified with talent available on the market. Additionally, we maintain continued emphasis on employee training and internal rotation, which are important initiatives for sharing experiences and generating knowledge.

Alongside this, reformulating ways of working and organisational processes based on Agile methods is a route that Fidelidade has followed, and there are now a growing number of interdisciplinary teams working with this method. This model will guarantee an increasingly agile organisation, capable of supporting business growth and responding quickly and efficiently to any challenge that arises.

Following a successful first transformation in the organisation of the IT systems area, Fidelidade is expanding the method to the Group's other areas and functions.

Additionally, Fidelidade has developed the necessary actions so that all the Group's employees assimilate the values, purpose and identity of the Group. The various social responsibility initiatives guaranteed by Fidelidade, such as *Fidelidade Comunidade* or the WeCare programme, also promote the entrenchment of community spirit throughout the company.

4.2 How we manage risk

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Fidelidade Group's global risk management system is an integral part of its daily activities, contributing to maintaining the Group's financial solidity and stability.

The risk management model is aligned with the requirements set out in the Solvency II rules, which came into force in January 2016.

The own risk and solvency assessment ("ORSA"), which enables risk, capital and return to be related to each other in a prospective vision, within the context of the business strategy, plays a key role in monitoring both the Company's risk profile and the capital adequacy in terms of meeting the regulatory requirements and the internal capital needs.

The Company has policies, processes and procedures relating to the governance system that are adapted to its business strategy and operations, guaranteeing sound and prudent management of its business.

The performance of key functions is allocated to the following bodies:

Risk Management Department <ul style="list-style-type: none"> • Risk Management Function • Actuarial Function 	Audit Department <ul style="list-style-type: none"> • Audit Function 	Compliance Department <ul style="list-style-type: none"> • Compliance Function
--	--	--

Risk management and internal control management is complemented with the following committees:

Risk Committee	Underwriting Policy Acceptance and Supervision Committee
Life and Non-Life Products Committees	Assets and Liabilities Management Committee

The remaining Management Bodies are responsible for enhancing the risk management and internal control process, so as to ensure that the management and control of operations is performed in a sound and prudent manner. They are also responsible for preparing and updating documentation relating to the business processes, their risks and control activities.

Regarding the reporting requirements, the Company prepared and disseminated, on its Internet site, the "**Solvency and Financial Condition Report**", with reference to 31 December 2020, which contains detailed information on its activities and performance, governance system, risk profile, solvency assessment and capital management.

Given the time lag between the disclosure of these financial statements and the prudential information in the "Solvency and Financial Condition Report" for the year 2021, it is important to mention that the Company, based on preliminary quarterly data reported to the ASF and on information currently available, continues to comply adequately with the capital requirements.

FINANCIAL RISKS MANAGEMENT AND HEDGE ACCOUNTING

The Fidelidade Group performs operations with derivative products as part of its activity, with the aim of reducing its exposure to fluctuations in exchange and interest rates.

The derivative financial instruments are recognised at their fair value at the contract date. They are also recognised in off-balance sheet accounts at their notional value. Subsequently, derivatives are measured at their fair value, which is calculated: i) on the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets); ii) on the basis of models that incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

EMBEDDED DERIVATIVES

Derivatives embedded in other financial instruments are separated from the host contract and treated as separate derivatives, whenever: i) the embedded derivative's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; iii) the hybrid contract is not measured at fair value with changes in fair value reflected in profit or loss.

HEDGE ACCOUNTING

The Group invests in derivatives with the aim of hedging its exposure to the risks inherent to its activity, namely hedging of the fair value of foreign currency assets (currency fluctuation risk).

At the beginning of all hedging operations, the Group prepares formal documentation, which includes the following minimum items:

- i. Risk management objectives and strategy associated with the performance of the hedging operation, in line with the defined hedging policies;
- ii. Description of the hedged risk(s);
- iii. Identification and description of the hedged and hedging financial instruments;
- iv. Method for assessing the hedge's effectiveness and the frequency of assessment.

In the light of IFRS 9, the Group no longer has hedge accounting for this purpose; however, it is required to maintain the rules of the said hedging due to having applied IFRS 9 with the overlay approach. Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in gains and losses for the year. If the hedge is shown to be effective, the Group also recognises in the income statement for the year the change in fair value of the hedged item attributable to the hedged risk. If the hedge relationship ceases to be effective, the cumulative change in fair value reflected in the hedged item is recognised in the income statement up until its maturity.

Hedge derivatives of net investment in a foreign operating unit and cash flow hedge derivatives are recognised at fair value, provided that the hedge is determined to be effective, and the results are registered in shareholders' equity. Any ineffective portion of the results is recognised in gains and losses for the year.

Positive and negative revaluations of hedge derivatives are recognised in specific assets and liabilities headings, respectively. Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

These include all derivatives not associated with effective hedging relationships, in particular:

- i. Derivatives used to hedge risk in assets and liabilities recognised at fair value through profit or loss, rendering the use of hedge accounting unnecessary;
- ii. Derivatives used to hedge risks which do not meet the criteria defined for use of hedge accounting under IFRS 9, in particular due to the difficulty in specifically identifying the hedged items, in cases of macro or portfolio hedging, or because the results of the effectiveness assessment demonstrate that the hedge is not effective.
- iii. Derivatives used for trading purposes.

Derivatives at fair value through profit or loss are recognised at fair value, and the results of revaluation are calculated daily and recognised in gains and expenses for the year, under the headings “Net income on financial assets and liabilities recognised at fair value through profit or loss”, with the exception of the part related to interest accrued and paid, which is recognised in “Other income”. Positive and negative revaluations are recognised in “Financial assets at fair value through profit or loss” and “Other financial liabilities”, respectively.

5. FINANCIAL PERFORMANCE

5.1 Market Environment

MACRO-ECONOMIC DEVELOPMENT⁶

i) GLOBAL MARKET

2021 continued to be marked by the disruptive effects of the Sars-CoV2 pandemic on the world economy. Despite everything, an economic recovery took place even if at different speeds and in non-linear movements, directly connected to the different waves of the pandemic that emerged over the course of the year, in line with the appearance of new variants and the consequent restrictive measures. Adding to the volatility in growth indices, there continued to be only low levels of vaccination at the global level, especially in the emerging economies, where levels of demand have still not entirely recovered. Disruptions to the supply chain, driven by the mismatch in supply and demand in international markets, led to a rise in inflation that is expected to return to normal over the medium term, especially as regards raw materials and energy resources.

ii) PORTUGAL

After a year that saw a historical fall in economic activity, Portugal registered strong growth in 2021, having staged a far faster recovery than happened during other recent economic crises. Given its high rate of vaccination, Portugal was one of the European Union countries that did not have to resort to another lockdown, since when the most restrictive measures have been relaxed. The business sector maintained the resilience already registered in 2020, proving able to boost the volume of exports and drive a continued investment dynamic. Economic growth in 2021 came about both due to the recovery in public and private consumption. The state's terms of financing also remained favourable with Portugal able to issue long-term debt at interest rates lower than those obtained in 2019. The recovery in employment closed off a set of positive indicators contributing to the positive trend in economic activities reflected in unemployment falling to 6.6%. GDP, furthermore, registered an advance of 4.8%, and only did not rise higher due to the negative effects of the pandemic waves on key sectors of the economy, in particular tourism, which ended the year contributing to output at close to 50 pp below the level recorded in 2019.

iii) LATIN AMERICA

The Latin America region continued to be buffeted by the negative effects of the pandemic, with various countries in the region experiencing a constant battle between efforts to raise their rates of vaccination and combatting the successive variants of the Sars-CoV2 virus and their respective waves. However, the region managed to continue the trend towards recovery with the regional GDP growing 6.3%. However, inflation rose to an average of 12% across the region, but was affected by outliers such as Venezuela, Uruguay and Brazil. However, in the Fidelidade markets in this region, inflation remained close to 3%.

INSURANCE SECTOR ENVIRONMENT

i) EVOLUTION OF THE PORTUGUESE INSURANCE MARKET

In 2021, the insurance sector registered strong growth with total premiums outstripping the pre-pandemic levels. Up 34.5% on 2020, the insurance market closed 2021 with gross premiums totalling 13.3 billion euros. The Life segment was the core driver of this increase, surging by 69.5%, accompanied by the Non-Life segment that remained on an upwards trajectory – gaining 4.8% year-on-year.

⁶ Source: IMF Economic Outlook (Oct-2021), OECD Economic Outlook (Dec-2021), BdP Economic Bulletin (Dec-2021).

Portuguese Insurance Market



Unit: million euros

Source: ASF

The increase in premiums in the Life segment stemmed, above all, from greater innovation in the range of differentiated products as well as the growing interest among clients in this new range, predominantly with non-guaranteed capital. This growth in client interest is also supported by the current environment of low interest rates in which low risk financial applications, in their majority, do not remunerate the capital invested. Uncertainty about the evolution of the economic situation still under the shadow of the pandemic also led to a rise in household savings over that of the pre-pandemic years⁷, which ended up generating an equally positive impact on the performance in this segment.

In turn, premiums in the Non-Life segment retained the trend for growth, and once again gained greater traction when compared to the previous year, primarily deriving from the recovery in economic activities.

In this segment, the positive trend registered in the Health (+8.7%) segment deserves highlighting at a time when the population is increasingly aware of the need to complement the state's National Health Service. This growth enabled Health to remain as the second largest in the Non-Life segment, with direct insurance premiums amounting to 1.032 billion euros and, for the second consecutive year, outstripping the Workers' Compensation premiums. Nevertheless, both the Workers' Compensation and Motor segments also continued the growth trend seen in previous years, even if at a slower pace.

Non-Life: Gross Premiums

	Gross Premiums		
	2020	2021	Change
Non-Life	5,363	5,619	4.8%
Motor	1,877	1,898	1.1%
Health	950	1,032	8.7%
Workers' Compensation	905	965	6.7%
Fire and Other Damage	945	1,000	5.8%
Others	686	724	5.5%

Unit: million euros; Source: ASF

ii) EVOLUTION OF THE INSURANCE MARKET IN PERU, BOLIVIA AND CHILE

In the Latin America market where the Fidelidade Group is present – especially Peru, Bolivia and Chile -, the Non-Life segment maintained the trend in premiums growth even while recording a slowdown in 2021 due to pandemic-related effects, with the exception of Peru, which recorded significant growth closely bound up with the expansion of the Motor and Health segments.

⁷ Source: INE; Levels of saving by household unit.

Non-Life: Gross Premiums

Country	Gross Premiums	
	2020	2021
Peru	3.1%	9.8%
Chile	4.0%	2.6%
Bolivia	-0.3%	0.5%

Unit: % change rate

Source: Local Regulatory Bodies (information updated to November 2021 (Peru and Bolivia); Chile with figures forecast by AACH

In 2021, premiums in this segment again picked up speed to record growth in excess of 37% due to the strong commercial dynamic of annuity products (disability and vital protection⁸).

Life: Gross Premiums

Country	Gross Premiums	
	2020	2021
Peru	-4.2%	37.1%
Chile	-24.3%	3.2%
Bolivia	11.0%	2.9%

Unit: % change rate

Source: Local Regulatory Bodies (information updated to November 2021 (Peru and Bolivia); Chile with figures forecast by AACH

The insurance market of Chile turned in growth of close to 3%, positively influenced not only by the recovery in Life products but also by the performance obtained in the Non-Life segment.

Bolivia, the smallest insurance market of these three countries, demonstrated its resilience to the impacts of the pandemic with Non-Life premiums registering slight growth and with the Life segment continuing along its positive trajectory.

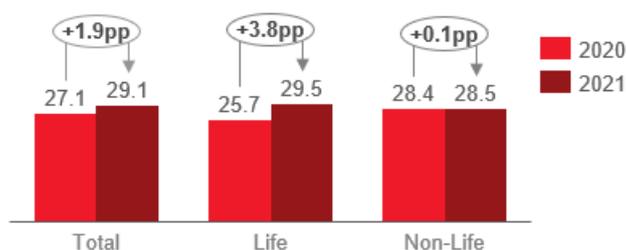
⁸ Translation of *Seguro de Invalidez, Supervivencia y Gastos de Sepelio*.

5.2 Market Shares

POSITION IN THE PORTUGUESE MARKET

In 2021, the Fidelidade Group held its position as market leader in Portugal, recording an overall market share of 29.1%, corresponding to an increase of 1.9 pp compared to the previous year, mostly driven by the performance recorded in the Life segment.

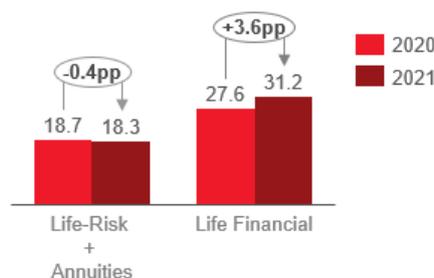
Total Market Share, Life and Non-Life (Unit: %; Source: ASF)



The Life segment was heavily influenced by the behaviour of financial products, and accordingly the Fidelidade Group managed to increase its market share by 3.8 pp compared to the previous year.

In fact, the success recorded reflects the restructuring of the Life Financial line of business, marked by an increase in the market share in unit-link products from 20.1% in 2020 to 27.3% in 2021.

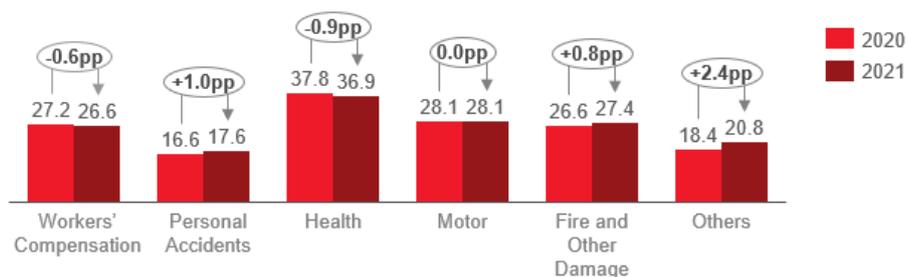
Life Segment – Market Shares (Unit: %; Source: AFS)



On the other hand, the Non-Life segment has proved to be resilient during the pandemic and Fidelidade increased its share compared to the previous year, reflecting the contribution of most lines of business.

In 2021, the Fidelidade Group's position in the Non-Life market in Portugal was influenced by a series of factors, including:

- Market share in the Motor line of business stabilised, reflecting the premium reduction given to our insured persons in the pandemic context;
- The Health line of business recorded a positive contribution from individual policies (0.2 pp increase in market share) but was affected by the loss of share in the group segment (2.0 pp decrease compared to 2020);
- Civil Liability products displayed a strong commercial dynamic, leading Fidelidade to increase its share by 3.1 pp to 29.7% at the end of 2021;
- The Transport segment also made a positive contribution, recording 2.3 pp growth in share.

Non-Life Segment – Market Shares⁹ (Unit: %; Source: AFS)**POSITION IN THE INTERNATIONAL MARKET****LATIN AMERICA**

In 2021, the Fidelidade Group consolidated its position in the Latin American insurance market¹⁰:

- **Peru:** 3rd place, with the La Positiva achieving a market share of 13.1%¹¹, in line with the figure for 2020 of 13.2%. In the Non-Life market, La Positiva Seguros had the 4th largest share, with 15.5%, and La Positiva Vida also reached 4th place in the Life segment, with 11.0%.
- **Bolivia:** 1st place, with a market share of 21.6% in the Non-Life business and 22.8% in the Life business, strengthening its leadership position among private capital insurers;
- **Chile:** 18th place (the operation only commenced its activity in 2020);
- **Paraguay:** 9th place (Alianza Garantia – Non-Life business – maintained its position in the market with a market share of 3.9%)

OTHER GEOGRAPHIES

The Fidelidade Group also consolidated its position in **Africa**. In Mozambique it held 8th position in 2021, with a market share of 4.6%, which was a slight increase compared to 2020 (4.2%)¹². In Angola the market share was 8.0%, leading to the operation ranking in 4th place¹³.

⁹ Share of motor segment includes premiums relating to assistance and legal protection covers

¹⁰ Source: Peru: SBS December 2020 and November 2021; SUSALUD December 2020, Bolivia: APS November 2021, Chile and Paraguay: BCP, Banco Central do Paraguai December 2020.

¹¹ Includes La Positiva Seguros and La Positiva Vida.

¹² Source: Principal Quarterly Indicators Report (III Quarter 2020) - ISSM (Mozambique Institute of Insurance Supervision). Does not include the effects of the acquisition of SIM.

¹³ Source: Report on the Insurance Market, Pension Funds and Intermediation 2020 – ARSEG, September 2021, p.41.

5.3 Consolidated Financial Performance

EXECUTIVE SUMMARY

<i>Units: thousand €</i>	2021	2020	<i>Change 21/20</i>
Summary INCOME STATEMENT			
Premiums written	4,911,602	3,558,101	38.0%
<i>Life</i>	2,628,513	1,425,399	84.4%
<i>Non-Life</i>	2,283,089	2,132,702	7.1%
Combined Ratio (%) ¹	93,4%	89,8%	3.7 pp
Underwriting Result	45,311	150,711	-69.9%
Investment Yield (%)	3,5%	2,4%	1.1 pp
Investment Result ²	330,410	198,612	66.4%
Net Income ³	270,242	222,329	21.6%
Summary BALANCE SHEET			
AuM	18,099,943	17,472,093	3.6%
Total Assets	20,350,385	19,297,206	5.5%
Technical Provisions	14,054,213	14,009,942	0.3%
Shareholders' Equity ⁴	3,054,714	3,111,005	-1.8%
ROE	8.8%	7.5%	1.3 pp

1. Non-Life Combined Ratio adjusted to the technical costs of the insurance business; 2. Financial income deducted from the allocation to customers/technical interest and expenses related to investment management; 3. After minority interests; 4. Excluding minority interests.

In 2021 the Fidelidade Group attained total consolidated premiums written of EUR 4,911.6 million, registering an overall increase of 38% in its business, primarily influenced by the Life segment in Portugal.

The combined ratio recorded an improvement compared to the previous year, brought about the return to a semblance of normality in economic activity which was generally reflected in claims rates. This had an impact on the technical income, which totalled EUR 45.3 million this year.

Investment income saw an increase of 66.4%, reaching EUR 330.4 million, influenced by capital gains on investments in both financial and real estate assets.

The positive evolution of investment income more than compensated for the drop in technical income, enabling net income to increase by EUR 47.9 million compared to 2020, to EUR 270.2 million.

It should also be noted that at the end of 2021 the Fidelidade Group had EUR 18.1 billion assets under management, an increase of 3.6% compared to 2020, mostly reflecting the effect of the issue of subordinated debt, and technical provisions recorded an increase of 0.3% compared to 2020.

Shareholders' Equity reached EUR 3,054.7 million, and the average return on shareholders' equity ("ROE") was 8.8%.

PREMIUMS WRITTEN**Consolidated Premiums**

<i>Units: thousand €</i>	2021	% Mix	2020	% Mix	Change 21/20
Consolidated Premiums					
Life Premiums¹	2,628,513	53.5%	1,425,399	40.1%	84.4%
<i>Risk and Annuities</i>	443,081	16.9%	370,267	26.0%	19.7%
<i>Life Financial</i>	2,185,433	83.1%	1,055,132	74.0%	107.1%
Non-Life	2,283,089	46.5%	2,132,702	59.9%	7.1%
<i>Motor</i>	668,183	29.3%	659,628	30.9%	1.3%
<i>Health</i>	466,993	20.5%	435,265	20.4%	7.3%
<i>Fire and Other Damage</i>	477,570	20.9%	432,622	20.3%	10.4%
<i>Workers' Compensation</i>	312,145	13.7%	291,395	13.7%	7.1%
<i>Other Non-Life</i>	358,198	15.7%	313,792	14.7%	14.2%
TOTAL	4,911,602	100.0%	3,558,101	100.0%	38.0%

Geographical Breakdown

Life Premiums¹	2,628,513	100.0%	1,425,399	100.0%	84.4%
Portugal	2,277,607	86.7%	1,169,257	82.0%	94.8%
International	350,906	13.3%	256,142	18.0%	37.0%
Non-Life	2,283,089	100.0%	2,132,702	100.0%	7.1%
Portugal	1,604,564	70.3%	1,525,917	71.5%	5.2%
International	678,524	29.7%	606,785	28.5%	11.8%
TOTAL	4,911,602	100.0%	3,558,101	100.0%	38.0%
Portugal	3,882,172	79.0%	2,695,174	75.7%	44.0%
International	1,029,430	21.0%	862,927	24.3%	19.3%

1. Includes investment contracts

Despite the market conditions that characterised 2021, the Life business recorded an increase of 84.4% compared to the previous year, with premiums totalling EUR 2,628.5 million, with most geographies contributing to this result. This growth was particularly leveraged by the success of the product Investment Portugal/ Global in Portugal (Unit Link premiums increased 231% compared to 2020).

In the Non-Life segment, the Fidelidade Group grew 7.1% in 2021 to EUR 2,283.1 million, with positive performance in all lines of business. In 2021 the Non-Life segment accounted for around 46.5% of the total premiums written, 29.7% of these coming from the international business.

The lines of business with the greatest growth in 2021 were Other Non-Life, Fire and Other Damage, Health and Workers' Compensation, with increases of 14.2%, 10.4%, 7.3% and 7.1%, respectively.

Premiums in Portugal

<i>Units: thousand €</i>	2021	% Mix	2020	% Mix	Change 21/20
Premiums - Portugal					
Life Premiums	2,277,607	58.7%	1,169,257	43.4%	94.8%
<i>Risk and Annuities</i>	191,050	8.4%	188,646	16.1%	1.3%
<i>Life Financial</i>	2,086,557	91.6%	980,611	83.9%	112.8%
Non-Life	1,604,564	41.3%	1,525,917	56.6%	5.2%
<i>Motor</i>	512,610	31.9%	508,531	33.3%	0.8%
<i>Health</i>	380,478	23.7%	359,348	23.5%	5.9%
<i>Fire and Other Damage</i>	276,100	17.2%	253,124	16.6%	9.1%
<i>Workers' Compensation</i>	256,387	16.0%	246,176	16.1%	4.1%
<i>Other Non-Life</i>	178,990	11.2%	158,737	10.4%	12.8%
TOTAL	3,882,172	100.0%	2,695,174	100.0%	44.0%

In Portugal, the Fidelidade Group recorded positive premiums performance in the Non-Life segment, growing above the Portuguese market average (5.2% compared to 4.8% in the market), with most lines of business contributing to this result.

In the Life business in Portugal, Fidelidade also recorded above-market growth, reflected in an increase of 94.8%, influenced by the positive performance of the Life Financial premiums.

In the Non-Life business, the Other Non-Life and Fire and Other Damage lines of business recorded the greatest growth, with total premiums reaching EUR 179.0 million and EUR 276.1 million, respectively. Fidelidade's market shares in Portugal in these two lines of business increased to 20.8% (compared to 18.4% in 2020) for Other Non-Life and 27.4% (compared to 26.6% in 2020) for Fire and Other Damage.

International premiums

International premiums reached EUR 1,029.4 million in 2021, like Portugal recording an increase compared to the previous year, related to the evolution of both the Life segment and the Non-Life segment.

The Non-Life business grew 11.8%, with Chile (which began its operation in January 2020), Spain, France and Luxembourg contributing most to the increase of EUR 71.7 million in the international Non-Life premiums.

<i>Units: thousand €</i>	2021	% Mix	2020	% Mix	Change 21/20
International Premiums					
Life Premiums	350,906	34.1%	256,142	29.7%	37.0%
<i>Risk and Annuities</i>	252,031	71.8%	181,620	70.9%	38.8%
<i>Life Financial</i>	98,875	28.2%	74,521	29.1%	32.7%
Non-Life	678,524	65.9%	606,785	70.3%	11.8%
<i>Motor</i>	155,573	22.9%	151,097	24.9%	3.0%
<i>Health</i>	86,515	12.8%	75,916	12.5%	14.0%
<i>Fire and Other Damage</i>	201,470	29.7%	179,498	29.6%	12.2%
<i>Workers' Compensation</i>	55,758	8.2%	45,219	7.5%	23.3%
<i>Others</i>	179,209	26.4%	155,055	25.6%	15.6%
TOTAL	1,029,430	100.0%	862,927	100.0%	19.3%

The Workers' Compensation line of business saw very marked growth (23.3%), propelled by Fidelidade's business in Peru, and the Health line of business recorded growth of 14.0%, predominantly influenced by the increase in demand for health insurance during the pandemic in Latin American markets. The Fire and Other

Damage line of business also returned very positive growth (12.9%), also originating in the Latin American markets.

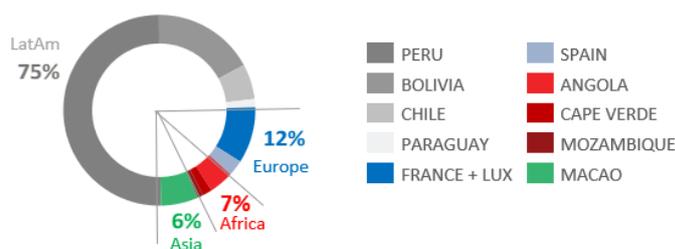
The Life Financial line of business recorded growth of 32.7%. Growth in Life Financial in the Macao business may be highlighted, reflecting the offer of competitive yield rates on short-time capitalisation products.

The Life Risk and Annuities line of business, which carries significant weight in the Latin America business recorded significant growth of 38.8%, essentially reflecting the increase in demand for life policies in the Bolivia and Peru operations during the COVID-19 pandemic. In Peru, we may also highlight the growth in life and private annuities and individual life.

Units: thousand €	2021			2020			Change 21/20
International Premiums	%Life	%NL	Total	%Life	%NL	Total	%
PERU	36%	64%	520,098	31%	69%	473,838	9.8%
BOLIVIA	44%	56%	172,100	31%	69%	129,231	33.2%
FRANCE+ LUX	31%	69%	98,864	38%	62%	84,994	16.3%
ANGOLA	4%	96%	42,350	2%	98%	43,688	-3.1%
MACAO	76%	24%	65,118	67%	33%	42,223	54.2%
CHILE	0%	100%	61,624	-	-	32,394	90.2%
SPAIN	12%	88%	27,894	23%	77%	19,053	46.4%
CAPE VERDE	15%	85%	16,750	14%	86%	15,044	11.3%
PARAGUAY	4%	96%	14,524	6%	94%	12,190	19.1%
MOZAMBIQUE	1%	99%	10,109	1%	99%	10,272	-1.6%
TOTAL	34%	66%	1,029,430	30%	70%	862,927	19.3%

In 2021, the Latin America business represented 75% of Fidelidade's international business, while Europe accounted for 12%, Africa 7% and Asia 6%.

International Business: Geographic Distribution



PROFITABILITY

Combined Ratio

(%)	2021	2020	Change 21/20
Combined Ratio			
Consolidated CoR	93.4%	89.8%	3.7 pp
<i>Loss Ratio</i>	<i>64.9%</i>	<i>61.9%</i>	<i>3.0 pp</i>
<i>Expense Ratio</i>	<i>28.5%</i>	<i>27.9%</i>	<i>0.6 pp</i>
CoR Portugal	93.0%	90.3%	2.7 pp
CoR International	96.6%	88.2%	8.4 pp

Fidelidade's consolidated combined ratio was 93.4%, increasing 3.7 pp compared to the previous year, mostly reflecting the return to normal of claims rate in most lines of business, but particularly in the Health line of business.

The increase in the combined ratio was seen both in the Portugal business (up 2.7 pp compared to 2020, to 93.0%) and in the international business, where an 8.4 pp increase compared to 2020 was recorded, to 96.6%, mostly reflecting the evolution of the claims rate in the Latin America business.

Net income

<i>Units: thousand €</i>	2021	2020	<i>Change 21/20</i>
Income			
Technical Income	45,311	150,711	-69.9%
Investment Income	330,410	198,612	66.4%
Non-Technical Income	31,270	-43,980	171.1%
Income before Tax	406,991	305,343	33.3%
Tax and Minority Interests	-136,750	-83,014	-64.7%
NET INCOME	270,242	222,329	21.6%

Net income evolved positively in 2021, due to the contribution of investment income and non-technical income, reflecting, respectively, the contribution from gains on investments and improvement in the income from the hospital operation.

BALANCE SHEET INDICATORS

AuM

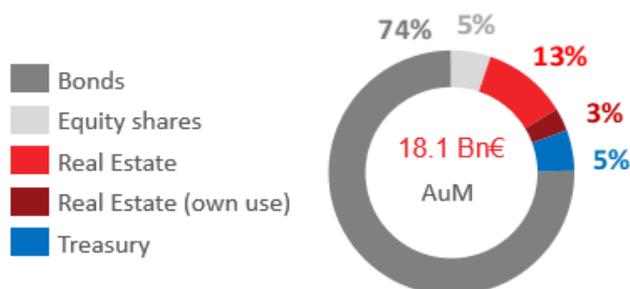
<i>Units: thousand €</i>	2021	<i>Mix (%)</i>	2020	<i>Mix (%)</i>	<i>Change 21/20</i>
Assets under Management (AuM)¹					
Treasury	951,255	5%	936,872	5%	1.5%
Bonds	13,371,306	74%	13,090,984	75%	2.1%
Equities	968,008	5%	917,770	5%	5.5%
Properties	2,276,353	13%	1,997,442	11%	14.0%
Properties (own use)	533,022	3%	529,024	3%	0.8%
Total AuM	18,099,943	100%	17,472,093	100%	3.6%
yield (%)	3.5%	-	2.4%	-	1.1 pp
RoTE (%)	10.9%	-	9.1%	-	1.8 pp

1. Derivatives and units of participation in investment funds are distributed in line with the assets they are related to.

In 2021 Fidelidade had assets under management of EUR 18.1 billion, and the annualised average yield from the investment portfolio was 3.5%, in a climate of very low interest rates.

Fidelidade has a prudent investment strategy with 79% of its portfolio being composed of debt securities and treasury, 16% real estate and 5% shares.

In 2021, the policy of diversifying by class of asset and geographies was continued, as a means of maximising yield with an appropriate level of risk given the climate of low interest rates, and taking into account capital optimisation under the Solvency II rules.

Assets under Management ("AuM") 2021: Composition**Technical Provisions**

Units: thousand €	2021	Mix (%)	2020	Mix (%)	Change 21/20
Technical Provisions					
Life	11,227,249	80%	11,546,634	82%	-2.8%
Non-Life	2,826,964	20%	2,463,308	18%	14.8%
Total	14,054,213	100%	14,009,942	100%	0.3%

In 2021, Technical Provisions stood at EUR 14.1 billion, displaying a slight increase of 0.3% compared to 2020 influenced by the increase in provisions in the Non-Life segment, more than compensating the decrease in provisions in the Life business.

Shareholders' Equity

Units: thousand €	2021	2020	Change 21/20
Shareholders' Equity			
Shareholders' Equity with MI	3,618,980	3,571,456	1.3%
Minority Interests ("MI")	564,267	460,452	22.5%
Shareholders' Equity without MI	3,054,714	3,111,005	-1.8%
ROE (%)	8.8%	7.5%	1.3 pp

In 2021 Shareholders' Equity, excluding Minority Interests, was EUR 3,054.7 million, and the average return on shareholders' equity (ROE) was 8.8%.

Debt

Units: thousand€	2021	2020	Change 21/20
Debt			
Subordinated debt	501,054	-	-
Debt Ratio (%)	2.5%		

In 2021, for the first time Fidelidade issued subordinated debt in the financial markets, enabling optimisation of the company's capital structure. At the end of 2021 the ratio of subordinated debt to total assets was 2.5%.

5.4 Separate Financial Performance

PRELIMINARY NOTE



Fidelidade's separate accounts include the insurance business of Fidelidade - Companhia de Seguros, S.A. in Portugal and of its branches in France, Luxembourg, Spain and Mozambique.

INCOME SUMMARY

Units: thousand €	2021	2020	Change 21/20
Summary INCOME STATEMENT			
Premiums written	3,959,112	2,756,472	43.6%
Life	2,311,992	1,211,156	90.9%
Non-Life	1,647,120	1,545,316	6.6%
Combined Ratio (%) ¹	93.7%	90.0%	3.7 pp
Net Income	212,283	150,834	40.7%

1. Non-Life Combined Ratio adjusted to the technical costs of the insurance business

In individual terms, Fidelidade's total premiums in 2021 were EUR 3,959.1 million, recording an increase of 43.6% compared to the previous year, mainly propelled by the evolution in the Life segment.

The Life business recorded premiums of EUR 2,312.0 million, increasing 90.9% compared to the previous year, following the market trend.

In the Non-Life segment, Fidelidade grew 6.6% in 2021, benefiting from positive performance in all lines of business.

Fidelidade's individual combined ratio was 93.7%, an increase of 3.7 pp compared to the previous year, reflecting the return to pre-pandemic claims rates. The Health and Workers' Compensation lines of business recorded the greatest increase, reflecting the return of medical treatments postponed in 2020 and less severe lockdowns. The significant improvement in investment income contributed to an increase in net income in 2021 of 40.7% compared to the previous year.

BALANCE SHEET INDICATORS SUMMARY

Units: thousand €	2021	2020	Change 21/20
Summary BALANCE SHEET			
Total Assets	16,694,316	16,277,509	2.6%
Technical Provisions	12,264,215	12,489,988	-1.8%
Shareholders' Equity	2,812,082	2,941,734	-4.4%

In 2021 Fidelidade Individual had Assets of EUR 16.7 billion and Technical Provisions of EUR 12.3 billion, the latter falling 1.8%, reflecting the evolution in Life Financial products.

Shareholders' Equity totalled EUR 2.8 billion, a fall of 4.4% compared to the previous year, reflecting the return of EUR 150 million in supplementary capital payments to the majority shareholder.

5.5 Subsequent Events

PURCHASE OF 70% OF THE PROSPERITY COMPANY

Fidelidade completed the acquisition of 70% of the capital of The Prosperity Company AG, a company that leads the group with the same name, after having reached an agreement with the majority shareholders and with the management team in the second half of 2021 and obtained the necessary regulatory authorisations. The core activity of The Prosperity Company involves developing long-term savings products based on innovative technological solutions. Besides acting in Switzerland and Germany, where it has most of its customers, the company also operates in Austria, Italy and Liechtenstein. With a total of 75,000 policies and gross premiums in 2021 of EUR 200 million, the company has a volume of expected global committed premiums of over 5.5 billion euros in the coming years.

5.6 How we see the Future

The outlook for 2022 continues to be uncertainty as to the evolution of the pandemic situation in the world and in Portugal. Nevertheless, we look with optimism to a year when, despite everything, further recovery in economic activities is envisaged, as a result of the expected progressive lifting of restrictive measures as the levels of immunisation of populations begin to increase.

The 2022 forecasts for the Portuguese economy point to levels of growth that should enable a return to national levels of pre-pandemic output¹⁴. As regards the global economy, this is forecast to grow at a rate of 4.9%, and Portugal and Latin América in particular are expected to rise by 5.1% and 3.0%, respectively¹⁵.

Premiums from the insurance business, and in particular the Non-Life segment, should follow the trend of the rest of the economy, and financial products should continue to benefit from high families' savings rates.

Notwithstanding, it is important to note that, in the short term, economic activities may be conditioned by a new wave of the pandemic, and also by supply chain problems that are likely to continue to put pressure on prices.

In 2022, one important area of activity for the Fidelidade Group will continue to be acceleration of its digital transformation, seeking to overcome the limits resulting from restrictions on face-to-face contact within the pandemic context and providing the different distribution channels with the necessary tools to perform sales at a distance.

Although uncertainty surrounding the future will continue to shape the agenda, the Fidelidade Group should continue to focus on its strategic initiatives, boosting the ongoing transformation of the Life business and continuing to promote innovative solutions for the benefit of customers in the various ecosystems in which it operates.

In this context, Fidelidade should launch, through its banking partner and the other distribution channels, innovative savings and investment solutions that offer our clients not only an attractive risk-return ratio within the current macroeconomic context, but also differentiated investment options with focus on sustainability. Naturally, the risk underlying the products offered will be limited to the position inherent to insurers, and in particular to the Fidelidade Group, of offering security. To do this, we will continue to leverage the management skills of our internal assets, which have been acquired over decades of managing customers' savings and which were enhanced with the acquisition of Tenax Capital and of the Prosperity group, in addition to the partnerships in force with asset management institutions of global repute.

On the other hand, in 2022 the range of innovative solutions available in the Fidelidade ecosystem will continue to be heavily enhanced. Of particular note, naturally, are the Vitality programme, to promote healthy habits, the Fidelidade Drive and Via Verde Smart Drive applications, to encourage safe driving, the new Fixo platform for domestic services and repairs, and the Alô solution for communication and assistance to senior clients, all of which have brought the Group closer to its customers. The Group will also strengthen its offer of innovative products such as Fidelidade Pets, an insurance aimed at pets that includes health covers.

Lastly, the priority of international expansion will continue to shape the agenda, given that the Fidelidade Group aims to position itself as a leading player in the international markets where it operates and to build a growth

¹⁴ Bank of Portugal Economic Bulletin – December 2021.

¹⁵ IMF – World Economic Outlook – October 2021.

path outside the domestic market. Maintaining this ambition, in 2022 the Group will continue to analyse opportunities to enter new and attractive markets where it can gain competitive advantage.

6. NON-FINANCIAL STATEMENT

LEGISLATIVE AND REGULATORY COMPLIANCE

All of the Group's activity is guided by strict compliance with legal, regulatory, ethical and deontological rules and rules of good practice.

Accordingly, and in compliance with the provisions of Article 508 G(2) of the Code of Commercial Companies, the following is reported:

i. Application of environmental rules

The Group is committed to preserving the environment, which means not only complying with environmental rules, but also promoting environmentally-appropriate behaviour.

ii. Application of employment rules

The Group's labour relations are governed by strict criteria and high ethical standards. The Group always seeks to avoid conflict by engaging in clarifying and constructive dialogue with its employees.

iii. Application of anti-corruption rules

The Group is committed to the fight against corruption and bribery and complies strictly with the rules in force on these issues.

DESCRIPTION OF THE BUSINESS MODEL

Information regarding the business model has been described in this document, namely in the following chapters:

- Chapter 2 – Who we are;
- Chapter 3 – Our business model;
- Chapter 5 – Financial Performance.

IMPLEMENTATION OF HUMAN RESOURCES POLICIES

Information regarding the human resources policies has been described in this document, namely in Chapter 3.5 – Our People.

MAIN RISKS AND MITIGATION ACTIONS

The Group's policies on risk management are described in Chapter 4.2 of this report – How we manage risk.

7. APPLICATION OF INCOME

7.1 Proposal for the Application of Income

Fidelidade closed 2021 with a net profit of € 212,282,911.15, calculated on an individual basis in line with the applicable accounting standards.

In accordance with that set out in the Code of Commercial Companies, the Board of Directors proposes the following application:

Legal Reserve	€ 21,228,291.12
Remaining amount at the disposal of the General Meeting	€ 191,054,620.03

Lisbon, 22 February 2022

THE BOARD OF DIRECTORS

Jorge Manuel Baptista Magalhães Correia

José Manuel Alvarez Quintero

Lingjiang Xu

José João Guilherme

Francisco Ravara Cary

António Manuel Marques de Sousa Noronha

Rogério Miguel Antunes Campos Henriques

Wai Lam William Mak

André Simões Cardoso

Tao Li

Hui Chen

Carlos António Torroaes Albuquerque

Andrew John Zeissink

Yulong Peng

Juan Ignacio Arsuaga Serrats

B1 Consolidated Financial Statements

Consolidated Statement of Financial Position

Consolidated Income Statement

Consolidated Statement of Changes in Equity

Consolidated Statement of Comprehensive Income

Consolidated Statement of Cash Flows

Notes to the Consolidated Accounts

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

ASSETS	Notes	2021			2020
		Gross amount	Impairment, depreciation / amortisation and adjustments	Net amount	
Cash and cash equivalents and sight deposits	4 and 12	951.254.577	-	951.254.577	936.872.479
Investments in associates and joint ventures	5 and 12	30.083.777	-	30.083.777	23.838.264
Financial assets at fair value through profit or loss	6, 7 and 12	3.974.691.687	-	3.974.691.687	2.934.540.361
Hedge derivatives	7 and 12	2.674.924	-	2.674.924	5.440.707
Financial assets at fair value through other comprehensive income	8 and 12	9.201.180.447	-	9.201.180.447	9.539.490.377
Financial assets at amortised cost	9 and 12	1.229.466.917	-	1.229.466.917	1.551.684.577
Properties		2.888.751.674	(178.161.043)	2.710.590.630	2.480.226.062
Properties for own use	10 and 12	711.182.558	(178.161.043)	533.021.515	529.024.161
Investment properties	11 and 12	2.177.569.116	-	2.177.569.116	1.951.201.901
Other tangible assets	12 and 13	449.162.259	(319.050.842)	130.111.417	109.700.587
Inventories	14	20.663.287	(900.000)	19.763.287	21.546.825
Goodwill	15	466.324.069	-	466.324.069	461.388.973
Other intangible assets	16	252.553.798	(97.996.398)	154.557.401	129.731.499
Technical provisions on reinsurance ceded		566.319.476	-	566.319.476	370.901.712
Provision for unearned premiums	17	154.678.607	-	154.678.607	116.900.648
Mathematical provision for life insurance	17	28.944.344	-	28.944.344	22.772.308
Claims provision	17	360.151.533	-	360.151.533	222.723.793
Profit sharing provision	17	-	-	-	87.712
Other technical provisions	17	22.544.992	-	22.544.992	8.417.251
Assets for post-employment and long-term benefits	36	12.319.459	-	12.319.459	6.991.111
Other debtors for insurance operations and other operations		640.046.166	(79.284.044)	560.762.121	440.789.053
Accounts receivable for direct insurance operations	18	396.962.094	(30.383.084)	366.579.010	300.410.900
Accounts receivable for other reinsurance operations	18	94.072.967	(8.972.067)	85.100.900	19.787.593
Accounts receivable for other operations	18	149.011.104	(39.928.893)	109.082.211	120.590.560
Tax assets		228.488.134	-	228.488.134	207.712.931
Recoverable tax assets	19	78.834	-	78.834	1.802.972
Deferred tax assets	19	228.409.300	-	228.409.300	205.909.959
Accruals and deferrals	20	104.690.371	-	104.690.371	72.176.038
Non-current assets held for sale	21	7.105.976	-	7.105.976	4.174.555
TOTAL ASSETS		21.025.776.997	(675.392.327)	20.350.384.670	19.297.206.111

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2021	2020
LIABILITIES			
Technical provisions		5.935.387.447	5.649.819.196
Provision for unearned premiums	22	561.140.686	482.167.165
Mathematical provision for life insurance	22	2.766.184.105	2.887.652.329
Claims provision		2.396.282.094	2.071.266.346
Life	22	229.211.004	164.426.888
Workers' compensation	22	1.137.118.438	1.051.768.480
Other	22	1.029.952.652	855.070.978
Provision for profit sharing	22	63.739.590	75.723.079
Provision for interest rate commitments	22	17.780.388	29.012.022
Provision for portfolio stabilisation	22	25.803.587	26.345.782
Equalisation provision	22	33.356.809	31.346.274
Provision for unexpired risks	22	47.888.226	37.337.003
Other technical provisions		23.211.963	8.969.196
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	23	8.118.826.028	8.360.122.479
Financial liabilities at fair value through profit or loss	7 and 24	299.670.115	38.009.681
Other financial liabilities		1.201.941.421	610.304.817
Hedge Derivatives	7 and 24	23.581.767	6.496.962
Subordinated debt	24	501.053.722	-
Deposits received from reinsurers	24	81.278.509	36.294.822
Loans	24	398.049.531	341.741.823
Others	24	197.977.892	225.771.210
Liabilities for post-employment and other long-term benefits	36	356.106	340.973
Other creditors for insurance operations and other operations		542.155.693	433.636.744
Accounts payable for direct insurance operations	25	154.355.659	104.667.667
Accounts payable for other reinsurance operations	25	209.140.933	183.728.717
Accounts payable for other operations	25	178.659.100	145.240.360
Tax liabilities		191.108.640	254.603.129
Tax payable liabilities	19	64.570.952	68.679.009
Deferred tax liabilities	19	126.537.688	185.924.120
Accruals and deferrals	26	276.254.807	257.892.731
Other provisions	27	161.943.454	120.445.241
Liabilities from a group for disposal classified as held for sale	21	3.760.697	574.928
TOTAL LIABILITIES		16.731.404.406	15.725.749.919
SHAREHOLDERS' EQUITY			
Paid-in Capital	28	509.263.524	509.263.524
(Treasury shares)	28	(148.960)	(148.960)
Other Capital Instruments	28	164.977.301	314.977.301
Revaluation reserves		969.482	178.908.923
From adjustments in fair value of debt instruments at fair value through other comprehensive income		49.818.709	220.679.857
Revaluation of properties for own use	29	246.234	749.384
Adjustments in fair value of hedging instruments in cash flow hedging	29	(3.368.509)	(1.373.654)
Adjustments in fair value of hedging instruments in a hedge of a net investment in a foreign currency	29	8.150.557	63.728.212
Exchange differences	29	(80.296.940)	(144.214.345)
From adjustments in fair value of equity instruments at fair value through other comprehensive income	29	(708.614)	(3.264.757)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	29	27.128.045	42.604.226
Deferred tax reserve	29	(24.478.978)	(89.851.506)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	29	(1.394.347)	-
Overlay Approach adjustment	6 and 29	63.670.722	129.818.788
Other reserves	29	1.737.829.722	1.576.792.664
Retained earnings	29	333.783.475	268.915.135
Net income for the year	29	270.241.578	222.328.672
TOTAL SHAREHOLDERS' EQUITY		3.054.713.519	3.111.004.541
Non-controlling interests	30	564.266.745	460.451.651
TOTAL SHAREHOLDERS' EQUITY AND NON-CONTROLLING INTERESTS		3.618.980.264	3.571.456.192
TOTAL LIABILITIES, NON-CONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		20.350.384.670	19.297.206.111

Lisbon, 22 February 2022

Chief Accounting Officer

Certified Public Accountant

On Behalf of the Board of Directors

Ana Paula Bailão Rodrigues

Filipa Jesus Martins Pires

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2021				2020
		Technical - life	Technical - non-life	Non-technical	Total	
Earned premiums, net of reinsurance		432.146.370	1.785.558.900	-	2.217.705.269	2.108.125.746
Gross premiums written	31	532.630.996	2.283.088.888	-	2.815.719.884	2.577.595.339
Reinsurance ceded premiums	31	(99.400.118)	(468.486.482)	-	(567.886.600)	(494.867.833)
Provision for unearned premiums (change)	22 and 31	(2.749.518)	(75.929.012)	-	(78.678.530)	(11.440.356)
Provision for unearned premiums, reinsurers' share (change)	17 and 31	1.665.009	46.885.506	-	48.550.515	36.838.596
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	32	411.046	-	-	411.046	931.133
Claims costs, net of reinsurance		(507.707.022)	(1.221.242.080)	-	(1.728.949.103)	(1.531.285.168)
Amounts paid		(475.077.063)	(1.085.324.628)	-	(1.560.401.692)	(1.443.033.655)
Gross amounts	33 and 34	(557.223.288)	(1.253.970.050)	-	(1.811.193.339)	(1.631.453.562)
Reinsurers' share	33	82.146.225	168.645.422	-	250.791.647	188.419.907
Claims Provision (change)		(32.629.959)	(135.917.452)	-	(168.547.411)	(88.251.513)
Gross amount	33	(62.879.241)	(231.973.866)	-	(294.853.107)	(96.289.777)
Reinsurers' share	33	30.249.282	96.056.414	-	126.305.696	8.038.264
Other technical provisions, net of reinsurance	33	11.900.962	(12.790.654)	-	(889.692)	(8.229.235)
Mathematical provision for life insurance, net of reinsurance		135.017.992	-	-	135.017.992	127.081.948
Gross amount	22 and 33	129.003.225	-	-	129.003.225	120.761.086
Reinsurers' share	33	6.014.766	-	-	6.014.766	6.320.862
Profit sharing, net of reinsurance	17, 22 and 33	(14.222.676)	(237.531)	-	(14.460.206)	(3.201.399)
Net operating costs and expenses		(173.190.051)	(512.120.050)	-	(685.310.102)	(638.687.502)
Acquisition expenses	34	(145.845.717)	(443.829.503)	-	(589.675.220)	(555.811.726)
Deferred cost acquisition (change)	22	(27.063)	5.170.810	-	5.143.747	8.573.821
Administrative expenses	34	(36.571.271)	(133.923.399)	-	(170.494.670)	(161.811.129)
Commissions and reinsurance profit sharing	34	9.253.999	60.462.041	-	69.716.040	70.361.532
Financial income		269.944.773	81.359.935	33.388.994	384.693.702	387.662.679
From Interest on financial assets not recognised at fair value through profit or loss	37	188.683.212	28.974.395	4.808.435	222.466.042	248.420.489
Other	37	81.261.561	52.385.540	28.580.559	162.227.660	139.242.190
Financial expenses		(47.708.692)	(27.569.568)	(44.266.980)	(119.545.241)	(69.987.340)
Other	34 and 38	(47.708.692)	(27.569.568)	(44.266.980)	(119.545.241)	(69.987.340)
Net income on financial assets and liabilities not recognised at fair value through profit or loss		(9.679.019)	(396.613)	(795.432)	(10.871.065)	10.446.131
Financial assets at fair value through other comprehensive income	39	12.627.090	(271.901)	(12.715)	12.342.475	37.059.723
Financial assets at amortised cost	39	27.517	(124.712)	-	(97.195)	(108.093)
Financial liabilities at amortised cost	23 and 39	(22.333.626)	-	-	(22.333.626)	(26.505.499)
Other	39	(0)	-	(782.718)	(782.718)	-
Net income on financial assets and liabilities recognised at fair value through profit or loss		(186.786.584)	(11.897.282)	(14.412.363)	(213.096.230)	183.508.520
Net income on financial assets and liabilities at fair value through profit or loss	40	(186.786.584)	(11.897.282)	(14.412.363)	(213.096.230)	183.508.520
Exchange differences	41	220.490.639	37.192.486	(289.994)	257.393.130	(237.503.742)
Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations	42	35.562.604	17.969.606	9.316.360	62.848.571	38.946.813
Impairment losses (net of reversals)		6.045.502	4.892.590	430.044	11.368.136	(21.232.036)
Financial assets at fair value through other comprehensive income	43	334.442	(522.130)	15.222.685	15.034.997	5.583.463
Financial assets at amortised cost	43	1.455.019	(217.155)	39	1.237.903	(19.095.023)
Other	43	4.256.042	5.631.874	(14.792.681)	(4.904.764)	(7.720.476)
Overlay Approach adjustment	40	59.789.047	10.016.286	(5.797.175)	64.008.158	9.605.635
Other technical income/expenses, net of reinsurance	44	865.542	10.200.359	-	11.065.902	(12.668.095)
Other income/expenses	45	-	-	30.157.448	30.157.448	(39.217.170)
Gains and losses of associates and joint ventures (equity method)	46	-	-	1.553.199	1.553.199	1.053.708
Gains and losses from non-current assets (or groups for disposal) classified as held for sale	21	-	-	3.890.250	3.890.250	(7.794)
NET INCOME BEFORE TAX AND NON-CONTROLLING INTERESTS		232.880.431	160.936.382	13.174.351	406.991.164	305.342.832
Current income tax - current taxes	19	-	-	(142.838.047)	(142.838.047)	(52.359.178)
Current income tax - deferred taxes	19	-	-	39.627.362	39.627.362	(34.712.028)
NET INCOME AFTER TAX AND BEFORE NON-CONTROLLING INTERESTS		232.880.431	160.936.382	(90.036.335)	303.780.479	218.271.626
Non-controlling interests	30	-	-	(33.538.901)	(33.538.901)	4.057.046
NET INCOME FOR THE YEAR		232.880.431	160.936.382	(123.575.236)	270.241.578	222.328.672

Lisbon, 22 February 2022

Chief Accounting Officer

Certified Public Accountant

On Behalf of the Board of Directors

Ana Paula Bailão Rodrigues

Filipa Jesus Martins Pires

Jorge Manuel Baptista Magalhães Correia
*President*Rogério Miguel Antunes Campos Henriques
*Member*Hui CHEN
Member

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2021 AND 2020 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	Paid-in capital and other capital instruments	Revaluation reserves	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Legal reserve	Other reserves		Retained earnings	Net income for the year	Sub-Total	Non-controlling interests	Total
							Share premiums	Other reserves					
Balance at 31 December 2019	835.250.940	284.562.938	(69.735.403)	-	-	212.923.591	182.379.280	859.749.548	286.625.546	200.396.097	2.792.152.537	475.209.079	3.267.361.616
Change in accounting policy - IFRS 9	-	(98.587.280)	(12.004.988)	-	138.287.558	-	-	-	(28.826.455)	-	(1.131.165)	-	(1.131.165)
Balance at 1 January 2020	835.250.940	185.975.658	(81.740.391)	-	138.287.558	212.923.591	182.379.280	859.749.548	257.799.091	200.396.097	2.791.021.372	475.209.079	3.266.230.451
Appropriation of net income	-	-	-	-	-	19.418.212	-	155.661.529	25.316.356	(200.396.097)	-	-	-
Capital increase	51.883.524	-	-	-	-	-	200.286.874	-	-	-	252.170.398	-	252.170.398
Supplementary contributions	(63.042.599)	-	-	-	-	-	-	-	-	-	(63.042.599)	-	(63.042.599)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	24.225.750	(8.557.872)	-	-	-	-	-	-	-	15.667.878	-	15.667.878
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	10.805.901	2.095.870	-	-	-	-	-	-	-	12.901.771	-	12.901.771
Overlay Approach adjustment	-	-	(2.252.099)	-	(11.189.089)	-	-	-	-	-	(13.441.188)	-	(13.441.188)
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	(2.336.309)	817.964	-	-	-	-	-	-	-	(1.518.345)	-	(1.518.345)
Net gains through adjustments in fair value of hedging instruments in cash flow hedging	-	744.882	(156.425)	-	-	-	-	-	-	-	588.457	-	588.457
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency	-	24.752.420	(5.670.712)	-	-	-	-	-	-	-	19.081.708	-	19.081.708
Exchange differences	-	(69.342.083)	3.646.887	-	-	-	-	-	-	-	(65.695.196)	-	(65.695.196)
Revaluation of properties for own use	-	(308.553)	808.581	-	-	-	-	-	-	-	500.028	-	500.028
Actuarial gains and losses	-	-	1.046.280	-	-	-	-	(4.024.188)	-	-	(2.977.908)	-	(2.977.908)
Recognition of non-controlling interests	-	4.391.257	110.411	-	2.720.319	(1.124.565)	-	466.185	10.046.805	-	16.610.412	(14.757.428)	1.852.984
Share of other comprehensive income of associates	-	-	-	-	-	-	-	(1.448.124)	-	-	(1.448.124)	-	(1.448.124)
Business combination under common control	-	-	-	-	-	7.910.062	-	(55.405.740)	(24.247.118)	-	(71.742.796)	-	(71.742.796)
Net income for the year	-	-	-	-	-	-	-	-	222.328.672	222.328.672	222.328.672	-	222.328.672
Balance at 31 December 2020	824.091.865	178.908.923	(89.851.506)	-	129.818.788	239.127.300	382.666.154	954.999.210	268.915.135	222.328.672	3.111.004.541	460.451.651	3.571.456.192
Appropriation of net income	-	-	-	-	-	25.780.120	-	134.600.130	61.948.421	(222.328.672)	-	-	-
Redemption of capital supplementary contributions	(150.000.000)	-	-	-	-	-	-	-	-	-	(150.000.000)	-	(150.000.000)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	(222.253.611)	33.247.090	-	-	-	-	-	-	-	(189.006.521)	-	(189.006.521)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(22.527.968)	2.014.441	-	-	-	-	-	-	-	(20.513.527)	-	(20.513.527)
Overlay Approach adjustment	-	-	17.334.692	-	(63.236.586)	-	-	-	-	-	(45.901.894)	-	(45.901.894)
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	2.702.170	63.390	-	-	-	-	-	-	-	2.765.560	-	2.765.560
Net gains through adjustments in fair value of hedging instruments in cash flow hedging	-	(3.456.716)	(59.898)	-	-	-	-	-	-	-	(3.516.614)	-	(3.516.614)
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency	-	(55.726.980)	12.756.995	-	-	-	-	-	-	-	(42.969.985)	-	(42.969.985)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	427.822	(1.394.347)	-	-	-	-	-	-	(966.525)	-	(966.525)
Exchange differences	-	67.303.939	(1.311.395)	-	-	-	-	-	-	-	65.992.544	-	65.992.544
Revaluation of properties for own use	-	(212.618)	859.371	-	-	-	-	-	-	-	646.754	-	646.754
Actuarial gains and losses	-	-	146.553	-	-	-	-	6.322.498	-	-	6.469.051	-	6.469.051
Recognition of non-controlling interests	-	56.232.343	(106.534)	-	(2.911.479)	(2.461.596)	-	(1.502.828)	2.919.919	-	52.169.823	103.815.095	155.984.917
Share of other comprehensive income of associates	-	-	-	-	-	-	-	(1.701.266)	-	-	(1.701.266)	-	(1.701.266)
Net income for the year	-	-	-	-	-	-	-	-	270.241.578	270.241.578	270.241.578	-	270.241.578
Balance at 31 December 2021	674.091.865	969.482	(24.478.978)	(1.394.347)	63.670.722	262.445.824	382.666.154	1.092.717.744	333.783.475	270.241.578	3.054.713.519	564.266.745	3.618.980.264

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

	2021	2020
NET INCOME FOR THE YEAR	270.241.578	222.328.672
Items that may be reclassified subsequently to gains and losses		
Change in fair value of debt instruments at fair value through other comprehensive income		
Gross amount		
Appreciation	(243.080.170)	23.571.383
Impairment	(7.960.016)	-
Disposal	10.896.923	(1.945.649)
Life insurance contracts with profit sharing	17.889.652	2.600.016
Deferred tax	30.732.228	(8.540.035)
Current tax - Life insurance contracts with profit sharing	2.514.862	(17.837)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income		
Gross amount	(23.578.911)	11.699.213
Life insurance contracts with profit sharing	1.050.943	(893.312)
Deferred tax	2.014.441	2.095.870
Overlay Approach adjustment		
Gross amount	(64.192.930)	(9.643.933)
Life insurance contracts with profit sharing	956.344	(1.545.156)
Deferred tax	17.334.692	(2.252.099)
Net gains through adjustments in fair value of hedging instruments in cash flow hedging		
Gross amount	(3.456.716)	744.882
Deferred tax	(59.898)	(156.425)
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency		
Gross amount	(55.726.980)	24.752.420
Deferred tax	12.756.995	(5.670.712)
Change in potential gains due to exchange differences		
Gross amount	67.303.939	(69.342.083)
Deferred tax	(1.311.395)	3.646.887
Items that may not be reclassified subsequently to gains and losses		
Change in fair value of equity instruments at fair value through other comprehensive income		
Gross amount	2.822.458	(2.201.944)
Life insurance contracts with profit sharing	(120.289)	(134.365)
Deferred tax	63.390	817.964
Gains and losses from disposal of equity instruments at fair value through other comprehensive income		
Gross amount	(1.394.347)	-
Current tax	427.822	-
Change in potential gains on properties for own use		
Gross amount	(212.618)	(308.553)
Deferred tax	859.371	808.581
Share of other comprehensive income of associates	(1.701.266)	(1.448.124)
Actuarial deviations		
Post-employment benefits	5.862.380	1.281.090
Health benefits	460.118	(5.305.278)
Current tax	291.490	(194.442)
Deferred tax	(144.937)	1.240.722
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	(228.702.423)	(36.340.920)
Attributable to Non-controlling interests	53.894.487	7.509.248
Attributable to Owners of the Company	(174.807.936)	(28.831.672)
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	41.539.155	185.987.752

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2021 AND 2020 FINANCIAL YEARS

Tax no. 500 918 880

(Amounts in euros)

	2021	2020
1. Cash flows generated by operating activities		
Net income for the year	270.241.578	222.328.672
Adjustments for:		
Properties for own use amortisation	13.120.416	19.221.052
Tangible assets amortisation	15.684.217	15.977.443
Right of use assets depreciation	31.955.293	30.411.314
Intangible assets amortisation	8.760.469	6.988.515
Share of net profit in associates and joint ventures with equity method	779.484	(1.890.513)
Impairment losses (net of reversal)	(11.368.136)	21.232.036
Overlay approach gains/losses	(64.008.158)	(9.049.987)
Income from investment assets/liabilities	(492.047.909)	(208.570.780)
Lease interest payments	2.451.218	3.267.222
Interest paid	22.173.372	12.895.763
Interest received	(35.827)	(31.592)
Short-term leasing payment	202.698	254.959
Income tax - current tax	143.597.225	52.359.178
Income tax - deferred tax	(40.386.540)	34.712.028
Non-controlling interests	33.538.901	(4.057.046)
Changes:		
Change in provision for unearned premiums	71.131.475	(56.198.651)
Change in mathematical provision for life insurance	(123.275.340)	(276.189.941)
Change in claims provision	303.501.386	(20.376.163)
Change in provision for insurance and reinsurance contracts	(183.321.179)	64.698.783
Change in other technical provisions	2.163.506	1.112.803
Change in other non technical provisions	41.498.213	(12.455.733)
Change in accruals and deferrals assets/liabilities	(14.356.292)	32.375.541
Change in financial liabilities on investment contracts	(241.295.838)	(604.227.388)
Change in other financial liabilities	44.858.087	(122.764.711)
Change in other debtors for insurance and other operations	232.150.567	(180.765.817)
Change in other creditors for insurance and other operations	(182.451.899)	311.004.167
Change in inventories	2.372.696	(8.635.154)
Net cash from operating activities before tax	(112.366.318)	(676.374.000)
Payment/receipt of taxes	(83.628.397)	(1.805.241)
Net cash from operating activities	(195.994.715)	(678.179.241)
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	(46.568.058)	(24.873.982)
Change in financial assets at fair value through profit or loss	(905.874.603)	(213.255.627)
Change in financial assets at fair value through other comprehensive income	549.321.746	125.791.359
Change in financial assets at amortised cost	334.221.182	912.872.325
Investment properties acquisition	(232.774.244)	(134.892.319)
Properties for own use acquisition	(46.624.803)	(29.105.153)
Other tangible assets acquisition	(30.446.111)	(20.018.390)
Other intangible assets acquisition	(27.919.200)	(9.666.195)
Receipts from disposal or repayment of investment properties	37.029.090	504.536.344
Receipts from disposal or repayment of properties for own use	94.652.814	37.860.201
Receipts from disposal or repayment of other tangible assets	237.437	1.084.019
Receipts from disposal or repayment of other intangible assets	-	-
Change in other assets/liabilities classified as held for sale	826.078	-
Change in other assets	3.078.643	(7.794)
Dividends received	63.205.764	50.048.619
Change in hedging derivative instruments	(45.808.579)	3.388.566
Change in derivatives held for trading	156.782.053	(135.162.639)
Change in financial liabilities at fair value through profit or loss	(33.496.077)	102.942.617
Change in exchange differences from foreign statements conversion	67.355.890	(69.402.397)
Income from demand deposits	6.035.738	(18.827.506)
Net cash from investing activities	(56.765.241)	1.083.312.048
3. Cash flows generated by financing activities		
Increase/amortisation of loans obtained	(21.160.609)	(315.188.007)
Debt issued	501.053.722	-
Interest paid	(22.173.372)	(12.895.763)
Interest received	35.827	31.592
Lease payments (Note 24)	(31.955.293)	(30.397.482)
Interest lease payments (Note 24)	(2.451.218)	(3.267.222)
Short-term leasing payment	(202.698)	(254.959)
Distribution of dividends to minority shareholders	(4.405.932)	(4.778.647)
Capital increase/ decrease	-	63.042.599
Supplementary contributions	(150.200.000)	(63.042.599)
Net cash from financing activities	268.540.427	(366.750.488)
4. Increase/decrease net of cash and equivalents	15.780.471	38.382.319
Cash and equivalents at start of the year	936.872.479	867.586.052
Entry/exit of the consolidation perimeter	(1.398.373)	30.904.108
5. Cash and equivalents at end of the year	951.254.577	936.872.479

Index

1. Introductory Note.....	3
2. Accounting Policies.....	4
3. Group Companies and Transactions during the Period	39
4. Cash and Cash Equivalents and Sight Deposits	41
5. Investment in Associates and Joint Ventures.....	42
6. Financial Assets at Fair Value Through Profit or Loss.....	43
7. Derivatives.....	45
8. Financial Assets at Fair Value Through Other Comprehensive Income	49
9. Financial Assets at Amortised Cost	50
10. Properties for own use	51
11. Investment properties.....	52
12. Allocation of Investments and Other Assets	53
13. Other Tangible Assets.....	54
14. Inventories.....	55
15. Goodwill	55
16. Other Intangible Assets	57
17. Technical Provisions for Reinsurance Ceded.....	58
18. Other Debtors for Insurance Operations and Other Operations	62
19. Tax Assets and Liabilities	63
20. Accruals and Deferrals (Assets)	67
21. Non-Current Assets Held for Sale and Discontinued Operations.....	67
22. Technical Provisions	68
23. Financial Liabilities of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts	74
24. Financial Liabilities at Fair Value Through Profit or Loss and Other Financial Liabilities	75
25. Other Creditors for Insurance Operations and Other Operations	77
26. Accruals and Deferrals (Liabilities)	78
27. Other Provisions	79
28. Paid-in Capital and Other equity instruments.....	80
29. Reserves, Retained Earnings and Income for the Year	82
30. Non-Controlling Interests.....	85
31. Earned Premiums, Net of Reinsurance	86
32. Fees from Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts or Service Contracts	88
33. Claims Costs, Net of Reinsurance	89
34. Net Operating Costs and Expenses, by Type and Function.....	92
35. Employee Costs	95
36. Retirement Pensions and Other Long-Term Benefits	96
37. Income.....	103
38. Financial Expenses.....	104
39. Net Income on Financial Assets and Liabilities not Recognised at Fair Value through Profit or Loss.....	105
40. Net Income on Financial Assets and Liabilities Recognised at Fair Value through Profit or Loss	106
41. Exchange differences	107

42. Net Income on the Sale of Non-Financial Assets which have not been Recognised as Non-Current Assets Held for Sale and Discontinued Operations	108
43. Impairment Losses (Net of Reversals).....	109
44. Other Technical Income/Expenses, Net of Reinsurance	113
45. Other Income/Expenses	114
46. Gains and Losses from Associates and Joint Ventures (Equity Method)	115
47. Segment Reporting.....	115
48. Related Parties	119
49. Disclosures Relating to Financial Instruments	124
50. Disclosures Relating to Insurance Contract Risks.....	146
51. Capital Management	156
52. Public Service Concessions	158
53. Managed Pension Funds	159
54. Subsequent Events	160

1. Introductory Note

Fidelidade - Companhia de Seguros, S.A. (“Fidelidade” or “Company”), with its head office at Largo do Calhariz, 30, Lisbon, Portugal, is a public limited company, resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. in Companhia de Seguros Fidelidade-Mundial, S.A., in accordance with the public deed dated 31 May 2012, which become effective from 1 January 2012. The operation was authorised by the Portuguese insurance regulator (Insurance and Pension Funds Supervisory Authority or “ASF”), by a resolution of its Board of Directors dated 23 February 2012. From 15 May 2014, with the initial acquisition of Fidelidade share capital, the Fidelidade Group became part of Fosun International Holdings Ltd by way of the interest held by Longrun Portugal, SGPS, S.A. (“Longrun”).

The Company’s corporate purpose is the performance of insurance and reinsurance activities in all technical lines of business based on the terms of the respective Articles of Association which govern its activity.

To perform its activity, Fidelidade has a nationwide branch network, agent centres and client branches. Overseas, it has subsidiaries in Angola, Cape Verde and Macao and branches in Spain, France, Luxembourg, and Mozambique.

It holds shares in other insurance companies and other subsidiaries, associates and joint ventures which together form the Fidelidade Group.

The Group’s insurance Companies held by the Company include Via Directa - Companhia de Seguros, S.A. (“Via Directa”), Companhia Portuguesa de Resseguros, S.A. (“CPR”), Garantia - Companhia de Seguros de Cabo Verde, S.A. (“Garantia”), Fidelidade Angola – Companhia de Seguros, S.A. (“Fidelidade Angola”), Multicare - Seguros de Saúde, S.A. (“Multicare”), Fidelidade Assistência – Companhia de Seguros, S.A. (“Fidelidade Assistência”), Fidelidade Macau – Companhia de Seguros, S.A. (“Fidelidade Macau”), Fidelidade Macau Vida – Companhia de Seguros, S.A. (“Fidelidade Macau Vida”), La Positiva Seguros Y Reaseguros S.A.A. (“La Positiva”), La Positiva Vida Seguros Y Reaseguros S.A. (“La Positiva Vida”), Alianza Vida Seguros y Reaseguros S.A. (“Alianza Vida”), Alianza Compañía de Seguros y Reaseguros E.M.A. S.A. (“Alianza”), Alianza Garantía Seguros Y Reaseguros S.A. (“Alianza Garantia”), La Positiva S.A. – Entidad Prestadora de Salud (“EPS”), FID Chile Seguros Generales, S.A. (“Fid Chile”) and Seguradora Internacional de Moçambique, S.A. (SIM).

This report presents consolidated financial information resulting from the consolidation of Fidelidade and its subsidiaries. It has been prepared from the financial statements of each of the companies in the Group, at 31 December 2021.

Fidelidade’s financial statements at 31 December 2021 were approved by the Board of Directors on 22 February 2022. On the date of issue of the financial statements, these were pending approval by the General Meeting.

2. Accounting Policies

2.1. Presentation basis and consolidation principles

2.1.1 Presentation basis

The consolidated financial statements at 31 December 2021 have been prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by ASF Standard 3/2018-R, of 29 March, and the remaining regulatory standards issued by the ASF.

The standards set out in the PCES correspond in general terms to the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, of 19 July, transposed into the Portuguese legal system by Decree-Law No. 35/2005, of 17 February, with the amendments introduced by Law No. 53-A/2006, of 29 December, and Decree-Law No. 237/2008, of 15 December, except with regard to the application of IFRS 4 – “Insurance Contracts”, in respect of which only the classification principles relating to insurance type contracts were adopted.

In 2021, the Group adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2021. These standards are listed in Note 2.22. In line with the transitory provisions of those standards and interpretations, comparative amounts are presented in relation to the new disclosures required.

The basis for the preparation of the financial statements from the accounting books and records was the accrual method, consistency of presentation, materiality and aggregation and the assumption of a going concern.

The accounting policies used by the Group in the preparation of its financial statements relating to 31 December 2021 are consistent with those used in the preparation of the financial statements relating to 31 December 2020.

The amounts in these financial statements are expressed in Euros. The totals in the financial statements and in the tables in the notes to the financial statements may not correspond to the sum of the instalments due to rounding. The values 0 and (0) indicate positive or negative amounts rounded to zero, while the dash (-) indicates zero.

The financial statements were prepared using the historical cost principle, with the exception of assets and liabilities at their fair value, namely investments relating to life contracts where the investment risk is borne by the policyholder, derivative financial instruments, financial assets and liabilities at fair value through profit or loss, financial assets and liabilities at fair value through other comprehensive income and real estate for income generation. The remaining assets, namely financial assets at amortised cost and financial liabilities, and non-financial assets and liabilities, are recognised at amortised cost or historical cost.

The preparation of the financial statements requires the Fidelidade Group to make judgements and estimates and use assumptions which affect the application of the accounting policies and the amounts of the income, costs, assets and liabilities. Changes to those assumptions, or the differences between them and actual amounts, may impact these estimates and judgements. Areas which involve a higher level of judgement or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are described in Note 2.20.

2.1.2 Consolidation principles

The consolidated financial statements presented reflect the assets, liabilities, income and costs of the Group, and the income attributable to the Group relating to financial interests in associates.

The accounting policies were applied consistently by all the companies in the Group, for the periods covered by these consolidated financial statements.

On 1 January 2010, the Group began to apply IFRS 3 – “Business Combinations” (revised) for the accounting recognition of business combinations. The changes to the accounting policies resulting from the application of IFRS 3 (revised) are applied prospectively.

The consolidation of the accounts of the subsidiaries which are part of the Group was made using the full consolidation method. Significant transactions and balances between the companies subject to the consolidation were eliminated. In addition, when applicable, consolidation adjustments are made in order to ensure consistency in the application of the Group’s accounting principles.

The amount which corresponds to third party shares in subsidiaries is presented in the heading “Non-controlling Interests” within equity.

The consolidated profit is the result of aggregating the net income of Fidelidade – Companhia de Seguros, S.A. and its subsidiaries, following harmonisation of the respective accounting policies, in proportion to the respective ownership interest, following consolidation adjustments, including the elimination of dividends received, of reinsurance operations and of capital gains and losses generated by transactions between companies included within the consolidation perimeter.

The consolidated financial statements include the accounts of Fidelidade – Companhia de Seguros, S.A. and those of the entities controlled directly and indirectly by the Group (Note 3).

2.2. Investments in subsidiaries

Subsidiaries are companies over which the Group exercises control. Control is normally presumed to exist when the Company holds the ownership of the majority of voting rights. Control may also exist when the Group holds, directly or indirectly, the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, even though the percentage holding of its equity is less than 50%.

The subsidiary companies are fully consolidated from the time when the Group assumes control over their activities and consolidation ceases when the Group no longer has such control.

When the accumulated losses of a subsidiary attributable to non-controlling interests exceed the non-controlling interest in the share capital of that subsidiary, the accumulated losses are attributed to the minorities in the proportions held, which may imply recognition of negative non-controlling interests.

In a step acquisition which results in the acquisition of control, the revaluation of any previously acquired interest is recognised in the Income Statement when goodwill is calculated. When there is a partial sale, the result of which is the loss of control over a subsidiary, any remaining share is revalued at market price on the date of the sale and the gain or loss resulting from this revaluation is recognised in the Income Statement.

2.3. Business combinations and goodwill

Acquisitions of subsidiaries are recognised according to the purchase method. The acquisition cost corresponds to the aggregate fair value of the assets delivered and liabilities incurred or assumed in exchange for obtaining control over the acquired entity, together with costs incurred that are directly attributable to the operation. On the acquisition date, which corresponds to when the Group obtained control of the subsidiary, the assets, liabilities and identifiable contingent liabilities which meet the requirements for recognition set out in IFRS 3 – “Business combinations” are recognised at their respective fair values.

Goodwill is initially measured at cost, which corresponds to the positive difference on the acquisition date between the acquisition cost of a subsidiary and/or associate and the effective percentage acquired by the Group at fair value of its identifiable assets, liabilities and contingent liabilities. Goodwill is recognised as an asset and is not amortised, and it is subject to impairment tests.

The Group has the option of accounting for non-controlling interests at fair value or for the proportionate share of the value of the identifiable net assets acquired, which implies that the total amount of goodwill can be accounted for in the financial statements, including the portion attributable to non-controlling interests, in return for non-controlling interests, if the first option is chosen.

If it is confirmed that the portion corresponding to the percentage of the participation acquired by the Group in the identifiable assets, liabilities and contingent liabilities of a subsidiary exceeds the acquisition cost, the excess is recognised as income in the profit or loss account for the year.

The Group conducts impairment tests on the goodwill recognised on the balance sheet at least once a year, in line with the requirements of IAS 36 – “Impairment of assets”. For this purpose, goodwill is allocated to cash flow generating units and its recoverable value is assessed on the basis of future cash flow projections, updated on the basis of discount rates which the Group deems appropriate. Impairment losses associated with goodwill are recognised in the Income Statement for the year and may not be reversed.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of will be:

- (a) included in the carrying amount of the operation when determining the gain or loss on disposal; and
- (b) measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

2.4. Investment in associates and joint ventures

“Associates” are those entities over whose financial and operational policies the Group has the power to exercise significant influence, although it does not have control. Significant influence is presumed to exist whenever the Group holding in an invested company directly or indirectly comprises between 20% and 50% of the capital or voting rights. The Company may also exercise significant influence over an investee by means of a role in management of the associate or membership of the Board of Directors with executive powers.

There are also situations where the Group exercises, together with other bodies, control over the activity of the company in which it has a holding (so-called joint ventures), where, under the terms of IFRS 11 – “Joint Arrangements”, it exercises shared control of the voting rights and equivalent decision-making rights.

These investments are recognised by the equity method from the time when the significant influence begins and this ceases to apply when it ends. In line with this method, the shares are initially valued at their acquisition cost, which is subsequently adjusted based on the Group's effective percentage in equity variations (including income) of the associates.

If there are discrepancies with a materially relevant impact, adjustments are made to the equity of associates used for the purposes of applying the equity method, in order to reflect the application of the Group's accounting principles.

Goodwill corresponds to the positive difference between the acquisition cost of an associate and the effective percentage acquired by the Group at fair value of its identifiable assets, liabilities and contingent liabilities remains reflected in the investment value. The entirety of the balance sheet value of the investment is subject to impairment tests on an annual basis.

Unrealised income on transactions with associates is eliminated in proportion to the Group's effective percentage share of the entities in question.

When the amount of accumulated losses incurred by an associate or a joint venture and attributable to the Group is equal to or exceeds the book value of the investment and of any other medium and long-term interests in that associate or joint venture, the equity method is interrupted. A provision will be recognised, if the Group is under a legal or constructive obligation to assume those losses or has made payments on behalf of the associate or joint venture.

2.5. Conversion of foreign currency balances and transactions

Foreign currency transactions are recognised on the basis of the exchange rates in force on the date they were performed.

At each balance sheet date, monetary assets and liabilities in a foreign currency are converted to the functional currency based on the exchange rate in force. Non-monetary assets which are valued at fair value are converted based on the exchange rate in force on the date of their latest valuation. Non-monetary assets recognised at historical cost, including tangible and intangible assets, continue to be recognised in the original exchange rate.

Exchange rate differences calculated on exchange rate conversion are recognised in the Income Statement, except those resulting from non-monetary financial instruments recognised at fair value through other comprehensive income.

The individual accounts of each entity in the Group included in the consolidation are prepared according to the currency used in the economic area in which that entity operates – the so-called “functional currency”. In the consolidated accounts, the Income Statement and financial position of the entity are converted into Euros, the Group's functional currency, as follows:

- Assets and liabilities of each balance sheet presented are converted at the closing exchange rate;
- Income and expenses for each Income Statement are converted at the average exchange rate for the period;
- All the resulting exchange differences are recognised in “Exchange differences revaluation reserve”;
- The Equity of foreign subsidiaries is translated at the historical exchange rate of the time of its recognition in accordance with IAS 21 – “The effects of changes in foreign exchange rates”.

2.6. Financial instruments

a) Adoption of IFRS 9 – “Financial instruments”

IFRS 9 replaced IAS 39 – “Financial Instruments: Recognition and Measurement” for annual periods after 1 January 2018. In order to ensure consistency in the insurance industry between the application of IFRS 9 and IFRS 17 – “Insurance Contracts”, the IASB issued an amendment to IFRS 4 with effect from 1 January 2018 which allowed insurance companies to insurance to defer the application of IFRS 9 for periods after 1 January 2023, thus aligning the effective dates of IFRS 9 and IFRS 17.

b) Financial assets

Classification, initial recognition and subsequent measurement

Financial assets are recognised at the trade date at fair value. On initial recognition, financial assets are classified in one of the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income; or
- Financial assets at fair value through profit or loss.

The classification depends on the following aspects, except when the option to measure the financial instrument by its fair value through profit or loss is applied:

- The entity’s business model for managing the financial asset;
- The financial asset’s contractual cash flow characteristics.

Business Model Assessment

The Group assessed the business model within which the financial instruments are held at portfolio level, since this approach best reflects how the assets are managed and how information is reported to the management bodies.

Assessment as to whether contractual cash flows are solely payments of principal and interest (SPPI)

“Principal” for the purpose of this test is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as consideration for the time value of money, the credit risk associated with the amount owed for a particular period of time and other risks and costs associated with the business (e.g., liquidity risk and administrative costs), and also a profit margin.

When assessing financial instruments in which the contractual cash flows are solely payments of principal and interest, the Group considered the instrument's original contractual terms. This assessment included an analysis of the existence of situations in which the contractual terms may change the timing or amount of contractual cash flows so that they do not meet the SPPI condition. During the assessment process, the Group takes into consideration:

- Contingent events that may change the timing or amount of cash flows;
- Characteristics resulting in leverage;
- Prepayment and extended maturity clauses;
- Characteristics that may change the consideration for the time value of money.

In addition, a prepayment feature is consistent with the SPPI criterion, if:

- The financial asset was acquired or originated at a premium or discount to the contractual per amount;
- The prepayment amount substantially represents the contractual nominal amount and accrued, but unpaid, contractual interest (which may include reasonable compensation for early payment);
- On initial recognition, the fair value of the prepayment feature is insignificant.

The classification of financial assets follows the scheme below:

Contractual Cash Flows	Business Model	Classification of financial assets
Contractual cash flows that are solely payments of principal and interest (SPPI)	Collect contractual cash flows	Financial assets at amortised cost
	Collect contractual cash flows and sell	Financial assets at fair value through other comprehensive income
Others (non-SPPI)	Derivatives and other financial instruments used to hedge risks	Hedge derivatives or Financial assets at fair value through profit or loss
	Acquired for sale in the near term	Financial assets at fair value through profit or loss
	Group of identified financial instruments that are managed together and for which there is a pattern of short-term profit-taking	
	Others	

i. Financial assets at amortised cost

Classification

A financial asset is classified in the category "Financial assets at amortised cost" if it meets all the following conditions:

- The financial asset is held within a business model with the main objective of holding assets to collect the contractual cash flows;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initial recognition and subsequent measurement

Financial assets at amortised cost are initially recognised at their fair value, plus transaction costs, and are subsequently measured at amortised cost. In addition, they are subject, from their initial recognition, to calculation of impairment losses for expected credit losses, which are registered as a charge to the heading “Impairment losses on financial assets at amortised cost” in the Income Statement.

Interest on financial assets at amortised cost is recognised under “Interest on financial assets not recognised at fair value through profit or loss”, calculated according to the effective interest rate method. Gains and losses on derecognition are registered under the heading “Net income on financial assets and liabilities at amortised cost”.

ii. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category “Financial assets at fair value through other comprehensive income” (FVOCI) if it meets all the following conditions:

- The financial asset is held within a business model the objective of which is both collecting contractual cash flows and selling that financial asset;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These instruments largely comprise debt instruments.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are registered as a charge to other comprehensive income and, on their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific Income Statement heading called “Net income from financial assets and liabilities at fair value through other comprehensive income”.

Debt instruments at fair value through other comprehensive income are also subject, from their initial recognition, to calculation of impairment losses for expected credit losses. The estimated impairment losses are recognised in the Income Statement, under the heading “Impairment losses on financial assets at fair value through other comprehensive income”, as a charge to other comprehensive income, and do not reduce the carrying amount of the financial asset on the balance sheet.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised under “Interest on financial assets not recognised at fair value through profit or loss” calculated according to the effective interest rate method.

Equity instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognised in income when the right to receive them is attributed.

iii. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category "Financial assets at fair value through profit or loss" (FVPL) if the business model defined by the Group for managing it or its contractual cash flow characteristics do not meet the conditions described above for measuring it at amortised cost or FVOCI.

Additionally, even if a financial asset meets the requirements to be measured at amortised cost or FVOCI, the Group may irrevocably designate it at initial recognition as measured at fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on it on different bases.

The Group has classified the following types of assets as "Financial assets at fair value through profit or loss":

- Financial assets that are acquired for the purpose of sale in the near term, or that, on initial recognition, are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or that fall under the definition of derivatives (except for derivatives designated as hedging instruments);
- Debt instruments the contractual cash flows of which are not solely payments of principal and interest (SPPI) on the principal amount outstanding;
- Financial assets that the Group has opted to designate at fair value through profit or loss to eliminate an accounting mismatch;
- Financial assets that do not meet the requirements to be classified as financial assets at amortised cost or at fair value through other comprehensive income, whether they are debt instruments or equity instruments that have not been designated at fair value through other comprehensive income.

Initial recognition and subsequent measurement

Given that the transactions performed by the Group in the normal course of its business are made under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, and the costs or gains associated with the transactions are recognised initially in the Income Statement. Subsequent changes in the fair value of these financial assets are recognised in the Income Statement.

The accrual of interest and premium/discount (when applicable) is recognised under "Other income" on the basis of the effective interest rate of each transaction, and the accrual of interest on the derivatives associated with the financial instruments is classified in this category. Dividends are recognised in income when the right to receive them is attributed.

Derivatives for trading with a positive fair value are included under "Financial assets at fair value through profit or loss", and derivatives for trading with a negative fair value are included under "Financial liabilities at fair value through profit or loss".

iv. Overlay approach

An insurer may elect to apply the overlay approach described in paragraph 35B of IFRS 4, only when it first applies IFRS 9.

In line with this approach, the Group must reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Group had applied IAS 39 to the designated financial assets. Accordingly, the amount reclassified is equal to the difference between:

- The amount reported in profit or loss for the designated financial assets, applying IFRS 9;
- The amount that would have been reported in gains or losses for the designated financial assets if the insurer had applied IAS 39.

A financial asset is eligible for designation for the overlay approach if, and only if, the following criteria are met:

- It is measured at fair value through profit or loss applying IFRS 9 but would not have been measured at fair value through profit or loss in its entirety applying IAS 39;
- It is not held in respect of an activity that is unconnected with contracts within the scope of IFRS 4.

The Group meets the overlay approach requirements for financial instruments which, according to the IAS 39 classification requirements, were considered available-for-sale investments and according to the IFRS 9 classification requirements were reclassified to financial assets recognised at fair value through profit or loss. Financial assets in account are equity instruments and debt instruments that do not fulfil the contractual cash flow characteristics of the SPPI (solely payments of principal and interest) test.

The Group applies the overlay approach to a designated financial asset until that financial asset is derecognised or ceases to be held in relation to an activity that is not linked to contracts covered by IFRS 4.

v. Assets sold with a repurchase agreement (repos)

Assets sold with a repurchase agreement (repos) for a fixed price or for a price that is equal to the sale price plus interest inherent to the maturity of the operation are not derecognised on the balance sheet. The corresponding liability is accounted for in Other Financial Liabilities. The difference between the sale amount and the repurchase amount is treated as interest and is deferred during the life of the agreement, using the effective interest rate method.

vi. Fair value

Financial assets recognised in the categories “Financial assets at fair value through profit or loss” and “Financial assets at fair value through other comprehensive income” are measured at fair value.

A financial instrument’s fair value corresponds to the price that would be received for an asset if it was sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets is determined based on the closing price at the balance sheet date, for instruments traded in active markets.

Regarding debt instruments not traded in active markets (including unquoted securities or securities of limited liquidity), valuation methods and techniques are used, which include:

- Bid prices published by financial information services, namely Bloomberg and Reuters, including market prices available for recent transactions;
- Bid prices obtained from financial institutions which operate as market-makers;
- Internal valuation models that take into account the market data which would be used to define a price for the financial instrument, reflecting the market interest rates and volatility, and the liquidity and credit risk associated with the instrument.

Other unquoted equity instruments whose fair value cannot be reliably measured (for example, due to an absence of recent transactions) continue to be recognised at cost, less any impairment losses.

vii. Derecognition of financial assets

These assets are derecognised when the Group's contractual rights to receive cash flows from them have expired or when the Group has transferred substantially all the risks and rewards associated with holding the assets.

The Group considers control of a financial asset to be transferred if, and only if, the transferee has the ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

viii. Transfers between categories of financial assets

Financial assets are reclassified to other categories only if the business model for managing them is changed. In this case, all the affected financial assets are reclassified.

Reclassification is applied prospectively from the reclassification date, and no previously recognised gains or losses (including those related with impairment) or interest are restated.

Investments in equity instruments measured at fair value through other comprehensive income and financial instruments designated at fair value through profit or loss may not be reclassified.

c) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for settlement by delivering cash or another financial asset, regardless of its legal form. Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance operations and other liabilities. These financial liabilities are initially recorded at fair value less transaction costs, and subsequently at amortised cost based on the effective interest rate method. The Group derecognises financial liabilities when they are cancelled or extinguished.

Financial liabilities are recognised at the contract date at fair value, less costs directly attributable to the transaction. Financial liabilities are classified in the following categories:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments with negative revaluation. These liabilities are recognised at fair value, and the gains or losses arising from any subsequent appreciation are recognised in “Net income on financial assets and liabilities recognised at fair value through profit or loss”.

Other financial liabilities

This category includes subordinated liabilities, deposits received from reinsurers, amounts received in repo transactions and also liabilities incurred on payment for provision of services or the purchase of assets, recognised in “Other creditors for insurance operations and other operations”.

These financial liabilities are recognised at amortised cost, and any applicable interest is recognised in line with the effective interest rate method.

d) Derivatives and hedge accounting

The Group performs operations with derivative products as part of its activity, with the aim of reducing its exposure to fluctuations in exchange and interest rates.

Derivative financial instruments are recognised at their fair value through profit or loss at the contract date. They are also recognised in off-balance sheet accounts at their notional value.

Subsequently, derivatives are measured at fair value. Fair value is calculated:

- On the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets);
- On the basis of models which incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Embedded derivatives

Derivatives embedded in non-derivative or financial liability host contracts are separated from the host contract and treated as separate derivatives, if:

- The embedded derivative’s economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
- A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative; and
- The hybrid contract is not measured at fair value with changes recognised in profit or loss.

Hedge accounting

The Group invests in derivatives in order to hedge the Group's exposure to the risks inherent to its activity, namely hedging of the fair value of foreign currency assets (currency fluctuation risk), which applies within the scope of IAS 39. Derivatives are also used to hedge the Group's exposure to the variability of interest rate cash flows and net investments in foreign operations.

At the beginning of all hedging operations, the Group prepares formal documentation, which includes at least the following items:

- Risk management objectives and strategy associated with the performance of the hedging operation, in line with the defined hedging policies;
- Description of the hedged risk(s);
- Identification and description of the hedged and hedging financial instruments;
- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in the profit or loss for the year. If the hedge is shown to be effective, the Group also reflects in the period's profit or loss the fair value change of the hedged item attributable to the hedged risk. If the hedging relationship is no longer effective, the accumulated fair value variation on the hedged element is recognized in profit or loss until its maturity.

Hedge derivatives of net investment in a foreign operating unit and cash flow hedge derivatives are recognised at fair value, provided that the hedge is determined to be effective, and the results are registered in shareholders' equity. Any ineffective portion of the results is recognised in gains and losses for the year.

Positive and negative revaluations of hedge derivatives are recognised in specific assets and liabilities headings respectively.

Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

The Group used hedge accounting to hedge the fair value of equity securities until 2019. In light of IFRS 9, the Group no longer uses hedge accounting for this purpose. However, it must maintain the rules for the aforementioned hedging as it has applied IFRS 9 with the overlay approach.

Derivatives at fair value through profit or loss

These include all derivatives not associated with effective hedging relationships, in particular:

- Derivatives used to hedge risk in assets and liabilities at fair value through profit or loss, rendering the use of hedge accounting unnecessary;
- Derivatives used to hedge risks which do not meet the criteria defined for use of hedge accounting under IFRS 9, in particular due to the difficulty in specifically identifying the hedged items, in macro or portfolio cases, or because the results of the effectiveness assessment demonstrate that the hedge is not effective;

- Derivatives used for trading purposes.

Derivatives at fair value through profit or loss are recognised at fair value, and the results of revaluation are calculated daily and recognised in gains and losses for the year, under the headings “Net income on financial assets and liabilities recognised at fair value through profit or loss”, with the exception of the part related to interest accrued and paid, which is recognised in “Other income”. Positive and negative revaluations are recognised in “Financial assets at fair value through profit or loss” and “Other financial liabilities” respectively.

e) Impairment losses

Financial instruments subject to recognition of impairment losses

The Group recognises impairment losses for expected credit losses in financial instruments recognised under the following accounting headings:

- Financial assets at amortised cost – Impairment losses on financial assets at amortised cost reduce the balance sheet value of those financial assets as a charge to “Impairment losses of financial assets at amortised cost”.
- Debt instruments at fair value through other comprehensive income – Impairment losses on debt instruments at fair value through other comprehensive income are recognised in the Income Statement, under “Impairment losses on financial assets at fair value through other comprehensive income” as a charge to other comprehensive income (they do not reduce the balance sheet value of those financial assets).

Impairment losses are based on the difference between contractual cash flows and all cash flows that the Group expects to receive, discounted at the original effective interest rate.

General approach

The expected credit loss allowance is calculated taking into account, at the time of assessment, the risk exposure (monetary value of the loan), probability of default (PD), loss given default (LGD) and the relevant discount factor. It is a risk assessment that takes into account an estimate of the probability and time value of the future cash flows being assessed.

This assessment is complemented by an assessment of whether the credit rating has decreased since initial recognition. A significant decrease in the credit rating means that the assessment will no longer be made considering an annual period, but will be made considering the remaining lifetime of the loan. Loans with no deterioration in rating are therefore considered in stage 1, loans with deterioration in rating are considered in stage 2, and stage 3 comprises loans with objective evidence of default.

In general terms, a significant decrease in rating since initial recognition is equivalent to a decrease of at least 2 notches from the time the initial rating is at BBB, although this decision will always be based on a case-by-case analysis of the factors leading to the rating downgrade.

Expected credit loss allowances are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the expected credit loss allowance reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

For other credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default, called lifetime expected credit losses.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. When conducting the assessment, the Group compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition and considers all reasonable and supportable information available without undue cost or effort.

For credit assessment, the Group uses at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA) regulator, applying the criterion of the second best rating, limited in general terms to the rating of the issue or, if not available or not applicable, to the rating of the issuer or alternatively to the rating of the corresponding financial group. As a last resort, in a situation where this information is not available, the Group seeks to assess, through a scoring methodology, an internal rating based on an analysis of the available financial statements. The scoring methodology is based on financial indicators that aim to assess the solvency capacity of the issuer's financial commitments. For repack issues, and to the extent that we can look into the underlying assets, we use the average rating of the issues considered in the vehicle.

The Group considers a financial asset to be in default when it has been overdue for 90 days, and the Group is unlikely to receive the outstanding contractual amounts in full. The book value of a financial asset in this stage, Stage 3, is reduced so as only to reflect the recovery value since there is no reasonable expectation of recovering the contractual cash flows.

Classification of financial instruments by stages

	← Change in credit risk since initial recognition →		
	Stage 1	Stage 2	Stage 3
Classification criterion	Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired
Impairment losses	12-month expected credit losses	Lifetime expected credit losses	Default

Debt instruments at fair value through other comprehensive income and financial assets at amortised cost are subject to a reduction of the recoverable value under the general approach and are classified in the following stages for measurement of the expected credit loss provisions:

- **Stage 1:** Financial instruments for which there has not been a significant increase in credit risk since initial recognition and for which the loss allowance is measured at an amount equal to a 12-month expected credit loss;
- **Stage 2:** Financial instruments for which there has been a significant increase in credit risk since initial recognition, but which are not financial assets with a reduction in the recoverable value and for which the loss allowance is measured at an amount equal to the lifetime credit loss;
- **Stage 3:** Financial assets with a reduction in the recoverable value at the reporting date (but which were not purchased or originated with a reduction in the recoverable value), and which are impaired (assets in default).

Simplified Approach

The Group makes a prospective assessment of the expected impairments associated with the heading “Other Debtors for Insurance Operations and Other Operations”. The impairment method applied depends on the type of asset, with the performance of an analysis of the uncollectability of premiums pending collection and a case-by-case analysis of brokers, reinsurers and other debtors, to assess whether there has been a significant increase in credit risk.

Impairment in IAS 39

For assets to which the overlay approach can be applied, the Group must also calculate impairment in accordance with IAS 39. These assets correspond to available-for-sale assets under IAS 39, which in IFRS9 correspond to financial assets at fair value through profit or loss.

In accordance with IAS 39, available-for-sale assets are recognised at fair value and changes in fair value are reflected in other comprehensive income.

Whenever there is objective evidence of impairment, the accumulated losses that have been recognised in reserves are transferred to costs for the period in the form of impairment losses, recorded under the heading “Impairment losses (net of reversals)”.

In addition to the signs of impairment mentioned above, the following specific signs with regard to equity instruments are also considered:

- i) Significant changes with an adverse impact on the technological, market, economic or legal environment in which the issuer operates which indicate that the cost of the investment will not be fully recovered;
- ii) A significant or prolonged decline in market value below cost price.

The Company analyses the existence of impairment losses on these assets on each reference date of the financial statements, considering for this purpose the nature and specific and individual characteristics of the assets being valued.

In addition to the results of this analysis, the events presented below are considered as indicative of objective evidence of impairment in equity instruments:

- Existence of potential capital losses greater than 50%, compared to the respective acquisition value;
- Situations in which the fair value of the financial instrument remains below its acquisition cost over a period of more than 12 months.

Additionally, the existence of potential losses greater than 30% is considered a potential impairment indicator. For this criterion, the recognition of impairment is judged using a case-by-case analysis.

Impairment losses on equity instruments cannot be reversed, so any potential gains arising after the recognition of impairment losses are reflected in “Revaluation reserves for adjustments in the fair value of financial assets”. If additional capital losses are subsequently determined, it is always considered that there is impairment, so they are reflected in profit or loss for the year.

Impairment losses on debt instruments can be reversed through profit or loss for the year, if in a subsequent period the fair value of that asset increases, provided this increase is objectively related to an event that occurred after the recognition of the impairment loss.

2.7. Non-current assets held for sale and groups of assets and liabilities for disposal

IFRS 5 – “Non-current assets held for sale and discontinued operations” applies to single assets and to groups of assets for disposal, by sale or another means, in aggregate form in a single transaction, and all liabilities directly associated with those assets which are subsequently transferred in the transaction entitled “groups of assets and liabilities for disposal”).

Non-current assets, or groups of assets and liabilities for disposal are classified as held for sale whenever their carrying amount is expected to be recovered through a sale transaction rather than through continuing use, and are recorded at the lower of their carrying amount and fair value less costs to sell. For an asset (or group of assets and liabilities) to be classified in the heading the following requirements must be met:

- The probability of the sale occurring is high;
- The asset is available for immediate sale in its present condition;
- The sale should be expected to occur within one year of the asset being classified under this heading.

The fair value of these assets is determined on the basis of experts’ assessments.

If the amount recognised on the balance sheet is higher than the fair value less costs to sell, impairment losses are recognised in “Gains and losses from non-current assets (or groups for disposal) classified as held for sale”.

2.8. Investment properties

These are properties held by the Group to earn income through rental and/or capital appreciation.

Investment properties are initially recognised at cost, including directly related measurement costs. They are not amortised and are recognised at fair value, determined on the basis of experts’ assessments. Changes in the fair value and realised capital gains and losses are reflected in the Income Statement, in “Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations”.

Investment properties are assessed each year to ensure that their balance sheet value does not differ significantly from their fair value. The Group has set a maximum period of 2 years between valuations carried out by independent experts.

2.9. Properties for own use

Properties for own use are initially recognised at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes the purchase cost and any costs directly attributable to the activities needed to bring the assets to their location and place them in the state necessary for their use as intended.

The costs of repair, maintenance and other expenses associated with the use of these assets are recognised as expenses for the year, except for expenses on items where capitalisation criteria are met and which are depreciated throughout their useful life.

Depreciation is calculated using the straight-line method, at rates corresponding to the estimated useful life of the properties for own use and is recognised in expenses for the year. Land is not depreciated, given that it does not have a defined useful life. The Group periodically assesses the adequacy of the estimated useful life of its assets.

Analyses are periodically undertaken to identify evidence of impairment on Properties for own use. An impairment loss is recognised in "Other impairment losses (net of reversals)" in the Income Statement for the year whenever the net book value of these assets is greater than their recoverable value (the greater of the value in use and the fair value). "Other impairment losses" may be reversed, also with an impact on the Income Statement for the year, if an increase in that asset's recoverable value subsequently occurs.

The gain (or loss) arising from the sale or write-off of a property for own use is determined based on the difference between the amount received in the transaction and the net book value of that asset and is recognised in the Income Statement in the year when the write-off or sale occurs.

In addition, buildings under construction are recognised at cost less any impairment losses and are not subject to depreciation. The costs of these properties include the direct construction cost and the costs inherent to the loan obtained for the construction of these properties. Properties under construction are reclassified to established properties when they become available for use.

2.10. Other tangible assets

These are recognised at acquisition cost, less depreciation and accumulated impairment losses. Costs of repair, maintenance and other expenses associated with their use are recognised as costs for the year.

Depreciation is calculated systematically throughout the estimated useful life of the asset, which corresponds to the period during which it is expected that the asset will be available for use, which is:

	Years of <u>useful life</u>
Furniture and materials	2 - 12
Machinery and tools	4 - 10
IT equipment	4
Interior installations	8 - 10
Transport material	4
Safety equipment	4 - 10

Depreciation is recognised in expenses for the year. The Group periodically assesses the adequacy of the estimated useful life of its tangible assets.

Analyses are periodically undertaken to identify evidence of impairment on other tangible assets. An impairment loss is recognised in "Impairment losses (net of reversals) of others" in the Income Statement for the year whenever the net book value of these tangible assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income Statement for the year, if an increase in the asset's recoverable value subsequently occurs.

2.11. Inventories

Inventories are valued at the lower of acquisition cost and net realisable value.

Inventory costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, applying the average cost method.

The net realisable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs to conclude the sale.

Whenever the net realisable value is lower than the acquisition cost, the value of the inventories is reduced, by recognising an impairment loss, under the heading "Impairment losses (net of reversals) of others" in the Income Statement. These losses may be reversed whenever the factors giving rise to the impairment cease to exist.

2.12. Leases

Lessee

On the commencement date of the lease, the lessee recognises a liability for the obligation to make payments to the lessor and an asset representing the right-of-use the underlying asset for the lease term. Lessees are required to recognise separately interest on the lease liability and depreciation of the right-of-use asset.

At the date of the standard's entry into force the lessee shall measure the lease liability at the present value of the lease payments not paid on that date. The discount rate of the payments will be determined as the interest rate implicit in the lease, that is, the rate that causes the present value of the lease payments and the unguaranteed residual value to equal the fair value of the underlying asset plus the direct costs of the lessor. If the rate implicit in the lease cannot be readily determined, the incremental borrowing rate will be used, that is, a discount rate that can be obtained to borrow, with the same maturity and a similar guarantee, the funds necessary to acquire the underlying asset.

After that date, the lessee shall measure the liability:

- i) By increasing the carrying amount to reflect interest on the lease liability;
- ii) By reducing the carrying amount to reflect the lease payments made;
- iii) By remeasuring the carrying amount to reflect any reassessment or lease modifications.

The standard sets out two recognition exemptions for lessees – leases of low value assets (for example, laptops) and short-term leases, i.e. leases with a lease term of 12 months or less.

The Group opted to use the exemptions applicable to the standard on lease contracts where the lease term ends within 12 months of the date of initial application (except for real estate leases), and on lease contracts where the underlying asset is of low value. The Group has leases of some office equipment (for example, laptops) that are considered low value. The Group also decided to separate the leases from the non-lease (service) components and to consider only the lease component when applying this standard.

For all lease contracts covered by the exemptions, the lease payments associated with these contracts will be recognised as expenses.

Lessor

Leases continue to be classified as finance leases or operating leases, and there are therefore no significant changes to that previously defined. Assets under finance leases are recorded in the financial position as “Accounts receivable for other operations”, and this is reimbursed by means of the capital amortisations set out in the contracts’ financial plans. Interest included in rents is recorded as “Other income/expenses”.

2.13. Intangible assets

This heading includes the costs of acquisition, development or preparation for use of the software used in the development of the Group’s activities.

Intangible assets are recognised at acquisition cost, less amortisation and accumulated impairment losses.

Amortisation is recognised systematically throughout the estimated useful life of the assets, which normally corresponds to a period of 3 to 6 years, except the IT structural projects that may extend to a period of 10 years.

Software maintenance expenses are accounted for as a cost for the year in which they are incurred.

2.14. Income tax

The companies in the Group with their head office in Portugal are subject to taxation under the Corporate Income Tax Code (CIT Code) and the companies with their head offices abroad are also subject to the same type of tax (CIT), pursuant to the legislation in force in those countries. Additionally, there is a Municipal Surcharge, the aggregate rate of which, in 2020 and 2021 was 22.5%, and a State Surcharge which corresponds to an additional rate of 3% of the taxable profit between EUR 1,500,000 and EUR 7,500,000, 5% of the profit between EUR 7,500,000 and EUR 35,000,000 and 9% of any profit which exceeds this amount.

The accounts of the Group branches are included in the accounts of the head office for fiscal purposes. Besides being subject to CIT, the income of the branches is also further subject to local taxes in the countries/territories where these are established. The local taxes of the various branches are deductible from the corporate income tax of the head office pursuant to Article 91 of the Corporate Income Tax Code and to Double Taxation Agreements.

The companies in the Group with their head office in Portugal are subject to CIT under the Special Rules for the Taxation of Corporate Groups (SRTCG), in line with Article 69 of the CIT Code. Under these taxation rules, Longrun (the controlling company) presents a single tax declaration in which the results of the subsidiaries making up the SRTCG are consolidated. The amount of CIT to be paid or received by the different companies in the Group with their head office in Portugal is recorded in the balance sheet as an amount receivable from or payable to Longrun. The tax which corresponds to the different companies in the Group is recognised in the Income Statement and/or in shareholders' equity.

Total income tax recognised in the Income Statement includes current and deferred taxes.

Current tax is calculated on the basis of the taxable profit for the year, which is different from accounting income because of adjustments to taxable income resulting from expenses or income which are not considered for fiscal purposes, or which will only be considered in other accounting periods.

Deferred tax represents tax recoverable/payable in future periods resulting from temporary deductible or taxable differences between the book value of assets and liabilities and their tax basis, used to determine taxable income.

Deferred tax liabilities are normally recognised for all temporary taxable differences, whereas deferred tax assets are only recognised to the extent that it is probable that sufficient future taxable income will be generated, allowing the use of the corresponding deductible temporary differences or tax losses carried forward. In addition, deferred tax assets are not recognised where their recoverability may be questionable due to other situations, including issues regarding the interpretation of the tax legislation in force.

The main situations that give rise to temporary differences at the Group level correspond to (i) accounting gains or losses, (ii) corrections from previous years, (iii) impairments and (iv) dividends.

Deferred taxes are calculated at the tax rates expected to be in force on the date of reversal of the temporary differences, which correspond to the tax rules that have been enacted, or substantially enacted, at the balance sheet date.

Income tax (current or deferred) is recognised in the Income Statement for the year, except for cases in which the originating transactions have been recognised in other shareholders' equity headings (for example, in the case of changes in fair value of financial assets at fair value through other comprehensive income). The corresponding tax, in these cases, is also recognised in shareholders' equity and does not affect the Income Statement for the year.

2.15. Provisions, contingent liabilities and assets

Provisions are set up whenever there is a current (legal or constructive) obligation resulting from past events involving the probable future expenditure of resources and when such expenditure may be reliably assessed. The amount of the provision corresponds to the best estimate of the amount payable to settle the liability at the balance sheet date.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

“Other provisions” are for legal, fiscal and other contingencies resulting from the Group's activity.

Contingent assets are not recognised in the financial statements, but they are disclosed in the notes to the accounts if future economic benefits are likely to flow from them.

2.16. Employee benefits

Liabilities for employee benefits are recognised in line with the principles established in IAS 19 – “Employee Benefits”. The principal benefits granted by the Group correspond to retirement and survivors' pensions and healthcare benefits.

Defined benefit plan – Liabilities with pensions and healthcare

In line with the collective employment agreement (CEA) then in force for the insurance activity, the Group is committed to making cash payments, to complement the retirement pensions paid by the Social Security services, to its employees hired prior to 22 June 1995, the date on which the CEA was published. The amount of these payments varies according to the employee's remuneration, the number of years contributing to Social Security, the history of remuneration on which Social Security was collected and also, in the case of disability, the number of years in the insurance activity.

In addition, the former Império Bonança is also committed to providing whole life medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The Company bears almost the entire burden of such benefits.

The defined benefit plans are financed through a closed pension funds. These funds include liabilities with retirement supplements, and liabilities relating to early retirement and pre-retirement. These plans meet the requirements for classification as defined benefit plans, since they comply with the criteria for determining the amount of pension that an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and salary at retirement date.

Liabilities recognised on the balance sheet relating to defined benefit plans correspond to the difference between the current value of liabilities and the fair value of the pension fund assets. The total amount of liabilities is determined annually by specialised actuaries using the Projected Unit Credit Method and actuarial assumptions considered appropriate (Note 36). The discount rate used to update the liabilities reflects market interest rates on prime corporate bonds, denominated in the currency in which the liabilities are paid and with similar maturity periods to the average periods for settlement of liabilities.

Gains and losses resulting from the differences between the actuarial and financial assumptions used and the actual amounts of the pension obligation and expected return from the pension fund, as well as the results of changes to actuarial assumptions, are recognised directly in shareholders' equity

The cost in the year for retirement and survivors' pensions, which includes the cost of current services, the cost of past services, the cost of payments and the net interest on the defined benefit liability (asset), is reflected at net value in "Employee Costs". The healthcare cost for the year is recognised in "Other Provisions" (Note 36).

The impact of employees' retirement prior to the standard retirement age, defined in the actuarial study, is directly recognised in "Employee Costs".

Defined contribution plan

The new collective employment agreements for the insurance sector, published on 15 January 2012, on 29 January 2016 and on 8 February 2019 entitle all employees of working age employed as permanent staff, with indefinite employment contracts, covered by these CEAs, to an individual retirement plan ("IRP"), a defined contribution plan which replaces the system of retirement pensions defined in the former CEAs.

These plans, besides guaranteeing capital, meet the requirements for classification as defined contribution plans, since the amount of post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a benefit plan, together with investment returns arising from the contributions.

The provisions of the previous defined benefit plan apply to active workers in full employment, with employment contracts for an indefinite period, who are not covered by the above-mentioned Collective Employment Agreements (CEA) for the insurance sector.

The Group's contributions to the defined contribution plan are made in line with the terms of the CEA and are recorded as a cost for the year to which they relate in "Employee Costs".

Other long-term benefits

Under the new CEA, published on 8 February 2019, and as provided in its clauses 32nd to 34th and 65th to 68th, new long-term benefits are established, called Career Benefits.

Short-term benefits

Short-term benefits, including performance bonuses paid to employees for the performance of the different business units and their contribution to the company's results, are recognised in "Employee Costs" in the period to which they relate, on an accrual basis.

2.17. Insurance and investment contracts

a) Classification of contracts

Transactions associated with insurance and reinsurance contracts issued and with reinsurance contracts held by the Group are recognised in accordance with ASF regulations. Under the transition to the new PCES, the classification principles for contracts established by IFRS 4, were incorporated into these regulations according to which contracts without a significant insurance risk are considered to be investment contracts and recognised in line with IFRS 9 requirements.

In addition, as provided by IFRS 4, investment contracts with a discretionary profit-sharing component also continue to be classified as insurance contracts, and are therefore valued in line with the ASF regulations.

Calculation of contracts associated with insurance contracts is covered by specific regulations issued by the ASF.

An insurance or investment contract is considered to include a discretionary profit-sharing component when the respective contractual conditions provide for, in addition to the contract's guaranteed component, the allocation of additional benefits to the insured with the following characteristics:

- It is probable that they will constitute a significant part of the total benefits to be allocated within the scope of the contract;
- The amount or time of their allocation is contractually at the issuer's discretion; and
- They are dependent on the performance of a given group of contracts, on realised or unrealised income on certain assets held by the contract issuer, or on the profit of the entity responsible for issuing the contract.

Potential capital gains, net of capital losses, resulting from the revaluation of assets allocated to insurance with profit sharing and which are expected to be paid to insured persons are recognised in the profit-sharing provision.

b) Recognition of income and costs

Premiums for non-life insurance and reinsurance contracts, life insurance contracts and investment contracts with a discretionary profit-sharing component are recognised when due in “Earned premiums, net of reinsurance” in the Income Statement.

Premiums written on non-life insurance and reinsurance contracts and the associated acquisition costs are recognised as income and cost over the corresponding risk periods, through the use of the provision for unearned premiums.

Insured persons’ liabilities relating to life insurance contracts and to investment contracts with a discretionary profit-sharing component are recognised via the life insurance mathematical provision, and their cost is recognised at the same time as recognition of the income associated with the premiums written.

c) Provision for unearned premiums and deferred acquisition costs

The provision for unearned premiums corresponds to the value of the premiums written on insurance and reinsurance contracts which relate to subsequent years, i.e. the part corresponding to the period between the balance sheet close and the end of the period to which the premium refers. It is calculated for each contract using the *pro rata temporis* method on the respective gross premiums written.

In 2020, as a consequence of the COVID-19 pandemic, in the Health line of business there was a transfer of additional risk arising from the periods of lockdown that meant insured persons stopped seeking medical care. Therefore, added to the aforementioned premium transfer is the proportion of unreported claims applied to unearned premiums in the months of low demand. The amortisation period for this part of the premium is considered to be from 1 September 2020 until the end of the year of each policy. The quantitative impact of this change is disclosed in Note 22.

Expenditure incurred with the acquisition of non-life insurance contracts, including brokerage commissions and other expenses allocated to the acquisition function, is deferred over the course of the period to which it relates and is recognised as a deduction from the amount of the technical provisions on insurance contracts in provisions for unearned premiums.

d) Claims provision

This provision recognises the estimated amount of indemnities payable on claims incurred, including claims incurred but not reported (IBNR), and administrative costs to be incurred for future settlement of claims which are currently being managed and those for IBNR claims. Except for mathematical provisions and whole life assistance for workers’ compensation, the claims provision set up by the Group is not discounted.

Claims provision for workers’ compensation

The provision for workers’ compensation claims includes the mathematical provision, provision for temporary assistance expenses and provision for whole life assistance expenses.

The mathematical provision for workers' compensation relates to:

- Approved pensions – pensions payable for claims where the amounts have already been approved by the Employment Tribunal;
- Defined pensions – estimate of liabilities for pensions for claims already incurred but awaiting a final agreement or ruling;
- Presumed pensions – estimate of liabilities for pensions relating to claims already incurred but the clinical processes of which are not yet concluded at the date of the financial statements or pensions relating to claims already incurred but not yet reported.

The hypotheses and technical bases used to calculate approved and defined mathematical provisions for workers' compensation are the following:

	2021		2020	
	Mandatorily redeemable	Non-redeemable	Mandatorily redeemable	Non-redeemable
Mortality table	TD 88/90	INE 2010_2012 by gender	TD 88/90	INE 2010_2012 by gender
Discount rate	5.25%	2.70%	5.25%	3.10%
Management costs	2.40%	3%	2.40%	3%

The mathematical provision for presumed pensions for workers' compensation claims incurred in the tax year is based on an estimate of the number of claims for permanent disability (IP's) and death and the average mathematical provision, representing the expected cost of each of those pensions after approval and including the risk of future revision. For claims incurred in previous tax years the variation of this provision corresponds to the difference between the amount paid in pensions and redemptions less the estimated technical interest and the variation of the provision for approved and defined pensions.

In accordance with current legislation, the liability resulting from the annual increase in pensions is covered by FAT (Fundo de Acidentes de Trabalho – Workers' Compensation Fund). The Group pays the pensions in full and is subsequently reimbursed for the part corresponding to FAT's liability. FAT is managed by the ASF, and the fund's income consists of contributions made by the insurance companies and by workers' compensation insurance policyholders. A provision is set up for future contributions to FAT relating to liabilities for pensions already contracted at the balance sheet date.

The objective of the provision for temporary assistance expenses is to recognise the liability relating to expenses of workers' compensation claimants which are not whole life in nature. Using monthly development matrices, the number of claims incurred in the tax year is estimated, which is then multiplied by the estimated average cost of temporary assistance expenses for claims incurred in 2020 and 2021, which results from actuarial projections, based on matrices of payment and claims participation frequency, in order to obtain the cost in the tax year for this type of expense. For claims incurred in previous tax years the variation of the provision corresponds to the amounts paid for temporary assistance expenses recognised in the accounts.

Provision for whole-life assistance expenses (AV) relates to:

- Provision for declared whole-life assistance – refers to lifetime expenses, with pension claimant beneficiaries, whose service date occurs 730 days after the date of occurrence of the claim;
- Provision for presumptive whole-life assistance - lifetime expenses relating to claims that have already occurred but do not yet have expenses.

This provision is calculated according to the following technical bases:

	2021	2020
Mortality table	INE 2010_2012 by gender	INE 2010_2012 by gender
Discount rate	2.70%	3.10%
Rate of inflation	2%	2%
Management costs	2%	2%

The provision for presumed whole life assistance is calculated using methodology similar to that described for the mathematical provision for presumed pensions.

Claims provision for motor insurance

The opening of a motor insurance claim automatically generates the recognition of an initial average provision for each sub-claim, which affects the unit at risk and the insurance element in question. The automatic provision also varies according to the seriousness of any bodily injury. This provision may be revised, when the claims manager confirms it is inadequate, with adjustments being made in accordance with the information gathered (specialised technical reports) during the life of the claim, i.e. a specific analysis of the provision is made.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Provision for Multi-risk Home Insurance and Multi-risk Business Insurance claims

An initial provision is generated for Multi-risk Home Insurance and Multi-risk Business Insurance when the claim is opened, according to the coverage and type of property affected. The amount of these provisions is adjusted when the claims manager receives more detailed information on the indemnifiable damage, in particular from loss adjusters' reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Claims provision for other types of insurance

The claims provision for other types of insurance is calculated on a case-by-case basis by the claims manager and revised whenever updated information is obtained from specialised technical reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Analysis of sufficiency of the claims provisions

The sufficiency of the provisions for the various types of insurance is assessed/validated by actuarial studies performed throughout the year.

The analyses performed include direct liabilities to the insured (whether or not the claims have been reported) as well as future payments, notably contributions to FAT.

The estimates are for the most part based on payment and claims costs triangles and use both deterministic and stochastic models.

e) Mathematical provision for life insurance

This corresponds to the estimated actuarial value of the insurance company's commitments, including profit-sharing payments already distributed and following the deduction of the actuarial value of future premiums, calculated for each policy in accordance with actuarial methods and their respective technical bases.

In the case of life insurance contracts in which the investment risk is borne by the policyholder, this heading only includes any additional technical provisions which may be set up to cover mortality risks, administrative expenses or other expenditure (e.g. guaranteed payments at maturity date or guaranteed surrender values).

f) Provision for profit sharing

The profit-sharing provision includes amounts payable to policyholders or contract beneficiaries, in the form of a profit-sharing scheme, whether already allocated or yet to be allocated, provided that such amounts have not yet been distributed.

Provision for profit sharing to be allocated

This provision includes the balances arising from the net capital gains to be allocated to the insured persons which transited from the former accounting standards applicable to insurance companies until 2007, which were registered in what was called the "Fund for Future Appropriations". It also reflects the net amount of the subsequent potential capital gains and losses (fair value adjustments) relating to investments linked to life insurance contracts with a profit-sharing component, in the portion estimated for the policyholder or contract beneficiary, provided that the balances by portfolio are not negative.

This provision is set up in "Profit sharing to be allocated", in the Income Statement, or directly in the revaluation reserves for adjustments to the fair value of financial assets at fair value through other comprehensive income linked to life insurance with a profit-sharing component, depending on the classification of the assets.

Throughout the duration of the contracts of each type or set of types, the balance of the provision for profit sharing to be allocated corresponding to this is used in full.

The use of the provision for profit sharing to be allocated is by portfolio, according to the following order of priorities:

- The balances of the net capital gains to be allocated to the insured persons which transited from the former "Fund for Future Appropriations" are used in the first place to cover the losses arising each year in the technical accounts of the respective life insurance products with a profit-sharing component, which were reflected as losses for the Group, and are recognised in its profit or loss up to the limit of the losses they seek to compensate. The Group has been using this procedure since 2011;

- The amounts corresponding to the insured persons' potential sharing of the loss of the related portfolios are reflected in this provision until the corresponding positive balance is reached. Thus, amounts arising from the former "Fund for Future Appropriations" which are still available after the use referred to in the item above are used to offset potential capital losses of the respective portfolios;
- If the balance of the provision for profit sharing to be allocated is positive after the movements above, and there are losses to be recovered which have been calculated in previous years in the technical accounts of the respective products and which have been recognised in the Group Income Statement due to the fact that the income from the related portfolios was not sufficient to cover the costs resulting from the guaranteed technical rates, that positive balance is recognised in the Group Income Statement up until these losses are recovered. This movement can be reversed, which will also have an impact on the Income Statement, once the balance arising from the potential gains/losses is no longer positive.

Provision for allocated profit sharing

This provision includes the amounts intended for policyholders or beneficiaries of insurance contracts, in the form of a profit-sharing scheme, which have not yet been distributed but which have already been allocated.

For the majority of the products, this provision is calculated on the basis of the income from the related assets, including the capital gains and losses due to impairment recorded in the period, less any negative balances from previous tax years, in cases where this deduction is provided for in the contract.

g) Provision for interest rate commitments

The provision for interest rate commitments is set up for all insurance and operations in the "Life" line of business where there is an interest rate guarantee, whenever the effective profitability rate of the applications which represent the mathematical provisions of certain insurance contracts is lower than the technical interest rate used to determine the mathematical provisions of those contracts.

h) Provision for portfolio stabilising

The provision for portfolio stabilising is set up for group insurance contracts, which are renewable annually, and which guarantee as their main cover the risk of death, with the aim of responding to any increase in the risk inherent in the increasing average age of the insured group, whenever the latter are charged according to a single rate, which, by contractual agreement, must be maintained for a given period.

i) Equalisation provision

The equalisation provision is intended to respond to exceptionally large insurance claims in insurance areas which, by their nature, are predicted to fluctuate considerably. This provision is set up for loan insurance, deposit insurance, crop insurance, earthquakes and reinsurance accepted — atomic risk, in accordance with ASF standards.

j) Provision for unexpired risks

This provision is calculated for all non-life insurance and is intended to respond to situations where premiums to be allocated to subsequent years for contracts in force at the date of the financial statements are not sufficient to pay for the indemnities and the expenses of the respective technical lines of business. This provision is calculated on the basis of the ratios for claims, operating costs, ceding and income, in accordance with ASF definitions.

In 2020, as a consequence of the COVID-19 pandemic, in the Health line of business there was a transfer of risk to subsequent years caused by the COVID-19 pandemic. Therefore, for the calculation of the claims ratio, the provision for unexpired risks considered the amount of claims obtained from the average of the claims ratios of the three previous years, plus the estimate of deferred claims. The quantitative impact of this change is disclosed in Note 22.

In the motor insurance line of business, in 2021 and 2020, as a consequence of the COVID-19 pandemic, the provision for unexpired risks considered the amount of claims obtained from the average of the claims ratios from 2017, 2018 and 2019. The ratio used reflects the best expectation for the period of future risk. The quantitative impact of this change is disclosed in Note 22.

k) Technical provisions for reinsurance ceded

These provisions are determined by applying the criteria described above for direct insurance, taking into account the ceding percentages, in addition to the remaining provisions of the treaties in force.

l) Liabilities to subscribers of Unit-linked products

Liabilities associated with investment contracts issued by the Group in which the risk is borne by the policyholder (Unit-linked products) are recognised at fair value, determined on the basis of the fair value of the assets included in the investment portfolio linked to each of the products, less the corresponding management costs, and are recognised in "Financial liabilities on insurance contracts and operations considered for accounting purposes as investment contracts".

Investment portfolios linked to Unit-linked products are composed of financial assets, including fixed-income securities, variable-income securities, derivative instruments and deposits in credit institutions, which are recognised at fair value, and the corresponding unrealised capital gains and losses are recognised in the Income Statement.

For insurance and capitalisation operations on investment units with a guarantee of capital and income at the end of the contract, the provisions are set up for either the value which results from multiplying the value of the reference unit by the number of existing units, or the guaranteed capital and income at the end discounted up to the date of calculation at the guaranteed rate, whichever is higher.

m) Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts under IFRS 4, and which do not include a discretionary profit-sharing component, are valued in accordance with the requirements of IFRS 9 and recognised in "Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts".

n) Impairment of debtor balances related with insurance and reinsurance contracts

For each date the financial statements are presented, the Group assesses the existence of evidence of impairment on assets from insurance or reinsurance contracts, namely accounts receivable from insured persons, agents, reinsurers and reinsured, and technical provisions for reinsurance ceded.

If impairment losses are identified, the balance sheet value of the respective assets is reduced in the Income Statement for the year, with the cost being recognised in "Impairment losses (net of reversals)".

2.18. Revenue

Revenue or income is recognised whenever it is likely that economic benefits will result for the Group and when these can be reliably assessed.

(i) Fees from financial instruments

The fees related to financial instruments, such as commissions charged or paid on contracting of operations, are included in the amortised cost and recognised in the statement of gains and losses throughout the operation, by the effective interest rate method.

(ii) Provision of services – healthcare segment

Revenue is recognised whenever it is probable that the Group will obtain economic benefits that can be reliably estimated, being measured by the fair value of the instalments received or receivable, net of discounts given and any taxes. The revenue associated with the transaction is recognised with reference to its stage of completion as at the reporting date.

Revenue from activities carried out in the private healthcare segment is recognised based on the services rendered during that period, valued at the prices of those services as set out in a defined price list, regardless of the actual invoice date.

In the case of activities carried out in the public healthcare segment (under the PPP), revenue is recognised in accordance with the services provided valued by the contractual prices agreed with the contracting public entity. Under the agreement, invoicing is monthly for an amount equivalent to 1/12 of 90% of the annual amount agreed for each year. There is an adjustment invoice for services actually provided, during the first six months of the following year. The difference between the amounts invoiced and the actual production is recorded under “Other payables” or “Other receivables” on an accrual basis.

Revenue from senior residences is recognised based on lifetime rights-of-use (ROUs). This recognition is made according to the characteristics of each type of agreement:

- In lifetime ROUs with no conveyance rights, or with the right to only one conveyance, the value of the agreement is initially recognised as deferred income. Once the member enters the club, the revenue is recognised for a period that takes into account the age of the member (or of the assignor, if allowed) on the entry date, and the average life expectancy taken from the GRF95 actuarial tables;
- In lifetime ROUs with unlimited conveyance rights, the agreement value is immediately recognised as income and an accrued expense for the unit’s portion of the total cost of the buildings is recorded as a cost of sales. The accrued expense is later recognised as revenue in the same period as the depreciation of the corresponding property, plant and equipment

(iii) Fees for other services provided

Fees for services provided are normally recognised as earnings throughout the period of service provision or on a one-off basis if they relate to payment for the performance of single acts.

(iv) Sale of goods

Revenue from the sale of goods is recognised in the consolidated Income Statement when the significant risks and rewards of ownership of the assets are transferred to the buyer and the amount of the revenue can be reasonably measured. Revenue is recognised net of taxes and discounts.

2.19. Cash and cash equivalents

For the purposes of the statement of cash flows, "Cash and cash equivalents" includes amounts recognised in the balance sheet with maturity of less than three months from the date of their acquisition, readily convertible to cash and with low risk of a change in value, and cash and deposits with credit institutions which do not have an investment purpose.

2.20. Critical accounting estimates and most relevant judgements in the application of the accounting policies

When applying the accounting principles described above, the Boards of Directors of Fidelidade and the Group companies are required to make estimates. The estimates with the greatest impact on the Group's consolidated financial statements include those presented below.

Impairment of goodwill

As stated in Note 2.3., at least once a year the Group performs analyses of impairment of the goodwill recognised in the balance sheet. These analyses are conducted on the basis of estimates of future cash flows to be generated for each unit, discounted at appropriate rates.

The projections produced incorporate a wide range of assumptions as to the evolution of the future activity of the units, which may or may not reflect future performance. However, these assumptions reflect the Group's best estimate on the balance sheet date.

To determine the future cash flows of each entity, when using the discounted cash flow method within the scope of the Goodwill test, the calculation is based on the business model approved by the management of each entity, for a period of 5 years. Cash flows are then discounted at a discount rate that adequately reflects the risk of each business and the market in which the company operates, ranging between 2.4% and 11.2% for December 2021.

For periods after the business model, cash flows are based on a perpetuity that reflects the long-term growth rates expected for each entity based on expected growth rates of inflation, ranging between 1.4% and 4% for December 2021.

Below is additional information regarding discount rates and perpetual growth rates by geography:

Region	Sector	Discount rate	Perpetual growth rate
	Insurance and		
Europe	Healthcare	2.4% - 5.9%	1.4% - 2.0%
Africa	Insurance	11.2%	2.0%
South America	Insurance	10.8%	3.0% - 4.0%

In order to assess the sensitivity of the recoverable amount to the main assumptions identified, sensitivity tests were carried out, mainly at the discount rate and the perpetual growth rate. A 0.5 percentage point increase in the discount rate and a 0.5 percentage point decrease in the perpetual growth rate do not result in a potential deterioration of Goodwill.

Valuation of Investment Properties

As stated in note 2.7, Investment Properties are valued at each balance sheet date, to ensure that their balance sheet value does not differ significantly from their fair value. The Group has set a maximum period of 2 years between valuations performed by qualified experts.

Investment properties are valued to obtain an estimate of their presumed transaction price, which is normally the market value (fair value). In other words, for the price for which the property can be sold, on the assessment date, by a private contract between an independent seller and buyer. It is understood that the asset is the object of a public offer on the market, that the conditions of the same allow a regular and orderly sale, and that there is a normal period for negotiate the sale, taking into account the nature of the asset. If there are any rental agreements, the assessment of the estimated transaction price takes the rental value into consideration.

The following valuation methods are normally used:

- a. Market approach: this consists of evaluating the property by comparison, i.e. according to transactions and/or effective purchase proposals concerning properties that have identical physical and functional characteristics, and whose location is within the same area the real estate market;
- b. Cost approach: this consists of determining the value of the building through the sum of the market value of the land and all the costs necessary for the construction of a building with the same physical and functional characteristics, depreciated according to its age, state of conservation and estimate of useful life plus the required profit margins. Alternatively, this approach can be based on the fair value of the property in its current state, less all associated costs and margins after completion of the works not yet executed;
- c. Yield approach: this consists of determining the value of the land or building through the quotient between the effective annual rent and an adequate capitalisation rate.

The main inputs and valuation techniques used in the main projects/assets of the real estate portfolio can be summarised as follows:

Portugal

Assets	Geographical location	Valuation methods	Main assumptions ⁽¹⁾	Considered values
Entrecampos	Portugal	Residual Value Method - Discounted Cash Flows	Capitalisation rate Discount rate Estimated Rental Value: Construction costs	Terminal Cap Rate: 5.0% Discount Rate: 12.35% ERV: EUR 16 - EUR 19.5 (EUR/m2/month) Construction Cost: EUR 1,250/m2 of Gross Construction Area
Nova Sede	Portugal	Residual Value Method - Discounted Cash Flows.	Capitalisation rate Discount rate Estimated Rental Value: Construction costs	Capitalisation rate: 5.25% Discount rate: 12.35% Estimated Rental Value: EUR 16 (EUR/m2/month) Construction Cost: EUR 1,250/m2 of Gross Construction Area
VDA Extension	Portugal	Comparative Market Method (Building) Yield Method (Leased area)	Market value/m2 Capitalisation rate Discount rate Estimated Rental Value (retail):	Market value/m2: - Offices: EUR 3,000 - Residential: EUR 2,900 Capitalisation rate: 6.0% Discount rate: 7.5% Estimated Rental Value (retail): EUR 27.5/sq.m.

Europe

Assets	Geographical location	Valuation methods	Main assumptions ⁽¹⁾	Considered values
Smithson Plaza	United Kingdom	Yield Method	Reversionary Yield: Equivalent Yield: Average rent/sq.ft./year	Reversionary Yield: 5.1% Equivalent Yield: 4.7% Average rent/sq.ft./year GBP 113.96
Medelan	Italy	Yield Method	Discount rate; Capitalisation rate; Estimated Rental Value:	Discount rate: 7.50% Capitalisation rate: 4.50% Estimated Rental Value (offices): 522 EUR/m2 Estimated Rental Value (retail): 1,047 EUR/m2; Construction costs: 1,898 EUR/m2 of Gross Construction Area
Pegasus Park	Belgium	Yield Method	Capitalisation rate; Discount rate; Estimated Rental Value:	Capitalisation rate: 6.75%; Discount rate: 8.75% Estimated Rental Value: 135-140 EUR/m2
BC140	Hungary	Yield Method	Capitalisation rate; Estimated Rental Value:	Capitalisation rate: 7.75-8.75% Estimated Rental Value (offices): 12-13.5 EUR/m2/month Estimated Rental Value (retail): 13.5 EUR/m2/month Estimated Rental Value (storage): 8 EUR/m2/month Estimated Rental Value (parking): 95 EUR/unit/month
Moretown	United Kingdom	Yield Method	Discount rate Capitalisation rate Estimated Rental Value:	Discount rate: 5.79% Capitalisation rate: 6.29% Estimated Rental Value (average): GBP 42.3/sq.ft./year

Rest of the world

Assets	Geographical location	Valuation methods	Main assumptions ⁽¹⁾	Considered values
Logistics Portfolio	Japan	Yield Method	Capitalisation rate Discount rate Estimated Rental Value:	Capitalisation rate: 4.6% Discount rate: 4.2% Estimated Rental Value (average): 4.676 JPY/tsubo/month

⁽¹⁾ Standardised terminology for the purposes of disclosure in the financial statements.

The Group considers that the valuations obtained based on these methods correspond to the best estimate of the fair value of these assets at the balance sheet date.

As set out in IFRS 13 – “Fair Value Measurement”, valuations of properties maximise the use of observable market data. However, since most valuations also consider unobservable data, the fair value of the Company’s properties is classified as Level 3 in the fair value hierarchy defined by IFRS 13.

Determination of income tax

The companies in the Group determine income tax (both current and deferred) based on the rules defined by the tax framework in force. However, in some situations the tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the amounts recognised result from the best understanding of the responsible bodies of Fidelidade – Companhia de Seguros, S.A. and of the companies in the Group with regard to the correct presentation of their operations, which may, however, be questioned by the Tax Authorities. Note 19 discloses additional details on tax assets and liabilities.

Provisions and contingent liabilities

As referred to in Note 2.15, provisions are set up whenever there is a current (legal or constructive) obligation resulting from past events involving the probable future expenditure of resources and when such expenditure may be reliably assessed.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

The decision to recognise provisions and measurement of these takes into account the Group’s assessment of the risks and uncertainties associated with the processes in progress and the expectation regarding expenditure of resources, which uses as a reference the best available information at the date the financial statements are closed.

Employee benefits

As stated in Note 2.16, the Group liabilities for post-employment and other long-term benefits granted to its employees are determined on the basis of actuarial assessments. These assessments incorporate, in particular, financial and actuarial assumptions on mortality, disability, wage and pensions growth, assets returns and discount rates, among others, detailed in Note 36. The assumptions adopted correspond to the best estimate of the Group and its actuaries regarding the future performance of the respective variables.

Determination of liabilities on insurance and reinsurance contracts

The Group’s liabilities for insurance and reinsurance contracts are determined based on the methodologies and assumptions described in Note 2.17. The calculation of the claims provisions reflects a quantified estimate of the impact of future events on the accounts of the insurance companies in the Group, calculated based on actuarial assumptions, claims history and other methods accepted in the sector.

Owing to the nature of the insurance activity, determining the claims provisions and other liabilities on insurance and reinsurance contracts is highly subjective and the actual amounts payable in the future may differ significantly from the estimates. Note 50 discloses additional information on assumptions in risk assessment and sensitivity analyses.

The Group considers, however, that the liabilities on insurance and reinsurance contracts recognised in the consolidated financial statements adequately reflect the best estimates at the balance sheet date of the amounts to be disbursed by the Group.

2.21. Subsequent Events

Events occurring after the balance sheet date that provide additional information about conditions that existed on the balance sheet date are included in the financial statements.

Events occurring after the balance sheet date that provide additional information about conditions that existed after the balance sheet date are included in the notes to the accounts, if considered material.

2.22. Adoption of standards (new or revised) issued by the “International Accounting Standards Board” (IASB) and interpretations issued by the “International Financial Reporting Interpretation Committee” (IFRIC), as endorsed by the European Union

2.22.1 Adopted Standards (New or Revised)

During the course of 2021 the Group adopted, in the preparation of its financial statements, the standards and interpretations issued by IASB and IFRIC, respectively, provided they had been endorsed by the European Union, with application in financial periods beginning on or after 1 January 2021. The relevant changes for the Group were as follows:

Standards/Interpretations	Date of issue	EU Regulation	Applicable to accounting periods beginning on or after
IFRS 9 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021
IFRS 7 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021
IFRS 16 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021

Amendments to IFRS 9, IFRS 7 and IFRS 16 related to phase 2 of the interest rate benchmark reform provide for temporary measures to reduce the impact on the financial statements of the change from the benchmark interest rate to a risk-free interest rate alternative.

The amendments provide for the following practical measures:

- Allow all situations directly related to the IBOR reform to be recorded in the accounts by updating the effective interest rate of the operation, with all other changes focusing on the rules currently provided for in the relevant regulations.
- Allowing hedging relationships to not be discontinued only as a result of the reform; however, it is necessary to ensure that the documentation is updated according to the changes that have taken place in the scope of the covered elements, hedging elements and covered risks. The new modified relationship must meet the requirements for applying hedge accounting, including the level of effectiveness.

These changes had no material impact on the Group's consolidated financial statements.

2.22.2 Standards, Interpretations, Amendments and Revisions with Mandatory Application in Future Accounting Periods

The following standards, interpretations, amendments and revisions, with mandatory application in future accounting periods, had been endorsed by the European Union up to the date these financial statements were approved:

Standards/Interpretations	Date of issue	EU Regulation	Applicable to accounting periods beginning on or after
IFRS 17 - Insurance Contracts	18-05-2017	2021/2036	01-01-2023
IFRS 3 - Business Combinations (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 3 - Business Combinations: Reference to the Conceptual Framework (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - costs of fulfilling a contract (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 9 - Financial Instruments (Annual improvements of the IFRS standards, cycle 2018-2020)	14-05-2020	2021/1080	01-01-2022
IFRS 16 - Leases (Annual improvements of the IFRS standards, cycle 2018-2020)	14-05-2020	2021/1080	01-01-2022
IFRS 17 - Insurance Contracts (Amendment)	25-06-2020	2021/2036	01-01-2023

The Group is analysing their implementation, and it is not possible at this time to assess the impact on the financial statements.

2.22.3 Standards, Interpretations, Amendments and Revisions Not Yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future accounting periods, had not been endorsed by the European Union up to the date these financial statements were approved:

Standards/Interpretations	Date of issue	Applicable to accounting periods beginning on or after
IAS 1 - Presentation of Financial Statements: classification of liabilities as current and non-current (Amendment)	23-01-2020	01-01-2023
IAS 1 - Presentation of Financial Statements: classification of liabilities as current and non-current - Deferral of effective date (Amendment)	15-07-2020	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	12-02-2021	01-01-2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (Amendment)	12-02-2021	01-01-2023
IAS 12 - Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment)	07-05-2021	01-01-2023
IFRS 17 - Insurance Contracts Initial Presentation of IFRS 17 and IFRS 9 - Comparative Information (Amendment)	09-12-2021	01-01-2023

These standards have not been endorsed by the European Union and, as such, have not been applied by the Group for the year ended 31 December 2021, and it is not possible at this time to assess the impact on the financial statements.

3. Group Companies and Transactions during the Period

The Group's structure in terms of its subsidiaries, by sectors of activity, at 31 December 2021 and 2020, can be summarised as follows:

Operating sector/entity	Country	Effective share %	
		2021	2020
Insurance			
Fidelidade - Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Multicare - Seguros de Saúde, S.A.	Portugal	100.00%	100.00%
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Via Directa - Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	100.00%
Fidelidade Angola - Companhia de Seguros, S.A.	Angola	70.03%	70.03%
Garantia - Companhia de Seguros de Cabo Verde, S.A.	Cape Verde	55.89%	55.89%
Fidelidade Macau - Companhia de Seguros, S.A.	Macao	100.00%	100.00%
Fidelidade Macau Vida - Companhia de Seguros, S.A.	Macao	100.00%	100.00%
La Positiva Seguros Y Reaseguros S.A.A.	Peru	91.50%	91.50%
La Positiva Vida Seguros Y Reaseguros S.A.	Peru	54.69%	54.69%
Alianza Vida Seguros y Reaseguros S.A.	Bolivia	46.54%	44.59%
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	Bolivia	55.43%	53.12%
Alianza Garantía Seguros Y Reaseguros S.A.	Paraguay	27.99%	27.01%
La Positiva S.A. Entidad Prestadora de Salud	Peru	66.84%	66.84%
Fid Chile Seguros Generales S.A.	Chile	99.28%	99.28%
Seguradora Internacional de Moçambique, S.A.	Mozambique	70.00%	0.00%
Property			
Fidelidade - Property Europe, S.A.	Portugal	100.00%	100.00%
Fidelidade - Property International, S.A.	Portugal	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Saudeinveste	Portugal	0.00%	99.09%
Fundo de Investimento Imobiliário Aberto IMOFID	Portugal	48.39%	100.00%
FPI (UK) 1 LIMITED	United Kingdom	100.00%	100.00%
FPE (IT) Società per Azioni	Italy	95.76%	95.76%
FPE (Lux) Holding S.à r.l.	Luxembourg	100.00%	100.00%
Thomas More Square (Lux) Holdings S.à r.l.	Luxembourg	99.30%	99.30%
Thomas More Square (Lux) S.à r.l.	Luxembourg	100.00%	100.00%
Godo Kaisha Moana	Japan	0.00%	97.00%
Godo Kaisha Praia	Japan	0.00%	100.00%
Fundo Broggi	Italy	100.00%	100.00%
Broggi Retail S.R.L.	Italy	100.00%	100.00%
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	100.00%
FPE (BE) Holding S.A.	Belgium	100.00%	100.00%
FPE (PT), S.A.	Portugal	100.00%	100.00%
FSG Saúde – Fundo de Investimento de Imobiliário Fechado	Portugal	100.00%	100.00%
FPE (HU) Kft.	Hungary	100.00%	100.00%
FPE (UK) 1 LIMITED	United Kingdom	100.00%	100.00%
FPE (Lux) 1	Luxembourg	100.00%	100.00%
FPE (PT), SGPS, S.A.	Portugal	100.00%	100.00%
FPE (PT) OFFICE A, S.A.	Portugal	100.00%	100.00%
FPE (PT) 2 OFFICE B, S.A.	Portugal	100.00%	100.00%
FPE (PT) 3 RESIDENTIAL, S.A.	Portugal	100.00%	100.00%
FPE (PT) 4 RET, S.A.	Portugal	100.00%	100.00%
FPE (PT) 5 PARK, S.A.	Portugal	100.00%	100.00%
GK Lisbon	Japan	100.00%	0.00%
TMK Lisbon	Japan	97.00%	0.00%
Healthcare			
Luz Saúde, S.A.	Portugal	50.85%	50.85%
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	100.00%	0.00%

Operating sector/entity	Country	Effective share %	
		2021	2020
Other sectors			
Cetra - Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	100.00%
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	100.00%
GEP - Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100.00%
Fidelidade - Serviços de Assistência, S.A.	Portugal	100.00%	100.00%
Cares - Assistência e Reparações, S.A.	Portugal	100.00%	100.00%
FCM Beteiligungs GmbH	Germany	100.00%	100.00%
FID III (HK) LIMITED	Hong Kong	100.00%	100.00%
Fidelidade - Consultoria e Gestão de Risco, Lda.	Mozambique	100.00%	100.00%
GEP Moçambique – Gestão de Peritagens, Limitada	Mozambique	100.00%	100.00%
FID Loans 1 (Ireland) Limited	Ireland	100.00%	100.00%
Universal - Assistência e Serviços, Lda.	Angola	80.00%	80.00%
FID LatAm SGPS, S.A.	Portugal	100.00%	100.00%
GEP Cabo Verde Gestão de Peritagens, Lda.	Cape Verde	100.00%	100.00%
FID Perú, S.A.	Peru	100.00%	100.00%
FID Chile, SpA.	Chile	100.00%	100.00%
FID Chile & MT JV SpA	Chile	99.28%	99.28%
Alianza SAFI, S.A.	Bolivia	26.40%	25.30%
Full Assistance S.R.L.	Bolivia	51.88%	49.71%
Worldwide Security Corporation S.A.	Bolivia	51.15%	49.01%
FID I&D, S.A.	Portugal	100.00%	100.00%
Tenax Capital Limited	United Kingdom	75.00%	75.00%
Cetra - Car Remarketing, S.A.	Portugal	51.00%	0.00%

The main changes in the Group's subsidiary companies during 2021 were the following:

In January and April 2021, the Group acquired shares in Luz Saúde, S.A., increasing its shareholding in the share capital, for a sum of EUR 2,912

On 19 January 2021, the Group acquired the company Clínica Fisiátrica das Antas, Unipessoal, Lda., with share capital of EUR 5,000, giving it a 100% stake in the company.

On 1 March 2021, it established the company Cetra - Car Remarketing, S.A., with share capital of EUR 160,000, in which the Group holds a 51% stake.

In March 2021, the Group acquired shares in Alianza Vida Seguros y Reaseguros S.A., representing an increase in its shareholding in the company of 1.96%.

In March 2021, the Group acquired shares in Alianza Compañía de Seguros y Reaseguros E.M.A. S.A., representing an increase in its shareholding in the company of 2.31%.

On 3 March 2021, it set up the company GK Lisbon, with share capital of JPY 3,017,103,00, in which the Group holds a 100% stake.

On 8 March 2021, it set up the company TMK Lisbon, with share capital of JPY 6,393,000,000, in which the Group holds a 97% stake.

In August 2021, the Group increased the share capital of the company Garantía Seguros Y Reaseguros S.A., increasing its shareholding to 27.99%.

In September 2021, the companies GK Praia and GK Moana were liquidated.

In 2021, the trading name of the company Fidelidade – Assistência e Serviços, Lda was changed to GEP Moçambique – Gestão de Peritagens, Limitada.

In December 2021, the company Fundo de Investimento Imobiliário Fechado Saudeinveste was sold.

On 31 December 2021, the Group acquired 2,065,000 shares in Seguradora Internacional de Moçambique, for the sum of EUR 47,070,607, obtaining thus a stake of 70% in the company's share capital, in order to strengthen its strategic position in Mozambique and increase its market share.

In December 2021, the Company sold 51% of its stake in Fundo de Investimento Imobiliário Aberto IMOFID, and therefore on 31 December 2021 held a stake of 48.4%.

4. Cash and Cash Equivalents and Sight Deposits

At 31 December 2021 and 2020, this heading was composed as follows:

	2021	2020
Cash		
Headquarters	1,910,845	2,173,494
Branch offices	91,857	163,418
	<u>2,002,702</u>	<u>2,336,912</u>
Sight Deposits		
Domestic currency	612,299,650	498,417,872
Foreign currency	336,952,225	436,117,695
	<u>949,251,875</u>	<u>934,535,567</u>
	<u>951,254,577</u>	<u>936,872,479</u>

5. Investment in Associates and Joint Ventures

At 31 December 2021 and 2020, this heading was composed as follows:

Operating sector/entity	Country	2021		2020	
		Effective share %	Balance sheet value	Effective share %	Balance sheet value
Associates					
Property					
EA One Holding, Inc.	USA	44.16%	21,687,510	44.16%	20,479,407
			<u>21,687,510</u>		<u>20,479,407</u>
Healthcare					
Genomed - Diagnósticos de Medicina Molecular, S.A.	Portugal	37.50%	239,143	37.50%	244,366
			<u>239,143</u>		<u>244,366</u>
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (a)	Portugal	34.78%	1,456,253	34.78%	1,356,398
HL - Sociedade Gestora do Edifício, S.A.	Portugal	10.00%	611,797	10.00%	611,797
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	61,597	49.00%	39,655
Promotores e Inversiones Investa S.A.	Peru	0.00%	-	13.25%	405,439
Transacciones Especiales S.A.	Peru	44.48%	606,910	44.48%	701,202
Constellation, S.A.	Mozambique	20.00%	5,358,212	0.00%	-
Beiranave, S.A.	Mozambique	22.84%	62,354	0.00%	-
			<u>8,157,123</u>		<u>3,114,491</u>
			<u>30,083,777</u>		<u>23,838,264</u>

(a) Values at March 2021 and March 2020 respectively (accounting period from March 2020 to March 2021 and March 2019 to March 2020).

The main changes in the Group's associates and joint ventures during 2021 were the following:

In October 2021, Promotores e Inversiones Investa S.A. ceased to be part of the Group as an associate, since it was concluded that there is no significant influence after evaluation by an independent entity.

On 31 December 2021, Constellation, S.A. and Beiranave, S.A. joined the Group, through the acquisition of 70% of Seguradora Internacional de Moçambique, S.A. by Fidelidade.

6. Financial Assets at Fair Value Through Profit or Loss

At 31 December 2021 and 2020, these headings were composed as follows:

	2021	2020
Investments related to Unit-linked contracts	1,578,537,795	475,131,499
Debt instruments		
Public issuers		
Foreign issuers	120,629	100,509
Other issuers		
Foreign issuers	424,831,777	418,783,371
	<u>424,952,406</u>	<u>418,883,880</u>
Equity instruments		
Residents	99,745,854	89,266,739
Non-Residents	475,064,020	534,053,984
	<u>574,809,874</u>	<u>623,320,723</u>
Other financial instruments		
Investment units		
Residents	145,217,298	98,691,737
Non-Residents	864,326,501	929,485,747
Others		
Residents	-	5,260
Non-Residents	-	1,757
	<u>1,009,543,799</u>	<u>1,028,184,501</u>
Credit and other receivables	372,278,538	360,353,720
Derivative instruments with positive fair value		
Interest rate swaps	33,949	27,285
Currency futures	4,077,500	18,704,300
Interest rate futures	1,983,568	162,230
Exchange forwards	3,678,123	9,195,972
Other derivatives	4,796,135	576,251
	<u>14,569,275</u>	<u>28,666,038</u>
	<u>3,974,691,687</u>	<u>2,934,540,361</u>

Investments in Unit-linked contracts are assets managed by the Group in which the risk is borne by the policyholder. Accordingly, the assets are recognised at fair value, and the liability to the insured is recognised in the “Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts” accounting heading.

At 31 December 2021 and 2020, the heading includes fixed-income securities with embedded derivatives of EUR 424,831,777 and EUR 418,783,371 respectively. These securities are recognised at their fair value, which is assessed on the basis of the prices indicated by the respective issuing bodies for the whole amount of the instrument, in line with the market conditions in operation at the reference date of the financial statements.

At 31 December 2021 and 2020, the Group recognised net gains with the valuation of these investments of EUR (2,046,821) and EUR 2,677,103 respectively.

At 31 December 2021 and 2020, investments allocated to Unit-linked contracts were composed as follows:

	2021	2020
Debt instruments		
Public issuers		
Domestic issuers	13,611,387	11,319,292
Foreign issuers	8,830,740	14,809,225
Other public issuers		
Domestic issuers	5,405,273	-
International financial bodies	292,580	-
Other issuers		
Domestic issuers	137,042,713	88,066,389
Foreign issuers	399,587,168	158,531,226
Group companies	64,324,753	37,320,363
	<u>629,094,614</u>	<u>310,046,495</u>
Equity instruments		
Residents	497,500	445,000
Non-Residents	134,789,654	64,862,103
	<u>135,287,154</u>	<u>65,307,103</u>
Other financial instruments		
Investment units		
Residents	126,387,897	69,355,849
Non-Residents	544,169,130	13,535,052
Others		
Residents	23,544,695	17,628,385
	<u>694,101,722</u>	<u>100,519,286</u>
Transactions to be settled	(2,311,647)	(1,217,046)
Other deposits	239,650	-
Derivative instruments with positive fair value		
Interest rate swaps	71,927	57,808
Interest rate futures	89,220	-
Other derivatives	121,965,155	417,853
	<u>122,126,302</u>	<u>475,661</u>
	<u>1,578,537,795</u>	<u>475,131,499</u>
Other assets		
Sight Deposits	142,516,087	48,398,628
	<u>142,516,087</u>	<u>48,398,628</u>
	<u>1,721,053,882</u>	<u>523,530,127</u>

At 31 December 2021 and 2020, the amount of eligible assets for overlay approach corresponds to EUR 1,568,200,224 and EUR 1,573,009,637 respectively. Consequently, the amounts reported in Revaluation reserves by adjustments to fair value were as follows:

	2021	2020
Equity instruments		
Residents	(6,349,648)	3,926,894
Non-Residents	(18,617,046)	(107,631,355)
	<u>(24,966,694)</u>	<u>(103,704,461)</u>
Other financial instruments		
Investment units		
Residents	(18,142,906)	(19,658,807)
Non-Residents	(20,917,718)	(4,856,981)
	<u>(39,060,624)</u>	<u>(24,515,788)</u>
	<u>(64,027,318)</u>	<u>(128,220,249)</u>

The interest rate swaps contracted by the Group and classified as derivatives held for trading are essentially intended to hedge its liabilities on life insurance investment contracts which, except for Unit-linked contracts, are valued at amortised cost (Note 23).

The interest rate swaps contracted by the Group and classified as hedge derivatives are to hedge the exposure to interest rates of contracted loans. The hedged risk is the variable reference rate to which the Group's financing agreements are associated.

To mitigate the risk of exchange fluctuations of financial instruments, EUR/USD and EUR/GBP futures listed on the Chicago Mercantile Exchange (CME) were contracted, in order to ensure the exchange rate alignment of the currency of the assets with the currency of the liabilities. In the case of EUR/JPY, EUR/GBP, EUR/USD and EUR/AUD risks, the instruments contracted are over-the-counter forwards.

The amounts under the heading "Derivatives at fair value through profit or loss" include derivatives that are classified as "Hedge derivatives" under IAS 39:

	2021			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	347,875,000	727,655	(12,572,648)	(11,844,992)
Exchange forwards	1,510,567	-	(86,742)	(86,742)
	<u>349,385,567</u>	<u>727,655</u>	<u>(12,659,390)</u>	<u>(11,931,735)</u>

	2020			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	347,875,000	4,723,274	(256,704)	4,466,570
	<u>347,875,000</u>	<u>4,723,274</u>	<u>(256,704)</u>	<u>4,466,570</u>

In 2021 and 2020, the following gains and losses were generated in relation to fair value hedge accounting under IAS 39:

	2021			2020		
	Gains	Losses	Net gains	Gains	Losses	Net gains
Derivatives	2,372,870	(30,287,731)	(27,914,861)	217,902,987	(185,596,352)	32,306,635
Hedged assets	31,176,947	(505,065)	30,671,882	7,388,185	(39,478,356)	(32,090,171)
	<u>33,549,817</u>	<u>(30,792,796)</u>	<u>2,757,021</u>	<u>225,291,172</u>	<u>(225,074,708)</u>	<u>216,464</u>

In 2021 and 2020, the following movements were generated in the Revaluation Reserve relating to hedge accounting:

	2021		2020	
	Cash flow hedge (Note 29)	Hedge of a net investment in a foreign operation (Note 29)	Cash flow hedge (Note 29)	Hedge of a net investment in a foreign operation (Note 29)
Interest rate swaps	(6,202,023)	-	(2,745,307)	-
Currency futures	-	(49,854,833)	-	59,588,359
Exchange forwards	-	58,005,390	-	4,289,178
	<u>(6,202,023)</u>	<u>8,150,557</u>	<u>(2,745,307)</u>	<u>63,877,537</u>

The distribution of the Group's derivative financial instrument operations at 31 December 2021 and 2020, by period to maturity, was as follows:

	2021						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	-	668,155	-	-	668,155
Currency swaps	-	-	-	829,422,688	4,384,426	-	833,807,114
Currency futures	1,979,000,000	176,750,000	-	-	-	-	2,155,750,000
Interest rate futures	188,700,000	-	-	-	-	-	188,700,000
Exchange forwards	86,213,141	1,270,740	52,140,040	-	-	-	139,623,921
	<u>2,253,913,141</u>	<u>178,020,740</u>	<u>52,140,040</u>	<u>830,090,843</u>	<u>4,384,426</u>	<u>-</u>	<u>3,318,549,189</u>
Cash flow hedge							
Interest rate swaps	-	-	-	80,000,000	-	-	80,000,000
Currency swaps	-	-	6,708,000	80,377,881	67,103,622	-	(154,189,503)
	<u>-</u>	<u>-</u>	<u>6,708,000</u>	<u>160,377,881</u>	<u>67,103,622</u>	<u>-</u>	<u>234,189,503</u>
Hedge of a net investment in a foreign operation							
Currency futures	24,125,000	-	-	-	-	-	24,125,000
Exchange forwards	678,453,306	-	-	-	-	-	678,453,306
	<u>702,578,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,578,306</u>
Other Derivatives	-	-	-	-	-	1,277,838	1,277,838
	<u>2,956,491,447</u>	<u>178,020,740</u>	<u>58,848,040</u>	<u>990,468,724</u>	<u>71,488,048</u>	<u>1,277,838</u>	<u>4,256,594,836</u>
	2020						
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	Total	
Fair value hedge							
Interest rate swaps	-	-	40,000,000	668,155	-	-	40,668,155
Currency swaps	-	-	-	552,293,614	281,513,500	-	833,807,114
Currency futures	2,087,500,000	-	-	-	-	-	2,087,500,000
Interest rate futures	176,500,000	-	-	-	-	-	176,500,000
Exchange forwards	35,939,734	126,987,704	18,179,282	2,168,810	-	-	183,275,529
	<u>2,299,939,734</u>	<u>126,987,704</u>	<u>58,179,282</u>	<u>555,130,579</u>	<u>281,513,500</u>	<u>-</u>	<u>3,321,750,798</u>
Cash flow hedge							
Interest rate swaps	-	-	-	102,700,000	-	-	102,700,000
Currency swaps	-	-	13,815,960	58,228,357	59,902,880	-	131,947,197
	<u>-</u>	<u>-</u>	<u>13,815,960</u>	<u>160,928,357</u>	<u>59,902,880</u>	<u>-</u>	<u>234,647,197</u>
Hedge of a net investment in a foreign operation							
Currency futures	29,250,000	-	-	-	-	-	29,250,000
Exchange forwards	745,857,481	-	-	-	-	-	745,857,481
	<u>775,107,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,107,481</u>
	<u>3,075,047,215</u>	<u>126,987,704</u>	<u>71,995,242</u>	<u>716,058,936</u>	<u>341,416,380</u>	<u>-</u>	<u>4,331,505,476</u>

The distribution of the Group's derivative financial operations at 31 December 2021 and 2020, by counterparty type, was as follows:

	2021		2020	
	Notional Amount	Book Value	Notional Amount	Book Value
Interest rate swaps				
Financial institutions				
Caixa Geral Depósitos Group	668,155	105,876	40,668,155	(1,555,956)
Other institutions	80,000,000	(2,466,069)	102,700,000	(3,305,152)
	80,668,155	(2,360,193)	143,368,155	(4,861,108)
Currency swaps				
Financial institutions				
Other institutions	987,996,616	(77,692,094)	965,754,311	(34,422,733)
	987,996,616	(77,692,094)	965,754,311	(34,422,733)
Currency futures				
On the				
Chicago Stock Exchange	2,179,875,000	(89,295,113)	2,116,750,000	16,668,879
	2,179,875,000	(89,295,113)	2,116,750,000	16,668,879
Interest Rate Futures				
Financial institutions				
Other institutions	188,700,000	1,850,297	176,500,000	57,488
	188,700,000	1,850,297	176,500,000	57,488
Exchange forwards				
Financial institutions				
Other institutions	818,077,227	(13,391,106)	929,133,010	12,633,083
	818,077,227	(13,391,106)	929,133,010	12,633,083
Other Derivatives				
Financial institutions				
Munich RE	1,277,838	(714,117)	-	155
Banco Internacional de Moçambique SA.	-	(2,279,055)	-	-
	1,277,838	(2,993,172)	-	155
	4,256,594,836	(183,881,381)	4,331,505,475	(9,924,236)

10. Properties for own use

In 2021 and 2020, the “Properties for own use” headings saw the following movements:

	Own use		
	Property Rights	Right-of-Use	Total
Balances at 31 December 2019			
Gross amount	589,365,820	87,700,395	677,066,215
Accumulated depreciation and impairment	(103,750,411)	(13,825,720)	(117,576,130)
	<u>485,615,409</u>	<u>73,874,675</u>	<u>559,490,085</u>
Entries/(exits) in the consolidation perimeter	-	95,428	95,428
Additions			
Acquisitions made in the period	1,109,954	11,129,574	12,239,528
Subsequent expenditure	27,995,198	-	27,995,198
Additions/reversals of impairment in the year (Note 43)	(1,912,782)	-	(1,912,782)
Depreciation for the year	(19,221,053)	(15,614,788)	(34,835,841)
Exchange differences	(6,891,576)	(188,163)	(7,079,739)
Transfers to non-current assets held for sale	(5,464,836)	-	(5,464,836)
Transfers	(20,201,131)	-	(20,201,131)
Disposals and write-offs (net)	(2,048,223)	(687,855)	(2,736,078)
Other movements	2,224,635	(790,306)	1,434,329
Balances at 31 December 2020			
Gross amount	583,565,554	96,716,438	680,281,992
Accumulated depreciation and impairment	(122,359,957)	(28,897,873)	(151,257,831)
	<u>461,205,597</u>	<u>67,818,565</u>	<u>529,024,161</u>
Entries/(exits) in the consolidation perimeter	2,872,845	128,276	3,001,121
Additions			
Acquisitions made in the period	31,298,109	15,326,694	46,624,803
Subsequent expenditure	4,213,589	-	4,213,589
Additions/reversals of impairment in the year (Note 43)	(4,473,338)	89,321	(4,384,017)
Depreciation for the year	(13,120,416)	(15,078,083)	(28,198,500)
Exchange differences	2,355,458	(125,423)	2,230,035
Transfers to non-current assets held for sale	(6,546,678)	-	(6,546,678)
Transfers	3,991,309	-	3,991,309
Disposals and write-offs (net)	(1,704,460)	(14,961,590)	(16,666,050)
Other movements	(1,531,873)	1,263,611	(268,261)
Balances at 31 December 2021			
Gross amount	620,356,476	90,826,082	711,182,558
Accumulated depreciation and impairment	(141,796,333)	(36,364,710)	(178,161,043)
	<u>478,560,143</u>	<u>54,461,372</u>	<u>533,021,515</u>

Entries in the consolidation perimeter refer, in 2021, to the acquisition of Seguradora Internacional de Moçambique, S.A. and Clínica Fisiátrica das Antas, Lda, and in 2020 to Multicare and Grupo Fidelidade Assistência.

In 2021 and 2020, if the Group had opted to value properties for own use under the fair value model, their book value would have been EUR 271,498,383 and EUR 539,986,933 respectively.

Properties for own use are valued at cost and subject to impairment tests in line with the option set out in IAS 16, as described in Note 2.9. Own use buildings are depreciated throughout their useful life.

11. Investment properties

In 2021 and 2020, the “Investment Properties” headings saw the following movements:

	Investment Properties		
	Property Rights	Right-of-Use	Total
Balances at 31 December 2019			
Gross amount	2,211,147,477	-	2,211,147,477
	<u>2,211,147,477</u>	<u>-</u>	<u>2,211,147,477</u>
Entries/(exits) in the consolidation perimeter			
398,800	-	398,800	
Additions			
Acquisitions made in the period	212,002,008	-	212,002,008
Subsequent expenditure	41,715,516	-	41,715,516
Revaluations			
As a credit to the Income Statement (Note 42)	41,777,399	-	41,777,399
As a charge to shareholders' equity	19,223	-	19,223
Exchange differences	(65,510,418)	-	(65,510,418)
Transfers	20,201,131	-	20,201,131
Disposals and write-offs (net)	(504,536,344)	-	(504,536,344)
Other movements	(6,012,892)	-	(6,012,892)
Balances at 31 December 2020			
Gross amount	1,951,201,901	-	1,951,201,901
	<u>1,951,201,901</u>	<u>-</u>	<u>1,951,201,901</u>
Entries/(exits) in the consolidation perimeter			
(123,858,472)	-	(123,858,472)	
Additions			
Acquisitions made in the period	219,358,469	20,812,552	240,171,021
Subsequent expenditure	54,848,043	-	54,848,043
Revaluations			
As a credit to the Income Statement (Note 42)	57,311,656	-	57,311,656
As a charge to shareholders' equity	220,677	-	220,677
Exchange differences	38,694,689	-	38,694,689
Transfers	(3,991,309)	-	(3,991,309)
Disposals and write-offs (net)	(37,029,090)	-	(37,029,090)
Balances at 31 December 2021			
Gross amount	2,156,756,564	20,812,552	2,177,569,116
	<u>2,156,756,564</u>	<u>20,812,552</u>	<u>2,177,569,116</u>

In 2021, net disposals and write-offs of Investment Properties, of EUR 37,029,090, essentially relate to the sale of the property located at Rua Ivens 14 and Rua Capelo 1 to 9 in Lisbon. In 2020, net disposals and write-offs of Investment Properties, of EUR 504,536,344, essentially relate to the sale of Harumi Triton Square Office Tower Y, in Japan.

During 2021, the entries in the consolidation perimeter heading relates to the acquisition of Seguradora Internacional de Moçambique, S.A. for the sum of EUR 27,680,907. The exits from the consolidation perimeter heading in 2021 relates to the sale of the Saude Investe fund for the sum of EUR 151,539,379.

Investment properties are also valued at fair value, in line with the treatment provided for in IAS 40 and mentioned in Note 2.8 and Note 2.20.

12. Allocation of Investments and Other Assets

At 31 December 2021 and 2020, the allocation of investments and other assets, using a prudential perspective, for insurance contracts or insurance contracts and other operations classified for accounting purposes as investment contracts, may be summarised as follows:

	2021					Total
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance operations classified as investment contracts	Non-life insurance	Not allocated	
Cash and cash equivalents and sight Deposits (Note 4)	46,420,390	21,417,971	307,368,179	78,313,045	497,734,992	951,254,577
Investment in associates and joint ventures (Note 5)	-	(0)	0	(0)	30,083,777	30,083,777
Financial assets at fair value through profit or loss (Note 6)	203,245,663	39,036,191	2,780,191,359	878,319,601	73,898,873	3,974,691,687
Derivatives (Note 7)	-	-	-	-	2,674,924	2,674,924
Financial assets at fair value through other comprehensive income (Note 8)	1,746,700,477	947,433,888	5,286,181,592	1,052,310,595	168,553,894	9,201,180,447
Financial assets at amortised cost (Note 9)	157,774,083	3,125,529	843,218,795	57,678,674	167,669,837	1,229,466,917
Properties (Notes 10 and 11)	699,363	59,286,977	1,164,443,223	693,296,542	792,864,525	2,710,590,630
Other tangible assets (Note 13)	-	-	-	-	130,111,417	130,111,417
	<u>2,154,839,977</u>	<u>1,070,300,556</u>	<u>10,381,403,149</u>	<u>2,759,918,457</u>	<u>1,863,592,239</u>	<u>18,230,054,377</u>

	2020					Total
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance operations classified as investment contracts	Non-life insurance	Not allocated	
Cash and cash equivalents and sight Deposits (Note 4)	15,272,358	3,285,624	75,808,876	28,925,700	813,579,921	936,872,479
Investment in associates and joint ventures (Note 5)	-	-	-	-	23,838,264	23,838,264
Financial assets at fair value through profit or loss (Note 6)	161,562,820	45,157,974	1,855,418,798	804,282,664	68,118,105	2,934,540,361
Derivatives (Note 7)	-	-	-	-	5,440,707	5,440,707
Financial assets at fair value through other comprehensive income (Note 8)	1,814,632,343	969,923,140	5,813,597,141	922,835,126	18,502,627	9,539,490,377
Financial assets at amortised cost (Note 9)	286,028,696	3,555,880	1,104,562,914	38,947,313	118,589,774	1,551,684,577
Properties (Notes 10 and 11)	714,510	28,560,595	585,533,608	476,315,353	1,389,101,996	2,480,226,062
Other tangible assets (Note 13)	-	-	-	-	109,700,587	109,700,587
	<u>2,278,210,727</u>	<u>1,050,483,213</u>	<u>9,434,921,337</u>	<u>2,271,306,156</u>	<u>2,546,871,981</u>	<u>17,581,793,414</u>

14. Inventories

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Hospital goods	19,855,795	21,631,461
Goods	254,914	187,845
Products and works in progress	164,456	132,971
Salvage	350,898	12,093
Other inventories	37,223	332,455
	<u>20,663,287</u>	<u>22,296,825</u>
Impairment of goods (Note 43)	<u>(900,000)</u>	<u>(750,000)</u>
	<u>19,763,287</u>	<u>21,546,825</u>

The heading “Hospital goods” essentially relates to pharmaceuticals and medical consumables used within the scope of the operations of the Luz Saúde Group’s medical units.

15. Goodwill

The Group’s recognition of goodwill at 31 December 2021 and 2020 was as follows:

	2021			2020		
	Gross amount	Impairment loss	Net amount	Gross amount	Impairment loss	Net amount
	(Note 43)			(Note 43)		
Goodwill recognised in Goodwill						
Fidelidade Assistência – Companhia de Seguros, S.A.	1,663,226	-	1,663,226	1,663,226	-	1,663,226
Multicare - Seguros de Saúde, S.A.	2,281,095	-	2,281,095	2,281,095	-	2,281,095
Cetra - Centro Técnico de Reparação Automóvel, S.A.	8,665	-	8,665	8,665	-	8,665
Fidelidade Angola - Companhia de Seguros, S.A.	2,198,779	-	2,198,779	2,198,780	-	2,198,780
Garantia - Companhia de Seguros de Cabo Verde, S.A.	342,311	-	342,311	342,311	-	342,311
Luz Saúde, S.A.	359,254,032	-	359,254,032	359,254,032	-	359,254,032
Hospital da Luz Guimarães, S.A.	14,665,075	-	14,665,075	14,665,091	-	14,665,091
Godo Kaisha Moana	-	-	-	710,601	-	710,601
S.C.H. - Soc. Clínica Hospitalar S.A.	3,126,025	-	3,126,025	3,126,025	-	3,126,025
C.C.H. - Capital Criativo Care Investments S.A.	8,720,683	-	8,720,683	8,720,683	-	8,720,683
Capital Criativo Health Care Investments II, SA	26,683,569	-	26,683,569	26,683,569	-	26,683,569
La Positiva Seguros y Reaseguros S.A.	36,700,849	-	36,700,849	37,301,660	-	37,301,660
Tenax Capital Limited	4,433,235	-	4,433,235	4,433,235	-	4,433,235
Clínica Fisiátrica das Antas, Lda	246,080	-	246,080	-	-	-
Seguradora Internacional de Moçambique, S.A.	6,000,446	-	6,000,446	-	-	-
	<u>466,324,069</u>	<u>-</u>	<u>466,324,069</u>	<u>461,388,973</u>	<u>-</u>	<u>461,388,973</u>

The following movements occurred in this heading in 2021 and 2020:

Goodwill (net amount) at 31 December 2019	<u>461,176,930</u>
Alienação Hospital do Mar - Hospital da Luz Guimarães, S.A.	(1,359,984)
Acquisition of Audatex stock - adjustment	5,002
Goodwill La Positiva Seguros y Reaseguros S.A. - exchange fluctuation	(6,810,531)
Acquisition of 75% of Tenax Capital Limited	4,433,235
Entry in the consolidation perimeter - Fidelidade Assistência – Companhia de Seguros, S.A.	1,663,226
Entry in the consolidation perimeter - Seguros de Saúde, S.A.	<u>2,281,095</u>
Goodwill (net amount) at 31 December 2020	<u>461,388,973</u>
Disposal of Hospital do Mar - Hospital da Luz Guimarães, S.A.- Adjustment	(16)
Liquidation of Godo Kaisha Moana	(710,601)
Goodwill La Positiva Seguros y Reaseguros S.A. - exchange fluctuation	(600,813)
Acquisition of 100% of Clínica Fisiátrica das Antas, Lda	246,080
Acquisition of 70% of Seguradora Internacional de Moçambique, S.A.	<u>6,000,446</u>
Goodwill (net amount) at 31 December 2021	<u><u>466,324,069</u></u>

The determination of goodwill for the main companies acquired is as follows:

Acquisition of 100% of Clínica Fisiátrica das Antas, Lda	1,400,000
Fair value of assets and liabilities of the company acquired (100%) in March 2021	<u>1,153,920</u>
	246,080
Acquisition of 70% of Seguradora Internacional de Moçambique, S.A.	46,668,041
Fair value of assets and liabilities of the company acquired (70%) in December 2021	<u>40,667,595</u>
	<u>6,000,446</u>

Goodwill acquired in a business combination represents a payment made by an acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

The Group conducts impairment tests on the goodwill recognised on the balance sheet at least once a year, in line with the requirements of IAS 36 – “Impairment of assets”. For this purpose, goodwill is allocated to cash flow generating units and its recoverable value is assessed on the basis of future cash flow projections, updated on the basis of discount rates which the Group deems appropriate. Impairment losses associated with goodwill are recognised in the Income Statement for the year and may not be reversed.

The recoverable amount is determined as the asset’s value in use or its fair value less selling costs, whichever is higher.

The impairment tests incorporate current available information, including macro-economic conditions, the situation of financial markets and others. All tests concluded that the recoverable amount of the asset exceeds the respective carrying amount, and therefore, there is no recognition of impairment losses.

Following the acquisition of the new companies during 2021, the Group assessed the fair value of the assets acquired and liabilities assumed in line with IFRS 3 – “Business Combinations”. No significant differences were identified between the accounting values of the assets and liabilities and their fair values. The breakdown of the net assets and goodwill established as part of the transactions taking place in 2021 is as follows:

	2021	
	Clínica Fisiátrica das Antas, Lda	Seguradora Internacional de Moçambique, S.A.
Fair Value of Assets and Liabilities		
Assets acquired	1,479,445	102,837,375
Liabilities acquired	325,525	44,740,810
Total Net Assets	1,153,920	58,096,565
% Assets held	1,153,920	40,667,595
Acquisition price	1,400,000	46,668,041
Goodwill	246,080	6,000,446

16. Other Intangible Assets

In 2021 and 2020, the other intangible assets headings saw the following movements:

	2021									
	Opening balances		Entries in consolidation perimeter	Additions	Transfers and adjustments	Depreciation for the year (Note 34)	Exchange differences	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	107,450,567	(93,586,698)	192,130	6,999,191	19,947,125	(8,757,584)	(188,379)	129,687,898	(97,632,434)	32,055,464
Other intangible assets	73,115,293	(111,585)	5,468,155	248,837	(249,123)	(2,885)	763,338	79,595,994	(363,964)	79,232,030
Brand	72,950,905	-	5,468,155	-	-	-	763,029	79,182,090	-	79,182,090
Other assets	164,388	(111,585)	-	248,837	(249,123)	(2,885)	309	413,905	(363,964)	49,940
Intangible assets in progress	42,863,922	-	86,918	20,706,717	(20,324,588)	-	(63,063)	43,269,906	-	43,269,906
	223,429,782	(93,698,283)	5,747,203	27,954,745	(626,586)	(8,760,469)	511,896	252,553,798	(97,996,398)	154,557,401

	2020										
	Opening balances		Entries in consolidation perimeter	Additions	Transfers and adjustments	Transfers to Assets held for sale	Depreciation for the year (Note 34)	Exchange differences	Closing balances		
	Gross amount	Accumulated depreciation and impairment							Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	95,356,867	(87,479,454)	84,104	7,783,292	5,115,633	(1,665)	(6,984,361)	(10,547)	107,450,567	(93,586,698)	13,863,869
Other intangible assets	85,233,301	(108,052)	-	-	(11,536)	-	(4,154)	(12,105,851)	73,115,293	(111,585)	73,003,708
Brand	85,055,325	-	-	-	-	-	-	(12,104,419)	72,950,905	-	72,950,905
Other assets	177,977	(108,052)	-	-	(11,536)	-	(4,154)	(1,432)	164,388	(111,585)	52,802
Intangible assets in progress	33,967,053	-	-	16,987,665	(5,115,971)	-	-	(1,335,394)	42,863,922	-	42,863,922
	214,557,221	(87,587,506)	84,104	24,770,957	(11,874)	(1,665)	(6,988,515)	(13,451,792)	223,429,782	(93,698,283)	129,731,499

At 31 December 2021 and 2020, the values recognised in “Intangible assets in progress” refer to costs incurred with the development of new IT applications (software).

In 2021 and 2020, the Group recognised directly on the statement of gains and expenses the expenditure with external costs related with research, development and maintenance of automatic data processing systems, of EUR 38,574,813 and EUR 33,473,440 respectively.

17. Technical Provisions for Reinsurance Ceded

At 31 December 2021 and 2020, technical provisions for reinsurance ceded were composed as follows:

	2021			2020		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	2,847,100	151,831,507	154,678,607	1,056,014	115,844,634	116,900,648
Mathematical provision	28,944,344	-	28,944,344	22,772,308	-	22,772,308
Claims provision						
Reported claims	42,342,907	263,185,629	305,528,536	11,486,377	159,228,080	170,714,457
Claims incurred but not reported (IBNR)	28,997,124	25,625,874	54,622,997	28,867,811	23,141,525	52,009,336
	71,340,031	288,811,502	360,151,533	40,354,188	182,369,605	222,723,793
Provision for profit sharing	-	-	-	-	87,712	87,712
Other technical provisions	-	22,544,992	22,544,992	-	8,417,251	8,417,251
	103,131,475	463,188,002	566,319,476	64,182,510	306,719,202	370,901,712

At 31 December 2021 and 2020, technical provision for unearned premiums was composed as follows:

	2021			2020		
	Deferred premiums	Deferred costs	Net	Deferred premiums	Deferred costs	Net
Life insurance	2,851,602	(4,502)	2,847,100	1,059,284	(3,270)	1,056,014
Non-life insurance						
Personal accident and passengers	7,641,332	(3,540,497)	4,100,835	4,534,549	(1,912,629)	2,621,920
Health	942,384	7,595	949,979	4,629,615	-	4,629,615
Fire and other damage	93,296,595	(9,265,656)	84,030,940	70,554,419	(6,465,977)	64,088,442
Motor	13,691,303	(991,816)	12,699,487	10,071,644	(83,332)	9,988,312
Marine, aviation and transport	8,071,887	(408,269)	7,663,619	4,376,336	(67,993)	4,308,343
Third-party liability	29,268,175	(3,549,503)	25,718,672	15,425,549	(1,641,321)	13,784,228
Credit and suretyship	7,765,595	(438,963)	7,326,632	7,952,911	62,365	8,015,276
Legal protection	599	(117)	481	599	(117)	482
Assistance	46,103	(12,632)	33,471	44,641	(13,505)	31,136
Other	13,150,345	(3,842,955)	9,307,390	10,999,726	(2,622,846)	8,376,880
	173,874,318	(22,042,811)	151,831,507	128,589,989	(12,745,355)	115,844,634
	176,725,920	(22,047,313)	154,678,607	129,649,273	(12,748,625)	116,900,648

The following tables provide information on the movement in the provision for unearned premiums on reinsurance ceded during 2021 and 2020:

	Balance 31/12/2019	Entries in consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2020	Entries in consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021
Provision for unearned premiums									
Life insurance	2,104,165	-	(866,998)	(177,883)	1,059,284	-	1,665,009	127,308	2,851,602
Non-life insurance									
Personal accident and passengers	3,294,142	(1,188)	1,298,760	(57,165)	4,534,549	21,709	3,017,258	67,816	7,641,332
Health	29,405,892	(27,835,055)	3,181,337	(122,559)	4,629,615	-	(443,323)	(3,243,908)	942,384
Fire and other damage	58,125,249	-	17,496,434	(5,067,264)	70,554,419	790,172	22,520,884	(568,880)	93,296,595
Motor	4,172,780	-	6,044,017	(145,153)	10,071,644	33,776	3,376,240	209,642	13,691,303
Marine, aviation and transport	3,831,485	-	1,081,735	(536,884)	4,376,336	147,818	3,588,085	(40,352)	8,071,887
Third-party liability	18,168,034	-	(683,175)	(2,059,310)	15,425,549	205,158	13,144,334	493,134	29,268,175
Credit and suretyship	7,036,769	-	2,177,332	(1,261,190)	7,952,911	-	(626,358)	439,041	7,765,595
Legal protection	1,474	(933)	(86)	144	599	-	-	-	599
Assistance	108,741	(63,740)	(536)	176	44,641	1,333	195	(66)	46,103
Other	3,956,328	-	7,109,776	(66,378)	10,999,726	97,628	2,308,189	(255,198)	13,150,345
	128,100,894	(27,900,916)	37,705,594	(9,315,583)	128,589,989	1,297,595	46,885,506	(2,898,772)	173,874,318
	130,205,059	(27,900,916)	36,838,596	(9,493,466)	129,649,273	1,297,595	48,550,515	(2,771,463)	176,725,920
Deferred acquisition costs									
Life insurance	(3,234)	-	(36)	-	(3,270)	-	(1,232)	-	(4,502)
Non-life insurance									
Personal accident and passengers	(1,217,892)	-	(691,119)	(3,618)	(1,912,629)	-	(1,549,961)	(77,907)	(3,540,497)
Health	9,004	-	(7,252)	(1,752)	-	-	6,570	1,025	7,595
Fire and other damage	(5,755,706)	-	(573,346)	(136,925)	(6,465,977)	(140,323)	(1,305,719)	(1,353,636)	(9,265,656)
Motor	(83,146)	-	78,933	(79,119)	(83,332)	-	(3,974)	(904,510)	(991,816)
Marine, aviation and transport	(78,112)	-	850	9,269	(67,993)	(21,799)	(39,626)	(278,851)	(408,269)
Third-party liability	(982,968)	-	(735,869)	77,516	(1,641,321)	(8,614)	(1,279,827)	(619,741)	(3,549,503)
Credit and suretyship	121,413	-	1,470	(60,518)	62,365	-	(2)	(501,325)	(438,963)
Legal protection	(117)	-	-	-	(117)	-	-	-	(117)
Assistance	(2,077)	-	(11,428)	-	(13,505)	2	871	-	(12,632)
Other	(1,590,229)	-	(675,908)	(356,709)	(2,622,846)	-	(1,289,338)	69,229	(3,842,955)
	(9,579,830)	-	(2,613,669)	(551,856)	(12,745,355)	(170,735)	(5,461,005)	(3,665,716)	(22,042,811)
	(9,583,064)	-	(2,613,705)	(551,856)	(12,748,625)	(170,735)	(5,462,237)	(3,665,716)	(22,047,313)
	120,621,995	(27,900,916)	34,224,891	(10,045,322)	116,900,648	1,126,860	43,088,279	(6,437,180)	154,678,607

Information on the claims provision for reinsurance ceded, at 31 December 2021 and 2020, is set out below:

	2021			2020		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	42,342,907	28,997,124	71,340,031	11,486,377	28,867,811	40,354,188
Non-life insurance						
Workers' compensation	2,393,627	1,295,585	3,689,212	3,355,082	1,222,873	4,577,955
Personal accident and passengers	19,590,789	852,347	20,443,136	18,042,595	841,055	18,883,650
Health	938,351	320,518	1,258,869	497,931	612,662	1,110,593
Fire and other damage	140,352,454	12,752,364	153,104,818	80,414,429	9,801,118	90,215,547
Motor	23,203,865	6,229,022	29,432,886	14,538,320	4,460,823	18,999,143
Marine, aviation and transport	8,926,478	124,004	9,050,482	7,198,105	339,696	7,537,801
Third-party liability	40,580,034	4,387,633	44,967,666	24,859,618	5,347,820	30,207,438
Credit and suretyship	19,630,302	(191)	19,630,111	1,126,049	159	1,126,208
Assistance	39	7,478	7,517	500	5,654	6,154
Other	7,569,690	(342,885)	7,226,804	9,195,451	509,665	9,705,116
	263,185,629	25,625,874	288,811,502	159,228,080	23,141,525	182,369,605
	305,528,536	54,622,997	360,151,533	170,714,457	52,009,336	222,723,793

The following tables provide information on the movement in the claims provisions for reinsurance ceded during 2021 and 2020:

	Balance 31/12/2019	Entries in consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2020	Entries in consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2021
Life insurance	45,388,195	-	(1,359,450)	(92,408,646)	88,734,089	40,354,188	132,411	120,221,838	(89,972,555)	604,149	71,340,031
Non-life insurance											
Workers' compensation	4,926,893	-	(699,316)	(1,891,103)	2,241,481	4,577,955	426,092	(143,671)	(1,213,213)	42,050	3,689,212
Personal accident and passengers	19,604,542	(1,607)	839,805	(3,632,437)	2,073,347	18,883,650	45,302	4,758,993	(3,250,795)	5,986	20,443,136
Health	62,714,087	(60,896,212)	622,606	(6,751,403)	5,421,515	1,110,593	-	31,367,722	(31,158,151)	(61,295)	1,258,869
Fire and other damage	107,828,793	-	8,453,461	(68,180,383)	42,113,676	90,215,547	7,956,378	120,661,010	(65,716,345)	(11,772)	153,104,818
Motor	17,500,082	-	(2,405,121)	(17,527,997)	21,432,179	18,999,143	84,111	51,643,113	(40,744,505)	(548,975)	29,432,886
Marine, aviation and transport	9,009,274	-	724,649	(3,186,841)	990,719	7,537,801	2,176,534	8,375,937	(8,881,491)	(158,299)	9,050,482
Third-party liability	24,717,712	-	(6,914,478)	(8,507,865)	20,912,069	30,207,438	60,498	27,946,633	(13,221,804)	(25,099)	44,967,666
Credit and suretyship	465,796	-	(772,603)	(470,561)	1,903,576	1,126,208	-	20,765,383	(2,633,549)	372,069	19,630,111
Legal protection	-	-	-	-	-	-	-	-	-	-	-
Assistance	11,715	(3,191)	1,885	23,878	(28,133)	6,154	1,370	(3,607)	2,799	801	7,517
Other	5,308,751	-	(6,529,703)	(9,042,368)	19,968,436	9,705,116	59,520	14,977,628	(17,475,675)	(39,785)	7,226,804
	252,087,645	(60,901,010)	(6,678,815)	(119,167,080)	117,028,865	182,369,605	10,809,805	280,349,141	(184,292,728)	(424,321)	288,811,502
	297,475,840	(60,901,010)	(8,038,265)	(211,575,726)	205,762,954	222,723,793	10,942,216	400,570,978	(274,265,283)	179,828	360,151,533

Liabilities originated in the year and the claims paid are not deducted from the reinsurers' portion of the processed reimbursements.

Information on the mathematical provision and claims provision for profit-sharing in reinsurance ceded, at 31 December 2021 and 2020, is set out below:

	2021				
	Mathematical provision	Deferred acquisition costs	Total Mathematical provision	Provision for profit sharing	Total
Life insurance					
Insurance contracts					
Life individual risk	19,684,249	(4,896)	19,679,354	-	19,679,354
Life group risk	9,264,991	-	9,264,991	-	9,264,991
	28,949,240	(4,896)	28,944,344	-	28,944,344
Non-life insurance	-	-	-	-	-
	28,949,240	(4,896)	28,944,344	-	28,944,344

	2020				
	Mathematical provision	Deferred acquisition costs	Total Mathematical provision	Provision for profit sharing	Total
Life insurance					
Insurance contracts					
Life individual risk	13,435,315	(9,556)	13,425,759	-	13,425,759
Life group risk	9,346,549	-	9,346,549	-	9,346,549
	22,781,864	(9,556)	22,772,308	-	22,772,308
Non-life insurance	-	-	-	87,712	87,712
	22,781,864	(9,556)	22,772,308	87,712	22,860,020

The movement in the mathematical provision and in the provision for profit sharing from reinsurance ceded during the years 2021 and 2020 was as follows:

	2021						
	Opening balance	Entries in consolidation perimeter	Liabilities originated in the year and interest allocated	Change in deferred acquisition costs	Profit shared	Exchange differences	Closing balance
Mathematical provision							
Life insurance							
Insurance contracts	22,772,308	27,508	6,014,766	5,186	-	124,576	28,944,344
Provision for profit sharing							
Non-life insurance	87,712	-	11,229	-	(98,941)	-	-

	2020					
	Opening balance	Liabilities originated in the year and interest allocated	Change in deferred acquisition costs	Profit shared	Exchange differences	Closing balance
Mathematical provision						
Life insurance						
Insurance contracts	16,559,063	6,320,862	(3,406)	-	(104,211)	22,772,308
Provision for profit sharing						
Non-life insurance	228,363	(1,108)	-	(139,543)	-	87,712

18. Other Debtors for Insurance Operations and Other Operations

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accounts receivable for direct insurance operations		
Premiums pending collection	282,112,071	270,463,947
Brokers	61,929,518	28,878,921
Claims reimbursements	26,808,098	21,186,594
Co-insurers	22,895,338	16,933,506
Workers' compensation fund	2,167,786	2,605,873
Funding Institute of Agriculture and Fisheries (IFAP)	49,972	2,087,658
Others	999,311	393,379
	<u>396,962,094</u>	<u>342,549,878</u>
(Adjustments to Premiums pending collection - Note 43)	(25,064,316)	(36,673,726)
(Adjustments for doubtful debts - Note 43)	(5,318,768)	(5,465,252)
	<u>(30,383,084)</u>	<u>(42,138,978)</u>
	<u>366,579,010</u>	<u>300,410,900</u>
Accounts receivable for other reinsurance operations		
Reinsurers' current accounts	91,544,785	25,330,227
Reinsureds' current accounts	2,528,183	3,815,859
	<u>94,072,967</u>	<u>29,146,086</u>
(Adjustments for doubtful debts - Note 43)	(8,972,067)	(9,358,493)
	<u>85,100,900</u>	<u>19,787,593</u>
Accounts receivable for other operations		
Clients - current accounts	100,599,549	108,369,723
Aggregate tax	5,568,314	13,660,488
Internal adjustment accounts	4,223,556	2,006,916
Rental properties	2,753,923	3,109,513
Debtors - item held under custody	1,713,389	2,190,090
Funding Institute of Agriculture and Fisheries (IFAP)	1,464,985	2,000,000
Advances to suppliers	2,379,254	1,477,680
Employees	1,288,292	155,728
Others	29,019,842	25,254,388
	<u>149,011,104</u>	<u>158,224,526</u>
(Adjustments for doubtful debts - Note 43)	(39,928,893)	(37,633,966)
	<u>109,082,211</u>	<u>120,590,560</u>
	<u>560,762,121</u>	<u>440,789,053</u>

In the years 2021 and 2020 the value under the heading "Clients - current accounts" includes the amounts of EUR 95,034,746 and EUR 105,109,632 respectively, corresponding to the hospital sector.

Balances receivable from IFAP correspond, essentially, to bonuses and compensation for excess claims regarding crop insurance campaigns from 2021.

At 31 December 2021 and 2020, the balance of the heading "Aggregate tax" corresponds to the amount of tax payable by Longrun as a result of applying the Special Rules for the Taxation of Corporate Groups (SRTCG).

19. Tax Assets and Liabilities

The balances for tax assets and liabilities at 31 December 2021 and 2020 were as follows:

	2021	2020
Current tax assets		
Income tax recoverable	-	(11,399,501)
Payments on account	-	12,774,549
Others	78,834	427,924
	<u>78,834</u>	<u>1,802,972</u>
Current tax liabilities		
Income tax payable	(4,568,724)	-
Others		
Stamp duty	(10,267,357)	(11,637,990)
Value added tax	(14,197,114)	(23,141,436)
Motor insurance guarantee fund	(2,359,975)	(2,319,543)
Workers' compensation fund	(4,518,974)	(4,552,433)
National civil protection authority tax	(2,653,183)	(2,422,262)
Insurance and pension funds supervisory authority tax	(2,853,829)	(2,377,896)
National medical emergency institute tax	(3,216,898)	(3,253,839)
Social security	(7,621,193)	(7,623,445)
Withholding	(7,551,897)	(7,492,231)
Others	(4,761,808)	(3,857,934)
	<u>(64,570,952)</u>	<u>(68,679,009)</u>
Deferred tax assets	228,409,300	205,909,959
Deferred tax liabilities	(126,537,688)	(185,924,120)
	<u>101,871,612</u>	<u>19,985,839</u>
	<u>37,379,494</u>	<u>(46,890,198)</u>

At 31 December 2021 and 2020, the balances relating to current income tax assets and liabilities break down as follows:

	2021	2020
Income tax estimate recognised as a charge to the Income Statement	(115,417,462)	51,752,458
Income tax estimate recognised as a charge to reserves	3,760,776	64,079
Withholding tax	2,145,007	2,208,133
Payments on account	15,822,944	12,774,549
Income tax on branches	(745,495)	(428,543)
Others	89,865,506	(10,315,451)
	<u>(4,568,724)</u>	<u>56,055,225</u>

At 31 December 2021 and 2020, the heading "Income tax estimate recognised as a charge to the Income Statement" corresponds to the amount of the estimate of CIT.

In 2021 and 2020, the income tax registered in reserves is the result of the change in fair value reserve of financial assets at fair value through other comprehensive income linked to life insurance products with profit sharing and of the change in actuarial deviations relating to post-employment benefits granted to employees.

Law nº 64-B/2011, which approved the State Budget for 2012, was published on 30 December 2011. Article 183 of this law lays down that losses made in 2011, deriving from changes to the accounting policy for the recognition of actuarial profit resulting from recognition of liabilities with retirement pensions and other defined post-employment benefits, relating to contributions made in that period or in previous years, are not included in the limits of deductions established in Article 43 of the CIT Code, but are reported within the calculation of taxable income in the 2012 tax year and the following nine taxation periods.

Income tax recognised in profits and losses, and the tax burden, measured as the ratio between income tax and the profit in the year before tax, may be represented as follows:

	2021	2020
Current tax		
Estimated tax for the year	76,690,837	44,162,290
State and municipal surcharge	37,918,610	9,257,976
Autonomous taxation	808,014	739,303
	<u>115,417,462</u>	<u>54,159,569</u>
Others	27,420,586	(1,800,391)
	<u>142,838,047</u>	<u>52,359,178</u>
Deferred tax	(39,627,362)	34,712,028
Total tax in Income Statement	<u>103,210,685</u>	<u>87,071,206</u>
Consolidated income before tax and non-controlling interests	406,991,164	305,342,832
Tax burden	25.36%	28.52%

Reconciliation between the nominal tax rate and the effective tax rate in 2021 and 2020 was as follows:

	2021		2020	
	Rate	Tax	Rate	Tax
Income before tax		406,991,164		305,342,832
Income tax calculated at nominal rate	18.04%	73,436,079	21.00%	70,642,718
Permanent differences to be deducted				
Dividends from equity instruments	(0.61%)	(2,499,205)	(0.94%)	(2,876,977)
Capital gains or losses	0.00%	-	(0.09%)	(283,879)
Accounting gains or losses	0.00%	-	(0.04%)	(110,501)
Tax gains or losses	0.00%	-	(0.23%)	(714,797)
Non-deductible impairment losses	(0.89%)	(3,608,947)	(1.35%)	(4,114,292)
Provisions not relevant for tax purposes	0.00%	(11,609)	0.05%	164,358
Reimbursement of non-deductible tax and over-estimation of CIT	0.00%	-	(1.10%)	(3,346,778)
Adjustments to previous periods	0.00%	-	(0.13%)	(384,732)
Others	(0.94%)	(3,821,690)	0.00%	-
Permanent differences to be added				
Provisions not relevant for tax purposes	0.00%	-	(0.05%)	(141,788)
Non-deductible impairment losses	0.00%	-	1.35%	4,110,043
Potential gains or losses	0.00%	-	0.03%	81,140
Tax gains or losses	0.27%	1,093,009	0.28%	854,824
Accounting gains or losses	3.14%	12,796,766	0.00%	-
Under-estimation of CIT	0.00%	-	0.98%	2,988,344
Redundancy benefits, retirement benefits and other post-employment or long-term benefits to employees	0.00%	13,636	0.00%	9,092
Adjustments to previous periods	2.34%	9,521,543	0.25%	771,238
Others	0.00%	-	2.12%	6,475,610
Tax benefits				
Net job creation	(0.06%)	(236,837)	0.09%	268,193
DTI	(6.51%)	(26,502,093)	(0.12%)	(363,076)
SIFIDE II	(1.88%)	(7,656,948)	(1.60%)	(4,870,935)
Others	(1.68%)	(6,845,276)	(0.26%)	(787,807)
Tax paid abroad	7.02%	28,566,941	0.00%	-
Withholding tax	(3.12%)	(12,688,055)	0.00%	-
Autonomous taxation	0.20%	821,839	0.24%	736,016
State and Municipal Surcharge	10.06%	40,931,723	3.10%	9,470,118
Deferred tax assets and liabilities - Effect if tax rate change	(0.02%)	(100,191)	2.78%	8,495,074
	25.36%	103,210,685	28.52%	87,071,206

The tax authorities have the option of inspecting the four prior years in Portugal (in periods with fiscal losses, the deadline to review the fiscal situation is the report deadlines of those fiscal losses). Different interpretations of the legislation could lead to potential adjustments to the taxable profit of past years. Given the nature of any corrections which may be made, it is not possible to quantify these at the present time. However, in the opinion of the Board of Directors of Fidelidade and of the companies in the Group, it is unlikely that any correction concerning the years referred to above will be significant for the attached financial statements.

20. Accruals and Deferrals (Assets)

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accrued income		
Estimate of profit commissions	4,565,000	5,820,000
Services provided and not billed by Luz Saúde	49,142,606	29,780,932
Others	18,598,358	12,075,059
Deferred expenses		
Commissions on the issue of financial products	2,455,794	5,561,062
Insurance	1,644,348	1,654,275
Rents and leases	757,661	1,130,287
IT equipment assistance	661,382	1,534,358
Advertising	943,576	1,309,676
Portuguese Insurers Association subscriptions	339,027	591,419
Software licences	5,627,144	4,248,992
Others	19,955,475	8,469,978
	<u>104,690,371</u>	<u>72,176,038</u>

The heading “Deferred expenses – Commissions on the issue of financial products” corresponds to the deferral of commission charges made by Caixa Geral de Depósitos, S.A. on the commercialisation of capitalisation products recognised as financial liabilities, which are deferred during the lifetime of the contracts.

21. Non-Current Assets Held for Sale and Discontinued Operations

At 31 December 2021 and 2020, the non-current held for sale assets, liabilities, and gains and losses headings were composed as follows:

	2021	2020
Non-current assets held for sale		
Properties for own use	6,546,678	-
Investment properties	-	4,171,357
Tangible assets	76,250	-
Inventories	483,048	-
Deferred tax assets	-	3,198
	<u>7,105,976</u>	<u>4,174,555</u>
Liabilities of a group for sale classified as held for sale		
Deferred tax liabilities	-	574,928
Other liabilities	3,760,697	-
	<u>3,760,697</u>	<u>574,928</u>
Gains and losses on non-current assets classified as held for sale		
Gains		
Gains realised	3,890,250	-
	<u>3,890,250</u>	<u>-</u>
Losses		
Other Costs	-	(7,794)
	<u>-</u>	<u>(7,794)</u>
	<u>3,890,250</u>	<u>(7,794)</u>

At 31 December 2021, this balance refers to the Casas da Cidade Carnaxide (previously known as Clube de Repouso Casa dos Leões) unit, located in Carnaxide, Lisbon.

At 31 December 2020, this balance refers to the property in P. Guilherme Gomes Fernandes, 2 to 18, in Oporto, which was not sold until the end of 2020, as it did not meet all the conditions negotiated for the sale. The property fulfils the requirements of IFRS 5 – “Non-current assets held for sale and discontinued operations” to be classified as a non-current asset held for sale. The sale took place in September 2021.

22. Technical Provisions

At 31 December 2021 and 2020, technical provisions for direct insurance and reinsurance accepted were composed as follows:

	2021			2020		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	6,179,070	554,961,616	561,140,686	3,225,564	478,941,601	482,167,165
Mathematical provision for life insurance	2,766,184,105	-	2,766,184,105	2,887,652,329	-	2,887,652,329
Claims provision						
Reported claims	152,471,046	2,047,525,868	2,199,996,914	104,123,000	1,797,924,933	1,902,047,933
Claims incurred but not reported (IBNR)	76,739,958	119,545,222	196,285,180	60,303,888	108,914,525	169,218,413
	229,211,004	2,167,071,090	2,396,282,094	164,426,888	1,906,839,458	2,071,266,346
Provision for profit sharing	63,265,165	474,425	63,739,590	75,716,829	6,250	75,723,079
Provision for interest rate commitments	17,780,388	-	17,780,388	29,012,022	-	29,012,022
Provision for portfolio stabilising	25,803,587	-	25,803,587	26,345,782	-	26,345,782
Equalisation provision	-	33,356,809	33,356,809	-	31,346,274	31,346,274
Provision for unexpired risks	-	47,888,226	47,888,226	-	37,337,003	37,337,003
Other technical provisions	-	23,211,963	23,211,963	-	8,969,196	8,969,196
	3,108,423,319	2,826,964,127	5,935,387,447	3,186,379,414	2,463,439,782	5,649,819,196

At 31 December 2021 and 2020, the provisions for unearned premiums on direct insurance and reinsurance accepted were as follows:

	2021			2020		
	Deferred premiums	Deferred costs	Net	Deferred premiums	Deferred costs	Net
Life insurance	6,190,063	(10,993)	6,179,070	3,245,824	(20,260)	3,225,564
Non-life insurance						
Workers' compensation	20,268,015	(3,859,033)	16,408,982	17,890,947	(3,590,341)	14,300,606
Personal accident and passengers	14,910,092	(3,924,555)	10,985,537	11,312,479	(3,179,590)	8,132,889
Health	51,431,790	(7,832,709)	43,599,081	51,751,481	(9,461,347)	42,290,134
Fire and other damage	195,785,015	(28,749,304)	167,035,711	164,761,864	(27,256,923)	137,504,941
Motor	257,998,076	(40,418,998)	217,579,078	238,843,044	(36,929,323)	201,913,721
Marine, aviation and transport	12,803,837	(638,159)	12,165,678	7,994,214	(345,492)	7,648,722
Third-party liability	49,651,803	(7,064,598)	42,587,204	31,438,648	(5,443,758)	25,994,890
Credit and suretyship	9,465,407	(143,628)	9,321,778	9,991,607	(134,781)	9,856,826
Legal protection	2,682,770	(1,170,871)	1,511,899	2,483,804	(1,213,147)	1,270,657
Assistance	19,408,477	(4,280,669)	15,127,808	18,189,341	(4,125,094)	14,064,247
Other	22,433,872	(3,795,012)	18,638,860	19,270,896	(3,306,928)	15,963,968
	656,839,155	(101,877,538)	554,961,616	573,928,325	(94,986,724)	478,941,601
	663,029,218	(101,888,532)	561,140,686	577,174,149	(95,006,984)	482,167,165

The movements in the provision for unearned premiums and in the deferred acquisition costs on direct insurance and reinsurance accepted during 2021 and 2020 were as follows:

	Balance 31/12/2019	Entries in consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2020	Entries in consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021
Provision for unearned premiums									
Life insurance	4,594,787	-	(1,207,069)	(141,894)	3,245,824	-	2,749,518	194,721	6,190,063
Non-life insurance									
Workers' compensation	63,345,801	-	(41,821,626)	(3,633,228)	17,890,947	473,390	1,831,193	72,485	20,268,015
Personal accident and passengers	11,132,673	-	478,153	(298,347)	11,312,479	52,147	3,510,753	34,713	14,910,092
Health	42,691,587	27,678	12,381,820	(3,349,604)	51,751,481	3,348,804	(2,017,703)	(1,650,792)	51,431,790
Fire and other damage	157,122,686	-	15,712,782	(8,073,604)	164,761,864	1,396,219	29,166,486	460,446	195,785,015
Motor	238,098,530	-	10,407,397	(9,662,883)	238,843,044	3,058,909	16,662,538	(566,415)	257,998,076
Marine, aviation and transport	6,978,046	-	1,821,202	(805,034)	7,994,214	181,570	4,715,505	(87,452)	12,803,837
Third-party liability	33,627,878	-	1,100,166	(3,289,396)	31,438,648	284,773	17,778,643	149,738	49,651,803
Credit and suretyship	9,358,099	-	2,303,738	(1,670,230)	9,991,607	-	(485,758)	(40,442)	9,465,407
Legal protection	2,302,609	726	180,543	(74)	2,483,804	-	198,919	47	2,682,770
Assistance	17,340,991	44,497	808,700	(4,847)	18,189,341	-	1,215,841	3,295	19,408,477
Other	10,565,707	-	9,274,550	(569,361)	19,270,896	-	3,352,596	(189,620)	22,433,872
	592,564,607	72,901	12,647,425	(31,356,608)	573,928,325	8,795,813	75,929,012	(1,813,996)	656,839,155
	597,159,394	72,901	11,440,356	(31,498,502)	577,174,149	8,795,813	78,678,530	(1,619,274)	663,029,218
Deferred acquisition costs									
Life insurance	(4,433)	-	(50,886)	35,059	(20,260)	-	26,693	(17,426)	(10,993)
Non-life insurance									
Workers' compensation	(3,431,019)	-	(184,227)	24,905	(3,590,341)	(62,405)	(60,691)	(145,596)	(3,859,033)
Personal accident and passengers	(2,548,296)	-	(642,551)	11,257	(3,179,590)	(337,814)	(378,720)	(28,432)	(3,924,555)
Health	(4,078,279)	(3,722,162)	(1,600,692)	(60,214)	(9,461,347)	(4,532)	1,918,766	(285,597)	(7,832,709)
Fire and other damage	(24,952,654)	-	(2,520,394)	216,125	(27,256,923)	(158,991)	(1,227,022)	(106,368)	(28,749,304)
Motor	(35,922,255)	-	(1,163,706)	156,638	(36,929,323)	(329,751)	(3,134,722)	(25,203)	(40,418,998)
Marine, aviation and transport	(281,504)	-	(75,695)	11,707	(345,492)	(22,273)	(138,813)	(131,581)	(638,159)
Third-party liability	(4,339,306)	-	(1,164,948)	60,496	(5,443,758)	(38,002)	(1,547,770)	(35,068)	(7,064,598)
Credit and suretyship	(199,606)	-	40,368	24,457	(134,781)	-	919	(9,767)	(143,628)
Legal protection	(970,815)	(4)	(242,324)	(4)	(1,213,147)	-	42,278	(1)	(1,170,871)
Assistance	(3,687,100)	(486)	(425,171)	(12,337)	(4,125,094)	-	(159,845)	4,270	(4,280,669)
Other	(2,978,958)	-	(344,886)	16,916	(3,306,928)	-	(485,191)	(2,893)	(3,795,012)
	(83,389,792)	(3,722,652)	(8,324,226)	449,946	(94,986,724)	(953,767)	(5,170,810)	(766,237)	(101,877,538)
	(83,394,225)	(3,722,652)	(8,375,112)	485,005	(95,006,984)	(953,767)	(5,144,117)	(783,664)	(101,888,532)
	513,765,169	(3,649,751)	3,065,244	(31,013,497)	482,167,165	7,842,046	73,534,413	(2,402,938)	561,140,686

The change in the method for calculating the provision for unearned premiums on direct insurance due to the impact of the pandemic on the 2020 accounting year, described in Note 2.17.c), originated an increase of EUR 3,304,150 in deferred premiums and EUR 461,932 in deferred costs.

At 31 December 2021 and 2020, claims provisions for direct insurance and reinsurance accepted were composed as follows:

	2021			2020		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	152,471,046	76,739,958	229,211,004	104,123,000	60,303,888	164,426,888
Non-life insurance						
Workers' compensation						
Mathematical provision	786,942,101	1,868,814	788,810,914	731,477,526	1,725,172	733,202,698
Provision for whole-life assistance	206,705,696	7,978,518	214,684,214	193,043,500	7,994,534	201,038,034
Provision for temporary assistance	129,701,559	3,921,751	133,623,310	113,356,377	4,171,371	117,527,748
	1,123,349,355	13,769,083	1,137,118,438	1,037,877,403	13,891,077	1,051,768,480
Other insurance						
Personal accident and passengers	29,448,816	7,980,043	37,428,859	28,165,470	7,594,522	35,759,992
Health	71,959,479	14,636,165	86,595,644	49,775,174	12,138,518	61,913,692
Fire and other damage	195,763,345	28,755,407	224,518,753	136,554,092	23,498,812	160,052,904
Motor	453,337,220	26,249,929	479,587,149	411,120,848	22,640,638	433,761,486
Marine, aviation and transport	13,461,741	2,679,415	16,141,156	11,270,202	2,783,426	14,053,628
Third-party liability	115,608,660	24,465,559	140,074,219	96,882,267	24,184,740	121,067,007
Credit and suretyship	20,414,687	105,109	20,519,796	2,077,129	87,127	2,164,256
Legal protection	2,386,660	183,915	2,570,575	2,437,688	169,077	2,606,765
Assistance	8,647,718	124,238	8,771,956	7,477,520	120,521	7,598,041
Other	13,148,188	596,359	13,744,547	14,287,140	1,806,067	16,093,207
	924,176,513	105,776,139	1,029,952,652	760,047,530	95,023,448	855,070,978
	2,047,525,868	119,545,222	2,167,071,090	1,797,924,933	108,914,525	1,906,839,458
	2,199,996,914	196,285,180	2,396,282,094	1,902,047,933	169,218,413	2,071,266,346

The movement in the claims provisions on direct insurance and reinsurance accepted during 2021 and 2020 was as follows:

	Balance 31/12/2019	Entries in consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2020	Entries in consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2021
Life insurance	185,205,108	-	495,624,640	(528,009,838)	11,606,978	164,426,888	363,281	686,800,582	(621,229,480)	(1,150,267)	229,211,004
Non-life insurance											
Workers' compensation											
Personal accident and passengers	972,896,063	-	277,892,120	(216,409,998)	17,390,295	1,051,768,480	6,773,502	259,319,873	(180,913,703)	170,286	1,137,118,438
Health	35,394,890	-	9,272,496	(9,415,231)	507,837	35,759,992	149,041	12,099,967	(10,573,178)	(6,963)	37,428,859
Fire and other damage	69,609,184	2,988,508	225,424,665	(239,184,185)	3,075,520	61,913,692	(13,204)	320,582,474	(296,720,180)	832,862	86,595,644
Motor	172,612,541	(111,599)	128,706,818	(152,993,701)	11,838,845	160,052,904	8,151,473	219,155,601	(162,482,467)	(358,758)	224,518,753
Marine, aviation and transport	440,245,339	-	400,520,143	(411,843,344)	4,839,348	433,761,486	3,485,268	462,033,448	(419,277,886)	(415,168)	479,587,149
Third-party liability	15,190,755	-	5,776,923	(8,031,896)	1,117,846	14,053,628	2,181,390	14,479,707	(14,598,209)	24,641	16,141,156
Credit and suretyship	111,802,778	-	31,157,271	(24,121,755)	2,228,713	121,067,007	73,630	50,229,793	(31,230,982)	(65,229)	140,074,219
Legal protection	1,310,952	-	1,462,265	(770,177)	161,216	2,164,256	-	23,095,498	(4,363,032)	(376,927)	20,519,796
Assistance	24,421	3,254,942	(197,373)	(475,225)	-	2,606,765	-	400,320	(436,510)	-	2,570,575
Other	219,775	9,766,988	32,179,638	(34,568,356)	(4)	7,598,041	127,423	37,065,109	(36,017,943)	(674)	8,771,956
	9,692,035	-	35,202,203	(25,028,453)	(3,772,578)	16,093,207	222,558	28,776,892	(31,425,249)	77,139	13,744,547
	1,828,998,733	15,898,839	1,147,397,169	(1,122,842,321)	37,387,038	1,906,839,458	21,151,081	1,427,238,682	(1,188,039,340)	(118,791)	2,167,071,090
	2,014,203,841	15,898,839	1,643,021,809	(1,650,852,159)	48,994,016	2,071,266,346	21,514,362	2,114,039,264	(1,809,268,820)	(1,269,059)	2,396,282,094

Liabilities originated in the year and the claims paid do not include the costs allocated to claims management and are not deducted from the reimbursements processed by the Group.

At 31 December 2021 and 2020, the provisions for unexpired risks on direct insurance and reinsurance accepted were as follows:

	2021	2020
Life insurance	-	131,691
Non-life insurance		
Workers' compensation	991,450	894,185
Personal accident and passengers	221,649	1,206,791
Health	10,048,658	9,305,489
Fire and other damage	5,507,497	3,996,776
Motor	22,799,559	16,265,006
Marine, aviation and transport	81,065	-
Third-party liability	4,790,735	3,036,904
Credit and suretyship	12,426	6,200
Legal protection	648,005	477,133
Assistance	2,745,404	1,974,627
Other	41,780	42,201
	<u>47,888,226</u>	<u>37,205,312</u>
	<u>47,888,226</u>	<u>37,337,003</u>

The movement in the provision for unexpired risks in direct insurance and reinsurance accepted during 2021 and 2020 was as follows:

	Balance 31/12/2019	Appropriations in the year	Exchange differences	Balance 31/12/2020	Appropriations in the year	Exchange differences	Balance 31/12/2021
Life insurance	228,864	(497,261)	400,088	131,691	(127,133)	(4,558)	-
Non-life insurance							
Workers' compensation	997,564	43,505	(146,884)	894,185	83,306	13,960	991,450
Personal accident and passengers	476,269	1,840,877	(1,110,355)	1,206,791	(984,732)	(410)	221,649
Health	4,912,646	9,165,518	(4,772,675)	9,305,489	743,142	26	10,048,658
Fire and other damage	4,144,483	(773,711)	626,004	3,996,776	1,490,514	20,207	5,507,497
Motor	16,064,597	6,398,567	(6,198,158)	16,265,006	6,525,133	9,420	22,799,559
Marine, aviation and transport	-	190,202	(190,202)	-	81,065	-	81,065
Third-party liability	1,801,686	3,096,424	(1,861,206)	3,036,904	1,753,830	-	4,790,735
Credit and suretyship	-	83,585	(77,385)	6,200	5,559	667	12,426
Legal protection	225,411	597,227	(345,505)	477,133	170,872	-	648,005
Assistance	2,932,315	(1,364,605)	406,917	1,974,627	770,777	-	2,745,404
Other	7,569	98,981	(64,349)	42,201	(2,073)	1,651	41,780
	<u>31,562,540</u>	<u>19,376,570</u>	<u>(13,733,798)</u>	<u>37,205,312</u>	<u>10,637,392</u>	<u>45,522</u>	<u>47,888,226</u>
	<u>31,791,404</u>	<u>18,879,309</u>	<u>(13,333,710)</u>	<u>37,337,003</u>	<u>10,510,259</u>	<u>40,964</u>	<u>47,888,226</u>

The change in the method for calculating the provision for unexpired risks due to the impact of the pandemic on the 2020 accounting year, described in Note 2.17.j), gave rise to a provision being set up in the Health line of business of EUR 9,186,277.

For motor insurance, the change in the method for calculating the provision for unexpired risks due to the impact of the pandemic on the 2021 and 2020 financial years, described in Note 2.17.j) caused a strengthening of the provision of EUR 20,659,927 and EUR 15,900,772 respectively.

The movement in the mathematical provision and in the provision for profit sharing in direct insurance and reinsurance accepted during 2021 and 2020 was as follows:

	2021								
	Opening balance	Entries in consolidation perimeter	Liabilities originated in the year and interest attributed	Amount attributable to insured persons from equity	Change in deferred acquisition costs	Portfolio recomposition	Profit shared	Exchange differences	Closing balance
Mathematical provision									
Life insurance									
Insurance contracts	1,120,569,415	1,153,966	35,201,758	-	(3,426)	-	429,317	(96,282)	1,157,254,749
Investment contracts with a discretionary profit-sharing component	1,767,082,914	653,149	(164,204,983)	-	3,796	(53,055)	5,447,535	-	1,608,929,356
	2,887,652,329	1,807,116	(129,003,225)	-	370	(53,055)	5,876,852	(96,282)	2,766,184,105
Provision for profit sharing									
Life insurance									
Insurance contracts	36,806,878	879,444	3,881,716	218,384	-	-	(4,461,416)	-	37,325,006
Investment contracts with a discretionary profit-sharing component	38,909,951	-	10,340,959	(19,995,034)	-	-	(3,315,716)	-	25,940,159
	75,716,829	879,444	14,222,676	(19,776,650)	-	-	(7,777,133)	-	63,265,165
Non-life insurance	6,250	468,175	248,760	-	-	-	(248,760)	-	474,425
	75,723,079	1,347,619	14,471,435	(19,776,650)	-	-	(8,025,892)	-	63,739,590

	2020						
	Opening balance	Liabilities originated in the year and interest attributed	Amount attributable to insured persons from equity	Change in deferred acquisition costs	Portfolio recomposition	Profit shared	Closing balance
Mathematical provision							
Life insurance							
Insurance contracts	1,237,330,952	45,117,438	-	(202,887)	-	(161,676,088)	1,120,569,415
Investment contracts with a discretionary profit-sharing component	1,926,511,318	(165,878,524)	-	4,179	(676,561)	7,122,502	1,767,082,914
	3,163,842,270	(120,761,086)	-	(198,708)	(676,561)	(154,553,586)	2,887,652,329
Provision for profit sharing							
Life insurance							
Insurance contracts	36,188,145	4,449,324	(998,161)	-	-	(2,832,430)	36,806,878
Investment contracts with a discretionary profit-sharing component	49,180,089	(2,214,786)	2,818,749	-	-	(10,874,101)	38,909,951
	85,368,234	2,234,538	1,820,588	-	-	(13,706,531)	75,716,829
Non-life insurance	1,750	965,753	-	-	-	(961,253)	6,250
	85,369,984	3,200,291	1,820,588	-	-	(14,667,784)	75,723,079

The provisions for profit sharing to be allocated and already allocated are accounted for in line with the policy described in Note 2.17. f).

23. Financial Liabilities of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts

Information on movements in this account heading for 2021 and 2020 is set out below:

	2021					Closing balance
	Opening balance	Issues	Redemptions	Income and expenditure	Portfolio recomposition	
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	436,425,650	1,042,531,268	(47,732,420)	16,009,090	(176,145)	1,447,057,443
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	86,383,232	229,704,106	(7,906,181)	8,432,175	(4,122,056)	312,491,275
	<u>523,530,127</u>	<u>1,272,235,374</u>	<u>(55,638,601)</u>	<u>24,441,265</u>	<u>(4,298,202)</u>	<u>1,760,269,963</u>
Valued at amortised cost						
Other investment contracts						
Life individual PPR fixed rate	5,487,653,605	211,809,623	(1,239,512,201)	7,559,621	4,175,111	4,471,685,759
Life individual fixed rate	2,343,751,263	611,885,111	(1,088,940,537)	14,745,886	176,145	1,881,617,869
Life group fixed rate	751,929	36,834	-	28,119	-	816,882
Capitalisation Op. Individual fixed rate	4,435,555	-	-	-	-	4,435,555
	<u>7,836,592,352</u>	<u>823,731,568</u>	<u>(2,328,452,738)</u>	<u>22,333,626</u>	<u>4,351,256</u>	<u>6,358,556,065</u>
	<u>8,360,122,479</u>	<u>2,095,966,941</u>	<u>(2,384,091,339)</u>	<u>46,774,891</u>	<u>53,055</u>	<u>8,118,826,028</u>
2020						
	Opening balance	Issues	Redemptions	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	123,232,458	314,532,002	(11,403,383)	10,234,093	(169,520)	436,425,650
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	14,768,940	70,843,775	(1,235,785)	2,043,712	(37,410)	86,383,232
	<u>138,722,643</u>	<u>385,375,777</u>	<u>(12,639,168)</u>	<u>12,277,805</u>	<u>(206,930)</u>	<u>523,530,127</u>
Valued at amortised cost						
Other investment contracts						
Life individual PPR fixed rate	6,207,187,636	268,282,048	(993,874,161)	5,344,111	713,971	5,487,653,605
Life individual fixed rate	2,574,655,856	326,532,273	(578,767,774)	21,161,388	169,520	2,343,751,263
Life group fixed rate	-	751,929	-	-	-	751,929
Capitalisation Op. Individual fixed rate	4,435,555	-	-	-	-	4,435,555
	<u>8,786,279,047</u>	<u>595,566,250</u>	<u>(1,572,641,935)</u>	<u>26,505,499</u>	<u>883,491</u>	<u>7,836,592,352</u>
	<u>8,925,001,690</u>	<u>980,942,027</u>	<u>(1,585,281,103)</u>	<u>38,783,304</u>	<u>676,561</u>	<u>8,360,122,479</u>

“Other investment contracts” corresponds, for the most part, to liabilities with contracts which guarantee the insured person a fixed yield throughout the whole of the contract, and these are recognised at amortised cost.

24. Financial Liabilities at Fair Value Through Profit or Loss and Other Financial Liabilities

At 31 December 2021 and 2020, these headings were composed as follows:

	2021	2020
Financial liabilities at fair value through profit or loss		
Fair value hedge (Note 7)	299,670,115	38,009,681
Financial liabilities - put option	70,400,219	69,749,808
Other financial liabilities		
Hedge derivatives		
Cash-flow hedge (Note 7)	10,785,132	4,296,289
Inventory hedge Net - ME (Note 7)	12,796,635	2,200,673
	<u>23,581,767</u>	<u>6,496,962</u>
Subordinate liabilities	501,053,722	-
Deposits received from reinsurers		
Life	39,783,982	2,374,457
Non-Life	41,494,526	33,920,365
	<u>81,278,509</u>	<u>36,294,822</u>
Repo Agreement	-	34,146,488
Loans	398,049,531	341,741,823
Leases	127,577,673	121,874,914
	<u>1,131,541,202</u>	<u>540,555,009</u>
	<u>1,501,611,535</u>	<u>648,314,498</u>

The heading “Loans” at 31 December 2021 includes loans obtained by companies from the Group consolidation perimeter, paying interest at an average annual rate of 1.10%, and with a maximum maturity of approximately 12 years and Commercial Paper issue programme, subscribed by the Group in 2014, subject to an average annual rate of 1.31% and with a maximum maturity of approximately 7 years.

The heading “Subordinate liabilities” refers to the issuance of debt by the Group on 4 June 2021, in the amount of EUR 500,000,000, with a maturity of 10 years, with a 5-year call option and a remuneration rate of about 4.25%.

In December 2021, Fidelidade sold investment units in a real estate fund in the amount of EUR 40 million. In the sales contract, (i) it was agreed that, within 12 months, if any investor acquires investment units in this real estate fund at a price below market value, on terms comparable to that of this contract, the purchaser is entitled to a price reduction and (ii) a Put Option was contracted in favour of the acquirer, whereby the latter can sell the entire position to Fidelidade at the end of 5 years without any conditions, or on each anniversary of the contract, if the market value at that date is less than the value on the contract date. If the Put Option is exercised, the exercise price is the higher of the market value and the value at the date of the contract, plus a return of 3% per year, adjusted in case of capital increases or distribution of income. The transition meets the requirements of IFRS 9 for derecognition of the transferred asset. Fidelidade has transferred substantially all the risks and rewards, since the exposure to its variability is no longer significant in relation to the total variability of the present value of the net cash flows futures associated with the investment units of the real estate fund.

On the same date, investment units in the same fund were issued in the amount of EUR 25 million. These have an associated return guarantee of 3% per year, over a period of 5 years.

The heading “Financial liability - put option” relates to a sale option contracted between Fid Perú and the minority shareholders of La Positiva Seguros Y Reaseguros S.A.A. on the purchase date of that company. According to the contract, the put option can be exercised by minority shareholders on dates, conditions and at the price defined in the contract, the price of which will be adjusted in case of capital increases or distribution of dividends.

The put option was initially valued considering the amount to be settled on the first possible date of exercise and was discounted to the present value at the rate that was considered for the analysis of the business plan on the date of purchase of the initial stake in La Positiva. Subsequently, the effect of the passage of time is recognised in profit or loss.

During 2021, the movements in finance liabilities were as follows:

Value at 31 December 2020	121,874,914
Increase for the period	40,791,861
Additions	38,340,643
Interest	2,451,218
Decrease for the period	35,089,102
Payments made	34,406,512
Others	682,590
Value at 31 December 2021	127,577,673

At 31 December 2021, lease liabilities had the following maturities:

	Up to 1 year	1 to 2 years	1 to 3 years	Over 5 years	Total
Leases	25,948,180	20,906,005	16,065,765	64,657,723	127,577,673
	25,948,180	20,906,005	16,065,765	64,657,723	127,577,673

The amounts recorded during the year are recognised in accordance with the implementation of the principles defined in IFRS 16 – “Leases”, as described in Note 2.12.

25. Other Creditors for Insurance Operations and Other Operations

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accounts payable for direct insurance operations		
Brokers	75,980,923	49,609,527
Policyholders	59,577,168	47,264,885
Co-Insurers	18,797,568	7,793,255
	<u>154,355,659</u>	<u>104,667,667</u>
Accounts payable for other reinsurance operations		
Reinsurers' current accounts	206,983,305	181,990,719
Reinsureds' current accounts	2,157,628	1,737,998
	<u>209,140,933</u>	<u>183,728,717</u>
Accounts payable for other operations		
Suppliers' current accounts	75,624,928	81,637,930
Aggregate tax	47,015,002	9,418,756
Transactions to be settled	13,918,048	9,097,599
Internal adjustment accounts	5,273,149	9,896,003
Employees	1,280,312	7,425,962
Advances from clients	6,530,767	7,123,648
Deposit guarantee	-	4,494,185
Pension funds	619,429	591,362
Associates	517,833	551,549
Group companies	132,057	120,342
Miscellaneous creditors	27,747,575	14,883,024
	<u>178,659,100</u>	<u>145,240,360</u>
	<u>542,155,693</u>	<u>433,636,744</u>

The heading "Internal adjustment accounts" recognises various transactions performed in the last days of December, which will be settled in the first days of the following month.

The heading "Transactions to be settled" recognises various transactions performed in the last days of December, which will be settled in the first days of the following month.

26. Accruals and Deferrals (Liabilities)

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Deferred income		
Rents and leases	9,952,216	12,880,916
Others	7,556,784	9,491,480
	<u>17,509,000</u>	<u>22,372,396</u>
Accrued expenses		
Interest payable	460,096	810,541
Holidays and holiday allowances payable	41,433,421	45,513,071
Insurance	5,336,158	5,966,871
Variable remuneration payable to employees	11,261,593	7,715,762
Performance bonuses	15,097,981	12,405,284
Optional career benefits	4,281,215	3,335,875
Other employee costs	1,601,572	1,781,256
Provision for finder's fees	737,253	531,896
Commissions payable	76,492,090	71,900,110
Deferred payments - Marketing	9,792,217	6,666,882
Municipal property tax	1,423,405	1,356,112
Audit	931,327	1,012,565
Advertising	714,896	254,427
Electricity	651,646	655,224
Invoices pending checking	6,980,731	6,759,762
Medical/nursing fees	33,194,549	27,205,840
Health services	7,070,684	5,581,315
Outsourcing (except accounting and IT)	3,754,493	3,645,459
Others	37,530,480	32,422,083
	<u>258,745,807</u>	<u>235,520,335</u>
	<u>276,254,807</u>	<u>257,892,731</u>

27. Other Provisions

Information on the above account heading movements for 2021 and 2020 is set out below:

	2021							
	Opening balances	Entries in consolidation perimeter	Increases	Recoveries and cancellations	Uses	Others	Actuarial gains and losses from equity	Opening Balances
Provisions for tax	561,131	-	23,254,997	-	-	19,036	-	23,835,164
Provisions for the cost of employee benefits (Note 36)								
Health benefits	27,006,755	-	-	(642,953)	(455,402)	-	(4,716)	25,903,684
Pension costs	37,261	-	-	(3,325)	-	464,834	(464,834)	33,936
Provision for Workers' compensation fund	53,936,302	-	1,200,000	-	-	-	-	55,136,302
Provision for restructuring	9,402,267	-	5,974,644	(5,235,138)	-	-	-	10,141,774
Provision for judicial contingencies	4,157,794	957,260	7,558,937	-	-	2,946,677	-	15,620,668
Others	25,343,730	-	4,662,790	-	-	1,265,405	-	31,271,925
	<u>120,445,241</u>	<u>957,260</u>	<u>42,652,836</u>	<u>(5,881,415)</u>	<u>(455,402)</u>	<u>4,694,484</u>	<u>(469,550)</u>	<u>161,943,454</u>

	2020						
	Opening balances	Entries in consolidation perimeter	Increases	Recoveries and cancellations	Uses	Actuarial gains and losses from equity	Closing Balances
Provisions for tax	7,595,535	-	-	(4,838,443)	(2,195,961)	-	561,131
Provisions for the cost of employee benefits (Note 36)							
Health benefits	22,784,917	-	-	(1,083,440)	-	5,305,278	27,006,755
Pension costs	3,423,729	-	-	(2,019,989)	-	(1,366,479)	37,261
Provision for Workers' compensation fund	52,736,302	-	1,200,000	-	-	-	53,936,302
Provision for restructuring	3,586,283	-	9,000,000	(3,184,016)	-	-	9,402,267
Provision for judicial contingencies	3,847,991	69,143	573,504	-	(332,844)	-	4,157,794
Others	38,666,173	190,901	-	(13,188,883)	(324,460)	-	25,343,731
	<u>132,640,930</u>	<u>260,044</u>	<u>10,773,504</u>	<u>(24,314,771)</u>	<u>(2,853,265)</u>	<u>3,938,799</u>	<u>120,445,241</u>

The Group set up a provision related to the employee restructuring and rejuvenation programme which consists of hiring new qualified employees and a negotiated exit solution for a group of employees prior to retirement age.

Following the plan, 181 employees left in 2019, which led to EUR 3,184,016 being used. 279 employees were hired during the same period.

In 2021, 234 employees left, which led to EUR 5,235,138 being used. 331 employees were hired during the same period.

Taking into account this continued strategy of constantly renewing skills and introducing new profiles, revision of the development plan was necessary, and on 31 December 2021 and 2020 Fidelidade added a further EUR 5,974,644 and EUR 9,000,000 respectively to the provision, considering the actual cost of recently negotiated employee departures, based on the legal retirement age of 66 years and 6 months in 2021.

The other amounts recognised in the heading "Others" are to respond to ongoing legal cases and other contingencies resulting from the Company's activity.

In 2021 and 2020, the “Other Provisions” headings include the use of EUR 1,861,554 and EUR 12,293,927 respectively, which are registered under the heading “Impairment Losses (net of reversals)”.

The heading “Provisions for costs of employee benefits – Health benefits” represents the liabilities assumed by the Group in relation to employees’ health benefits. The heading “Provisions for costs of employee benefits – Pension costs” represents the liabilities assumed by the Group resulting from the complement to the retirement pension granted to some of its employees, and which are not covered by the pension fund set up by the Group to cover liabilities with post-employment benefits in the defined benefit pensions plan (Note 36).

28. Paid-in Capital and Other equity instruments

The share capital of EUR 509,263,524 is composed of 161.7 million shares with the nominal unit value of EUR 3.15 and is fully paid up.

Other equity instruments are supplementary contributions, and repayment of these is not expected in the short term. In accordance with the legislation in force, repayment is subject to a resolution of the shareholders, which can only be approved if, by virtue of this resolution, the Group's net equity does not become less than the sum of the share capital and the legal reserve.

In 2015, pursuant to a deliberation of the General Meeting of 31 March 2015 under item 9 of its agenda, 13,300 own shares were acquired at a unit price of EUR 11.20, with a total value of EUR 148,960. This acquisition was completed on 22 December 2015.

In May 2018, there was a capital increase of EUR 76,230,000, with an Issue Premium of EUR 67,276,000.

In September 2020, there was a capital increase of EUR 38,912,643 by new contributions in kind, with subscription reserved for the holders of shares in the companies Multicare and Fidelidade Assistência.

In October 2020, there was an increase by new contributions in cash, in the remaining amount of EUR 12,970,881.

The capital was increased with an Issue Premium of EUR 63,042,599.

The movement in supplementary contributions was as follows:

	Constitutions/Redemptions				Situation at 31 December 2021
	2015	2018	2020	2021	
Longrun Portugal, SGPS, S.A.					
Constitutions	500,000,000	-	-	-	500,000,000
Redemptions	-	(121,980,100)	(63,042,599)	(150,000,000)	(335,022,699)
	500,000,000	(121,980,100)	(63,042,599)	(150,000,000)	164,977,301
Caixa Geral de Depósitos, S.A.					
Constitutions	21,530,515	-	-	-	21,530,515
Redemptions	-	(21,530,515)	-	-	(21,530,515)
	21,530,515	(21,530,515)	-	-	-

The shareholder structure at 31 December 2021 and 2020 was as follows:

Shareholders	2021		2020	
	Number of shares	% Share	Number of shares	% Share
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	137,402,839	84.9884%
Caixa Geral de Depósitos, S.A.	24,250,644	15.0000%	24,250,644	15.0000%
Employees and former employees of Fidelidade - Companhia de Seguros, S.A.	4,177	0.0026%	4,177	0.0025%
Own Shares	13,300	0.0082%	13,300	0.0092%
	<u>161,670,960</u>	<u>100%</u>	<u>161,670,960</u>	<u>100%</u>

The Group became a part of the Fosun Group as of 15 May 2014 when Longrun acquired 80% of Fidelidade's share capital.

The income of 2020 and 2019 was applied as indicated below:

	2020	2019
Application of income for the year		
Legal reserve	25,780,120	19,418,212
Free reserves	134,600,130	155,661,529
Retained earnings	61,948,421	25,316,356
	<u>222,328,672</u>	<u>200,396,097</u>

The income per share at 31 December 2021 and 2020 was as follows:

	2021	2020
Net income for the year	270,241,578	222,328,672
Number of shares (at end of year)	161,670,960	161,670,960
Income per share (in Euros)	<u>1.67</u>	<u>1.38</u>

29. Reserves, Retained Earnings and Income for the Year

At 31 December 2021 and 2020, reserves and retained earnings were composed as follows:

	2021			2020		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Revaluation reserves						
Fair value adjustments						
Debt instruments valued at fair value through other comprehensive income						
Gross gains (Note 8)	62,632,394	11,157,763	73,790,157	302,775,658	(40,234,700)	262,540,958
Amount attributable to policyholders	(23,971,448)	-	(23,971,448)	(41,861,101)	-	(41,861,101)
	38,660,946	11,157,763	49,818,709	260,914,557	(40,234,700)	220,679,857
Equity instruments valued at fair value through other comprehensive income						
Gross gains (Note 8)	(453,877)	(83)	(453,960)	(3,276,335)	145,943	(3,130,392)
Amount attributable to policyholders	(254,653)	-	(254,653)	(134,365)	-	(134,365)
	(708,531)	(83)	(708,614)	(3,410,700)	145,943	(3,264,757)
Revaluations of properties for own use	749,143	(502,909)	246,234	961,760	(212,376)	749,384
Adjustments in the fair value of hedging instruments in cash-flow hedging	(6,202,023)	2,833,514	(3,368,509)	(2,745,307)	1,371,653	(1,373,654)
Adjustments in the fair value of hedging instruments for net investments in foreign currency	8,150,557	-	8,150,557	63,877,537	(149,325)	63,728,212
Exchange differences						
Gross gains	(91,582,995)	11,286,056	(80,296,940)	(159,126,021)	14,911,676	(144,214,345)
	(91,582,995)	11,286,056	(80,296,940)	(159,126,021)	14,911,676	(144,214,345)
Provision for expected credit losses in debt instruments valued at fair value through other comprehensive income						
Gross gains (Note 43)	29,677,275	(859,088)	28,818,187	53,256,186	(7,910,875)	45,345,311
Amount attributable to policyholders	(1,690,142)	-	(1,690,142)	(2,741,085)	-	(2,741,085)
	27,987,133	(859,088)	27,128,045	50,515,101	(7,910,875)	42,604,226
	(22,945,771)	23,915,252	969,481	210,986,927	(32,078,004)	178,908,923
Deferred tax reserve						
Debt instruments valued at fair value through other comprehensive income	(25,165,090)	(3,911)	(25,169,001)	(58,654,310)	92,206	(58,562,104)
Equity instruments valued at fair value through other comprehensive income	(28,149,253)	(51,099)	(28,200,353)	(45,118,070)	(105,146)	(45,223,216)
Properties for own use	3,618,794	(449,050)	3,169,743	2,477,334	(270,591)	2,206,743
Adjustments in the fair value of hedging instruments in cash-flow hedging	516,616	(258,629)	257,988	576,515	(288,070)	288,445
Adjustments in the fair value of hedging instruments for net investments in foreign currency	(1,496,834)	-	(1,496,834)	(14,253,830)	-	(14,253,830)
Exchange differences	8,469,181	(171,643)	8,297,538	9,780,938	(172,005)	9,608,933
Actuarial gains and losses						
Post-employment benefits	25,183,395	-	25,183,395	25,205,190	-	25,205,190
Health benefits	3,885,647	-	3,885,647	4,030,584	-	4,030,584
Tax (paid)/deducted from potential capital gains or losses	(10,834,805)	427,704	(10,407,101)	(13,495,402)	343,151	(13,152,251)
	(23,972,350)	(506,628)	(24,478,978)	(89,451,051)	(400,455)	(89,851,506)

	2021			2020		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Gains and losses from the sale of equity instruments valued at fair value through other comprehensive income	(1,394,347)	-	(1,394,347)	-	-	-
Overlay approach adjustment						
Gross gains (Note 6)	64,027,318	(191,160)	63,836,158	128,220,249	2,720,319	130,940,568
Amount attributable to policyholders	(165,436)	-	(165,436)	(1,121,780)	-	(1,121,780)
	<u>63,861,883</u>	<u>(191,160)</u>	<u>63,670,722</u>	<u>127,098,469</u>	<u>2,720,319</u>	<u>129,818,788</u>
Other reserves						
Equity method reserve	(3,149,290)	967,410	(2,181,880)	(1,448,024)	287,252	(1,160,772)
Legal reserve	262,446,074	(250)	262,445,824	239,127,550	(250)	239,127,300
Share premiums	382,666,154	-	382,666,154	382,666,154	-	382,666,154
Actuarial gains and losses						
Post-employment benefits	(49,735,259)	-	(49,735,259)	(55,597,639)	-	(55,597,639)
Health benefits	(12,335,387)	-	(12,335,387)	(12,795,505)	-	(12,795,505)
Merger reserve	91,335,345	-	91,335,345	91,335,345	-	91,335,345
Other reserves	1,244,479,170	(178,844,245)	1,065,634,925	1,112,062,025	(178,844,245)	933,217,780
	<u>1,915,706,807</u>	<u>(177,877,085)</u>	<u>1,737,829,722</u>	<u>1,755,349,906</u>	<u>(178,557,243)</u>	<u>1,576,792,663</u>
Retained earnings	333,783,475	-	333,783,475	268,915,135	-	268,915,135
Income for the year	303,780,479	(33,538,901)	270,241,578	218,271,626	4,057,046	222,328,672
	<u>2,568,820,177</u>	<u>(188,198,523)</u>	<u>2,380,621,654</u>	<u>2,491,171,012</u>	<u>(204,258,337)</u>	<u>2,286,912,675</u>

In accordance with the legislation in force, at least 10% of net profits for each year, in the case of insurance companies, or 5% in the case of other companies, must be transferred to the legal reserve, until it totals the amount of share capital or up to 20% of the capital respectively. The legal reserve may not be distributed, but may be used to increase the share capital or to offset accumulated losses.

The following is an assessment of consolidated profit for 2021 and 2020:

	2021	2020
Contribution to consolidated net income		
Insurance		
Fidelidade - Companhia de Seguros, S.A.	212,282,911	150,208,808
Via Directa - Companhia de Seguros, S.A.	3,694,077	2,144,729
Fidelidade Assistência - Companhia de Seguros, S.A.	5,416,025	7,375,853
Companhia Portuguesa de Resseguros, S.A.	695,375	707,636
Multicare - Seguros de Saúde, S.A.	28,476,573	17,547,315
Fidelidade Angola - Companhia de Seguros, S.A.	722,882	2,394,107
Fidelidade Macau - Companhia de Seguros, S.A.	3,787,231	3,005,941
Fidelidade Macau Vida - Companhia de Seguros, S.A.	660,026	1,548,228
Garantia - Companhia de Seguros de Cabo Verde, S.A.	1,911,193	1,567,683
Positiva Seguros y Reaseguros	7,709,961	12,150,833
La Positiva Vida Seguros Y Reaseguros S.A.	38,992,301	2,990,699
Alianza Vida Seguros y Reaseguros S.A.	6,853,013	(6,716,811)
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	6,603,155	8,410,801
Alianza Garantía Seguros Y Reaseguros S.A.	393,805	254,736
La Positiva S.A. - Entidad Prestadora de Salud	104,893	684,379
FID Chile Seguros Generales, S.A.	(3,993,269)	(4,802,640)

	2021	2020
Contribution to consolidated net income		
Property		
Fidelidade - Property Europe, S.A.	(12,284,214)	5,856,060
Fidelidade - Property International, S.A.	82,976,422	5,070,179
Fundo de Investimento Imobiliário Fechado Saudeinveste	8,740,728	11,058,374
Fundo de Investimento Imobiliário Fechado IMOFID	6,928,701	179,243
FPI (UK) 1 LIMITED	(184,880)	(7,653,209)
FPI (AU) 1 PTY LIMITED	-	(2,359)
FPE (Lux) Holding S.à r.l.	(12,184,893)	7,297,717
Thomas More Square (Lux) Holdings S.à r.l.	(33,048)	(26,962)
Thomas More Square (Lux) S.à r.l.	20,713,638	6,968,539
FPE (IT) Società per Azioni	22,366,786	4,257,600
Godo Kaisha Praia	(360,494)	19,118,155
Godo Kaisha Moana	(3,803)	(30,242)
Fundo Broggi (Maranello)	29,576,401	5,778,354
Broggi Retail S.R.L	(24,584)	(24,801)
FPE (BE) Holding	6,643,101	7,589,072
FSG Saúde - Fundo de Investimento Imobiliário Fechado	663,662	(133,535)
FPE (HU) Kft.	517,204	(21)
FPE (UK) 1 LIMITED	(38,515)	-
FPE (Lux) 1	(1,373,220)	162,776
FPE (PT), SGPS, S.A.	(33,879)	(25,885)
FPE (PT) OFFICE A, S.A.	(1,378,831)	(84,692)
FPE (PT) 2 OFFICE B, S.A.	(1,555,499)	(81,989)
FPE (PT) 3 RESIDENTIAL, S.A.	(1,533,341)	(81,284)
FPE (PT) 4 RET, S.A.	(308,815)	(44,042)
FPE (PT) 5 PARK, S.A.	(529,905)	(45,776)
GK Lisbon	(17,310)	-
TMK Lisbon	315,240	-
Healthcare		
Luz Saúde, S.A. (consolidated accounts, excluding non-controlling interests)	14,293,093	(17,667,053)
Clínica Fisiátrica das Antas, Unipessoal, Lda.	(279,613)	-
Other sectors		
GEP - Gestão de Peritagens Automóveis, S.A.	237,889	49,443
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	110,980	31,232
Cetra - Centro Técnico de Reparação Automóvel, S.A.	(271,612)	(103,055)
Fidelidade - Serviços de Assistência, S.A.	221,672	569,039
CARES - Assistência e Reparações, S.A.	467,825	324,928
Fidelidade - Consultoria e Gestão de Risco, Lda.	1,056	314
Fidelidade - Assistência e Serviços, Lda.	1,418	2,296
FCM Beteiligungs GmbH	(35,223)	(61,462)
FID III (HK) LIMITED	(2,414)	(3,681)
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	541,565	345,746
FID Loans 1 (Ireland) Limited	10,906,195	5,311,105
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (equity account method)	99,855	96,662
Serfun Portugal (equity account method)	(27,058)	(14,591)
Universal - Assistência e Serviços, Lda.	15,908	(55,830)
FID Latam, SGPS, S.A.	(110,915)	(74,177)
GEP Cabo Verde Gestão de Peritagens, Lda	24,070	28,026
FID PERÚ, S.A.	7,576,286	11,106,754
Fid Chile SpA	(28,739)	(78,491)
Fid Chile & MT JV SpA	144,466	(12,795)
Alianza SAFI, S.A.	246,098	305,518
Full Assistance S.R.L.	58,357	(24,677)
Worldwide Security Corporation S.A.	(264,637)	146,489
FID I&D, S.A.	(242,661)	(40,115)
EA One Holding, Inc (equity account method)	1,574,551	1,335,689

	2021	2020
Contribution to consolidated net income		
Other sectors		
FPE (PT), S.A.	(749,202)	696,128
Tenax Capital Limited	1,100,658	(89,612)
Cetra - Car Remarketing, S.A.	(12,064)	-
Elimination of dividends	(177,223,291)	(10,044,799)
Other consolidation adjustments		
Consolidated gains from sale of subsidiaries	(59,710,111)	-
Non-controlling interests (Note 30)	(33,538,901)	4,057,046
Deferred tax on capital gains	32,830,438	(7,620,376)
Elimination of subsidiaries valuation	(30,951,916)	(4,391,549)
Hedge accounting	24,355,090	(18,745,369)
Elimination of impairment losses, net of reversals	17,188,615	(19,455,974)
Elimination of exchange differences in intra-group transactions	6,464,863	13,183,517
Income adjustment for previous years	(3,797,188)	355,608
Put option valuation (Note 24)	(2,756,540)	(1,799,925)
Property adjustments	(1,014,221)	(454,602)
Elimination of gains and losses in intra-group transactions	447,810	(148,268)
Others	442,325	695,964
	<u>270,241,578</u>	<u>222,328,672</u>

30. Non-Controlling Interests

The value of the shares of third parties in subsidiaries breaks down as follows per entity:

	% Non-Controlling Interests	2021	2020
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	44.57%	18,610,451	17,296,997
Alianza Garantía Seguros Y Reaseguros S.A.	72.01%	3,242,188	1,738,453
Alianza SAFI, S.A.	73.60%	825,646	705,338
Alianza Vida Seguros y Reaseguros S.A.	53.46%	8,093,121	4,554,185
Broggi Retail S.R.L.	4.24%	(4,677)	(3,634)
Cetra - Car Remarketing, S.A.	49.00%	72,489	-
Fid Chile & MT JV SpA	0.72%	204,782	83,920
Fid Chile Seguros Generales, S.A.	0.72%	(92,720)	(38,207)
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	5,284,088	4,621,298
FPE (IT) Società per Azioni	4.24%	14,070,413	14,075,036
Full Assistance S.R.L.	48.12%	(413,424)	(480,188)
Fundo Broggi	4.24%	2,949,280	1,693,647
Fundo de Investimento Imobiliário Aberto IMOFID	51.61%	121,057,860	-
Fundo de Investimento Imobiliário Fechado Saudeinveste	0.00%	-	1,517,442
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	6,527,347	5,987,295
GEP Cabo Verde Gestão de Peritagens, Limitada	11.03%	4,667	2,639
Godo Kaisha Moana	0.00%	-	2,851,336
Godo Kaisha Praia	0.00%	-	5,795,938
La Positiva S.A. – Entidad Prestadora de Salud	33.16%	794,604	765,254
La Positiva Seguros y Reaseguros S.A.	8.50%	10,266,165	10,974,018
La Positiva Vida Seguros Y Reaseguros S.A.	45.31%	36,908,164	78,526,367
Luz Saúde, S.A.	49.15%	316,306,252	309,519,826
Seguradora Internacional de Moçambique, S.A.	30.00%	17,579,933	-
Tenax Capital Limited	25.00%	490,651	309,758
Thomas More Square (Lux) Holdings Sarl	0.70%	(58,148)	(57,940)
Thomas More Square (Lux) Sarl	0.30%	381,665	235,167
TMK Lisbon	3.00%	1,481,200	-
Universal Assistência e Serviços, Lda	43.98%	10,846	(19,701)
Worldwide Security Corporation S.A.	48.85%	(326,099)	(202,593)
		<u>564,266,745</u>	<u>460,451,651</u>

The part of the consolidated profit attributable to minority shareholders in 2021 and 2020 is as follows:

	% Non-Controlling Interests	2021	2020
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	44.57%	(2,847,667)	(3,849,616)
Alianza Garantía Seguros Y Reaseguros S.A.	72.01%	(284,381)	(185,939)
Alianza SAFI, S.A.	73.60%	(181,119)	(228,224)
Alianza Vida Seguros y Reaseguros S.A.	53.46%	(3,633,537)	3,722,070
Broggi Retail S.R.L	4.24%	1,043	1,063
Cetra - Car Remarketing, S.A.	49.00%	5,911	-
Fid Chile & MT JV SpA	0.72%	(473)	(3,447)
Fid Chile Seguros Generales, S.A.	0.72%	42,139	41,003
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	140,981	(1,165,991)
FPE (IT) Società per Azioni	4.24%	4,622	5,682
Full Assistance S.R.L.	48.12%	(28,084)	12,411
Fundo Broggi	4.24%	(1,255,632)	(246,172)
Fundo de Investimento Imobiliário Aberto IMOFID	51.61%	(4,743)	-
Fundo de Investimento Imobiliário Fechado Saudeinveste	0.00%	(85,986)	(123,426)
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	(815,512)	(691,434)
GEP Cabo Verde Gestão de Peritagens, Limitada	11.03%	(2,028)	(2,394)
Godo Kaisha Moana	0.00%	114	908
Godo Kaisha Praia	0.00%	(979,799)	(345,370)
La Positiva S.A. – Entidad Prestadora de Salud	33.16%	(34,787)	(226,967)
La Positiva Seguros y Reaseguros S.A.	8.50%	(631,426)	(1,014,189)
La Positiva Vida Seguros Y Reaseguros S.A.	45.31%	(16,443,196)	(413,657)
Luz Saúde, S.A.	49.15%	(6,371,528)	8,843,787
Tenax Capital Limited	25.00%	(155,657)	25,861
Thomas More Square (Lux) Holdings Sarl	0.70%	231	188
Thomas More Square (Lux) Sarl	0.30%	(67,509)	(48,812)
TMK Lisbon	3.00%	(9,462)	-
Universal Assistência e Serviços, Lda	43.98%	(30,702)	24,411
Worldwide Security Corporation S.A.	48.85%	129,285	(74,700)
		<u>(33,538,901)</u>	<u>4,057,046</u>

31. Earned Premiums, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written						
Life insurance						
Insurance contracts without profit sharing	432,042,389	(98,128,086)	333,914,303	358,884,139	(92,407,009)	266,477,130
Insurance contracts with profit sharing	30,562,117	(1,272,032)	29,290,085	29,162,095	(1,049,199)	28,112,896
Investment contracts with a discretionary profit-sharing component	70,026,490	-	70,026,490	56,847,207	-	56,847,207
	<u>532,630,996</u>	<u>(99,400,118)</u>	<u>433,230,878</u>	<u>444,893,441</u>	<u>(93,456,208)</u>	<u>351,437,233</u>
Non-life insurance						
Workers' compensation	312,145,052	(2,893,923)	309,251,129	291,394,771	(2,519,937)	288,874,834
Personal accident and passengers	47,141,908	(18,243,309)	28,898,598	41,649,711	(15,084,312)	26,565,399
Health	466,992,808	(16,134,106)	450,858,702	435,264,661	(12,312,931)	422,951,730
Fire and other damage	477,569,701	(246,675,919)	230,893,782	432,622,234	(214,526,933)	218,095,301
Motor	668,182,882	(42,473,125)	625,709,758	659,628,340	(34,974,853)	624,653,487
Marine, aviation and transport	51,042,270	(31,667,962)	19,374,308	39,820,342	(24,158,492)	15,661,850
Third-party liability	114,457,297	(62,809,736)	51,647,562	90,852,637	(47,483,498)	43,369,139
Credit and suretyship	29,508,237	(21,654,806)	7,853,431	38,680,745	(29,700,217)	8,980,528
Legal protection	6,652,794	(9,146)	6,643,647	6,228,656	(3,453)	6,225,203
Assistance	53,264,640	(115,429)	53,149,211	50,232,511	(342,323)	49,890,188

	2021			2020		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Other	56,131,299	(25,809,021)	30,322,278	46,327,290	(20,304,676)	26,022,614
	2,283,088,888	(468,486,482)	1,814,602,406	2,132,701,898	(401,411,625)	1,731,290,273
	2,815,719,884	(567,886,600)	2,247,833,284	2,577,595,339	(494,867,833)	2,082,727,506
Change in provision for unearned premiums						
Life insurance						
Insurance contracts without profit sharing	(2,643,816)	1,633,165	(1,010,651)	1,143,939	(860,857)	283,082
Insurance contracts with profit sharing	(109,479)	31,844	(77,635)	62,163	(6,141)	56,022
Investment contracts with a discretionary profit-sharing component	3,778	-	3,778	967	-	967
	(2,749,518)	1,665,009	(1,084,508)	1,207,069	(866,998)	340,071
Non-life insurance						
Workers' compensation	(1,831,193)	-	(1,831,193)	41,821,626	-	41,821,626
Personal accident and passengers	(3,510,753)	3,017,258	(493,495)	(478,153)	1,298,760	820,607
Health	2,017,703	(443,323)	1,574,380	(12,381,820)	3,181,337	(9,200,483)
Fire and other damage	(29,166,486)	22,520,884	(6,645,602)	(15,712,782)	17,496,434	1,783,652
Motor	(16,662,538)	3,376,240	(13,286,297)	(10,407,397)	6,044,017	(4,363,380)
Marine, aviation and transport	(4,715,505)	3,588,085	(1,127,419)	(1,821,202)	1,081,735	(739,467)
Third-party liability	(17,778,643)	13,144,334	(4,634,309)	(1,100,166)	(683,175)	(1,783,341)
Credit and suretyship	485,758	(626,358)	(140,600)	(2,303,738)	2,177,332	(126,406)
Legal protection	(198,919)	-	(198,919)	(180,543)	(86)	(180,629)
Assistance	(1,215,841)	195	(1,215,646)	(808,700)	(536)	(809,236)
Other	(3,352,596)	2,308,189	(1,044,407)	(9,274,550)	7,109,776	(2,164,774)
	(75,929,012)	46,885,506	(29,043,506)	(12,647,425)	37,705,594	25,058,169
	(78,678,530)	48,550,515	(30,128,015)	(11,440,356)	36,838,596	25,398,240
Earned premiums						
Life insurance						
Insurance contracts without profit sharing	429,398,572	(96,494,921)	332,903,652	360,028,078	(93,267,866)	266,760,212
Insurance contracts with profit sharing	30,452,637	(1,240,187)	29,212,450	29,224,258	(1,055,340)	28,168,918
Investment contracts with a discretionary profit-sharing component	70,030,268	-	70,030,268	56,848,174	-	56,848,174
	529,881,478	(97,735,108)	432,146,370	446,100,510	(94,323,206)	351,777,304
Non-life insurance						
Workers' compensation	310,313,860	(2,893,923)	307,419,936	333,216,397	(2,519,937)	330,696,460
Personal accident and passengers	43,631,154	(15,226,051)	28,405,103	41,171,558	(13,785,552)	27,386,006
Health	469,010,511	(16,577,429)	452,433,082	422,882,841	(9,131,594)	413,751,247
Fire and other damage	448,403,215	(224,155,035)	224,248,180	416,909,452	(197,030,499)	219,878,953
Motor	651,520,345	(39,096,884)	612,423,460	649,220,943	(28,930,836)	620,290,107
Marine, aviation and transport	46,326,765	(28,079,876)	18,246,889	37,999,140	(23,076,757)	14,922,383
Third-party liability	96,678,654	(49,665,402)	47,013,253	89,752,471	(48,166,673)	41,585,798
Credit and suretyship	29,993,995	(22,281,164)	7,712,832	36,377,007	(27,522,885)	8,854,122
Legal protection	6,453,875	(9,146)	6,444,729	6,048,113	(3,539)	6,044,574
Assistance	52,048,799	(115,234)	51,933,565	49,423,811	(342,859)	49,080,952
Other	52,778,703	(23,500,832)	29,277,871	37,052,740	(13,194,900)	23,857,840
	2,207,159,876	(421,600,976)	1,785,558,900	2,120,054,473	(363,706,031)	1,756,348,442
	2,737,041,354	(519,336,084)	2,217,705,269	2,566,154,983	(458,029,237)	2,108,125,746

In 2021 and 2020, premiums for life insurance contracts may be broken down as follows:

	2021	2020
Direct insurance gross premiums written	<u>529,814,185</u>	<u>443,224,095</u>
Individual contracts	151,712,945	86,069,366
Group contracts	378,101,240	357,154,728
	<u>529,814,185</u>	<u>443,224,094</u>
Periodic	265,411,540	227,233,099
Non-periodic	264,402,645	209,248,675
	<u>529,814,185</u>	<u>436,481,774</u>
Contracts without profit sharing	429,255,361	362,327,182
Contracts with profit sharing	100,558,824	64,366,416
	<u>529,814,185</u>	<u>426,693,598</u>
Gross premiums written from reinsurance accepted	2,816,811	1,669,346
Gross premiums written from direct insurance and reinsurance accepted	<u>532,630,996</u>	<u>444,893,441</u>
Reinsurance balance	<u>29,929,165</u>	<u>24,549,874</u>

32. Fees from Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts or Service Contracts

In 2021 and 2020, the commissions received relating to insurance contracts and operations considered for accounting purposes as investment contracts totalled EUR 411,046 and EUR 931,133 respectively.

33. Claims Costs, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Claims paid	Change in claims provision	Total	Claims paid	Change in claims provision	Total
Life insurance						
Direct insurance and reinsurance accepted						
Insurance contracts	313,193,694	55,141,829	368,335,523	279,760,000	(16,468,443)	263,291,557
Investment contracts with a discretionary profit-sharing component	244,029,595	7,737,412	251,767,006	232,246,516	7,182,144	239,428,660
	557,223,288	62,879,241	620,102,530	512,006,516	(9,286,299)	502,720,217
Reinsurance ceded						
Insurance contracts	(82,146,225)	(30,249,282)	(112,395,507)	(92,095,042)	(1,359,450)	(93,454,492)
	475,077,063	32,629,959	507,707,022	419,911,474	(10,645,749)	409,265,725
Non-life insurance						
Direct insurance and reinsurance accepted						
Workers' compensation	168,920,177	77,373,252	246,293,429	160,629,314	99,282,565	259,911,879
Personal accident and passengers	16,271,263	1,499,398	17,770,662	15,406,916	841,001	16,247,917
Health	366,916,838	22,918,168	389,835,006	291,801,251	(6,842,314)	284,958,937
Fire and other damage	168,456,000	56,368,446	224,824,446	157,088,065	(3,138,333)	153,949,732
Motor	416,984,417	38,611,554	455,595,972	406,504,221	(885,541)	405,618,680
Marine, aviation and transport	13,236,722	26,810	13,263,532	9,095,857	(64,294)	9,031,563
Third-party liability	28,106,082	18,842,023	46,948,105	22,456,505	11,130,796	33,587,301
Credit and suretyship	4,504,638	17,760,514	22,265,152	2,022,888	1,014,519	3,037,407
Legal protection	1,722,932	(36,190)	1,686,742	1,503,410	(672,598)	830,812
Assistance	42,951,014	1,096,990	44,048,005	40,819,996	(2,588,671)	38,231,325
Other	25,899,966	(2,487,101)	23,412,866	12,118,623	7,498,946	19,617,569
	1,253,970,050	231,973,866	1,485,943,916	1,119,447,046	105,576,076	1,225,023,122
Reinsurance ceded						
Workers' compensation	(946,625)	1,356,884	410,259	(1,318,936)	(699,316)	(2,018,252)
Personal accident and passengers	(3,066,463)	(1,508,198)	(4,574,661)	(3,342,425)	839,805	(2,502,620)
Health	(31,016,872)	(209,571)	(31,226,444)	(6,751,318)	622,606	(6,128,712)
Fire and other damage	(59,496,428)	(54,944,667)	(114,441,094)	(55,187,082)	8,453,461	(46,733,621)
Motor	(39,898,114)	(10,898,607)	(50,796,721)	(17,386,977)	(2,405,120)	(19,792,097)
Marine, aviation and transport	(6,735,019)	505,553	(6,229,465)	(3,063,147)	724,649	(2,338,498)
Third-party liability	(12,139,063)	(14,724,829)	(26,863,892)	(7,309,442)	(6,914,478)	(14,223,920)
Credit and suretyship	(2,633,549)	(18,131,833)	(20,765,383)	(470,561)	(772,603)	(1,243,164)
Assistance	2,799	807	3,606	23,878	1,885	25,763
Other	(12,716,088)	2,498,047	(10,218,041)	(1,518,855)	(6,529,703)	(8,048,558)
	(168,645,422)	(96,056,414)	(264,701,835)	(96,324,865)	(6,678,814)	(103,003,679)
	1,085,324,628	135,917,452	1,221,242,080	1,023,122,181	98,897,262	1,122,019,443
	1,560,401,692	168,547,411	1,728,949,103	1,443,033,655	88,251,513	1,531,285,168

“Claims paid” includes costs with claims management and refunds processed by the Group.

The following is a breakdown of claims costs and changes in other life insurance technical provisions in 2021 and 2020:

	2021			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(669,328)	35,201,758	3,881,716	38,414,146
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(164,204,983)	10,340,959	(165,095,658)
	(11,900,962)	(129,003,225)	14,222,676	(126,681,512)
Reinsurance ceded				
Insurance contracts	-	(6,014,766)	-	(6,014,766)
	-	(6,014,766)	-	(6,014,766)
Net				
Insurance contracts	(669,328)	29,186,992	3,881,716	32,399,380
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(164,204,983)	10,340,959	(165,095,658)
	(11,900,962)	(135,017,992)	14,222,676	(132,696,278)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	83,306	-	-	83,306
Personal accident and passengers	(984,732)	-	-	(984,732)
Health	743,142	-	-	743,142
Fire and other damage	3,498,858	-	6,115	3,504,974
Motor	6,525,133	-	-	6,525,133
Marine, aviation and transport	81,065	-	-	81,065
Third-party liability	15,996,597	-	-	15,996,597
Credit and suretyship	10,146	-	-	10,146
Legal protection	170,872	-	346	171,218
Assistance	770,777	-	102,211	872,988
Other	23,232	-	140,087	163,319
	26,918,396	-	248,760	27,167,155
Reinsurance ceded				
Third-party liability	(14,127,741)	-	-	(14,127,741)
Assistance	-	-	(11,229)	(11,229)
	(14,127,741)	-	(11,229)	(14,138,970)
Net				
Workers' compensation	83,306	-	-	83,306
Personal accident and passengers	(984,732)	-	-	(984,732)
Health	743,142	-	-	743,142
Fire and other damage	3,498,858	-	6,115	3,504,974
Motor	6,525,133	-	-	6,525,133
Marine, aviation and transport	81,065	-	-	81,065
Third-party liability	1,868,855	-	-	1,868,855
Credit and suretyship	10,146	-	-	10,146
Legal protection	170,872	-	346	171,218
Assistance	770,777	-	90,982	861,759
Other	23,232	-	140,087	163,319
	12,790,654	-	237,531	13,028,185
	889,692	(135,017,992)	14,460,206	(119,668,093)

	2020			
	Other technical provisions	Mathematical provision	Profit sharing	Total
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(190,743)	45,117,438	4,449,324	49,376,019
Investment contracts with a discretionary profit-sharing component	(159,833)	(165,878,524)	(2,214,786)	(168,253,143)
	(350,576)	(120,761,086)	2,234,538	(118,877,124)
Reinsurance ceded				
Insurance contracts	83,607	(6,320,862)	-	(6,237,255)
	83,607	(6,320,862)	-	(6,237,255)
Net				
Insurance contracts	(107,136)	38,796,576	4,449,324	43,138,764
Investment contracts with a discretionary profit-sharing component	(159,833)	(165,878,524)	(2,214,786)	(168,253,143)
	(266,969)	(127,081,948)	2,234,538	(125,114,379)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	(83,944)	-	-	(83,944)
Personal accident and passengers	731,732	-	-	731,732
Health	4,392,843	-	-	4,392,843
Fire and other damage	2,089,177	-	20,003	2,109,180
Motor	223,404	-	489,525	712,929
Marine, aviation and transport	-	-	22,472	22,472
Third-party liability	10,204,415	-	-	10,204,415
Credit and suretyship	(1,529)	-	-	(1,529)
Legal protection	251,723	-	233	251,956
Assistance	(957,688)	-	55,427	(902,261)
Other	63,322	-	378,093	441,415
	16,913,455	-	965,753	17,879,208
Reinsurance ceded				
Third-party liability	(8,417,251)	-	-	(8,417,251)
Assistance	-	-	1,108	1,108
	(8,417,251)	-	1,108	(8,416,143)
Net				
Workers' compensation	(83,944)	-	-	(83,944)
Personal accident and passengers	731,732	-	-	731,732
Health	4,392,843	-	-	4,392,843
Fire and other damage	2,089,177	-	20,003	2,109,180
Motor	223,404	-	489,525	712,929
Marine, aviation and transport	-	-	22,472	22,472
Third-party liability	1,787,164	-	-	1,787,164
Credit and suretyship	(1,529)	-	-	(1,529)
Legal protection	251,723	-	233	251,956
Assistance	(957,688)	-	56,535	(901,153)
Other	63,322	-	378,093	441,415
	8,496,204	-	966,861	9,463,065
	8,229,235	(127,081,948)	3,201,399	(115,651,314)

Changes in other technical provisions for life insurance include the reversal of the provision to stabilise the portfolio in the amount of EUR 669,328 in 2021 and reversal of the provision to stabilise the portfolio and the provision for unexpired risks in the amount of EUR 190,743 in 2020.

In 2021 and 2020, this heading also includes the reversal of EUR 11,231,634 and EUR 159,833 respectively to the provision for interest rate commitments.

34. Net Operating Costs and Expenses, by Type and Function

In 2021 and 2020, the Group's operating costs by type were as follows:

	2021	2020
Employee costs (Note 35)	445,985,829	417,767,410
External supplies and services		
Electricity	8,990,351	9,787,665
Fuel	3,157,746	2,639,372
Water	1,382,827	1,295,719
Printed material	310,001	394,152
Office supplies	1,827,773	1,747,516
Maintenance and repair	34,789,688	28,409,061
Rents and leases	7,898,792	10,086,192
Representation expenses	1,041,976	1,259,904
Communication	10,679,775	12,014,731
Travel and accommodation	2,903,098	3,468,484
Insurance	4,972,387	3,945,852
Expenditure with self-employed workers	96,217,078	84,012,912
Advertising and publicity	22,384,981	21,874,835
Litigation and notary expenses	2,730,907	2,025,166
Security and surveillance	6,089,674	6,169,914
Specialist work	128,128,373	113,652,344
Contributions	2,463,674	2,013,659
Cleanliness, hygiene and comfort	2,730,466	3,009,471
Expenses with premium collections	2,297,613	2,087,664
Software licences	16,228,691	10,984,123
Outsourcing	148,887,267	123,475,495
Others	136,249,971	122,917,864
	642,363,111	567,272,095
Taxes and charges	31,998,688	33,330,644
Depreciation and amortisation for the year (Note 10, 11, 13 and 16)	69,520,396	72,598,326
Other provisions	32,656,863	8,752,660
Commissions	20,291,904	17,008,790
Interest paid	24,699,500	16,644,691
	1,267,516,291	1,133,374,616

In 2021 and 2020, the depreciation and amortisation heading was set out as follows:

	2021			2020		
	Assets without a lease	Leased assets	Total	Assets without a lease	Leased assets	Total
Properties (Note 10)	13,120,416	15,078,083	28,198,500	19,221,052	15,614,788	34,835,841
Depreciation of other tangible assets (Note 13)	15,684,217	16,877,210	32,561,427	15,977,443	14,796,526	30,773,969
Depreciation of other intangible assets (Note 16)	8,760,469	-	8,760,469	6,988,515	-	6,988,515
	37,565,103	31,955,293	69,520,396	42,187,011	30,411,314	72,598,326

In 2021 and 2020, the group also incurred in the following costs related with leases:

	2021			2020		
	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets
Properties	15,078,083	-	-	15,614,788	-	-
Administrative equipment	44,539	-	-	47,225	-	-
Machinery and equipment	803	-	81,562	3,217	162,733	-
IT equipment	2,350,198	-	903,238	2,579,242	1,541,958	-
Transport material	2,787,218	202,698	-	2,698,185	-	217,178
Hospital equipment	11,663,859	-	-	9,445,126	-	-
Other equipment	30,593	-	1,338,944	23,530	200,720	-
	31,955,293	202,698	2,323,744	30,411,314	1,905,412	217,178

In 2021 and 2020, the interest paid heading was set out as follows:

	2021			2020		
	Leases	Other charges	Total	Leases	Other charges	Total
Properties	286,396	-	286,396	425,754	-	425,754
Property, plant and equipment and intangible assets						
Administrative equipment	41	-	41	-	-	-
Machinery and equipment	7	-	7	-	-	-
IT equipment	51,162	-	51,162	96,102	-	96,102
Transport material	44,850	-	44,850	39,395	-	39,395
Other equipment	2,068,762	-	2,068,762	2,705,971	-	2,705,971
Borrowings	-	22,248,282	22,248,282	-	13,377,468	13,377,468
	2,451,218	22,248,282	24,699,500	3,267,223	13,377,468	16,644,691

The increase in interest paid is due to the issue of a subordinated liability in June 2021 and recognised in “Other financial liabilities” (Note 24).

In 2021 and 2020, the balance of reinsurance commissions and profit sharing is as follows:

	2021			2020		
	Commissions	Reinsurance profit-sharing	Total	Commissions	Reinsurance profit-sharing	Total
Related to life insurance	3,108,444	6,145,556	9,253,999	14,580,951	4,516,775	19,097,726
Related to non-life insurance	60,258,363	203,678	60,462,041	48,031,990	3,231,816	51,263,806
	63,366,807	6,349,234	69,716,040	62,612,941	7,748,591	70,361,532

In the 2021 and 2020, the Income Statement, where these costs are recorded, are as follows:

	2021			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	13,368,224	223,983,685	-	237,351,909
Technical costs	543,855,065	1,029,986,365	-	1,573,841,430
	557,223,288	1,253,970,050	-	1,811,193,339
Acquisition costs				
Cost allocations	36,224,446	148,364,893	-	184,589,339
Brokerage commissions	95,673,416	288,998,813	-	384,672,229
Others	13,947,855	6,465,797	-	20,413,652
	145,845,717	443,829,503	-	589,675,220
Administrative expenses				
Cost allocations	36,288,183	124,616,566	-	160,904,749
Brokerage remuneration	273,144	6,358,812	-	6,631,956
Others	9,943	2,948,021	-	2,957,964
	36,571,271	133,923,399	-	170,494,670
Financial expenses (Note 38)				
Cost allocations	46,019,400	27,235,861	43,060,666	116,315,927
Others	1,689,293	333,707	1,206,315	3,229,314
	47,708,692	27,569,568	44,266,980	119,545,241
Other costs (Note 45)	-	-	568,354,368	568,354,368
Total operating cost allocations	131,900,252	524,201,005	611,415,034	1,267,516,291

	2020			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	13,514,988	195,882,330	-	209,397,318
Technical costs	498,491,528	923,564,716	-	1,422,056,244
	512,006,516	1,119,447,046	-	1,631,453,562
Acquisition costs				
Cost allocations	29,759,319	152,236,483	-	181,995,802
Brokerage commissions	94,983,030	258,436,751	-	353,419,781
Others	11,711,575	8,684,568	-	20,396,143
	136,453,924	419,357,802	-	555,811,726
Administrative expenses				
Cost allocations	35,341,836	118,283,792	-	153,625,628
Brokerage remuneration	112,484	6,142,900	-	6,255,384
Others	326	1,929,791	-	1,930,117
	35,454,646	126,356,483	-	161,811,129
Financial expenses (Note 38)				
Cost allocations	44,295,176	14,302,725	9,684,404	68,282,305
Others	996,852	216,658	491,525	1,705,035
	45,292,028	14,519,383	10,175,929	69,987,340
Other costs (Note 45)	-	-	520,073,563	520,073,563
Total operating cost allocations	122,911,319	480,705,330	529,757,967	1,133,374,616

35. Employee Costs

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Remuneration		
Statutory bodies	15,325,664	13,582,373
Employees	330,789,096	310,238,460
Remuneration expenses	66,811,335	61,645,416
Post-employment benefits	3,593,742	5,335,208
Redundancy payments	6,130,441	3,795,323
Mandatory insurance	4,100,749	3,892,733
Social action costs	14,840,473	14,015,365
Other employee costs	4,394,329	5,262,532
	<u>445,985,829</u>	<u>417,767,410</u>

In 2021 and 2020, the costs of post-employment benefits were as follows

	2021	2020
Post-employment benefits		
Defined benefit plan (Note 36)	715,617	1,463,355
Individual retirement plan	1,782,175	1,787,894
Employee transfer	(12,903)	(9,974)
Other costs	1,108,852	2,093,933
	<u>3,593,742</u>	<u>5,335,208</u>

In 2021 and 2020, the heading “Post-employment benefits – Employee transfer” corresponds to the cost of post-employment benefits for employees of the Group who were assigned to other entities in the Group.

In 2021 and 2020, the number of employees working for the Group by category was as follows:

	2021	2020
Senior management	203	202
Line management	946	882
Technical	5,661	4,559
Administrative	6,534	7,122
Ancillary	2,421	1,858
	<u>15,765</u>	<u>14,623</u>

In 2021 and 2020, the Group established an estimate for optional career benefits of EUR 540,386 and EUR 540,859. The “Accruals and deferred income” heading includes EUR 2,271,795 for seniority bonuses.

36. Retirement Pensions and Other Long-Term Benefits

At 31 December 2021 and 2020, the headings “Assets for post-employment benefits and other long-term benefits” and “Liabilities for post-employment benefits and other long-term benefits” were as follows:

	2021	2020
Assets		
Defined benefit plan	12,319,459	6,991,111
Liabilities		
Defined contribution plan	(284,432)	(275,794)
Other post-employment benefits	(71,674)	(65,179)
	(356,106)	(340,973)
	<u>11,963,353</u>	<u>6,650,138</u>

Regarding 2021 and 2020, in the “Defined contribution plan” the Company recorded a cost of EUR 1,448,308 and EUR 2,280,259 respectively, with the payment of EUR 284,432 and EUR 275,794 still pending, which corresponds to the contributions for December 2021 and 2020 that were paid in January 2022 and 2021.

Defined contribution plan

Within the scope of the new collective employment agreements applicable to companies in the Insurance Sector of the Fidelidade Group, published on 15 January 2012, 29 January 2016 and 8 February 2019, all permanent employees covered by these Collective Labour Regulation Instruments (CLRI) are entitled to an individual retirement plan (“IRP”), a defined contribution plan which replaces the system of retirement pensions set out in the former CLRIs.

The provisions of the previous defined benefit plan apply to active workers in full employment, with employment contracts for an indefinite period, who are not covered by the above-mentioned Collective Employment Agreements (CEA) for the insurance sector.

In line with the rules set out in the new CEAs, the capitalised amount of the payments into the IRP can be claimed by the employee, in accordance with the law, on the date he/she retires through the Social Security system due to disability or old age, and there is a capital guarantee on the amounts of the initial transfer and the contributions made by the Group and by the beneficiaries themselves.

In the event of the death of an employee, the capitalised amount of the payments reverts to the beneficiaries named by the employee or, where these are not named, to his/her legal heirs.

The Group’s contributions to the individual retirement plan are made in line with that set out in the aforementioned CLRI and correspond to the sum resulting from the application of 3.25% to each employee’s basic annual salary.

At 31 December 2021 and 2020, the liabilities and assets of the Individual Retirement Plan of the Fidelidade Group companies were:

	Fidelidade	CPR	Multicare	Via Directa	Fidelidade Assistência	Total
Liabilities at 31 December 2020	27,570,760	24,657	77,432	303,757	71,808	28,048,414
Expenses for the year	1,286,761	-	85,957	28,833	46,757	1,448,308
Liabilities at 31 December 2021	28,857,521	24,657	163,389	332,590	118,565	29,496,722
Assets at 31 December 2020	27,484,261	24,657	76,627	301,712	42,833	27,930,090
Contributions to fund	1,285,015	-	79,378	28,949	46,328	1,439,670
Assets at 31 December 2021	28,769,276	24,657	156,005	330,661	89,161	29,369,760
Difference	1.00	1.00	0.95	0.99	0.75	1.00
Funding level	99.69%	100.00%	95.48%	99.42%	75.20%	99.57%

Defined benefit plan

In line with the collective employment agreement previously in force for the insurance activity (2008 CEA), the Group granted cash payments to its employees hired by the insurance activity prior to June 1995 to complement the retirement pensions paid by the Social Security services. The amount of these payments varied according to the employee's remuneration, the number of years contributing to Social Security, the history of remuneration on which Social Security was collected and also, in the case of disability, the number of years in the insurance activity. Currently, this Plan covers pension fund beneficiaries (retired employees) and workers who took early retirement covered by the 2008 CEA.

In addition, the former Império Bonança granted the following benefits:

- Between 1999 and 2005, it assumed, in situations of early retirement, the payment of a whole life pension which corresponded to the difference between 80% of the last remuneration and the amount paid by the Social Security;
- It assumed the commitment to extend the benefits set out in the collective employment agreement to employees hired up to June 2005 and also to grant to the beneficiaries of the pensions fund, the additional benefits guaranteed by the complementary plan which was in force at the Millennium BCP Group, to which the company belonged until 31 January 2005. The liabilities associated with the complementary plan are financed by the related pension fund.
- For a very small group of employees (4), with "XVII internal salary levels", coming from the former-Império, there is a commitment, when they retire, to award a supplement to the Social Security pension, to 80% of their remuneration at the time they retire. Any retirement benefits arising from other pension plans are deducted from the Social Security pension supplement.

Determination of liabilities with defined benefit plans

Liabilities for current payments of retirement pensions and the past services of current employees, at 31 December 2021 and 2020, were determined by Fidelidade's life insurance actuarial department.

The assumptions and technical bases used to calculate the liabilities were as follows:

	2021	2020
	Projected Unit Credit	Projected Unit Credit
Actuarial method		
Mortality table		
Men	TV 73/77 (-2)	TV 73/77 (-2)
Women	TV 88/90 (-2)	TV 88/90 (-2)
Invalidity table	0.00%	0.00%
Discount rate	1.25%	0.75%
Salary growth rate	2.40%	2.40%
Pension growth rate	0.75%	0.75%
Pre-retirement growth rate	1.25%	1.25%
Exits table	n/a	n/a

The following table provides a comparison between the actuarial and financial assumptions used to determine pension costs for 2021 and 2020 and the actual amounts:

	2021		2020	
	Assumptions	Real	Assumptions	Real
Salary growth rate	2.40%	2.30%	2.40%	1.27%
Pension growth rate	0.75%	0.19%	0.75%	0.21%

At 31 December 2021 and 2020, the Group's liabilities for past service, based on the actuarial studies performed, and the funds and provisions available, were as follows:

	2021			2020		
	Fidelidade	Others	Total	Fidelidade	Others	Total
Liabilities for past services						
Active employees	12,117,031	40,747	12,157,779	13,109,637	42,510	13,152,147
Retired and pre-retired	123,522,484	108,538	123,631,022	143,346,089	178,074	143,524,163
	<u>135,639,515</u>	<u>149,285</u>	<u>135,788,800</u>	<u>156,455,726</u>	<u>220,584</u>	<u>156,676,310</u>
Autonomous pension funds	113,610,233	346,502	113,956,735	126,635,007	393,823	127,028,830
Mathematical provisions	34,151,524	-	34,151,524	36,638,591	-	36,638,591
	<u>147,761,757</u>	<u>346,502</u>	<u>148,108,259</u>	<u>163,273,598</u>	<u>393,823</u>	<u>163,667,421</u>
Difference	<u>12,122,241</u>	<u>197,217</u>	<u>12,319,458</u>	<u>6,817,872</u>	<u>173,239</u>	<u>6,991,111</u>
Funding level	<u>108.94%</u>	<u>232.11%</u>	<u>109.07%</u>	<u>104.36%</u>	<u>178.54%</u>	<u>104.46%</u>

Pursuant to ASF Standard No.5/2007-R, of 27 April, insurance companies must ensure at the end of each year:

- The full funding of the current amount of the liability with current pensions, including pre-retirement and early retirement provisions payable up until the normal age of retirement and subsequently; and
- The funding of at least 95% of the current amount of the liability for past service of employees of working age, excluding those who are pre-retired or in early retirement.

At 31 December 2021 and 2020, the Group's liabilities for past service were fully funded.

The pensions plan is non-contributory and independent of social security. It is funded by the Group's pension fund, excluding the Ex-Império pension fund (Levels XVII and XVIII), which is dependent on social security.

The Group's defined benefit pension funds have the following average duration:

Fidelidade – Companhia de Seguros, S.A.:

Fidelidade Pension Fund	7.85	years
Mundial Confiança Pension Fund	6.58	years
Império Bonança Pension Fund	11.14	years
Ex-Império Pension Fund	14.05	years
Companhia Portuguesa de Resseguros, S.A. Pension Fund	6.25	years
Fidelidade Property Europe, S.A. Pension Fund	17.22	years

At 31 December 2021 and 2020, the number of beneficiaries was as follows:

	2021	2020
Active employees	862	900
Retired and pre-retired	1,783	1,881
Annuity holders	339	390
	<u>2,984</u>	<u>3,171</u>

The movements in the pension fund and in the mathematical provisions during 2021 and 2020 were as follows:

	Fidelidade	Others	Total
Balances at 31 December 2019	<u>174,008,590</u>	<u>437,302</u>	<u>174,445,892</u>
Transfer of liabilities - SINAPSA workers	-	-	-
Corrections	2,528,264	-	2,528,264
Contributions	2,820,000	-	2,820,000
Change in mathematical provisions	(2,750,075)	-	(2,750,075)
Pensions paid	(17,468,233)	(52,590)	(17,520,823)
(Payments)/Receipts relating to other benefits	(617,865)	-	(617,865)
Net income of pension funds	4,752,916	9,111	4,762,027
Balances at 31 December 2020	<u>163,273,598</u>	<u>393,823</u>	<u>163,667,421</u>
Contributions	190,000	-	190,000
Change in mathematical provisions	(2,487,063)	-	(2,487,063)
Pensions paid	(15,514,447)	(55,997)	(15,570,444)
(Payments)/Receipts relating to other benefits	(535,888)	-	(535,888)
Net income of pension funds	2,835,557	8,676	2,844,233
Balances at 31 December 2021	<u>147,761,757</u>	<u>346,502</u>	<u>148,108,259</u>

At 31 December 2021 and 2020 the Group's Pension Funds were managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, S.A.

At 31 December 2021 and 2020, the pension fund net assets were composed as follows, according to the respective valuation sources:

	2021								
	Market value			Others			Portfolio value		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Equity instruments	738,658	5,069	743,727	-	-	-	738,658	5,069	743,727
Debt instruments									
Public issuers	6,865,923	23,087	6,889,010	8,383,105	-	8,383,105	15,249,028	23,087	15,272,115
Other issuers	30,572,942	72,680	30,645,623	29,151,059	-	29,151,059	59,724,001	72,680	59,796,681
	37,438,865	95,767	37,534,632	37,534,164	-	37,534,164	74,973,029	95,767	75,068,796
Real estate	16,427,374	6,487	16,433,860	-	-	-	16,427,374	6,487	16,433,860
Investment funds									
American shares	-	2,355	2,355	-	-	-	-	2,355	2,355
European shares	2,562,868	34,014	2,596,881	-	-	-	2,562,868	34,014	2,596,881
Other shares	-	2,396	2,396	-	-	-	-	2,396	2,396
Real estate	2,990,365	53,808	3,044,173	-	-	-	2,990,365	53,808	3,044,173
Debt instruments									
Other issuers	5,012,063	137,844	5,149,906	-	-	-	5,012,063	129,423	5,141,485
Treasury	3,921,164	6,037	3,927,201	-	-	-	3,921,164	6,037	3,927,201
Others	189,815	1,152	190,968	-	-	-	189,815	1,152	190,968
	14,676,275	237,606	14,913,881	-	-	-	14,676,275	229,185	14,905,460
Others	6,794,898	9,994	6,804,892	-	-	-	6,794,898	9,994	6,804,892
	76,076,069	354,923	76,430,992	37,534,164	-	37,534,164	113,610,233	346,502	113,956,735

	2020								
	Market value			Others			Portfolio value		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Equity instruments	524,516	-	524,516	-	-	-	524,516	-	524,516
Debt instruments									
Public issuers	7,093,082	-	7,093,082	9,277,158	-	9,277,158	16,370,239	-	16,370,239
Other issuers	37,880,734	-	37,880,734	33,809,327	-	33,809,327	71,690,062	-	71,690,062
	44,973,816	-	44,973,816	43,086,485	-	43,086,485	88,060,301	-	88,060,301
Real estate	16,308,310	-	16,308,310	-	-	-	16,308,310	-	16,308,310
Investment funds									
European shares	2,014,812	26,997	2,041,809	-	-	-	2,014,812	26,997	2,041,809
Real estate	4,032,444	36,822	4,069,266	-	-	-	4,032,444	36,822	4,069,266
Debt instruments									
Other issuers	5,783,333	171,274	5,954,607	-	-	-	5,783,333	171,274	5,954,607
Treasury	2,152,789	-	2,152,789	-	-	-	2,152,789	-	2,152,789
Others	565,768	-	565,768	-	-	-	565,768	-	565,768
	14,549,145	235,093	14,784,238	-	-	-	14,549,145	235,093	14,784,238
Others	7,192,735	158,730	7,351,464	-	-	-	7,192,735	158,730	7,351,464
	83,548,523	393,823	83,942,345	43,086,485	-	43,086,485	126,635,007	393,823	127,028,830

On these dates, the pension fund portfolio contained the following assets issued or managed by entities in the CGD Group:

	2021			2020		
	Fidelidade	Others	Total	Fidelidade	Others	Total
Debt instruments	808,055	-	808,055	302,190	-	302,190
Investment funds						
Real estate	2,700,061	32,988	2,733,049	2,213,971	6,441,773	8,655,744
Debt instruments						
Other issuers	5,012,063	14,815	5,026,878	1,023,916	157,109	1,181,025
Others	189,815	-	189,815	582,742	844,887	1,427,629
	<u>7,901,939</u>	<u>47,803</u>	<u>7,949,742</u>	<u>3,820,629</u>	<u>7,443,769</u>	<u>11,264,398</u>
	<u>8,709,995</u>	<u>47,803</u>	<u>8,757,798</u>	<u>4,122,819</u>	<u>7,443,769</u>	<u>11,566,588</u>

The change in the difference between the Group's liabilities for past services and the respective cover, and the corresponding impact on the financial statements at 31 December 2021 and 2020, can be demonstrated as follows:

	Liabilities			Cover			Difference		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Situation at 31 December 2019	<u>169,877,561</u>	<u>266,094</u>	<u>170,143,655</u>	<u>174,008,590</u>	<u>437,302</u>	<u>174,445,892</u>	<u>4,131,029</u>	<u>171,208</u>	<u>4,302,237</u>
Corrections	2,415,078	-	2,415,078	2,528,264	-	2,528,264	113,186	-	113,186
Current service expenses	170,582	1,142	171,724	-	-	-	(170,582)	(1,142)	(171,724)
Net defined benefit interest	1,248,893	2,765	1,251,658	1,289,453	4,851	1,294,304	40,560	2,085	42,645
Costs for the year	1,419,475	3,907	1,423,382	1,289,453	4,851	1,294,304	(130,022)	943	(129,079)
Increased liabilities due to early retirements	716,411	-	716,411	-	-	-	(716,411)	-	(716,411)
Other changes in the Income Statement	-	-	-	(617,865)	-	(617,865)	(617,865)	-	(617,865)
Changes with an impact in the Income Statement (Note 35)	<u>2,135,886</u>	<u>3,907</u>	<u>2,139,793</u>	<u>671,588</u>	<u>4,851</u>	<u>676,439</u>	<u>(1,464,298)</u>	<u>943</u>	<u>(1,463,355)</u>
Actuarial gains and losses									
return on plan assets not included in interest income	-	-	-	3,463,460	-	3,463,460	3,463,460	-	3,463,460
resulting from changes in financial assumptions	2,671,679	4,419	2,676,098	-	4,259	4,259	(2,671,679)	(160)	(2,671,839)
resulting from differences between assumptions and actual amounts	(426,174)	(1,247)	(427,421)	-	-	-	426,174	1,247	427,421
Changes with an impact on shareholders' equity	<u>2,245,505</u>	<u>3,172</u>	<u>2,248,677</u>	<u>3,463,460</u>	<u>4,259</u>	<u>3,467,719</u>	<u>1,217,955</u>	<u>1,087</u>	<u>1,219,042</u>
Contributions to the plan									
Paid by entity	-	-	-	2,820,000	-	2,820,000	2,820,000	-	2,820,000
Change in mathematical provisions	(2,750,074)	-	(2,750,074)	(2,750,074)	-	(2,750,074)	-	-	-
Payments made by the plan									
pensions paid	(17,468,230)	(52,590)	(17,520,820)	(17,468,230)	(52,590)	(17,520,820)	-	-	-
Situation at 31 December 2020	<u>156,455,726</u>	<u>220,583</u>	<u>156,676,308</u>	<u>163,273,598</u>	<u>393,823</u>	<u>163,667,421</u>	<u>6,817,872</u>	<u>173,239</u>	<u>6,991,111</u>
Corrections	-	-	-	-	-	-	-	-	-
Current service expenses	179,524	1,195	180,719	-	-	-	(179,524)	(1,195)	(180,719)
Net defined benefit interest	870,540	1,916	872,457	923,069	3,582	926,651	52,529	1,666	54,194
Costs for the year	1,050,064	3,112	1,053,176	923,069	3,582	926,651	(126,995)	470	(126,525)
Increased liabilities due to early retirements	25,115	-	25,115	-	-	-	(25,115)	-	(25,115)
Other changes in the Income Statement	-	-	-	(563,977)	-	(563,977)	(563,977)	-	(563,977)
Changes with an impact in the Income Statement (Note 35)	<u>1,075,180</u>	<u>3,112</u>	<u>1,078,291</u>	<u>359,092</u>	<u>3,582</u>	<u>362,674</u>	<u>(716,088)</u>	<u>470</u>	<u>(715,617)</u>
Actuarial gains and losses									
return on plan assets not included in interest income	-	-	-	1,940,576	-	1,940,576	1,940,576	-	1,940,576
resulting from changes in financial assumptions	(4,636,614)	(4,834)	(4,641,448)	-	5,095	5,095	4,636,614	9,929	4,646,543
resulting from differences between assumptions and actual amounts	746,734	(22,000)	724,733	-	-	-	(746,734)	22,000	(724,733)
Changes with an impact on shareholders' equity	<u>(3,889,880)</u>	<u>(26,834)</u>	<u>(3,916,715)</u>	<u>1,940,576</u>	<u>5,095</u>	<u>1,945,672</u>	<u>5,830,457</u>	<u>31,930</u>	<u>5,862,387</u>
Contributions to the plan									
Paid by entity	-	-	-	190,000	-	190,000	190,000	-	190,000
Change in mathematical provisions	(2,487,063)	-	(2,487,063)	(2,487,063)	-	(2,487,063)	-	-	-
Payments made by the plan									
pensions paid	(15,514,447)	(47,575)	(15,562,022)	(15,514,447)	(55,997)	(15,570,444)	-	(8,422)	(8,422)
Situation at 31 December 2021	<u>135,639,515</u>	<u>149,285</u>	<u>135,788,800</u>	<u>147,761,757</u>	<u>346,503</u>	<u>148,108,259</u>	<u>12,122,241</u>	<u>197,217</u>	<u>12,319,458</u>

Medical assistance

The Group contributes part of the cost of health insurance provided for its retired and pre-retired employees. In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The company bears almost the entire burden of such benefits.

At 31 December 2021 and 2020, these liabilities totalled EUR 25,903,684 and EUR 22,006,755 respectively, and were covered by provisions (Note 27). The actuarial deviations determined at 31 December 2021 and 2020 relating to this benefit amounted to EUR 4,716 and EUR (5,305,278) respectively.

Liabilities for past service with medical assistance were determined on the basis of actuarial studies performed by Fidelidade's life actuarial department, using actuarial assumptions identical to those presented above for liabilities with pensions.

Sensitivity analysis

At 31 December 2021, the sensitivity of the defined benefit liabilities assumed by Fidelidade, due to significant changes in the assumptions, excluding the liabilities covered by whole life annuities, corresponds to:

Scenarios	2021	A	B	C
Financial Assumptions				
Discount rate	1.25%	0.75%	1.75%	1.25%
Salary growth rate	2.40%	2.40%	2.40%	2.40%
Pre-retirement salary growth rate	1.25%	1.25%	1.25%	1.25%
Pension growth rate	0.75%	0.75%	0.75%	0.75%
Demographic Assumptions				
Mortality table				
> Women	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)
> Men	TV 73/77 (-2)	TV 73/77 (-2)	TV 73/77 (-2)	TV 88/90 (-2)
Retirement Age	0	0	0	0
Liabilities at 31 December 2021				
Scenarios	2021	A	B	C
Old age	43,197,208	44,864,373	41,638,476	47,106,750
Retirees				
Early retirement	12,430,031	12,928,553	11,962,695	13,498,750
Disability	7,813,041	8,341,273	7,335,370	8,223,115
Pensioners				
Widow/widower	4,012,122	4,182,257	3,854,545	4,044,745
Orphan	145,416	159,116	133,408	146,570
Pension up to retirement age	16,399,386	16,595,667	16,207,717	16,448,947
Costs up to retirement age	4,325,492	4,377,736	4,274,482	4,338,688
Pre-retirees				
Pension after retirement age				
> CEA plan	942,243	1,010,035	880,690	1,015,432
> Complementary plan	234,486	251,635	218,938	252,010
Active employees				
CEA plan	3,920,141	4,385,040	3,514,894	4,117,944
Complementary plan	8,217,710	9,160,395	7,431,732	8,664,335
Total	101,637,277	106,256,081	97,452,947	107,857,285

The information in the above table was prepared based on the method used to calculate the liabilities for accounting purposes, not including mathematical provisions, of EUR 34,151,524.

37. Income

In 2021 and 2020, the investment income headings were composed as follows:

	2021			Total
	Interest	Dividends	Rents	
Life insurance				
Investments allocated to technical provisions for life insurance				
Properties	-	-	1,843,954	1,843,954
Financial assets at fair value through profit or loss	3,159,070	2,130,656	-	5,289,726
Financial assets at fair value through other comprehensive income	73,440,041	-	-	73,440,041
Financial assets at amortised cost	5,194,018	-	-	5,194,018
Sight Deposits	666	-	-	666
	<u>81,793,795</u>	<u>2,130,656</u>	<u>1,843,954</u>	<u>85,768,405</u>
Investment contracts				
Investments related to contracts considered for accounting purposes as investment contracts				
Properties	-	-	31,046,549	31,046,549
Financial assets at fair value through profit or loss	13,098,960	29,982,371	-	43,081,331
Financial assets at fair value through other comprehensive income	101,087,642	-	-	101,087,642
Financial assets at amortised cost	8,943,611	-	-	8,943,611
Sight Deposits	17,235	-	-	17,235
	<u>123,147,448</u>	<u>29,982,371</u>	<u>31,046,549</u>	<u>184,176,368</u>
	<u>204,941,243</u>	<u>32,113,027</u>	<u>32,890,503</u>	<u>269,944,773</u>
Non-life insurance:				
Investments allocated to technical provisions for non-life insurance				
Properties	-	-	18,877,245	18,877,245
Financial assets at fair value through profit or loss	7,158,978	26,349,317	-	33,508,295
Financial assets at fair value through other comprehensive income	27,247,024	-	-	27,247,024
Financial assets at amortised cost	1,719,848	-	-	1,719,848
Sight Deposits	7,523	-	-	7,523
	<u>36,133,373</u>	<u>26,349,317</u>	<u>18,877,245</u>	<u>81,359,935</u>
Not allocated:				
Investments not allocated				
Properties	-	-	23,039,704	23,039,704
Financial assets at fair value through profit or loss	894,266	4,646,590	-	5,540,856
Financial assets at fair value through other comprehensive income	1,101,704	-	-	1,101,704
Financial assets at amortised cost	3,585,338	-	-	3,585,338
Sight Deposits	121,392	-	-	121,392
	<u>5,702,700</u>	<u>4,646,590</u>	<u>23,039,704</u>	<u>33,388,994</u>
	<u>246,777,316</u>	<u>63,108,934</u>	<u>74,807,452</u>	<u>384,693,702</u>

	2020			
	Interest	Dividends	Rents	Total
Life insurance				
Investments allocated to technical provisions for life insurance				
Properties	-	-	2,486,890	2,486,890
Financial assets at fair value through profit or loss	4,751,731	1,932,292	-	6,684,023
Financial assets at fair value through other comprehensive income	78,498,319	720,773	-	79,219,092
Financial assets at amortised cost	5,615,041	-	-	5,615,041
Sight Deposits	(37,093)	-	-	(37,093)
	<u>88,827,998</u>	<u>2,653,065</u>	<u>2,486,890</u>	<u>93,967,953</u>
Investment contracts				
Investments related to contracts considered for accounting purposes as investment contracts				
Properties	-	-	34,819,174	34,819,174
Financial assets at fair value through profit or loss	1,548,068	28,064,164	-	29,612,232
Financial assets at fair value through other comprehensive income	117,334,995	2,434,237	-	119,769,232
Financial assets at amortised cost	9,618,910	-	-	9,618,910
Sight Deposits	60,072	-	-	60,072
	<u>128,562,045</u>	<u>30,498,401</u>	<u>34,819,174</u>	<u>193,879,620</u>
	<u>217,390,043</u>	<u>33,151,466</u>	<u>37,306,064</u>	<u>287,847,573</u>
Non-life insurance:				
Investments allocated to technical provisions for non-life insurance				
Properties	-	-	19,556,670	19,556,670
Financial assets at fair value through profit or loss	7,840,638	18,356,632	-	26,197,270
Financial assets at fair value through other comprehensive income	23,860,772	2,258,967	-	26,119,739
Financial assets at amortised cost	1,238,495	-	-	1,238,495
Sight Deposits	21,616	-	-	21,616
	<u>32,961,521</u>	<u>20,615,599</u>	<u>19,556,670</u>	<u>73,133,790</u>
Not allocated:				
Investments not allocated				
Properties	-	-	20,114,530	20,114,530
Financial assets at fair value through profit or loss	817,930	1,989,571	-	2,807,501
Financial assets at fair value through other comprehensive income	1,057,474	-	-	1,057,474
Financial assets at amortised cost	2,374,532	-	-	2,374,532
Sight Deposits	327,279	-	-	327,279
	<u>4,577,215</u>	<u>1,989,571</u>	<u>20,114,530</u>	<u>26,681,316</u>
	<u>254,928,779</u>	<u>55,756,636</u>	<u>76,977,264</u>	<u>387,662,679</u>

38. Financial Expenses

In 2021 and 2020, the financial expenses headings were composed as follows:

	2021				2020			
	Life technical account	Non-life technical account	Non-technical account	Total	Life technical account	Non-life technical account	Non-technical account	Total
Investment expenses (Note 34)								
Cost allocations	46,019,400	27,235,861	43,060,666	116,315,927	44,295,176	14,302,725	9,684,405	68,282,306
Other investment expenses	1,689,292	333,707	1,206,314	3,229,314	996,852	216,658	491,524	1,705,034
	<u>47,708,692</u>	<u>27,569,568</u>	<u>44,266,980</u>	<u>119,545,241</u>	<u>45,292,028</u>	<u>14,519,383</u>	<u>10,175,929</u>	<u>69,987,340</u>

41. Exchange differences

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Life insurance		
Investments allocated to technical provisions for life insurance		
Financial assets at fair value through profit or loss	5,454,586	(5,722,031)
Financial assets at fair value through other comprehensive income	35,276,407	(19,265,432)
Financial assets at amortised cost	472,591	4,434,563
Sight Deposits	(174,696)	(21,464)
Others	38	255
	<u>41,028,926</u>	<u>(20,574,109)</u>
Investment contracts		
Investments related to contracts considered for accounting purposes as investment contracts		
Financial assets at fair value through profit or loss	27,983,699	(39,110,057)
Financial assets at fair value through other comprehensive income	146,409,621	(132,598,840)
Financial assets at amortised cost	1,666,541	-
Sight Deposits	3,012,871	(6,332,776)
Others	388,981	6,859
	<u>179,461,713</u>	<u>(178,034,814)</u>
	<u>220,490,639</u>	<u>(198,608,923)</u>
Non-life insurance:		
Investments allocated to technical provisions for non-life insurance		
Financial assets at fair value through profit or loss	17,941,069	(20,125,046)
Financial assets at fair value through other comprehensive income	18,137,081	(11,751,390)
Financial assets at amortised cost	1,052,387	3,246,800
Sight Deposits	61,634	(2,198,557)
Others	315	4,840
	<u>37,192,486</u>	<u>(30,823,353)</u>
Not allocated:		
Investments not allocated		
Financial assets at fair value through profit or loss	1,739,959	1,450,214
Financial assets at amortised cost	(1,216,395)	1,296,841
Sight Deposits	2,990,464	(10,646,584)
Others	(3,804,022)	(171,937)
	<u>(289,994)</u>	<u>(8,071,466)</u>
	<u>257,393,130</u>	<u>(237,503,742)</u>

42. Net Income on the Sale of Non-Financial Assets which have not been Recognised as Non-Current Assets Held for Sale and Discontinued Operations

In 2021 and 2020, this heading was composed as follows:

Realised gains and losses	2021			2020		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for life insurance						
Investment properties	4,078,438	(2,313)	4,076,126	-	(6,754,086)	(6,754,086)
	4,078,438	(2,313)	4,076,126	-	(6,754,086)	(6,754,086)
Investments allocated to technical provisions for non-life insurance						
Properties for own use	-	(38)	(38)	-	(328)	(328)
Investment properties	3,331,466	(230,383)	3,101,083	557,017	(620,226)	(63,209)
	3,331,466	(230,421)	3,101,045	557,017	(620,554)	(63,537)
Investments not allocated						
Properties for own use	3,061,337	(1,310,031)	1,751,306	1,425,775	(47,646)	1,378,129
Investment properties	658,321	(17,477)	640,844	1,776,072	(3,969)	1,772,103
Investment in associates and joint ventures	-	(1,549,966)	(1,549,966)	324	(202,825)	(202,501)
	3,719,658	(2,877,474)	842,184	3,202,171	(254,440)	2,947,731
	11,129,562	(3,110,208)	8,019,355	3,759,188	(7,629,080)	(3,869,892)
Unrealised gains and losses						
			(Note 11)			(Note 11)
Investments allocated to technical provisions for life insurance						
Investment properties	36,993,670	(5,507,191)	31,486,479	35,459,276	(27,247)	35,432,029
	36,993,670	(5,507,191)	31,486,479	35,459,276	(27,247)	35,432,029
Investments allocated to technical provisions for non-life insurance						
Investment properties	21,600,877	(6,732,316)	14,868,561	7,977,603	(1,444,844)	6,532,759
	21,600,877	(6,732,316)	14,868,561	7,977,603	(1,444,844)	6,532,759
Investments not allocated						
Investment properties	35,703,977	(27,229,801)	8,474,176	13,554,595	(13,741,984)	(187,389)
Investment in associates and joint ventures	-	-	-	1,039,306	-	1,039,306
	35,703,977	(27,229,801)	8,474,176	14,593,901	(13,741,984)	851,917
	94,298,524	(39,469,308)	54,829,216	58,030,780	(15,214,075)	42,816,705
Total						
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for life insurance						
Investment properties	41,072,108	(5,509,504)	35,562,604	35,459,276	(6,781,333)	28,677,943
	41,072,108	(5,509,504)	35,562,604	35,459,276	(6,781,333)	28,677,943
Investments allocated to technical provisions for non-life insurance						
Properties for own use	-	(38)	(38)	-	(328)	(328)
Investment properties	24,932,343	(6,962,699)	17,969,644	8,534,620	(2,065,070)	6,469,550
	24,932,343	(6,962,737)	17,969,606	8,534,620	(2,065,398)	6,469,222
Investments not allocated						
Properties for own use	3,061,337	(1,310,031)	1,751,306	1,425,775	(47,646)	1,378,129
Investment properties	36,362,298	(27,247,278)	9,115,020	15,330,667	(13,745,953)	1,584,714
Investment in associates and joint ventures	-	(1,549,966)	(1,549,966)	1,039,630	(202,825)	836,805
	39,423,635	(30,107,275)	9,316,360	17,796,072	(13,996,424)	3,799,648
	105,428,087	(42,579,516)	62,848,571	61,789,968	(22,843,155)	38,946,813

43. Impairment Losses (Net of Reversals)

Information on impairment losses movements in 2021 and 2020 is set out below:

	2021					Closing balances
	Opening balances	Increases	Recoveries and cancellations	Uses	Others	
Expected credit loss on financial assets at fair value through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 29)	53,256,186	9,169,110	(32,164,795)	(583,226)	-	29,677,275
Stage 3 (Note 8)	49,979,822	7,960,687	-	-	2,360	57,942,870
Expected credit loss on financial assets at amortised cost (Note 9)						
Debt instruments	2,105,674	285,047	(1,526,809)	-	40,390	904,302
Other instruments	1,378	3,859	-	-	380,515	385,752
Impairment of properties for own use (Note 10)	11,252,060	4,649,283	(185,493)	-	852,158	16,568,008
Impairment of inventories (Note 14)	750,000	486,573	(204,000)	(132,573)	-	900,000
Adjustments to premiums pending collection - Note 18	36,673,726	(11,157,914)	(0)	(451,496)	-	25,064,316
Adjustments for doubtful debts (Note 18)	52,457,711	7,203,225	(0)	(5,441,207)	-	54,219,728
	<u>206,476,557</u>	<u>18,599,871</u>	<u>(34,081,097)</u>	<u>(6,608,503)</u>	<u>1,275,423</u>	<u>185,662,251</u>

	2020							
	Opening balances	IFRS 9 application	Entries in consolidation perimeter	Increases	Recoveries and cancellations	Uses	Others	Closing balances
Impairment of investments in subsidiaries (Note 3)	-	-	84	-	-	(84)	-	-
Impairment of available-for-sale investments (Note 8)								
Debt instruments	49,985,367	(49,985,367)	-	-	-	-	-	-
Equity instruments	303,993,977	(303,993,977)	-	-	-	-	-	-
Other instruments	24,589,056	(24,589,056)	-	-	-	-	-	-
Expected credit loss on financial assets recognised at fair value through other comprehensive income								
Debt instruments								
Stages 1 and 2 (Note 29)	-	41,025,498	531,475	24,674,360	(30,257,823)	-	17,282,676	53,256,186
Stage 3 (Note 8)	-	49,979,822	-	-	-	-	-	49,979,822
Impairment of loans and accounts receivable (Note 9)	846,355	(846,355)	-	-	-	-	-	-
Expected credit loss on financial assets recognised at amortised cost (Note 9)								
Debt instruments	-	2,120,405	-	20,089,708	(999,682)	(19,104,757)	-	2,105,674
Other instruments	-	377,286	-	4,997	-	(380,905)	-	1,378
Impairment of properties for own use (Note 10)	9,931,407	-	-	4,176,071	(2,263,289)	(592,129)	-	11,252,060
Impairment of inventories (Note 14)	-	-	-	750,000	-	-	-	750,000
Impairment of goodwill (Note 15)	957,001	-	-	-	-	(957,001)	-	-
Adjustments to premiums pending collection - Note 18	14,027,641	-	-	14,149,940	-	-	8,496,145	36,673,726
Adjustments for doubtful debts (Note 18)	46,462,232	-	90,943	13,201,681	-	(7,297,145)	-	52,457,711
	<u>450,793,036</u>	<u>(285,911,744)</u>	<u>622,502</u>	<u>77,046,757</u>	<u>(33,520,794)</u>	<u>(28,332,021)</u>	<u>25,778,821</u>	<u>206,476,557</u>

In 2021 and 2020, the heading “Impairment losses (net of reversals)” includes uses of EUR 1,861,554 and EUR 12,293,927 of “Other provisions” (Note 27) respectively.

At 31 December 2021 and 2020 the breakdown by rating based on gross balance sheet value was the following:

	2021			Total
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	
Financial assets at fair value through other comprehensive income				
AAA	2,523,456	-	-	2,523,456
AA- to AA+	84,266,924	-	-	84,266,924
A- to A+	1,935,753,406	-	-	1,935,753,406
BBB- to BBB+	5,769,158,086	5,562,633	-	5,774,720,719
BB- to BB+	1,127,105,782	13,218,735	97,697	1,140,422,214
B- to B+	86,827,139	22,816,363	-	109,643,502
CCC- to CCC+	51,462,760	-	-	51,462,760
Not rated	49,924,949	1,361,329	63,300,060	114,586,338
	<u>9,107,022,502</u>	<u>42,959,060</u>	<u>63,397,757</u>	<u>9,213,379,319</u>
Financial assets at amortised cost				
BBB- to BBB+	824,403,896	-	-	824,403,896
CCC- to CCC+	16,084,712	-	-	16,084,712
Not rated	-	5,374,621	535,256	5,909,877
	<u>840,488,608</u>	<u>5,374,621</u>	<u>535,256</u>	<u>846,398,485</u>
	2020			
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
AAA	9,236,011	-	-	9,236,011
AA- to AA+	87,332,649	-	-	87,332,649
A- to A+	2,178,425,542	-	-	2,178,425,542
BBB- to BBB+	5,234,181,896	2,397,796	-	5,236,579,692
BB- to BB+	702,851,661	11,091,553	-	713,943,214
B- to B+	42,695,636	21,396,578	-	64,092,214
CCC- to CCC+	1,237,656	44,856,458	-	46,094,114
Not rated	1,138,895,240	626,876	49,979,822	1,189,501,938
	<u>9,394,856,291</u>	<u>80,369,261</u>	<u>49,979,822</u>	<u>9,525,205,374</u>
Financial assets at amortised cost				
BBB- to BBB+	1,060,379,016	-	-	1,060,379,016
Not rated	2,204,579	3,581,519	455,242	6,241,340
	<u>1,062,583,595</u>	<u>3,581,519</u>	<u>455,242</u>	<u>1,066,620,356</u>

Between 31 December 2020 and 31 December 2021, the movement based on the expected credit loss to the gross ECL amount was the following:

	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
ECL amount at 31/12/2020	9,394,856,292	80,369,261	49,979,822	9,525,205,375
New assets originated or purchased	2,303,386,012	(39,164,973)	97,564	2,264,318,603
Assets derecognised or matured	(2,529,616,549)	37,234,646	(2,969,306)	(2,495,351,209)
Accrued interest capitalised	(43,837,610)	23,486	(208,040)	(44,022,164)
Change in fair value	(216,259,185)	3,703,517	4,303,769	(208,251,899)
Net foreign exchange expense/(income)	166,239,376	2,773,816	2,467,421	171,480,613
Movement between 12mECL and LTECL	32,254,166	(41,980,693)	9,726,527	-
ECL amount at 31/12/2021	9,107,022,502	42,959,060	63,397,757	9,213,379,319
Financial assets at amortised cost				
ECL amount at 31/12/2020	1,062,583,595	3,581,519	455,242	1,066,620,356
New assets originated or purchased	15,374,424	3,018,886	63,471	18,456,781
Assets derecognised or matured	(227,205,933)	(1,151,321)	(90,672)	(228,447,926)
Accrued interest capitalised	(10,263,478)	35,679	(2,927)	(10,230,726)
Movement between 12mECL and LTECL	-	(110,142)	110,142	-
ECL amount at 31/12/2021	840,488,608	5,374,621	535,256	846,398,485

At 31 December 2021 and 2020 the breakdown by rating and stage of expected credit loss based on balance sheet value was the following:

	2021			
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
AA- to AA+	14,862	-	-	14,862
A- to A+	821,811	-	-	821,811
BBB- to BBB+	3,680,420	29,961	-	3,710,381
BB- to BB+	5,296,916	101,381	3,032	5,401,329
B- to B+	1,760,331	753,310	-	2,513,641
CCC- to CCC+	6,491,776	-	-	6,491,776
Not rated	10,694,928	31,579	57,939,838	68,666,345
	28,761,044	916,231	57,942,870	87,620,145
Financial assets at amortised cost				
BBB- to BBB+	1,849	-	-	1,849
Not rated	-	387,503	514,950	902,453
	1,849	387,503	514,950	904,302

	2020			Total
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	
Financial assets at fair value through other comprehensive income				
AAA	2,628	-	-	2,628
AA- to AA+	24,431	-	-	24,431
A- to A+	891,485	-	-	891,485
BBB- to BBB+	5,919,895	17,511	-	5,937,406
BB- to BB+	2,404,820	294,172	-	2,698,992
B- to B+	851,702	1,356,357	-	2,208,059
CCC- to CCC+	94,505	18,581,491	-	18,675,996
Not rated	22,809,392	7,795	49,979,822	72,797,009
	32,998,858	20,257,326	49,979,822	103,236,006
Financial assets at amortised cost				
BBB- to BBB+	1,492,646	-	-	1,492,646
Not rated	-	157,786	455,242	613,028
	1,492,646	157,786	455,242	2,105,674

Between 31 December 2020 and 31 December 2021, the movement based on the expected credit loss was the following:

	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
ECL amount at 31/12/2020	32,998,858	20,257,326	49,979,822	103,236,006
New assets originated or purchased	6,272,597	32,779	-	6,305,376
Assets derecognised or matured	(3,920,348)	(9,044)	-	(3,929,392)
Re-measurement of expected credit loss	(23,457,557)	(785,654)	6,251,366	(17,991,845)
Movement between 12mECL and LTECL	16,867,494	(18,579,176)	1,711,682	-
ECL amount at 31/12/2021	28,761,044	916,231	57,942,870	87,620,145
Financial assets at amortised cost				
ECL amount at 31/12/2020	1,492,646	157,786	455,242	2,105,674
New assets originated or purchased	-	307,796	-	307,796
Assets derecognised or matured	(201,903)	(9,890)	-	(211,793)
Re-measurement of expected credit loss	(1,288,894)	23,617	(32,098)	(1,297,375)
Movement between 12mECL and LTECL	-	(91,806)	91,806	-
ECL amount at 31/12/2021	1,849	387,503	514,950	904,302

44. Other Technical Income/Expenses, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Income	Expenses	Net	Income	Expenses	Net
Related to life insurance						
Co-insurance management commissions	49,517	(153,763)	(104,247)	46,006	(275,977)	(229,971)
Pension fund management commissions	1,029,835	-	1,029,835	1,171,521	-	1,171,521
Others	243,848	(303,894)	(60,046)	2,627,550	(1,337,507)	1,290,043
	<u>1,323,200</u>	<u>(457,658)</u>	<u>865,542</u>	<u>3,845,077</u>	<u>(1,613,484)</u>	<u>2,231,593</u>
Related to non-life insurance						
Co-insurance management commissions	891,921	(779,303)	112,618	388,846	(488,914)	(100,068)
Others	12,227,375	(2,139,634)	10,087,741	8,006,813	(22,806,433)	(14,799,620)
	<u>13,119,296</u>	<u>(2,918,937)</u>	<u>10,200,359</u>	<u>8,395,659</u>	<u>(23,295,347)</u>	<u>(14,899,688)</u>
	<u>14,442,496</u>	<u>(3,376,594)</u>	<u>11,065,902</u>	<u>12,240,736</u>	<u>(24,908,831)</u>	<u>(12,668,095)</u>

45. Other Income/Expenses

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Non-current income and gains		
Tax rebates	960,421	1,462,828
Others	7,680,958	7,763,557
	<u>8,641,379</u>	<u>9,226,385</u>
Financial income and gains		
Interest obtained	872,976	1,021,275
Exchange rate gains	24,248,388	7,833,211
Prompt payment discounts	996,572	754,415
Others	2,492,415	695,300
	<u>28,610,351</u>	<u>10,304,201</u>
Income from other assets		
Gains on other intangible assets	-	77,591
Gains on other tangible assets	482,571	585,117
	<u>482,571</u>	<u>662,708</u>
Gains with pension plans		
Pension fund management commissions (Fidelidade Macau Vida)	4,029	4,148
Other gains	15,829	-
	<u>19,858</u>	<u>4,148</u>
Other non-technical income		
Adjustments to balances	899,923	515,893
Provision of services	597,522,341	550,748,920
	<u>598,422,264</u>	<u>551,264,813</u>
Non-current expenses and losses		
Donations	(1,277,458)	(2,232,263)
Sponsorship	(103,397)	(10,315)
Gifts to clients	(131,649)	(474,657)
Fines and penalties	(1,427,726)	(771,735)
Miscellaneous contributions	(128,559)	(334,326)
Under-estimation of tax	(422,291)	(447,437)
Corrections to previous years	(2,707,486)	(666,118)
Bad debts	(1,004,563)	(402,655)
Adjustments to balances	(239,602)	(177,200)
Others	(2,257,258)	(2,430,295)
	<u>(9,699,991)</u>	<u>(7,947,001)</u>
Financial expenses and losses		
Interest paid	(733,050)	(866,436)
Exchange rate losses	(18,821,636)	(12,611,440)
Banking services	(1,521,826)	(808,393)
Others	(2,757,625)	(2,309,451)
	<u>(23,834,136)</u>	<u>(16,595,720)</u>
Losses in other assets		
Losses on other intangible assets	(80,032)	-
Losses on other tangible assets	(336,492)	(334,978)
	<u>(416,525)</u>	<u>(334,978)</u>
Other non-technical expenses		
Allocation of non-technical expenses (Note 34)		
Employee costs	(162,277,002)	(159,281,078)
External supplies and services	(347,171,148)	(304,036,065)
Depreciation for the year	(33,394,469)	(41,307,792)
Interest	(9,152,937)	(10,378,757)
Others	(16,358,812)	(5,069,871)
	<u>(568,354,368)</u>	<u>(520,073,563)</u>
Cost of goods sold	<u>(3,713,955)</u>	<u>(65,728,163)</u>
Total other income and expenditure	<u>30,157,448</u>	<u>(39,217,170)</u>

46. Gains and Losses from Associates and Joint Ventures (Equity Method)

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A.	99,855	101,664
Genomed - Diagnósticos de Medicina Molecular, S.A.	(59,224)	(19,081)
Serfun Portugal, SGPS, S.A.	(27,058)	(14,591)
Promotores e Inversiones Investa S.A.	-	(439,388)
Transacciones Especiales S.A.	(34,924)	89,415
EA One Holding, Inc	1,574,551	1,335,689
	<u>1,553,199</u>	<u>1,053,708</u>

47. Segment Reporting

The Group presents operating segments based on management information produced internally. Operating results are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to the segment and evaluating performance.

An operating segment is an identifiable component of the Group which is engaged in supplying a product or individual service or a set of related products and services within a specific economic environment and which is subject to risks and benefits which can be differentiated from others.

The results may be segmented by activity since there is distinct financial information.

Insurer Segment

The insurer segment includes life and non-life insurance.

Life insurance includes the following sub-segments:

- “Risk”, which comprises contracts whereby the insurer undertakes to pay the sum insured in the event of the death of the insured person (insurance in the event of death) or survival of the insured person (insurance in the event of life);
- “Capitalisation with profit sharing”, which comprises contracts through which a life insurance company undertakes to pay a certain capital sum at the end of the contracts and the right of the policyholder, insured or beneficiary to receive part of the results generated by the contract; and
- “Investment contracts”, which comprise financial instruments from the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts.

Non-life insurance includes the following sub-segments:

- “Accidents at Work”, which aims to insure workers in the event of damage arising at the place and time of work or while travelling to or from work, which results in bodily injury, functional disability or illness that causes a reduction in the ability to work, capacity to earn or death;
- “Motor”, which covers the risks to which land motor vehicles (cars, motorcycles, etc.) are exposed, including third-party liability arising from their transit, as well as optional coverage, such as own damages, travel assistance and legal protection;

- “Health”, which covers the risks related to the provision of healthcare in the modalities of agreed benefits, indemnity benefits and combinations of the two types of benefits;
- “Property”, which covers the risks related to loss of property caused by "Fire and other damages" that damage property, "Credit and Surety", related to damages suffered in the event of non-compliance with obligations guaranteed by personal guarantee and "Miscellaneous pecuniary losses arising from other property risks”;
- “Third-Party”, which covers the risk of the insured having to indemnify third parties for damages resulting in bodily or material injuries for which the same is responsible, including “General Third-Party Liability”, “Family Third-Party Liability” insurance, “Animals Third-Party Liability”, “Operational Third-Party Liability”, “Professional Third-Party Liability” and “Products Third-Party Liability”;
- “Transported Goods”, which covers risks related to the transport of goods or other goods by land, sea and air; and
- “Other”, which covers damages suffered by “Personal accidents”, “Legal protection – other”, “Assistance – other” and miscellaneous insurance not mentioned above.

Property Segment

The property segment includes the following areas:

- Purchase and sale of real estate, including the purchase for resale, leasing or establishment of other rights in rem over real estate, as well as the development, promotion and management of real estate projects, their construction and renovation, together with the provision of related services;
- Acquisition and disposal of interests in companies, governed by national or foreign law, with the same or different purpose, in companies regulated by special laws and in unlimited liability companies, under the terms of the law; and
- Association with other legal entities to, in particular, form new companies, complementary groupings of companies, European economic interest groups, consortia and association in participation under the applicable legal terms.

Health Segment

The health segment includes the following areas:

- Private healthcare, which includes the main hospital units providing acute care and the Group's network of outpatient clinics;
- Public healthcare, which covers the management of a hospital unit under the Public-Private Partnership (PPP) Contract;
- Other areas.

The distribution of income by lines of business in 2021 and 2020 was as follows:

2021	Insurer Segment	Property Segment	Health Segment	Other segments	Consolidation adjustments	Total
Gains and losses						
Earned premiums, net of reinsurance	2,223,546,589	-	-	-	(5,841,320)	2,217,705,269
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	411,046	-	-	-	-	411,046
Claims costs, net of reinsurance	(1,740,680,597)	-	-	-	11,731,494	(1,728,949,103)
Other technical provisions, net of reinsurance	(889,692)	-	-	-	-	(889,692)
Mathematical provision for life insurance and profit sharing, net of reinsurance	115,418,625	-	-	-	5,139,160	120,557,785
Net operating costs and expenses	(685,227,636)	-	-	-	(82,466)	(685,310,102)
Income	368,507,643	194,394,365	40,758	20,084,897	(198,333,961)	384,693,702
Financial expenses and net income on financial assets and liabilities	(36,731,542)	31,529,292	(41,520)	(11,357,758)	(6,669,305)	(23,270,835)
Impairment losses (net of reversals)	900,915	(1,150,974)	(4,987,267)	21,722	16,583,740	11,368,136
Overlay approach adjustment	143,578,153	722,948	-	-	(80,292,943)	64,008,158
Other income/expenses and negative goodwill	20,908,125	7,211,903	13,358,746	11,457,375	(10,159,600)	42,776,549
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	3,890,250	-	-	-	-	3,890,250
Current income tax	(100,746,436)	(21,388,236)	4,063,553	(3,751,190)	18,611,624	(103,210,685)
Non-controlling interests	-	-	296,731	-	(33,835,632)	(33,538,901)
	312,885,442	211,319,298	12,731,001	16,455,045	(283,149,208)	270,241,578
Assets						
Total assets	19,726,692,060	4,846,260,118	896,313,710	604,731,904	(5,660,261,846)	20,413,735,946
Of which:						
Investment in associates and joint ventures	5,032,997,046	-	-	-	(5,002,913,269)	30,083,777
Liabilities						
Total liabilities	16,193,070,899	188,749,637	612,308,735	100,979,245	(300,352,834)	16,794,755,682
					Total segments	3,348,738,686
					Shareholders' equity, reserves, retained earnings and non-controlling interests	3,348,738,686

2020	Insurer Segment	Property Segment	Health Segment	Other segments	Consolidation adjustments	Total
Gains and losses						
Earned premiums, net of reinsurance	2,087,141,644	-	-	-	20,984,102	2,108,125,746
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	931,133	-	-	-	-	931,133
Claims costs, net of reinsurance	(1,546,642,002)	-	-	-	15,356,834	(1,531,285,168)
Other technical provisions, net of reinsurance	(8,229,235)	-	-	-	-	(8,229,235)
Mathematical provision for life insurance and profit sharing, net of reinsurance	118,021,559	-	-	-	5,858,990	123,880,549
Net operating costs and expenses	(612,505,997)	-	-	-	(26,181,505)	(638,687,502)
Income	317,782,261	75,006,858	82,333	18,391,127	(23,599,900)	387,662,679
Financial expenses and net income on financial assets and liabilities	(61,019,120)	95,841,045	(98,950)	(7,336,043)	(101,976,550)	(74,589,618)
Impairment losses (net of reversals)	2,578,606	(513,291)	(3,876,745)	(189,545)	(19,231,061)	(21,232,036)
Overlay approach adjustment	(2,185,767)	(58,842)	-	-	11,850,244	9,605,635
Other income/expenses and negative goodwill	(25,801,599)	618,294	(24,472,086)	5,780,390	(6,956,556)	(50,831,557)
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	(7,794)	-	-	-	-	(7,794)
Current income tax	(69,916,769)	(25,202,927)	10,698,395	(411,048)	(2,238,857)	(87,071,206)
Non-controlling interests	-	-	461,086	-	3,595,960	4,057,046
	200,146,920	145,691,137	(17,205,967)	16,234,881	(122,538,299)	222,328,672
Assets						
Total assets	18,908,111,016	4,978,779,760	849,228,858	549,292,729	(5,252,790,244)	20,032,622,119
Of which:						
Investment in associates and joint ventures	21,811,313	-	-	-	2,026,951	23,838,265
Liabilities						
Total liabilities	15,271,868,136	908,420,202	579,546,675	88,866,240	(387,535,326)	16,461,165,927
					Total segments	3,349,127,520
					Shareholders' equity, reserves, retained earnings and non-controlling interests	3,349,127,520

The total assets and liabilities have a different breakdown when compared to the Financial Statements, due to the fact that the segment distribution process gives rise to a breakdown of different balances.

In 2021 and 2020, earned premiums net of reinsurance by region was composed as follows:

Earned premiums, net of reinsurance	2021	2020
Portugal	1,616,841,658	1,569,158,375
Rest of European Union	56,506,235	56,074,295
Africa	50,900,476	49,356,427
Asia	56,997,461	35,845,569
South America	436,459,439	397,691,078
Total	2,217,705,269	2,108,125,745

Earned premiums net of reinsurance are allocated based on the location of each company

In 2021 and 2020, non-current assets were composed as follows by region:

Non-current assets	2021	2020
Portugal	1,932,822,449	1,871,916,637
Rest of European Union	1,170,383,911	1,010,389,087
Africa	65,407,736	24,164,766
Asia	589,461	210,347
South America	292,379,960	274,366,283
Total	3,461,583,518	3,181,047,120

Non-current assets includes the headings “Properties” “Other tangible assets” and “Other intangible assets”.

48. Related Parties

The Fidelidade Group’s related parties are deemed to be the subsidiaries and associates of the Fosun Group, and Caixa Geral de Depósitos, S.A. and the respective management bodies.

At 31 December 2021 and 2020 the Group’s financial statements include the following balances and transactions with related parties, excluding the management bodies:

2021

	Caixa Geral de Depósitos, S.A.	Peak Reinsurance Company	Xingtiao Assets Limited	Fosun Management (Portugal), LDA	Hauck & Aufhäuser Privatbankiers AG
	(5)	(5)	(5)	(5)	(5)
Assets					
Cash and cash equivalents and sight deposits	438,581,928	-	-	-	20,195,741
Investment in associates and joint ventures	-	-	-	-	-
Financial assets at fair value through profit or loss	56,331,343	-	-	-	-
Financial assets at fair value through other comprehensive income	80,307,806	-	267,852,150	-	-
Financial assets at amortised cost	2,062,062	-	-	-	-
Properties for own use	33,930	-	-	-	-
Technical provisions for reinsurance ceded	-	8,815,115	-	-	-
Accounts receivable for direct insurance operations	11,830,916	-	-	-	-
Accounts receivable for other reinsurance operations	-	432,881	-	-	-
Accounts receivable for other operations	16,959,551	-	-	-	-
Liabilities					
Provision for unearned premiums	(3,521,652)	-	-	-	-
Claims provision	(182,101,516)	55,972	-	-	-
Other financial liabilities	28,109	3,922,330	-	-	-
Accounts payable for direct insurance operations	13,585,767	-	-	-	-
Accounts payable for other reinsurance operations	-	1,561,808	-	-	-
Accounts payable for other operations	-	-	-	72	23,365
Accruals and deferrals	33,440,578	-	-	-	112,000
Gains and losses					
Gross premiums written	3,521,927	-	-	-	-
Reinsurance ceded premiums	-	(14,112,643)	-	-	-
Provision for unearned premiums (change)	345,809	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	112,129	-	-	-
Claims costs, net of reinsurance	(132,104)	8,499,612	-	-	-
Net operating costs and expenses	(70,812,452)	2,646,534	-	-	-
Income	7,697,625	-	8,871,784	-	1,469
Financial expenses	(4,714,165)	(659)	-	-	(389,816)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	384,193	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	(1,731,128)	-	-	-	-
Exchange differences	1,948,440	-	-	-	(195,858)
Impairment losses (net of reversals)	49,123	-	313,251	-	-
Other income/expenses	1,755,804	(78)	-	-	-
Gains and losses from associates and joint ventures (equity method)	-	-	-	-	-

(Amounts in Euros except when expressly indicated otherwise)

	Fosun Asset Management Limited (5)	H&A Global Investment Management GmbH (5)	Banco Comercial Português, S.A. (5)	Chindex Shanghai International Trading Company LTD (5)	Shanghai Fosun Long March Medical Science (5)
Assets	-	-	-	-	-
Cash and cash equivalents and sight deposits	-	-	80,073,115	-	-
Investment in associates and joint ventures	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	31,538,105	-	-
Financial assets at fair value through other comprehensive income	-	-	73,277,502	-	-
Financial assets at amortised cost	-	-	3,763,209	-	-
Properties for own use	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	-
Accounts receivable for other operations	-	-	-	(3)	614,577
Liabilities	-	-	-	-	-
Provision for unearned premiums	-	-	-	-	-
Claims provision	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-
Accounts payable for other operations	-	-	-	513,675	1,461,161
Accruals and deferrals	1,423,800	32,700	-	-	-
Gains and losses	-	-	-	-	-
Gross premiums written	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-
Claims costs, net of reinsurance	(8,633)	-	-	-	-
Net operating costs and expenses	(44,142)	-	-	-	-
Income	-	-	6,150,090	-	-
Financial expenses	(5,557,097)	(143,211)	-	-	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	15,044	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	753,196	-	-
Exchange differences	-	-	674,359	-	-
Impairment losses (net of reversals)	-	-	(120,802)	-	-
Other income/expenses	(564)	-	30,573	-	-
Gains and losses from associates and joint ventures (equity method)	-	-	-	-	-

	Audatex Portugal - Peritagens Inf. Deriv. de Acidentes, S.A. (3)	Serfun Portugal, SGPS, S.A. (3)	EA One Holding, Inc (3)	Longrun Portugal, SGPS, S.A. (1)	TOTAL
Assets	-	-	-	-	538,850,784
Cash and cash equivalents and sight deposits	-	-	-	-	23,205,360
Investment in associates and joint ventures	1,456,253	61,597	21,687,510	-	87,869,448
Financial assets at fair value through profit or loss	-	-	-	-	421,437,458
Financial assets at fair value through other comprehensive income	-	-	-	-	5,825,271
Financial assets at amortised cost	-	-	-	-	33,930
Properties for own use	-	-	-	-	8,815,115
Technical provisions for reinsurance ceded	-	-	-	-	11,830,916
Accounts receivable for direct insurance operations	-	-	-	-	432,881
Accounts receivable for other reinsurance operations	-	-	-	-	23,170,649
Accounts receivable for other operations	-	28,210	-	5,568,314	-
Liabilities	-	-	-	-	(3,521,652)
Provision for unearned premiums	-	-	-	-	(182,045,544)
Claims provision	-	-	-	-	3,950,439
Other financial liabilities	-	-	-	-	13,585,767
Accounts payable for direct insurance operations	-	-	-	-	1,561,808
Accounts payable for other reinsurance operations	-	-	-	-	49,017,580
Accounts payable for other operations	4,305	-	-	47,015,002	35,009,078
Accruals and deferrals	-	-	-	-	-
Gains and losses	-	-	-	-	3,521,927
Gross premiums written	-	-	-	-	(14,112,643)
Reinsurance ceded premiums	-	-	-	-	345,809
Provision for unearned premiums (change)	-	-	-	-	112,129
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	7,389,574
Claims costs, net of reinsurance	(969,301)	-	-	-	(68,182,154)
Net operating costs and expenses	(304)	28,210	-	-	22,720,968
Income	-	-	-	-	(10,804,948)
Financial expenses	-	-	-	-	399,237
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	(977,932)
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	-	2,426,941
Exchange differences	-	-	-	-	241,572
Impairment losses (net of reversals)	-	-	-	-	1,767,270
Other income/expenses	(23,385)	-	-	4,920	1,647,348
Gains and losses from associates and joint ventures (equity method)	99,855	(27,058)	1,574,551	-	-

2020

	Caixa Geral de Depósitos, S.A.	Peak Reinsurance Company	Xingtao Assets Limited	Fosun Management (Portugal), LDA	Hauck & Aufhäuser Privatbankiers AG
	(5)	(5)	(5)	(5)	(5)
Assets					
Cash and cash equivalents and sight deposits	461,300,871	-	-	-	18,821,465
Investment in associates and joint ventures	-	-	-	-	-
Financial assets at fair value through profit or loss	43,568,987	-	-	-	-
Financial assets at fair value through other comprehensive income	112,937,619	-	269,577,450	-	-
Financial assets at amortised cost	9,680	-	-	-	-
Properties for own use	28,931	-	-	-	-
Technical provisions for reinsurance ceded	-	2,652,588	-	-	-
Accounts receivable for direct insurance operations	6,717,210	-	-	-	-
Accounts receivable for other reinsurance operations	-	19,602	-	-	-
Accounts receivable for other operations	17,052,596	-	-	102	-
Liabilities					
Provision for unearned premiums	789,852	-	-	-	-
Claims provision	(22,120,123)	55,972	-	-	-
Other financial liabilities	12,865,615	3,459,113	-	-	-
Accounts payable for direct insurance operations	7,234,604	-	-	-	-
Accounts payable for other reinsurance operations	-	2,877,817	-	-	-
Accounts payable for other operations	-	-	-	-	-
Accruals and deferrals	31,690,765	-	-	-	88,000
Gains and losses					
Gross premiums written	4,444,075	-	-	-	-
Reinsurance ceded premiums	-	(12,330,237)	-	-	-
Provision for unearned premiums (change)	(1,406,332)	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	95,804	-	-	-
Claims costs, net of reinsurance	(232,902)	4,489,821	-	-	-
Net operating costs and expenses	(59,230,041)	2,029,249	-	-	-
Income	6,206,039	-	8,914,864	-	34,942
Financial expenses	(4,089,029)	(1,217)	-	-	(388,491)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	59,114	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	(66,983)	-	-	-	-
Exchange differences	(11,953,956)	-	-	-	(410,296)
Impairment losses (net of reversals)	(231,450)	-	(949,510)	-	-
Other income/expenses	(1,939,608)	-	-	(288)	-
Gains and losses from associates and joint ventures (equity method)	-	-	-	-	-

	Fosun Asset Management Limited	H&A Global Investment Management GmbH	Banco Comercial Português, S.A.	Shanghai Fosun Long March Medical Science	Audatex Portugal - Peritagens Inf. Deriv. de Acidentes, S.A.
	(5)	(5)	(5)	(5)	(3)
Assets					
Cash and cash equivalents and sight deposits	-	-	5,886,603	-	-
Investment in associates and joint ventures	-	-	-	-	1,356,398
Financial assets at fair value through profit or loss	-	-	15,649,979	-	-
Financial assets at fair value through other comprehensive income	-	-	65,650,311	-	-
Financial assets at amortised cost	-	-	2,755,292	-	-
Properties for own use	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	-
Accounts receivable for other operations	-	-	-	-	-
Liabilities					
Provision for unearned premiums	-	-	-	-	-
Claims provision	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-
Accounts payable for other operations	-	-	-	1,649,931	-
Accruals and deferrals	1,696,500	46,125	-	-	-
Gains and losses					
Gross premiums written	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-
Claims costs, net of reinsurance	(6,457)	-	-	-	(1,018,306)
Net operating costs and expenses	(89,872)	-	-	-	(4,230)
Income	-	-	4,336,331	-	-
Financial expenses	(6,539,609)	(187,615)	-	-	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	(64,363)	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	444,267	-	-
Exchange differences	-	-	(508,133)	-	-
Impairment losses (net of reversals)	-	-	(281,989)	-	-
Other income/expenses	-	-	26,840	-	4,473
Gains and losses from associates and joint ventures (equity method)	-	-	-	-	101,664

(Amounts in Euros except when expressly indicated otherwise)

	Serfun Portugal, SGPS, S.A	EA One Holding, Inc	Longrun Portugal, SGPS, S.A.	TOTAL
	(3)	(3)	(1)	
Assets				
Cash and cash equivalents and sight deposits	-	-	-	486,008,939
Investment in associates and joint ventures	39,655	20,479,407	-	21,875,460
Financial assets at fair value through profit or loss	-	-	-	59,218,966
Financial assets at fair value through other comprehensive income	-	-	-	448,165,380
Financial assets at amortised cost	-	-	-	2,764,972
Properties for own use	-	-	-	28,931
Technical provisions for reinsurance ceded	-	-	-	2,652,588
Accounts receivable for direct insurance operations	-	-	-	6,717,210
Accounts receivable for other reinsurance operations	-	-	-	19,602
Accounts receivable for other operations	-	-	13,660,488	30,713,186
Liabilities				
Provision for unearned premiums	-	-	-	789,852
Claims provision	-	-	-	(22,064,151)
Other financial liabilities	-	-	-	16,324,728
Accounts payable for direct insurance operations	-	-	-	7,234,604
Accounts payable for other reinsurance operations	-	-	-	2,877,817
Accounts payable for other operations	-	-	9,418,756	11,068,687
Accruals and deferrals	-	-	-	33,521,390
Gains and losses				
Gross premiums written	-	-	-	4,444,075
Reinsurance ceded premiums	-	-	-	(12,330,237)
Provision for unearned premiums (change)	-	-	-	(1,406,332)
Provision for unearned premiums, reinsurer's share (change)	-	-	-	95,804
Claims costs, net of reinsurance	-	-	-	3,232,156
Net operating costs and expenses	-	-	-	(57,294,894)
Income	-	-	-	19,492,176
Financial expenses	-	-	-	(11,205,961)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	(5,249)
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	1,643,963	-	2,021,247
Exchange differences	-	610,638	-	(12,261,747)
Impairment losses (net of reversals)	-	-	-	(1,462,949)
Other income/expenses	-	-	6,504	(1,902,079)
Gains and losses from associates and joint ventures (equity method)	(14,591)	1,335,689	-	1,422,762

The related parties are divided into the following categories:

- (1) Parent company;
- (2) Subsidiaries;
- (3) Associates;
- (4) Joint Ventures;
- (5) Other related parties.

Transactions with the related parties are performed on the basis of the market values on the respective dates.

Payment of remuneration to statutory bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Statutory Bodies, in line with criteria established by the shareholders.

The remuneration and benefits paid to the members of the Statutory Bodies during 2021 were as follows:

Board of Directors

	Fixed Remuneration	Variable Remuneration	Meal Allowance	Health Insurance	Life Insurance
Non-executive members					
Chairman					
Jorge Manuel Baptista Magalhães Correia	420,000	427,180	-	-	-
Vice-Chairman					
José Manuel Alvarez Quintero	105,000	318,113	-	-	-
Executive members					
Chairman of Executive Board					
Rogério Miguel Antunes Campos Henriques	420,000	397,949	2,730	2,429	134
Members of Executive Board					
António Manuel Marques de Sousa Noronha	369,600	364,013	2,730	1,111	134
Wai Lam William Mak	369,600	364,013	2,730	1,989	134
André Simões Cardoso	348,480	348,572	2,459	2,795	134
Hui Chen	290,000	37,254	2,730	671	134
Juan Ignacio Arsuaga Serrats	369,600	45,901	2,730	1,989	134

Supervisory Board

	Fixed Remuneration	Variable Remuneration	Meal Allowance	Health Insurance	Health Insurance
Chairman					
Pedro Nunes de Almeida	50,000	-	-	-	-
Members					
João Filipe Gonçalves Pinto	50,000	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	50,000	-	-	-	-

The fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, related to 2021, are EUR 1,260,940, EUR 956,520 of which are related to the Statutory Audit and EUR 250,420 to compliance and assurance services.

Other assurance services basically include:

- Certification of the annual solvency and financial condition report pursuant to Article 3(1) a) of ASF Regulatory Standard No.2/2017-R, of 24 March (Fidelidade – Companhia de Seguros, S.A., Via Directa – Companhia de Seguros, S.A. and Companhia Portuguesa de Resseguros, S.A.);
- Production of the report on the Risk Management and Internal Control System at Garantia Companhia de Seguros de Cabo Verde, S.A.

49. Disclosures Relating to Financial Instruments

FINANCIAL POSITION

At 31 December 2021 and 2020, the financial instruments had the following balance sheet value:

	2021		Balance sheet value
	Recognised at fair value	Not recognised at fair value	
Assets			
Cash and cash equivalents and sight deposits	-	951,254,578	951,254,578
Investment in associates and joint ventures	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	3,971,703,878	2,987,809	3,974,691,687
Hedge derivatives	2,674,924	-	2,674,924
Financial assets at fair value through other comprehensive income	9,201,180,447	-	9,201,180,447
Financial assets at amortised cost	-	1,229,466,917	1,229,466,917
Other debtors	-	448,572,311	448,572,311
	<u>13,175,559,249</u>	<u>2,662,365,392</u>	<u>15,837,924,641</u>
Liabilities			
Mathematical provision for life insurance	-	1,608,929,356	1,608,929,356
Financial liabilities at fair value through profit or loss	299,670,115	-	299,670,115
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	1,760,269,963	6,358,556,065	8,118,826,028
Hedge derivatives	23,581,767	-	23,581,767
Deposits received from reinsurers	-	81,278,509	81,278,509
Other financial liabilities	-	596,027,423	596,027,423
Other creditors	-	363,496,594	363,496,594
	<u>2,083,521,845</u>	<u>9,008,287,947</u>	<u>11,091,809,792</u>

	2020		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	936,872,479	936,872,479
Investment in associates and joint ventures	-	23,838,264	23,838,264
Financial assets at fair value through profit or loss	2,934,540,361	-	2,934,540,361
Hedge derivatives	5,440,707	-	5,440,707
Financial assets at fair value through other comprehensive income	9,539,490,377	-	9,539,490,377
Financial assets at amortised cost	-	1,551,684,577	1,551,684,577
Other debtors	-	315,504,961	315,504,961
	<u>12,479,471,445</u>	<u>2,827,900,281</u>	<u>15,307,371,726</u>
Liabilities			
Mathematical provision for life insurance	-	1,767,082,920	1,767,082,920
Financial liabilities at fair value through profit or loss	38,009,681	-	38,009,681
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	523,530,129	7,836,592,350	8,360,122,479
Hedge derivatives	6,496,962	-	6,496,962
Deposits received from reinsurers	-	36,294,822	36,294,822
Other financial liabilities	-	567,513,033	567,513,033
Other creditors	-	288,396,384	288,396,384
	<u>568,036,772</u>	<u>10,495,879,509</u>	<u>11,063,916,281</u>

The amount in the heading “Mathematical provision for life insurance” corresponds to the value of the mathematical provisions of capitalisation products in the life insurance business with profit sharing.

The amount considered in the headings “Other debtors” and “Other creditors” essentially corresponds to the balances receivable and payable from and to insured persons, reinsurers, reinsured persons, brokers, agents and other external entities.

GAINS AND LOSSES

In the years ended on 31 December 2021 and 2020, the net gains and losses on financial instruments had the following breakdown:

	2021		
	Income	As a charge to Shareholders' equity	Total
Earned premiums, net of reinsurance	70,030,268	-	70,030,268
Claims costs, net of reinsurance	(251,767,007)	-	(251,767,007)
Mathematical provision for life insurance, net of reinsurance	164,204,983	-	164,204,983
Income from financial instruments			
Financial assets at fair value through profit or loss	89,272,696	-	89,272,696
Financial assets at fair value through other comprehensive income	202,876,410	-	202,876,410
Financial assets at amortised cost	17,591,680	-	17,591,680
Sight deposits	145,464	-	145,464
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	12,342,475	(243,473,756)	(231,131,281)
Financial assets at amortised cost	(97,195)	-	(97,195)
Financial liabilities at amortised cost	(22,333,626)	-	(22,333,626)
Others	(782,718)	-	(782,718)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities at fair value through profit or loss	(213,096,230)	-	(213,096,230)
Others	257,393,130	-	257,393,130
Exchange differences			
Impairment losses (net of reversals)	15,034,997	-	15,034,997
Financial assets at fair value through other comprehensive income	1,237,903	-	1,237,903
Financial assets at amortised cost	(4,904,764)	-	(4,904,764)
Others	(12,773,005)	-	(12,773,005)
Interest on deposits received from reinsurers	(74,910)	-	(74,910)
	<u>324,300,552</u>	<u>(243,473,756)</u>	<u>80,826,795</u>

	2020		
	As a charge to		
	Income	Shareholders' equity	Total
Earned premiums, net of reinsurance	56,848,174	-	56,848,174
Claims costs, net of reinsurance	(239,428,660)	-	(239,428,660)
Mathematical provision for life insurance, net of reinsurance	165,878,524	-	165,878,524
Income from financial instruments			
Financial assets at fair value through profit or loss	65,283,708	-	65,283,708
Financial assets at fair value through other comprehensive income	226,165,536	-	226,165,536
Financial assets at amortised cost	18,846,977	-	18,846,977
Sight deposits	371,875	-	371,875
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	37,059,723	32,695,342	69,755,065
Financial assets at amortised cost	(108,093)	-	(108,093)
Financial liabilities at amortised cost	(26,505,499)	-	(26,505,499)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities at fair value through profit or loss	183,508,520	-	183,508,520
Others	-	-	-
Exchange differences	(237,503,742)	-	(237,503,742)
Impairment losses (net of reversals)			
Financial assets at fair value through other comprehensive income	5,583,463	-	5,583,463
Financial assets at amortised cost	(19,095,023)	-	(19,095,023)
Others	(11,592,889)	-	(11,592,889)
Interest on deposits received from reinsurers	(481,706)	-	(481,706)
	<u>224,830,888</u>	<u>32,695,342</u>	<u>257,526,230</u>

In the years ended on 31 December 2021 and 2020, the income and expenses with interest, calculated according to the effective interest rate method, relating to financial assets and liabilities not recognised at fair value through profit or loss, had the following breakdown:

	2021	2020
Assets		
Financial assets at fair value through other comprehensive income	198,212,550	220,751,560
Financial assets at amortised cost	17,591,680	18,846,977
Sight Deposits	145,464	371,875
	<u>215,949,694</u>	<u>239,970,412</u>
Liabilities		
Mathematical provision for life insurance	(47,386,170)	(50,369,230)
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	(22,333,626)	(26,505,499)
Subordinate liabilities	(12,773,005)	-
Deposits received from reinsurers	(74,910)	(481,706)
	<u>(82,567,711)</u>	<u>(77,356,435)</u>

OTHER DISCLOSURES

Fair Value of Financial Instruments

At 31 December 2021 and 2020, the method for assessing the fair value of the financial instruments reflected in the Group's financial statements can be summarised as follows:

	2021			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	951,254,578	951,254,578
Investment in associates and joint ventures	-	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	2,622,718,263	593,513,325	755,472,290	2,987,809	3,974,691,687
Hedge derivatives	55,327	2,619,597	-	-	2,674,924
Financial assets at fair value through other comprehensive income	8,060,382,411	666,150,591	474,647,445	-	9,201,180,447
Financial assets at amortised cost	-	-	-	1,229,466,917	1,229,466,917
Other debtors	-	-	-	448,572,311	448,572,311
	10,683,156,001	1,262,283,513	1,230,119,735	2,662,365,392	15,837,924,641
Liabilities					
Mathematical provision for life insurance	-	-	-	1,608,929,356	1,608,929,356
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	-	1,760,269,963	-	6,358,556,065	8,118,826,028
Financial liabilities at fair value through profit or loss	93,297,279	79,743,947	126,628,889	-	299,670,115
Hedge derivatives	353,152	23,228,615	-	-	23,581,767
Deposits received from reinsurers	-	-	-	81,278,509	81,278,509
Other financial liabilities	-	-	-	596,027,423	596,027,423
Other creditors	-	-	-	363,496,594	363,496,594
	93,650,431	1,863,242,525	126,628,889	9,008,287,947	11,091,809,792
	10,589,505,570	(600,959,012)	1,103,490,846	(6,345,922,555)	4,746,114,849

	2020				Total
	Fair value calculation method			Not recognised at fair value	
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	936,872,479	936,872,479
Investment in associates and joint ventures	-	-	-	23,838,264	23,838,264
Financial assets at fair value through profit or loss	1,851,898,571	585,185,549	495,047,084	2,409,157	2,934,540,361
Hedge derivatives	-	5,440,707	-	-	5,440,707
Financial assets at fair value through other comprehensive income	8,411,712,235	853,396,668	274,381,474	-	9,539,490,377
Financial assets at amortised cost	-	-	-	1,551,684,577	1,551,684,577
Other debtors	-	-	-	315,504,961	315,504,961
	<u>10,263,610,806</u>	<u>1,444,022,924</u>	<u>769,428,558</u>	<u>2,830,309,438</u>	<u>15,307,371,726</u>
Liabilities					
Mathematical provision for life insurance	-	-	-	1,767,082,917	1,767,082,917
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	-	523,530,129	-	7,836,592,350	8,360,122,479
Financial liabilities at fair value through profit or loss	1,724,081	35,291,651	993,949	-	38,009,681
Hedge derivatives	416,082	6,080,880	-	-	6,496,962
Deposits received from reinsurers	-	-	-	36,294,822	36,294,822
Other financial liabilities	-	-	-	567,513,033	567,513,033
Other creditors	-	-	-	288,396,384	288,396,384
	<u>2,140,163</u>	<u>564,902,660</u>	<u>993,949</u>	<u>10,495,879,506</u>	<u>11,063,916,278</u>
	<u>10,261,470,643</u>	<u>879,120,264</u>	<u>768,434,609</u>	<u>(7,665,570,068)</u>	<u>4,243,455,448</u>

The tables above present the classification in line with the fair value hierarchy, as set out in IFRS 13, of the financial instruments held by the Group at 31 December 2021 and 2020 which are valued at fair value, in line with the following assumptions:

- Level 1 – Financial instruments valued on the basis of quoted prices in active markets to which the Group has access. Included in this category are securities valued on the basis of executable prices (with immediate liquidity) published by external sources.
- Level 2 – Financial instruments which are valued based on data which is observable, either directly or indirectly, in active markets. Included in this category are securities valued on the basis of bids supplied by external counterparties and internal valuation techniques which only use observable market data.
- Level 3 – All the financial instruments measured at fair value which do not fit within Levels 1 and 2.

The movement between 31 December 2020 and 2021 in the financial instruments classified within Level 3 of the fair value hierarchy can be broken down as follows:

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Balance at 31 December 2020	274,381,474	495,047,084	(993,949)
Acquisitions	95,449,080	290,444,277	(125,688,379)
Revaluations			
as a charge to the Income Statement	336,691	4,095,025	53,439
as a charge to shareholders' equity	(1,474,849)	8,310,573	-
Transfers			
from level 2 to level 3	110,920,438	-	-
from level 3 to level 1	-	(31,817,209)	-
from level 3 to level 2	-	(3,021,788)	-
Disposals	(4,965,389)	(7,585,672)	-
Balance at 31 December 2021	474,647,445	755,472,290	(126,628,889)

At 31 December 2021 and 2020, the balance sheet value and the fair value of the financial assets valued at amortised cost or at historical cost were as follows:

	2021		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	951,254,578	951,254,578	-
Financial assets at fair value through profit or loss	2,987,809	2,987,809	-
Financial assets at amortised cost	1,229,466,917	1,251,198,206	(21,731,289)
Other debtors	448,572,311	448,572,311	-
	2,632,281,615	2,654,012,904	(21,731,289)
	2020		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	936,872,479	936,872,479	-
Financial assets at fair value through profit or loss	2,409,157	2,409,157	-
Financial assets at amortised cost	1,551,684,577	1,586,235,473	(34,550,896)
Other debtors	315,504,961	315,504,961	-
	2,806,471,174	2,841,022,070	(34,550,896)

The main assumptions used to calculate the fair value of these assets were:

- The fair value of the financial applications recognised in “Cash and cash equivalents and sight deposits” is the same as their balance sheet value, as essentially they correspond to short-term deposits.
- The fair value of term deposits recorded under the heading “Financial assets at fair value through profit or loss”, is similar to their balance sheet value, as they essentially correspond to short-term deposits;

- Under the heading “Financial assets at amortised cost” the fair value of mortgage loans was not calculated, given their immateriality and the fact that they are essentially loans made to employees, with real guarantees.

Policies on managing financial risks inherent to the Group’s activity

The Group’s objectives, rules and procedures on market risk management are governed by means of its Investments Policy.

This Policy is reviewed annually, or whenever other reviews are necessary in the light of changes in the law, trends in assets markets or changes to the company’s investment guidelines and/or risk profile. The Policy defines:

- the main guidelines for managing investments and how the Group assesses, approves, implements, controls and monitors its investment activities and the risks resulting from those activities;
- activities related to the Group’s investment process, including Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA), the decision-making process and control and reporting activities;
- the duties and responsibilities of those involved in the investment process.

The Investments Policy thus aims to ensure alignment between the portfolio objectives and the investment strategy, and to encourage effective and continual monitoring. It is the cornerstone of the Group’s investment process.

Establishing an appropriate assets portfolio is, at any time, the result of a well-structured, disciplined and transparent investment process, which includes the following components:

- an investment strategy designed to create value, yet in line with the Group’s business profile and risk appetite;
- an investments policy reflecting that strategy, implemented by investment managers with appropriate knowledge and resources;
- continual and independent control of the investment activity;
- appropriate reporting procedures.

With these aspects set out, the Group’s investment management cycle is composed of the following key activities:

- **Define** – Definition and approval of the general investment management cycle, including the global investment strategy, investment policies, asset and liability and liquidity management, and strategic asset allocation (SAA);
- **Invest** – Performance of all investment activities, in line with the strategies and policies defined (identification, assessment and approval of investment opportunities, and placing, settling and allocating investments);

- **Monitor** – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;
- **Manage** – Reviewing the strategies, policies, benchmarks and limits in line with current and future market conditions/expectations and internal risk capacity;
- **Control** – Ensuring compliance with all the strategies, policies, procedures and responsibilities assigned.

The following items are also decisive within the scope of the Group's investment activity:

1. Definition of the portfolio objective

The main objective of the Group's investments portfolio management is to optimise its return in a sound and prudent manner, ensuring that all stakeholders are protected, protecting in particular the interests of policyholders, insured persons and beneficiaries. Accordingly, the portfolio must be systematically optimised according to the nature of the business subscribed, the Group's risk appetite and its liquidity needs.

2. Rules for investment in assets

On one hand, the Group's assets are invested appropriately, taking into account both the nature and duration of the responsibilities assumed by the Group and the capacity to ensure the security, quality, availability, liquidity and profitability of the portfolio as a whole.

On the other hand, the assets are well diversified to avoid excessive concentration of risk in the portfolio as a whole.

Lastly, the assets are invested to guarantee a regular cash return, thereby enabling the Group to adequately manage its liquidity.

3. Asset classes

As a general rule, the Group's portfolio is mainly composed of liquid assets (in line with the liquidity criteria set out in the ALM and Liquidity Policy), participation units in investment funds and real estate.

The asset classes eligible for investment by the Group are:

- Treasury (cash, deposits and equivalent);
- Fixed income (medium and long-term debt instruments);
- Variable income (instruments which provide variable gains);
- Real estate (including properties for own use and for investment);
- Alternative investments.

Derivatives may be used exceptionally and in a simple format (swaps, forwards, futures, etc.) to hedge specific positions or for asset-liability management purposes.

4. Exposure limits

In order to enable the Group, in the light of market changes, to pursue its investment objectives without taking excessive risks, a set of targets and maximum and minimum limits has been established, in line with the following criteria:

- Asset class;
- Credit quality and duration;
- Operating sector;
- Geographical location;
- Concentration by position;
- Currency.

5. Risk management and control process

The Risk Management Division (DGR) is responsible for **controlling and monitoring the allocation of assets**, in light of the targets and limits established.

Accordingly, procedures are defined, including those responsible for them, for when there is non-compliance with the targets and/or limits established.

Regarding **asset losses control mechanisms**, DGR provides information on the evolution of the most important risks related with investments, in particular, their impact on the solvency capital requirements. Based on the time-weighted return (TWR) evolution and solvency capital requirement estimates, DGR provides regular information on the estimated solvency position coverage, and procedures are defined to be adopted when certain warning levels are reached.

A regular **process of reporting** has been set up for the various levels of the Group involved in investment management, in order to enable adequate supervision and the activation of risk mitigation management mechanisms. Accordingly, the information which should be produced has been defined, including the type of report, its content, its frequency and the body responsible for producing it.

Credit risk

At 31 December 2021 and 2020, the Group's exposure to credit risk was as follows:

	2021		
	Gross book value	Impairment	Net book value
Sight Deposits	949,251,875	-	949,251,875
Financial assets at fair value through profit or loss	1,054,047,020	-	1,054,047,020
Financial assets at fair value through other comprehensive income	9,155,436,451	-	9,155,436,451
Financial assets at amortised cost	1,229,466,917	-	1,229,466,917
Other debtors	487,927,463	(39,355,152)	448,572,311
Maximum exposure to credit risk	12,876,129,726	(39,355,152)	12,836,774,574

	2020		
	Gross book value	Impairment	Net book value
Sight Deposits	934,535,567	-	934,535,567
Financial assets at fair value through profit or loss	728,930,375	-	728,930,375
Financial assets at fair value through other comprehensive income	9,475,225,553	-	9,475,225,553
Financial assets at amortised cost	1,503,886,472	-	1,503,886,472
Other debtors	367,002,432	(51,497,471)	315,504,961
Maximum exposure to credit risk	13,009,580,399	(51,497,471)	12,958,082,928

Credit quality

In the risk ratings presented, the corresponding rating was considered in accordance with the methodology identified in note 2.6. The following tables present the breakdown of the balance sheet value which is presented in accordance with a scale equivalent to those of Standard & Poor's and Fitch.

At 31 December 2021 and 2020, the book value of financial investments has the following breakdown:

Asset class	2021				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Others	
Deposits in credit institutions					
AAA	-	-	-	485,991	485,991
AA- to AA+	3,835,833	-	-	106,470	3,942,303
A- to A+	354,098	213,826,892	2,680,665	86,339,746	303,201,401
BBB- to BBB+	98,385,648	35,499,678	-	73,862,079	207,747,405
BB- to BB+	464,660,796	38,976	-	36,693,120	501,392,892
B- to B+	1,908,990	-	-	3,729,875	5,638,865
CCC- to CCC+	4,201	-	-	-	4,201
Not rated	7,581,080	51,213,653	5,137,739	242,205,059	306,137,531
	576,730,646	300,579,199	7,818,404	443,422,340	1,328,550,589
Deposits in ceding companies					
A- to A+	945,554	-	-	2,255	947,809
	945,554	-	-	2,255	947,809
	577,676,200	300,579,199	7,818,404	443,424,595	1,329,498,398

Asset class	2020				
	Country of origin				
	Portugal	Rest of European Union	North America	Others	Total
Deposits in credit institutions					
AAA	-	-	-	10,470,534	10,470,534
AA- to AA+	1,999,675	-	-	100,227	2,099,902
A- to A+	233,744	71,012,132	(1,109,601)	337,047,916	407,184,191
BBB- to BBB+	881,258	33,630,537	-	126,800,730	161,312,525
BB- to BB+	467,901,077	-	-	23,960,099	491,861,176
B- to B+	-	-	-	22,615,771	22,615,771
CCC- to CCC+	387,940	-	-	2,163,423	2,551,363
Not rated	3,946,658	36,347,609	3,998,197	227,919,227	272,211,691
	<u>475,350,352</u>	<u>140,990,278</u>	<u>2,888,596</u>	<u>751,077,927</u>	<u>1,370,307,153</u>
Deposits in ceding companies					
Not rated	136,464	-	-	602	137,066
	<u>136,464</u>	<u>-</u>	<u>-</u>	<u>602</u>	<u>137,066</u>
	<u>475,486,816</u>	<u>140,990,278</u>	<u>2,888,596</u>	<u>751,078,529</u>	<u>1,370,444,219</u>

At 31 December 2021 and 2020, the book value of the debt instruments in the portfolio, net of impairment, has the following breakdown:

Asset class	2021				
	Country of origin				
	Portugal	Rest of European Union	North America	Others	Total
Financial assets at fair value through profit or loss					
Corporate					
A- to A+	-	2,847,953	4,663,963	18,335,137	25,847,053
BBB- to BBB+	47,713,505	79,980,358	25,588,026	123,487,361	276,769,250
BB- to BB+	40,150,371	129,352,700	24,215,349	63,011,080	256,729,500
B- to B+	-	187,267,354	31,856,573	53,560,547	272,684,474
CCC- to CCC+	-	-	1,760,844	1,548,214	3,309,058
Not rated	41,511,801	27,526,904	7,228,363	67,137,153	143,404,221
	<u>129,375,677</u>	<u>426,975,269</u>	<u>95,313,118</u>	<u>327,079,492</u>	<u>978,743,556</u>
Governments and other local authorities					
AAA	-	2,898,860	-	-	2,898,860
AA- to AA+	-	3,625,256	-	-	3,625,256
A- to A+	-	240,461	-	-	240,461
BBB- to BBB+	19,016,660	2,186,793	-	-	21,203,453
BB- to BB+	1,689,744	-	-	-	1,689,744
	<u>20,706,404</u>	<u>8,951,370</u>	<u>-</u>	<u>-</u>	<u>29,657,774</u>
Financial institutions					
AA- to AA+	-	3,007,913	-	-	3,007,913
A- to A+	-	23,565,002	116,191,141	61,206,994	200,963,137
BBB- to BBB+	983,858	23,693,004	18,585,351	10,624,012	53,886,225
BB- to BB+	48,481,071	80,747,043	-	2,334,811	131,562,925
B- to B+	20,837,117	5,370,296	-	2,004,035	28,211,448
Not rated	-	-	-	-	-
	<u>70,302,046</u>	<u>136,383,258</u>	<u>134,776,492</u>	<u>76,169,852</u>	<u>417,631,648</u>
Other issuers					
AAA	-	-	-	292,580	292,580
	-	-	-	292,580	292,580
	<u>220,384,127</u>	<u>572,309,897</u>	<u>230,089,610</u>	<u>403,541,924</u>	<u>1,426,325,558</u>

Asset class	2020				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Others	
Financial assets at fair value through profit or loss					
Corporate					
A- to A+	-	6,936,984	2,639,521	8,260,135	17,836,640
BBB- to BBB+	25,948,998	50,477,292	43,701,708	98,803,265	218,931,263
BB- to BB+	35,968,612	27,345,214	6,410,886	26,386,553	96,111,265
B- to B+	-	2,039,668	2,833,270	246,942	5,119,880
Not rated	24,369,798	2,164	12,954,844	20,934,535	58,261,341
	<u>86,287,408</u>	<u>86,801,322</u>	<u>68,540,229</u>	<u>154,631,430</u>	<u>396,260,389</u>
Governments and other local authorities					
AAA	-	2,584,811	-	-	2,584,811
AA- to AA+	-	3,764,332	-	284,262	4,048,594
A- to A+	-	35,444	-	-	35,444
BBB- to BBB+	11,319,292	8,240,885	-	-	19,560,177
BB- to BB+	1,778,981	-	-	-	1,778,981
	<u>13,098,273</u>	<u>14,625,472</u>	<u>-</u>	<u>284,262</u>	<u>28,008,007</u>
Financial institutions					
AAA	-	-	-	2,818,282	2,818,282
AA- to AA+	-	-	-	1,475,337	1,475,337
A- to A+	-	6,041,531	2,719,154	5,471,474	14,232,159
BBB- to BBB+	-	10,519,037	39,775,628	8,311,418	58,606,083
BB- to BB+	24,372,633	41,982,611	-	-	66,355,244
B- to B+	12,947,730	12,593,562	-	-	25,541,292
	<u>37,320,363</u>	<u>71,136,741</u>	<u>42,494,782</u>	<u>18,076,511</u>	<u>169,028,397</u>
	<u>136,706,044</u>	<u>172,563,535</u>	<u>111,035,011</u>	<u>172,992,203</u>	<u>593,296,793</u>

Asset class	2021				
	Country of origin				
	Portugal	Rest of European Union	North America	Others	Total
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,819,984	1,474,051	951,795	7,245,830
A- to A+	-	55,697,422	56,245,881	303,612,923	415,556,226
BBB- to BBB+	713,055	414,193,846	378,988,810	859,364,218	1,653,259,929
BB- to BB+	-	117,063,823	202,286,607	424,331,881	743,682,311
B- to B+	5,848,320	-	20,391,109	47,663,126	73,902,555
Not rated	25,795,327	-	-	28,921,526	54,716,853
	<u>32,356,702</u>	<u>591,775,075</u>	<u>659,386,458</u>	<u>1,664,845,469</u>	<u>2,948,363,704</u>
Governments and other local authorities					
AAA	-	526,387	-	-	526,387
AA- to AA+	-	1,009,769	-	8,754,373	9,764,142
A- to A+	-	91,682,543	-	13,022,205	104,704,748
BBB- to BBB+	838,251,433	1,914,620,283	9,959,847	266,392,599	3,029,224,162
BB- to BB+	55,439,670	-	-	3,355,064	58,794,734
CCC- to CCC+	-	-	-	26,234,117	26,234,117
Not rated	-	-	-	1,361,329	1,361,329
	<u>893,691,103</u>	<u>2,007,838,982</u>	<u>9,959,847</u>	<u>319,119,687</u>	<u>3,230,609,619</u>
Financial institutions					
AAA	-	-	-	1,892,837	1,892,837
AA- to AA+	17,242,848	11,157,480	34,217,228	4,639,396	67,256,952
A- to A+	-	359,276,427	161,506,792	894,709,211	1,415,492,430
BBB- to BBB+	-	361,517,660	79,629,461	649,084,553	1,090,231,674
BB- to BB+	72,100,366	9,120,796	6,302,364	250,418,611	337,942,137
B- to B+	35,740,946	-	-	-	35,740,946
CCC- to CCC+	-	-	-	25,228,644	25,228,644
Not rated	-	-	-	568,322	568,322
	<u>125,084,160</u>	<u>741,072,363</u>	<u>281,655,845</u>	<u>1,826,541,574</u>	<u>2,974,353,942</u>
Other issuers					
AAA	-	-	-	104,232	104,232
BBB- to BBB+	-	-	-	2,004,955	2,004,955
	-	-	-	2,109,187	2,109,187
	<u>1,051,131,965</u>	<u>3,340,686,420</u>	<u>951,002,150</u>	<u>3,812,615,917</u>	<u>9,155,436,452</u>

(Amounts in Euros except when expressly indicated otherwise)

Asset class	2020				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Others	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,517,071	9,094,356	-	13,611,427
A- to A+	-	322,801,488	86,717,906	303,174,147	712,693,541
BBB- to BBB+	719,509	376,188,354	332,301,629	504,104,352	1,213,313,844
BB- to BB+	10,939,382	105,703,036	252,727,573	119,578,264	488,948,255
B- to B+	-	-	26,384,899	9,754,278	36,139,177
CCC- to CCC+	-	-	-	9,634,602	9,634,602
Not rated	31,436,110	-	-	322,232,819	353,668,929
	43,095,001	809,209,949	707,226,363	1,268,478,462	2,828,009,775
Governments and other local authorities					
AAA	-	557,133	-	2,477,723	3,034,856
AA- to AA+	-	1,061,817	-	-	1,061,817
A- to A+	-	62,147,555	-	4,645,895	66,793,450
BBB- to BBB+	1,345,088,645	1,632,554,924	3,128,593	46,769,692	3,027,541,854
BB- to BB+	75,217,169	-	-	-	75,217,169
CCC- to CCC+	-	-	-	1,237,656	1,237,656
	1,420,305,814	1,696,321,429	3,128,593	55,130,966	3,174,886,802
Financial institutions					
AAA	-	-	-	17,306,307	17,306,307
AA- to AA+	17,391,088	5,788,869	38,433,845	184,866,997	246,480,799
A- to A+	-	102,801,418	141,193,592	940,947,705	1,184,942,715
BBB- to BBB+	1,528,706	173,876,910	171,740,918	542,301,416	889,447,950
BB- to BB+	84,841,363	29,338,638	9,146,499	22,068,586	145,395,086
B- to B+	27,953,037	-	-	-	27,953,037
Not rated	-	135,823,726	-	128,654,603	264,478,329
	131,714,194	447,629,561	360,514,854	1,836,145,614	2,776,004,223
Other issuers					
AAA	-	-	-	114,378	114,378
	-	-	-	114,378	114,378
	1,595,115,009	2,953,160,939	1,070,869,810	3,159,869,420	8,779,015,178

Asset class	2021			Total
	Country of origin			
	Portugal	Rest of European Union	Others	
Financial assets at amortised cost				
Corporate				
Not rated	-	-	1,332,298	1,332,298
	-	-	1,332,298	1,332,298
Governments and other local authorities				
BBB- to BBB+	343,176,058	481,225,988	-	824,402,046
CCC- to CCC+	-	-	16,084,712	16,084,712
Not rated	-	-	2,708,762	2,708,762
	343,176,058	481,225,988	18,793,474	843,195,520
Financial institutions				
Not rated	-	-	966,365	966,365
	-	-	966,365	966,365
	343,176,058	481,225,988	21,092,137	845,494,183

Asset class	2020			
	Country of origin			
	Portugal	Rest of European Union	Others	Total
Financial assets at amortised cost				
Governments and other local authorities				
BBB- to BBB+	353,568,570	705,317,800	-	1,058,886,370
Not rated	-	-	3,392,920	3,392,920
	<u>353,568,570</u>	<u>705,317,800</u>	<u>3,392,920</u>	<u>1,062,279,290</u>
Financial institutions				
Not rated	-	-	43,763	43,763
	<u>-</u>	<u>-</u>	<u>43,763</u>	<u>43,763</u>
	<u>353,568,570</u>	<u>705,317,800</u>	<u>3,436,683</u>	<u>1,062,323,053</u>

The Group periodically undertakes a collective analysis of the debt recovery risk of premiums pending collection recognised in the balance sheet, in order to identify and quantify impairment losses to be recognised as “Adjustments for premiums pending collection” (Note 43). At 31 December 2021 and 2020, the balance sheet value of premiums from insured persons pending collection was as follows:

	2021					Impairment losses	Net balance value
	Less than 30 days overdue	Between 30 and 90 days overdue	Between 90 and 180 days overdue	Between 180 days and 1 year overdue	Over over 1 year overdue		
Life insurance							
Capitalisation products	3,511,830	93,464	3,294,749	271,678	1,164,683	(659)	8,335,744
Life risk products	22,339,697	298,892	454,949	-	1,679,531	(2,849,211)	21,923,858
Non-life insurance							
Motor	878,229	515,231	6,072,936	-	225,539	(6,021,945)	1,669,990
Workers' compensation	5,834,777	2,561,995	3,079,840	52,828	1,637,136	(4,670,246)	8,496,329
Domestic animals assistance	4,715	107	82	84	177	-	5,165
Health	15,868,470	6,478,188	3,979,602	6,361	3,429,248	(2,791,802)	26,970,067
Fire and other damage	106,056,539	8,201,719	2,701,260	1,127,525	5,447,455	(3,581,607)	119,952,892
Transport	15,576,248	609,334	152,281	-	283,447	(590,638)	16,030,671
Third-party liability	25,532,029	1,754,273	655,670	-	3,947,884	(1,221,919)	30,667,938
Other (includes person accidents)	17,806,802	362,270	689,445	941,647	6,531,225	(3,336,288)	22,995,102
	<u>213,409,335</u>	<u>20,875,473</u>	<u>21,080,814</u>	<u>2,400,124</u>	<u>24,346,325</u>	<u>(25,064,316)</u>	<u>257,047,755</u>

	2020						Impairment losses	Net balance value
	Between 30 days overdue	Between 30 and 90 days overdue	Between 90 and 180 days overdue	Between 180 days and 1 year overdue	Between over 1 year overdue			
Life insurance								
Capitalisation products	6,200,632	375,759	316,483	1,150,677	4,425	(1,327)	8,046,648	
Life risk products	25,128,294	-	327,154	129,319	643,408	(9,268,867)	16,959,308	
Non-life insurance								
Motor	355,748,047	3,085,786	5,245,893	-	225,167	(9,091,588)	355,213,305	
Workers' compensation	5,267,944	5,551,105	4,023,159	7,882	843,051	(6,032,762)	9,660,380	
Domestic animals assistance	2,207	426	38	147	17	-	2,835	
Health	47,131,751	2,733,904	3,841,651	4,877	3,614,843	(3,710,322)	53,616,704	
Fire and other damage	335,219,605	5,893,639	2,301,395	197,155	8,580,618	(3,523,909)	348,668,503	
Transport	57,929,531	212,831	63,948	-	22,913	(579,095)	57,650,127	
Third-party liability	124,282,608	918,624	221,484	3,368,544	683,156	(1,461,922)	128,012,494	
Other (includes person accidents)	(748,011,789)	1,613,859	238,201	10,369	5,113,212	(3,003,934)	(744,040,082)	
	208,898,829	20,385,933	16,579,406	4,868,970	19,730,810	(36,673,726)	233,790,221	

Liquidity risk

At 31 December 2021 and 2020, the estimated undiscounted cash flows of the financial instruments, according to the respective contractual maturity, were as follows:

	2021									
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	Total
Assets										
Cash and cash equivalents and sight deposits	951,254,578	-	-	-	-	-	-	-	-	951,254,578
Investment in associates and joint ventures	-	-	-	-	-	-	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	3,256,212	4,543,481	8,670,428	107,983,092	77,153,364	438,656,430	212,083,013	173,899,872	1,100,823,075	2,127,068,968
Hedge derivatives	-	-	-	-	-	-	-	-	2,674,924	2,674,924
Financial assets at fair value through other comprehensive income	33,820,579	113,583,238	267,223,168	1,283,052,114	2,305,858,274	2,327,560,380	1,693,373,775	506,835,333	1,878,906,729	10,410,213,591
Financial assets at amortised cost	274,583	4,800,833	27,567	1,869	23,706	50,423	293,266	153,304	-	5,625,551
Other debtors	448,687,992	-	-	-	-	-	-	-	-	448,687,992
	1,437,293,944	122,927,553	275,921,163	1,391,037,075	2,383,035,345	2,766,267,233	1,905,750,055	680,888,510	3,012,488,505	13,975,609,382
Liabilities										
Mathematical provision for life insurance	27,683,767	34,220,580	31,172,338	126,139,892	414,956,325	230,608,846	248,504,986	246,206,988	21,650,327	1,381,144,049
Financial liabilities at fair value through profit or loss	-	2,846,747	-	1,641,049	-	21,789,014	11,732,870	-	-	38,009,681
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	249,663,346	270,213,408	323,999,760	820,020,259	2,543,908,403	1,616,390,118	1,224,918,087	551,743,121	4,286,718	7,605,143,221
Hedge derivatives	-	-	-	-	-	-	-	-	23,581,767	23,581,767
Deposits received from reinsurers	312,156	624,313	1,560,782	300,918,740	-	-	-	-	-	303,415,991
Other financial liabilities	1,236,470	3,724	13,882	37,402,481	48,765,721	95,855,699	764,799,870	11,678,772	-	959,756,619
Other creditors	363,496,594	-	-	-	-	-	-	-	-	363,496,594
	642,392,333	307,908,772	356,746,762	1,286,122,421	3,007,630,450	1,964,643,677	2,249,955,813	809,628,882	49,518,813	10,674,547,922

	2020									
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	Total
Assets										
Cash and cash equivalents and sight deposits	936,872,479	-	-	-	-	-	-	-	-	936,872,479
Investment in associates and joint ventures	-	-	-	-	-	-	-	-	23,838,264	23,838,264
Financial assets at fair value through profit or loss	2,488,684	2,841,884	32,009,643	7,222,439	177,554,210	197,796,664	185,973,103	104,529,189	188,922,480	899,338,295
Hedge derivatives	-	-	-	-	-	-	-	-	5,440,707	5,440,707
Financial assets at fair value through other comprehensive income	127,229,550	181,635,843	751,015,881	602,026,915	2,927,263,248	2,210,165,353	2,048,849,529	242,749,994	1,957,523,281	11,048,459,594
Financial assets at amortised cost	535,528	-	27,793	1,884	23,900	50,836	295,668	154,560	-	1,090,169
Other debtors	315,504,961	-	-	-	-	-	-	-	-	315,504,961
	1,382,631,202	184,477,727	783,053,317	609,251,238	3,104,841,357	2,408,012,853	2,235,118,300	347,433,743	2,175,724,733	13,230,544,469
Liabilities										
Mathematical provision for life insurance	20,074,725	25,856,462	34,483,079	115,409,477	425,003,390	389,697,255	271,817,363	275,882,524	22,360,677	1,580,584,952
Financial liabilities at fair value through profit or loss	-	2,846,747	-	1,641,049	-	21,789,014	11,732,870	-	-	38,009,681
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	236,910,386	429,389,898	431,919,836	818,937,089	2,982,879,929	1,694,382,639	971,688,670	587,269,396	5,288,666	8,158,666,508
Hedge derivatives	-	-	-	-	-	-	-	-	6,496,962	6,496,962
Deposits received from reinsurers	37,807	75,614	113,421	36,521,665	-	-	-	-	-	36,748,507
Other financial liabilities	1,329	4,652	30,103	54,307,904	51,295,905	71,734,138	207,805,207	10,527,815	62,214,725	457,921,777
Other creditors	288,396,384	-	-	-	-	-	-	-	-	288,396,384
	545,420,631	458,173,373	466,546,438	1,026,817,184	3,459,179,224	2,177,603,046	1,463,044,112	873,679,735	96,361,030	10,566,824,772

The amounts presented above are not comparable with the accounting balances as they include cash-flow projections.

The calculation of the estimated cash flows of the financial instruments is based on the principles and assumptions the Group uses as part of its activity to manage and control liquidity, with the adjustments needed to comply with the applicable disclosure requirements. The main assumptions used to calculate the cash-flow estimates were:

- Cash and sight deposits were classified as payable on demand and included in the “up to 1 month” category;
- The amounts included in “Other debtors” and “Other creditors” are payable on demand, and classified with maturity of “Up to 1 month”;
- Equity instruments were classified as being of “Indefinite” maturity;
- In debt instruments the contractual maturity was considered to be the earlier of the following dates: call, put or maturity;
- The amounts recognised in “Deposits received from reinsurers” correspond to provisions retained from reinsurers, as part of the reinsurance treaty in force, and are renewable for annual periods. The cash-flow estimates were calculated on the basis of the next due date;
- “Hedge Derivatives” were classified as “Indefinite”, since they are foreign exchange futures and forwards contracts;
- To calculate the projected cash flows of “Financial liabilities at fair value through profit or loss” the contracts’ maturity dates were considered;
- The following assumptions were considered when calculating the estimated cash flows of the mathematical provision for life insurance and financial liabilities of the deposit component of insurance contracts and investment contracts:

- Mortality was determined according to the Group's history of the last five years;
- The estimate of future outflows for redemption of capitalisation contracts was based on a generalised linear model with four factors: type of product, the initial contract duration and the difference between the market interest rate, the source company and the technical rate;
- Expected yields were determined based on the rates of the interest rate curve, the duration of the liability and plus / minus unrealised gains;
- The expected costs were estimated based on the values recorded in year.

Market risk

Interest rate risk

At 31 December 2021 and 2020, the breakdown of financial instruments by type of exposure to interest rate risk was as follows:

	2021			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	949,251,875	2,002,703	951,254,578
Investment in associates and joint ventures	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	808,155,913	641,820,216	2,524,715,558	3,974,691,687
Hedge derivatives	-	-	2,674,924	2,674,924
Financial assets at fair value through other comprehensive income	8,681,199,672	519,980,775	-	9,201,180,447
Financial assets at amortised cost	1,121,250,803	14,283,821	93,932,293	1,229,466,917
Other debtors	-	-	448,572,311	448,572,311
	<u>10,610,606,388</u>	<u>2,125,336,687</u>	<u>3,101,981,566</u>	<u>15,837,924,641</u>
Liabilities				
Mathematical provision for life insurance	-	1,608,929,356	-	1,608,929,356
Financial liabilities at fair value through profit or loss	69,373,031	-	230,297,084	299,670,115
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	6,358,556,065	1,760,269,963	-	8,118,826,028
Hedge derivatives	-	-	23,581,767	23,581,767
Deposits received from reinsurers	-	81,278,509	-	81,278,509
Other financial liabilities	-	596,027,423	-	596,027,423
Other creditors	-	-	363,496,594	363,496,594
	<u>6,427,929,096</u>	<u>4,046,505,251</u>	<u>617,375,445</u>	<u>11,091,809,792</u>

	2020			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	934,535,567	2,336,912	936,872,479
Investment in associates and joint ventures	-	-	23,838,264	23,838,264
Financial assets at fair value through profit or loss	549,629,402	518,595,977	1,866,314,982	2,934,540,361
Hedge derivatives	90,287	-	5,350,420	5,440,707
Financial assets at fair value through other comprehensive income	8,871,966,663	662,283,529	5,240,185	9,539,490,377
Financial assets at amortised cost	1,494,657,774	829,286	56,197,517	1,551,684,577
Other debtors	-	-	315,504,961	315,504,961
	10,916,344,126	2,116,244,359	2,274,783,241	15,307,371,726
Liabilities				
Mathematical provision for life insurance	-	1,767,082,917	-	1,767,082,917
Financial liabilities at fair value through profit or loss	35,429,371	(266,437)	2,846,747	38,009,681
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	7,836,592,350	523,530,129	-	8,360,122,479
Hedge derivatives	4,296,288	-	2,200,674	6,496,962
Deposits received from reinsurers	-	36,294,822	-	36,294,822
Other financial liabilities	-	567,513,033	-	567,513,033
Other creditors	-	-	288,396,384	288,396,384
	7,876,318,009	2,894,154,464	293,443,805	11,063,916,278

At 31 December 2021 and 2020, the sensitivity of the fair value of the Group's financial instruments with exposure to interest rate risk to positive and negative changes of 50, 100 and 200 basis points (bps) respectively was:

	2021					
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
	Assets					
Financial assets at fair value through profit or loss	(20,467,209)	(10,573,602)	(5,377,184)	5,570,259	11,347,388	23,586,604
Financial assets at fair value through other comprehensive income	(566,670,752)	(299,167,862)	(154,449,247)	167,036,777	350,860,153	796,816,476
Financial assets at amortised cost	(63,525,370)	(32,370,938)	(16,342,289)	16,665,948	33,666,002	2,617,608
	(650,663,331)	(342,112,401)	(176,168,721)	189,272,983	395,873,543	823,020,688
Liabilities						
Other financial liabilities	1,818,849	925,484	466,854	(475,279)	(959,189)	(1,953,767)
	1,818,849	925,484	466,854	(475,279)	(959,189)	(1,953,767)
2020						
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
Assets						
Financial assets at fair value through profit or loss	(23,222,803)	(11,974,590)	(6,082,559)	6,282,842	12,776,452	26,442,023
Financial assets at fair value through other comprehensive income	(595,139,772)	(314,193,270)	(162,223,076)	175,546,269	368,943,939	839,837,385
Financial assets at amortised cost	(91,430,834)	(46,747,191)	(23,640,172)	24,191,551	48,953,528	100,269,319
	(709,793,409)	(372,915,050)	(191,945,807)	206,020,662	430,673,919	966,548,727
Liabilities						
Other financial liabilities	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	(2,876,391)
	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	(2,876,391)

The sensitivity of the fair value of the financial assets and technical liabilities was calculated by considering the future cash flows discounted at the respective YTM, with positive and negative changes of 50, 100 and 200 bps, in the respective yields.

Currency risk

At 31 December 2021 and 2020, the breakdown of financial instruments by currency was as follows:

	2021				Total
	Euros	US dollars	HK dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	614,158,028	207,174,127	3,519,878	126,402,544	951,254,577
Investment in associates and joint ventures	1,517,850	21,687,510	-	6,878,417	30,083,777
Financial assets at fair value through profit or loss	3,089,510,279	480,945,726	270,886,635	133,349,046	3,974,691,687
Hedge derivatives	2,619,597	-	-	55,327	2,674,924
Financial assets at fair value through other comprehensive income	5,707,357,651	1,782,522,187	-	1,711,300,608	9,201,180,447
Financial assets at amortised cost	901,910,046	165,865,976	29,032,054	132,658,841	1,229,466,917
Other debtors	184,491,915	160,078,674	201,540	103,800,183	448,572,312
	10,501,565,367	2,818,274,200	303,640,107	2,214,444,967	15,837,924,641
Liabilities					
Mathematical provision for life insurance	1,563,822,728	-	-	45,106,628	1,608,929,356
Financial liabilities at fair value through profit or loss	(746,831,868)	96,979,252	3,125,573	946,397,157	299,670,115
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	8,016,951,962	98,542,444	-	3,331,622	8,118,826,028
Hedge derivatives	14,909,552	-	-	8,672,215	23,581,767
Deposits received from reinsurers	33,237,830	8,878,444	-	39,162,234	81,278,509
Other financial liabilities	436,786,885	2,272	633,784	158,604,483	596,027,423
Other creditors	173,070,647	117,193,184	1,239,660	71,993,101	363,496,593
	9,491,947,735	321,595,597	4,999,017	1,273,267,441	11,091,809,790

	2020				Total
	Euros	US dollars	HK dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	500,542,986	62,518,054	331,086	373,480,352	936,872,479
Investment in associates and joint ventures	2,252,217	20,479,407	-	1,106,640	23,838,264
Financial assets at fair value through profit or loss	2,033,347,261	439,599,487	351,737,370	109,856,243	2,934,540,361
Hedge derivatives	5,350,419	-	-	90,287	5,440,707
Financial assets at fair value through other comprehensive income	6,241,550,386	1,656,295,539	-	1,641,644,451	9,539,490,377
Financial assets at amortised cost	1,264,853,356	112,603,784	33,740,726	140,486,711	1,551,684,577
Other debtors	159,139,260	162,263,233	31,228	217,018,873	538,452,594
	<u>10,207,035,885</u>	<u>2,453,759,504</u>	<u>385,840,410</u>	<u>2,483,683,558</u>	<u>15,530,319,357</u>
Liabilities					
Mathematical provision for life insurance	1,751,056,928	-	-	16,025,991	1,767,082,920
Financial liabilities at fair value through profit or loss	(905,773,581)	5,393,876	-	938,389,386	38,009,681
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	8,276,624,799	8,388,092	-	75,109,588	8,360,122,479
Hedge derivatives	5,089,744	(62,292)	-	1,469,510	6,496,962
Deposits received from reinsurers	30,172,555	4,633,311	-	1,488,956	36,294,822
Other financial liabilities	479,878,836	(1,401)	-	87,635,599	567,513,033
Other creditors	145,630,201	243,860,629	126,938	121,726,246	511,344,014
	<u>9,782,679,483</u>	<u>262,212,214</u>	<u>126,938</u>	<u>1,241,845,277</u>	<u>11,286,863,912</u>

As described in Note 7, the Group carries out operations with derivatives within the scope of its activity, essentially with the aim of reducing its exposure to fluctuations in the exchange rate risk for EUR/USD, EUR/GBP, EUR/JPY, EUR/USD. Thus, the impact of the sensitivity of the fair value of the Group's financial instruments with exposure to exchange rate risk to positive and negative variations is reduced.

The headings "Other debtors" and "Other creditors" are broken down differently between Assets and Liabilities, when compared with the Financial Statements due to the fact that the allocation by currency leads to a different breakdown of balances.

50. Disclosures Relating to Insurance Contract Risks

Below is a summary of the acceptance and risk management policies in force.

50.1 Risk underwriting

Risk acceptance and management is structured at two levels, following a model for delegating competence. Each level has specific methodologies and procedures, in line with its competence, enabling interconnection and harmonisation between the two.

The second level, for commercial networks, includes delegated competence for risk acceptance, duly established by written standards and procedures, essentially based on the following criteria:

- Products with standard clauses;
- Risks or activities with a stable claims history;
- Homogeneous and easily identifiable risk universe;
- Small amounts of capital allowing dilution of higher risk;
- Risks with known and controllable accumulation, regarding cover and/or geographical spread;
- Premiums in line with a product tariff, adjustable by a delegated discount of reduced scope.

The following instruments are available: tariffs, simulators, underwriting manuals, algorithms that identify risks that require careful technical analysis and rules on delegation of competence, product manuals, general conditions and pre-contractual information, insurance proposals, standard declarations, technical questionnaires and rules on circuits and procedures.

The first level is for the Business Divisions – bodies in the structure that are responsible for managing the business areas, from product design to claims management, and including underwriting and portfolio management – which have additional instruments for risk analysis.

The Business Divisions have a multidisciplinary technical staff who are highly specialised in the different insurance lines of business, and are assisted by actuarial specialists. When the characteristics of the risk so justify, they use risk analyses performed by specialist companies.

Risk acceptance is based on strict technical standards, which seek to identify risks with high potential losses (in terms of severity and frequency), apply adjusted contract conditions and define premiums appropriate to the specific risk, in order to obtain sustained growth in the portfolio and a stable technical result. All risks which do not fit within the Reinsurance Treaties are analysed by the Business Divisions, and Facultative Reinsurance may be used when the conditions for accepting the risk are deemed to have been met.

When the risks analysed do not fit within the Reinsurance Charging Manuals or the conditions for acceptance defined by the Company, they are sent to the Reinsurers' Underwriting Departments for proposals for acceptance of the conditions of these risks to be presented.

The Business Divisions also have access to reports and analyses of a technical and actuarial nature which allow them to gain knowledge on the technical evolution of the insurance business and on the evolution of risk behaviour in relation to the cover and main characteristics of the insurable objects.

The Risk Acceptance Policy identifies situations with a particularly high risk and/or a high level of uncertainty. These situations are not delegated to the Technical Divisions, and competence to accept them is reserved for the Underwriting Policy Acceptance and Supervision Committee, which meets whenever it is necessary to assess risks with these characteristics.

50.2. Technical management

The technical management of the Lines of Business includes product design, definition of clauses and prices, definition and control of the underwriting policy, calculation of maximum risks and also monitoring of the technical results, namely supervision of the evolution of processed income, the number of insurance contracts, portfolio distribution by risk segments and guarantees, average premiums, risk characteristics, claims and the technical margin. In order to monitor the above, periodic reports are produced containing management indicators and information is regularly prepared for the Reinsurance Division, with information on portfolio profiles, with the aim of aiding negotiation of the Reinsurance Treaties.

50.3. Risk control management instruments

Internal risks of the organisation

In order to control and minimise the organisation's internal risk, acceptance rules and procedures and product manuals have been published. These are freely available and employees are well aware of their content, and the process for application them is duly monitored by the competent areas.

Portfolio profile studies

Regular studies are produced on the risk profile of the portfolios, by class of capital/liabilities assumed, type of activity, type of objects insured and coverage.

Studies are also regularly made of the claims rate behaviour of products according to the most important characteristics for defining the risk.

This type of study enables a qualitative and quantitative analysis to be obtained of the portfolio's claims rate (by scales of sums insured, types of objects insured, types of activities, covers), with the aim of gauging the existing delegations and correcting any distortions, and also, correlating the main price determination factors and deciding on changes in products being commercialised or the creation of new ones.

Periodic analyses of portfolio evolution

The portfolio under management is subject to periodic analysis of the behaviour of the policy movements, both in terms of numbers of policies and in terms of new and cancelled policies, variations in premiums/average rates and changes in the distribution of contracts across the various business segments.

These studies also include analysis of claims behaviour, and monitor the respective frequency and rate of claims. This analysis is produced not only in terms of groups of business, but mainly in terms of products being managed.

In specific cases in the motor insurance line of business, extensive and detailed diagnoses are made regarding the portfolio's evolution, with the aim of identifying operational problems in the business, together with their causes, both from a commercial and technical perspective. Proposals are developed as a result of these diagnoses.

Portfolio selection and reorganisation

The aim of this function is to improve the profitability of the portfolio being managed, both by reorganising loss-making risks (high frequency and/or level of claims), and by introducing changes to the conditions of the contract (cover, deductibles, premiums), and also by providing advice to the Client (recommending the implementation of prevention and safety measures which improve the quality of the risk).

This function also includes the assessment of irregularities which are detected in contracts or in claims, which may lead to the implementation of measures which, depending on the seriousness of the irregularity, may lead to cancellation of the insured person's contract or portfolio.

Insurance risk concentrations

By producing regular studies on the risk profile of the portfolios, by class of capital/liabilities assumed, by activities and objects insured, and by cover, indicators are obtained which enable an estimate to be made of the impact of potential changes to the cover, and an analysis of the impact of any changes to the reinsurance treaties and to the Group's retention policy. In some cases, specific studies are conducted to assess these impacts.

These studies are also focused on specific cover, the geographical area, the type of responsibilities assumed or on the type of object insured, enabling the determination and quantification of maximum risk by classes, and also evaluating the impact of catastrophic claims circumstances on the portfolio.

Behaviour of the non-life portfolio – Direct insurance

Direct insurance

	2021			2020		
	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios
Accidents	287,758,197	1.07	1.05	276,303,785	1.02	1.01
Health	389,552,103	0.95	0.94	357,718,266	0.85	0.84
Fire and Other Damage	287,842,870	0.95	0.94	267,040,275	0.80	0.79
Motor	459,218,832	0.98	0.97	462,049,626	0.90	0.90
Marine	6,515,459	0.39	0.37	5,263,510	0.32	0.32
Aviation	11,194,824	0.28	0.27	10,102,649	-0.42	-0.42
Transported Goods	7,807,781	0.63	0.62	7,028,318	0.58	0.58
Third-Party Liability	62,147,268	1.20	1.19	52,663,571	1.04	1.03
Other Lines of Business (Credit and Suretyship + Miscellaneous)	87,576,814	0.67	0.65	80,162,539	0.57	0.56

Note: Ratios for the years of occurrence 2021 and 2020 for the company Fidelidade.

In the last 12 months, some variations in the post-investment claims/expenses ratio were seen. Only the Aviation group recorded a decrease in the ratio of 162.9%; all other lines of business recorded an increase in their ratios.

An analysis of the above table reveals that in the last 12 months only in the Accidents and Third-Party Liabilities lines of business were premiums not sufficient to meet the liabilities.

Fidelidade Portugal's pre-tax technical results for non-life were positive at 31 December 2021, reaching around EUR 106.1 million.

Premium sufficiency and creation of a provision for unexpired risks

Direct insurance

Fidelidade's direct non-life insurance premiums for Accidents and Third-Party Liability were insufficient to meet the liabilities associated with claims, operating costs and investments. A reduction of 5.3% and 18.6% respectively in the costs would be needed to eliminate the premiums shortfall in these lines of business.

The premiums earned from direct insurance were sufficient to meet the liabilities assumed in all other lines of business.

In the non-life lines of business, in the last 12 months, the operating result from direct insurance was sufficient in overall terms to meet the liabilities associated with their operation.

Net of reinsurance

Since the Provision for Unexpired Risks is calculated separately for each geography, we indicate for each whether we need to establish this provision in 2021.

In Portugal, with the exception of the Marine and Transport and Transported Goods lines of business, the insurance company's premiums net of reinsurance were insufficient, in 2021, to meet the costs associated with the operation of the lines of business.

Pursuant to Circular Letter 12/2020, of 23 December of the Insurance and Pension Funds Supervisory Authority, in Portugal the Motor branch suffered an adjustment to the provision for ongoing risks, within the scope of the exceptional situation related to the Coronavirus Pandemic – COVID-19 outbreak.

In Spain, provision for unexpired risks was necessary for all lines of business except Marine and Transport, Aviation and General Third-Party Liability.

In France, provision was only necessary for the Fire and Other Damages and General Third-Party Liability lines of business.

In Mozambique, for the Personal Accident, Motor, Health, Third-Party Liability, Fire and Other Damages and Miscellaneous branches, the insurer's net reinsurance premiums were not sufficient to cover the costs.

A provision for ongoing risks was put in place, in accordance with the regulations in force, which shows a decrease compared to the provision established in the same period of 2020 for all branches with the exception of France and Mozambique.

Provision for unearned premiums

The provision is calculated in line with the rules in force, and tests are carried out in order to determine the adequacy of the level of provisions.

Equalisation provision

The calculation for the equalisation provision is defined in the rules of the ASF which are applied both in terms of the algorithms and regarding the lines of business to be considered. The Group follows the criteria listed there.

Claims provision

The claims provision is calculated as described in the accounting policies. Throughout the year actuaries monitor the levels of the provisions set up, and statistical methods are used which are appropriate to the nature of the risks, namely estimating using stochastic methods of future cash flows associated with the assumed liabilities.

Risk concentration and mitigation

At Fidelidade, the Accidents, Health, Fire and Other Damage and Motor lines of business represent approximately 89.0% of the Gross Premiums Earned and 92.4% of the claims costs.

In order to control the risks assumed, the insurance company has underwriting and acceptance rules to select and control the level of exposure to which the Company is subject.

In non-life, risk mitigation is mostly by means of specific reinsurance programmes for each type of risk, and high demands are placed on the quality of the reinsurers involved.

The following table presents the rating of the main reinsurers, updated at the end of December 2021:

Rating	% Reinsurers	
	2021	2020
A -	16.0%	7.4%
A	32.0%	29.6%
A +	16.0%	22.2%
AA	-	-
AA +	28.0%	33.3%
Not rated	4.0%	3.8%

There is one not rated Reinsurer, with a share of 5% in Personal Accidents, Third-Party Liabilities, Motor and Workers' Compensation lines of business.

There is a specific "Excess of Loss" treaty to guarantee catastrophic risks, with a retention of EUR 63,000,000 and a capacity of EUR 358,000,000.

At Fidelidade 60.43% of the sums insured retained for cover for Seismic Phenomena are located in Zone I, the most serious in terms of seismic risk. The sums insured considered in this analysis are estimates.

Comparison between estimated and actual claims

Fidelidade's claims provision at 31 December 2020 totalled EUR 1.642 billion. During 2021, EUR 302,820,230 were paid for claims which occurred in 2020 and previous years.

In December 2021, natural consumption would lead to a provision of EUR 1,339,506,177. However, there was a positive readjustment of over EUR 52.7 million, and the provision at the end of December 2021 was EUR 1,392,270,934.

There were positive readjustments for Accidents and Health, Marine and Transport, Transported Goods, Third-Party Liabilities and Others. The most significant, in absolute terms, was in Accidents and Health, which totalled around EUR 48.6 million.

Development of Claims Provisions regarding claims occurred in previous years and their readjustments (corrections):

	Claims provisions at 31 December 2020	Claims Paid in the year *	Claims provisions at 31 December 2021 *	Readjustments
Accidents and Health	1,030,258,667	135,344,817	943,487,076	48,573,226
Fire and Other Damage	120,876,897	46,871,888	70,437,555	(3,567,453)
Motor	367,433,746	97,200,254	260,815,969	(9,417,523)
Marine and Transport	1,948,373	700,626	1,445,812	198,065
Aviation	816,100	476,489	1,043,459	703,848
Transported Goods	3,169,744	599,789	3,954,857	1,384,902
Third-Party Liability	106,391,122	8,365,965	104,450,607	6,425,449
Credit and Suretyship	304,045	(6,103)	258,981	(51,167)
Legal Protection	21,782	225	1,995	(19,562)
Assistance	178,398	(5,599)	11,889	(172,108)
Other	10,927,534	13,271,879	6,362,734	8,707,079
Total	1,642,326,408	302,820,230	1,392,270,934	52,764,756

* Claims occurred in the year N-1 and previous years

Insurance Risks

The Group underwrites contracts in all the non-life lines of business, the most significant risks of which are:

- Changes in the longevity of pensioners in the Workers' Compensation line of business and in income rates associated with assets allocated to the respective mathematical provisions;
- Climate change and natural disasters;
- Inflation risk, in the lines of business in which claims take longer to be fully settled;
- In health insurance, the most significant risks are the result of changes in lifestyle and scientific and technological developments.

Exposure to risks is mitigated by the diversification obtained due to the size of the group's portfolio of policies and the extent of the risks underwritten in all non-life lines of business. Variability of the risks is improved by the selection of risks to be underwritten and the implementation of underwriting strategies and policies which are defined so as to ensure that the risks are diversified in terms of the type of risk and the level of guarantees taken out.

Furthermore, policies are defined for claims revision and claims management procedures. These policies are regularly checked to ensure they reflect the practices in course and form the basis of the control carried out. Claims under management are regularly reviewed, and any giving rise to suspicions of fraud are investigated. The group carries out active and timely management of claims, in order to reduce its exposure to unforeseen developments which may have a negative impact on its liabilities.

In relation to whole life provisions in the Workers' Compensation line of business, the mortality table applied is regularly assessed, in order to reflect the real longevity of the beneficiaries of these covers.

The Group also limits its exposure to risk by both imposing maximum amounts of indemnifiable damage in most contracts and using reinsurance programmes which limit its exposure in particular to catastrophic events.

The assessment of exposure to seismic risk is studied by the insurer's reinsurers, and their conclusions are considered when the reinsurance treaties are acquired and renewed.

Risk Assessment Assumptions

Non-life lines of business, except annuities

The main assumption for estimating the group's liabilities is that future development of claims and indemnities will follow a similar pattern to known past experience for those variables. These assumptions include probabilities relating to the average cost of claims, claims management costs, inflation and the number of claims per year.

Qualitative judgements are also used to assess the adequacy of the past trends and whether they can be applied in the future or not, for example:

- Changes in market conditions, such as clients' attitudes regarding reporting claims;
- Economic conditions;
- Internal factors, such as the composition of the portfolios of policies, policy guarantees, and procedures, and greater or lesser speed in managing claims;
- External factors, namely changes to legislation or rules and court decisions and relevant regulations or legislation that may affect the cost estimate.

Annuities and whole life assistance in the Workers' Compensation line of business

For whole life liabilities in the Workers' Compensation line of business, assumptions are adopted regarding the longevity of the beneficiaries of these provisions, discount rates and the costs of their management.

The table below shows the impact on the insurer's liabilities of changes which are reasonably possible in the assumptions indicated. All the others remain constant.

Assumption	Factor	Increase in Liability
Longevity	+20%	6.00%
Expense	+10%	0.69%
Revision	4%	2.32%
Interest Rate	-1%	12.77%

Sensitivity analysis

The sensitivity analyses were performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on liabilities, profit before tax and equity. The reinsurance impacts on the sensitivity analysis corresponds to the proportional effect of the current reinsurance protection.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

Assumptions	Change in assumption	2021			2020		
		Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
Number of claims	+10%	54,770,770	(54,770,770)	(37,517,977)	48,871,470	(48,871,470)	(33,476,957)
Average cost per claim	+10%	49,110,003	(49,110,003)	(33,640,352)	44,279,997	(44,279,997)	(30,331,798)
Average claim reserve	+10%	20,178,581	(20,178,581)	(13,822,328)	18,320,129	(18,320,129)	(12,549,288)
Longevity	+10%	23,218,592	(23,218,592)	(15,904,735)	672,269	(672,269)	(460,504)
Longevity	-10%	(23,915,918)	23,915,918	16,382,404	(1,114,874)	1,114,874	763,689
Discount rate	+1%	(99,393,798)	99,393,798	68,084,751	(5,034,250)	5,034,250	3,448,461
Discount rate	-1%	217,125,619	(217,125,619)	(148,731,049)	6,012,260	(6,012,260)	(4,118,398)

50.4. Reinsurance Policies

The decisive factors for limiting or transferring the risk insured are the nature of the business and the amounts of the risks to be insured, and a distinction is made mainly between those which are considered mass lines of business (Motor, Workers' Compensation, Personal Accidents and Multi-risks Home Insurance) and those which are dealt with more on a case-by-case basis, such as the remaining lines of business of Property, Engineering and Machinery, Marine, Transported Goods, Third Party Liability and Other risks.

Compliance with the Underwriting Rules is intrinsically associated with the contracts available and in force in Reinsurance, and these are decisive for the acceptance or refusal of certain risks and its pricing.

Risks involving significant amounts insured or serious situations are subject to prior analysis and their acceptance is strictly interdependent with and supported by Reinsurance.

The Group has based its Reinsurance Policy on the existence of Proportional and Non-Proportional Reinsurance Treaties, as well as Facultative Reinsurance and other types of reinsurance which prove necessary to obtain adequate Reinsurance protection for the risks accepted.

In Fire and Other Damage, Engineering and Aviation, the Group works with Proportional Treaties.

The Reinsurance cover in the main property lines of business, and the respective retention, takes into consideration the portfolio structure's ratio of sums insured and the respective volume of premiums for each line of business and also considers the statistical monitoring of the profitability of that portfolio, the Retention/Premiums ratio at the end of one year or one cycle and the Group's financial capacity, in terms of whether it is sufficient to absorb frequent claims.

Accumulations resulting from “Cover for Seismic Phenomena and Natural Risks”, which are catastrophic in Retentions, are reinsured by Excess of Loss, and the Retention is determined by the Group’s financial capacity.

When determining the Retention by event, the low frequency of catastrophes in Portugal is taken into account, and the retention reflects what is technically foreseeable from the point of view of the impact of a catastrophe on the Group’s capital and its absorption over a defined period, working with a conservative scenario with a period of return of 355 years, which is significant in markets exposed to catastrophes.

Accumulations resulting from natural disasters that do not relate to seismic phenomena are protected by an Excess of Loss Treaty, and the Retention and Capacity are defined on the basis of the history of events that have occurred in the last 15 years and the Group’s financial capacity.

Motor, Workers’ Compensation, Personal Accidents, Marine Hull, Transported Goods and Third-Party Liability are covered by Excess of Loss treaties, which proves more appropriate to the nature of the risks and the portfolio and the Group’s financial capacity. To establish the priority, the statistical behaviour of the claims rate and quotes for different levels of this are taken into consideration.

The criteria for selecting reinsurers take into account their reliability and financial solvency and their capacity to provide services. The selection process requires their constant observation and monitoring.

The information obtained in the International Market from Rating Agencies is a fundamental benchmark regarding the sound financial health of the Reinsurers.

The rating by the S&P Rating Agency or equivalent (A.M. Best, Fitch or Moody’s) is therefore a factor in the selection of Reinsurers. The minimum rating required for a reinsurer to be part of our Panel of Reinsurers is “A-”.

50.5. Life insurance

In the Life Insurance Line of Business there are three major groups of insurance contracts, covered by IFRS 4, in relation to which the nature of risks covered is characterised as follows:

Risk products

With regard to these products, the greatest risk factor is mortality, and there are a large number of contracts which also have an associated disability risk, with a significant part of these being transferred to reinsurers.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Changes in Mathematical Provision} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Annuity products

The greatest risk factor for these products is longevity.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Changes in Mathematical Provision} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Capitalisation products

The greatest risk factor for these products is interest rate risk.

Only the contracts with profit sharing are covered by IFRS 4, so the income awarded to the insured persons has a fixed component and a variable component which depends on the profitability of a given portfolio of assets partially dependent on the Group's discretion.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Percentage of Income} - \text{Technical Income} - \text{Management Costs} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and the profit sharing coefficient, the percentage of income and the management costs, given that the plans for awarding it only define minimum amounts for these figures.

Expected cash inflows and outflows for the next three years are presented for each of these groups of products (PS – Profit sharing).

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2022	152,612,643	117,647,150	0	15,182,684	15,732,919	225,332,941
2023	129,068,013	98,823,882	0	14,092,933	14,100,285	206,328,202
2024	119,028,669	90,626,820	0	13,131,296	12,591,600	223,338,689

The following tables provide information on the changes of these cash inflows and outflows, considering a 5% increase in expected redemptions.

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2022	149,028,618	115,000,432	0	15,182,684	13,052,639	237,338,977
2023	119,034,676	92,072,692	0	14,092,933	11,068,414	232,117,947
2024	103,799,684	80,577,081	0	13,131,296	9,377,567	170,410,882

Sensitivity analysis

The sensitivity analyses were performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic

assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

Assumptions	Change in assumption	2021			2020		
		Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
Mortality	+10%	(5,625,517)	5,625,517	3,853,479	(5,716,411)	5,716,411	3,915,742
Mortality	-10%	6,362,429	(6,362,429)	(4,358,264)	6,459,400	(6,459,400)	(4,424,689)
Expected rate of return	+0.5%	(10,868,333)	10,868,333	7,444,808	(15,007,478)	15,007,478	10,280,122
Expected rate of return	-0.5%	16,274,772	(16,274,772)	(11,148,219)	20,147,608	(20,147,608)	(13,801,111)
Claimed occurred but not reported	+10%	2,594,417	(2,594,417)	(1,777,176)	2,005,716	(2,005,716)	(1,373,915)

51. Capital Management

The new solvency regime (Solvency II), approved by Directive 2009/138/EC of the European Parliament and of the Council, of 25 November, and transposed into Portuguese Law by Law 147/2015, of 9 September, came into force on 1 January 2016.

The Solvency II rules are divided into three pillars.

Pillar I - Quantitative requirements

The Solvency II rules define criteria for determining own funds eligible for the purposes of capital requirements by undertaking an economic assessment of the assets and liabilities. They also define two levels of capital requirements: the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

The SCR is calculated taking into account all the risks that an Insurance Company may be exposed to, namely market risks, credit risks, specific insurance risks and operational risks. The SCR aims to guarantee the existence of eligible funds in an amount which is sufficient to absorb significant losses resulting from risks to which an Insurance Company may be exposed.

The MCR establishes the maximum warning level, corresponding to the amount of own funds that must be kept, so as not to jeopardise the Insurer's compliance with its liabilities.

If it is detected that the SCR or the MCR are no longer being complied with or if there is a risk of non-compliance in the following three months, even circumstantial or temporary non-compliance, it shall immediately inform the ASF. In the event of failure to comply with the SCR, it shall send this Authority a recovery plan within two months and take the measures necessary to ensure that, within six months, a level of own funds eligible to cover the SCR has been restored or the company's risk profile has been reduced.

In the event of failure to comply with the MCR or where a risk of non-compliance is detected, it shall send to the ASF, within one month, a short-term financing plan, with a view to avoiding non-compliance or restoring the eligible own funds, at least to the level of the MCR, or with a view to reducing the company's risk profile.

Pillar II - Qualitative requirements and supervision

This pillar defines qualitative requirements related with the existence and maintenance of effective systems of governance, risk management and internal control, including systems to ensure the suitability and qualification of those persons who effectively run the Company, supervise it and are responsible for key functions (risk management, internal audit and compliance and actuarial functions).

One of the main requirements of this pillar is the own risk and solvency assessment (ORSA), which must be performed at least once a year. Through this exercise, the company must conduct a prospective assessment of the adequacy of the capital available to achieve its business objectives, taking into account its risk profile, and also the adequacy of the regulatory capital, and conduct a solvency analysis considering stress scenarios. The resulting report must be sent to the ASF.

Pillar III - Prudential reporting and public disclosures

Pillar III sets out the obligations for disclosing public information and information to the Supervisor.

Within this context, Fidelidade's capital management objectives meet the following general principles:

- Comply with the legal requirements to which Fidelidade is bound;
- Generate adequate profitability, creating value for the shareholder and providing it with remuneration on the capitals applied;
- Sustain the development of the operations that Fidelidade is legally authorised to perform, maintaining a solid capital structure capable of responding to growth in the business and to the risks arising from it.

To achieve the objectives described, Fidelidade has defined a set of policies and processes.

On one hand, it has implemented a risk management system which is an integral part of the Company's daily activities, with an integrated approach being applied to ensure that the strategic objectives (clients' interests, financial solidity and efficiency of processes) are being maintained. This integrated approach also ensures value creation by identifying an appropriate balance between risk and return, at the same time guaranteeing the Company's obligations to its stakeholders.

Risk management aids the Company in identifying, assessing, managing and monitoring risks, enabling appropriate and immediate actions to be adopted in the event of material changes in its risk profile.

In establishing its risk profile, the Company identifies the different risks to which it is exposed and then assesses those risks. Risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks not included in that formula, the Company has opted to use a qualitative analysis in order to classify the foreseeable impact on capital needs.

On the other hand, the ORSA enables risk, capital and return to be related, in a prospective vision, in the context of the Company's business strategy.

The ORSA, which coincides timewise with the Company's strategic planning (which is never less than 3 years), plays a key role in the Company's Capital Management, and supports its main activities, namely:

- Assess, together with risk management, the risk appetite structure in relation to the business and capital management strategy;
- Contribute to the commencement of the strategic planning process, by performance of a capital adequacy assessment in the most recent period;

- Monitoring capital adequacy in line with the regulatory capital requirements and internal capital needs.

Taking into account the results obtained in the ORSA, and if the capital requirements differ from those defined, both in terms of the regulations and other limits defined internally, corrective actions to be implemented are prepared, in order to restore the capital level to the adequate or intended level.

Lastly, the obligations regarding public information, in particular, the obligation to disclose an annual “Solvency and Financial Condition Report”, enable detailed information to be provided on the Company’s activities and performance, governance system, risk profile, solvency assessment and capital management.

Given the time lag between the disclosure of these financial statements and the prudential information contained in the “Solvency and Financial Condition Report”, it is important to state that the Company complies comfortably with the capital requirements, considering the preliminary data reported to the ASF on a quarterly basis and the information available on this date.

To ensure compliance with the policies and processes, the Company has implemented an appropriate system of governance involving, among others, an organisational structure which involves several bodies that perform key risk management and internal control functions: Risk Management Division, Compliance Division, Audit Division, Risk Committee, the Underwriting Policy Acceptance and Supervision Committee, the Life and Non-Life Products Committees and the Assets and Liabilities Management Committee.

52. Public Service Concessions

Main risks identified are operational and financial

Luz Saúde managed Hospital Beatriz Ângelo through its subsidiary SGHL – Sociedade Gestora do Hospital de Loures, S.A (“SGHL”) under a Public-Private Partnership agreement with the Portuguese State (“PPP Agreement”) until 18 January 2022. HL – Sociedade Gestora do Edifício, S.A., in which the Company has a 10% shareholding, is also a party to the PPP agreement and is responsible for the management of Hospital Beatriz Ângelo’s building and facilities.

Under the PPP Agreement, SGHL had undertaken to provide healthcare services within the National Health Service, through Hospital Beatriz Ângelo, for a 10-year period as of the Hospital’s opening date (19 January 2012).

With respect to the Hospital’s management, the PPP Agreement governed the relationship between the State and SGHL, has set prices and payment methods, established quality standards, notice and information duties, compliance levels (clinical and non-clinical), hospital operating rules (e.g. human resources) and other duties and undertakings for each party, as well as consequences for default on the contractual obligations.

In addition, the PPP Agreement established that annual volumes of patient treatment at Hospital Beatriz Ângelo (defined with reference to doctor consultations, emergency room visits and inpatient and outpatient surgical and non-surgical services) shall be agreed by annual negotiation between the Public Awarding Entity (in this case Administração Regional de Saúde de Lisboa e Vale do Tejo, I.P.) and the hospital’s management, based on historical data for public healthcare demands by the population in the Hospital’s catchment area. However, it should be noted that the aforementioned production level was determined based on historical data regarding the demand for public healthcare by the population living in the Hospital’s catchment area.

The prices charged by the hospital to the National Health Service has been contractually defined and were adjusted annually according to the rise in the inflation rate.

The PPP Agreement further provided that, at the end of each month, the State must pay 90% of 1/12 of the agreed annual production value (regardless of the actual production value reached). The adjustment amount (which may include the remaining 10%, plus any additional production above the agreed amount, given that there are areas where the set production limit can be surpassed, such as emergency room visits and hospitalisation) must be calculated by the end of the first semester of the following year, and payment must be made during that same period. The processes of calculation and reconciliation of accounts for the years 2012 to 2022 are still pending completion.

Under the Hospital Establishment Transmission Contract for Hospital Beatriz Ângelo, entered into between SGHL, Hospital de Loures, EPE and the Regional Health Administration of Lisbon and Vale do Tejo, IP on 18 January 2022, which regulates the terms and conditions of transfer from the Hospital Establishment to the Hospital de Loures, EPE provides that the calculation and payment of the amounts referring to the reconciliation payments for the years 2012 to 2022 will take place in a phased manner until 28 February 2023.

53. Managed Pension Funds

At 31 December 2021 and 2020, the Macao branch was managing the following pension funds. In these periods, the pension fund portfolio contained the following assets:

	2021							
	BNU Pension Fund	Golden-Age Retirement Pension Fund	Guaranteed Capital Pension Fund	International Stable Pension Fund	International Opportunities Pension Fund	Greater China Opportunities Pension Fund	Emerging Markets Opportunities Pension Fund	SmartSafe Pension Fund
Amounts in Patacas								
Cash and deposits	18,262,080	48,166,507	76,723,593	1,644,920	3,987,518	2,517,953	557,021	31,977,773
Debt instruments	175,428,369	686,141,521	8,689,656	36,457,449	25,828,643	25,936,478	8,367,468	24,681,163
Equity instruments	33,228,281	310,796,221	-	12,496,867	50,332,368	44,857,333	14,729,308	-
Others	(167,627)	(522,552)	(112,486)	(83,591)	(131,564)	(125,053)	(40,792)	(94,230)
	<u>226,751,102</u>	<u>1,044,581,697</u>	<u>85,300,762</u>	<u>50,515,645</u>	<u>80,016,965</u>	<u>73,186,710</u>	<u>23,613,006</u>	<u>56,564,706</u>
Amounts in Euros								
Cash and deposits	2,007,197	5,294,012	8,432,739	180,794	438,271	276,750	61,223	3,514,698
Debt instruments	19,281,445	75,414,255	955,086	4,007,062	2,838,843	2,850,695	919,674	2,712,723
Equity instruments	3,652,142	34,159,812	-	1,373,539	5,532,063	4,930,298	1,618,908	-
Others	(18,424)	(57,434)	(12,363)	(9,188)	(14,460)	(13,745)	(4,484)	(10,357)
	<u>24,922,359</u>	<u>114,810,646</u>	<u>9,375,462</u>	<u>5,552,207</u>	<u>8,794,716</u>	<u>8,043,998</u>	<u>2,595,321</u>	<u>6,217,063</u>

Amounts in Euros, considering the exchange rate at 31 December 2021 of 1 Euro to 9.0983 Macao Patacas.

	2020							
	BNU Pension Fund	Golden-Age Retirement Pension Fund	Guaranteed Capital Pension Fund	International Stable Pension Fund	International Opportunities Pension Fund	Greater China Opportunities Pension Fund	Emerging Markets Opportunities Pension Fund	SmartSafe Pension Fund
Amounts in patacas								
Cash and deposits	16,060,388	20,990,947	79,963,164	1,035,443	2,540,798	2,772,278	293,089	44,123,196
Debt instruments	160,367,633	622,274,461	-	28,539,438	18,275,610	23,510,856	6,529,762	-
Equity instruments	31,529,754	302,397,427	-	10,361,036	30,606,727	36,324,087	13,615,367	-
Others	(150,670)	(472,831)	(104,912)	(64,371)	(80,372)	(101,621)	(32,847)	(72,404)
	<u>207,807,105</u>	<u>945,190,004</u>	<u>79,858,251</u>	<u>39,871,546</u>	<u>51,342,763</u>	<u>62,505,600</u>	<u>20,405,372</u>	<u>44,050,792</u>
Amounts in Euros								
Cash and deposits	1,638,882	2,142,021	8,159,840	105,662	259,276	282,897	29,908	4,502,551
Debt instruments	16,364,712	63,499,986	-	2,912,306	1,864,934	2,399,165	666,329	-
Equity instruments	3,217,453	30,858,140	-	1,057,292	3,123,263	3,706,691	1,389,380	-
Others	(15,375)	(48,250)	(10,706)	(6,569)	(8,202)	(10,370)	(3,352)	(7,389)
	<u>21,205,672</u>	<u>96,451,896</u>	<u>8,149,134</u>	<u>4,068,691</u>	<u>5,239,271</u>	<u>6,378,383</u>	<u>2,082,266</u>	<u>4,495,162</u>

Amounts in Euros, considering the exchange rate at 31 December 2020 of 1 Euro to 9.79960 Macao patacas.

54. Subsequent Events

As part of its internationalisation strategy and its commitment to strengthening its ability to innovate in savings products, Fidelidade acquired 70% of Insurtech Prosperity Group AG, an innovative company with experience in the Life and Financial lines of business, with more than 98% of its customers located in Switzerland and Germany.

With this operation, Fidelidade ensures the management control of Insurtech Prosperity Group AG, and has maintained the current executive management team, a clear sign of the project's continuity and confidence in the company's future.

B2 Report and Opinions on the Consolidated Accounts

Legal Certification of Consolidated Accounts

Report and Opinion of the Supervisory Board

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Fidelidade – Companhia de Seguros, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2021 (which establishes a total of 20,350,384,670 euros and total equity and non-controlling interests of 3,618,980,264 euros, including a net profit for the year of 270,241,578 euros), the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Fidelidade – Companhia de Seguros, S.A. as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by the Supervisory Authority for insurance and pension funds in Portugal (“Autoridade de Supervisão de Seguros e Fundos de Pensões”).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors’ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Measurement of technical provisions for life insurance and of financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Notes 22 and 23 of consolidated financial statements, as at 31 December 2021, the technical provisions for life insurance and the financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations	Our approach to the risk of material misstatements in the measurement of technical provisions for life insurance and financial liabilities included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>considered for accounting purposes as investment contracts amounted to 3,108 and 8,119 million euros (“m€”), respectively, representing approximately 67% of the total liabilities.</p> <p>This matter was considered to be as a key audit matter based on materiality to the consolidated financial statements and the fact that it represents a significant estimate of management. To determine it, management needs to establish assumptions about future events, including the timing and total value of liabilities to policyholders and the income of the assets portfolio underlying these obligations.</p> <p>As described in Note 2.17, the liabilities for insurance contracts are determined based on actuarial assumptions, historical data and other methods accepted in the sector, and the actual amounts to be disbursed in the future may be significantly different from the estimates made.</p>	<ul style="list-style-type: none"> ▶ Understanding of the Group's internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the measurement of technical provisions for life insurance and financial liabilities; ▶ Analytical review procedures, recalculation and analysis of the methodologies for the projection of future cash flows, including the underlying financial and demographic assumptions (when applicable), with special attention to the obligations for products with guaranteed rates; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Group's actuaries for the measurement of liabilities arising from life insurance and investment contracts, including an analysis of their consistency with those used in the previous year and using as reference the specific terms of the products, regulatory requirements and practices in the insurance sector; and ▶ Review the completeness and consistency of the disclosures in the consolidated financial statements of the Technical Provisions for Life Insurance and Financial Liabilities with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

2. Measurement of claims provisions (non-life)

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As described in Note 22 to the consolidated financial statements as at 31 December 2021, the claims provisions arising from non-life insurance contracts amounted to 2,167 m€ (13% of total liabilities). These provisions are determined using actuarial assumptions and methodologies and are based on the history of the Group's loss ratio by business and they present the estimated value of damages to pay for claims already incurred, including claims incurred but not reported (IBNR), and administrative costs related to future settlement.</p> <p>These provisions include estimates for long-term claims provisions of workers' compensation, requiring assumptions based on judgments, in particular the discount rate, mortality tables and expenses to be incurred (see details in subparagraph d) in Note 2.17).</p>	<p>Our approach to the risk of material misstatements in the measurement of claims provisions (non-life) included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Group and its subsidiaries and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the measurement of claims provisions (non-life); ▶ Analytical review procedures on the consolidated financial statements line items relating to claims provisions (non-life) to understand the annual changes and of the main factors contributing to the most significant variations; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the actuaries of the Group and its subsidiaries for the measurement of the claims liabilities (non-life), including analysis of consistency with those used in the previous years and with the default payment history by segment, having as reference the specifics of the Group's products and its subsidiaries

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>In view of the materiality of these liabilities to the consolidated financial statements and since it is a significant estimate based on assumptions and actuarial techniques applied to information currently available, the actual amounts payable in the future may be different from recorded amounts, we considered the claims provisions (non-life) to be a key audit matter.</p>	<p>regulatory requirements and practices in the insurance sector;</p> <ul style="list-style-type: none"> ▶ Recalculation of claims provisions with the support of our actuarial specialists for the segments representing the most significant share of the liabilities of the Group (Auto and Workers' compensation), on the basis of actuarial methods recognised in the insurance sector, to assess their adequacy. Additionally, for Workers' compensation segment, we examined the financial and demographic assumptions used in the estimation of the long-term obligations; ▶ Review the completeness and consistency of disclosures in the consolidated financial statements for Claims Provisions (non-life) with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

3. Valuation of financial instruments at fair value

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As detailed in Note 49, the consolidated assets and liabilities include financial instruments valued at fair value amounting to 13,176 m€ and 2,084 m€, respectively, which represent about 65% of the total consolidated assets and 12% of the total consolidated liabilities.</p> <p>The determination of the fair value of the financial instruments was primarily based on quotes in active markets. In the case of instruments with reduced liquidity in these markets, valuation models were used and other information involving judgment, such as information provided by specialised entities, observable and unobservable market assumptions and other estimates.</p> <p>The total value of instruments with reduced liquidity, recognised in the consolidated assets and liabilities of the Group, amounting to about 1,230 m€ (6% of the assets) and 127 m€ (1% of the liabilities), respectively, which were classified under the fair value hierarchy defined in the accounting framework as level 3 (Note 49).</p>	<p>Our approach to the risk of material misstatements in the valuation of financial instruments at fair value included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Group and its subsidiaries and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the valuation of financial instruments at fair value; ▶ Analytical review of the consolidated financial statements line items relating to financial instruments and recalculation of fair value financial instruments by comparing the rates used by the Group and its subsidiaries (when relevant) with those observed in external sources of information; ▶ Analysis of the methodologies and assumptions used by the Group and its subsidiaries in determining fair value, using as reference the details of its investment policy, regulatory requirements and sector practices; and ▶ Review the completeness and consistency of disclosures of financial instruments at fair value in the consolidated financial statements with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

4. Impairment of Goodwill

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consolidated financial statements of the Group as at 31 December 2021 include in the statement of financial position as more fully disclosed in Note 15, Goodwill arising from investments in subsidiaries of 466 m€, representing approximately 2% of the consolidated assets.</p> <p>In accordance with the accounting principles and as disclosed in Note 2.3, Goodwill corresponds to the positive difference, on the acquisition date, between the acquisition cost of a subsidiary and the effective percentage acquired by the Group, at fair value, of its identifiable assets, liabilities and contingent liabilities, and should be tested annually for eventual impairment. This impairment assessment is a process that requires judgment and is based on assumptions regarding economic and financial market conditions of the subsidiaries (such as discount rates, inflation, growth rates/profit margins and prospective financial information, among others).</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the valuation models and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of impairment losses.</p>	<p>Our approach to the risk of material misstatements in the impairment of Goodwill included a specific response by performing the following procedures:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the existing internal control procedures in the process for determining impairment losses of Goodwill; ▶ Analysis of contracts, accords and other information that supports the ownership, the cost of business combination and the fair value of assets, liabilities and contingent liabilities. ▶ Review of the assumptions used in the valuation models approved by the management, in particular the cash flow projections, the discount rate, the rate of inflation, the growth rate in perpetuity and the sensitivity analysis, supported by internal corporate finance experts; ▶ Review of the consistency of the assumptions used in the construction of the business plan with previous years, comparison with historical data and with external sources. We tested the calculations of the models used; and ▶ Review of the completeness and consistency of disclosures of Goodwill in the consolidated financial statements with the respective accounting data and the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

5. Application of IFRS 9 - Financial Instruments, with overlay approach as provided for in IFRS 4 - Insurance Contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The Group applies IFRS 9 with overlay approach, as provided for in IFRS 4, reclassifying between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Group had applied IAS 39 to the designated financial assets. On 31 December 2021, the amount of financial assets eligible for the application of overlay approach amounts to 1,568 m€ (Note 6) and, for them, the Group carried out impairment tests as if IAS 39 were applicable and the impairment losses were recognised</p>	<p>Our approach to the risk of material misstatements in the recognition and measurement of impairment losses of financial assets included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the process of valuation of financial instruments and recognition of impairment losses for the Group and its subsidiaries; ▶ We have validated the eligibility of financial assets to apply overlay approach, and tested the valuation and impairment for a sample of capital instruments, thus ensuring the correct

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>on evidence of impairment such as, among others, financial difficulties of the issuer or a significant or prolonged decline in the fair value of financial assets below cost price.</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the recognition and measurement of impairment losses on financial assets, since they are based on assumptions taking into account impairment indicators observable at a given time and that the use of different assumptions or obtaining additional information may result in different estimates of impairment losses.</p> <p>The details of the accounting policies, methodologies, concepts and assumptions used are disclosed in Note 2.6 of the Annex to the consolidated financial statements.</p>	<p>reclassification of amounts between profit or loss and other comprehensive income;</p> <ul style="list-style-type: none"> ▶ Analytical review tests on the consolidated financial statements line items related to financial assets and recalculation of impairment losses on a sample basis; and ▶ Review the completeness and consistency of disclosures in the consolidated financial statements on recognition of impairment losses on financial assets with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

6. Valuation of Real Estate Investments

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consolidated financial statements of the Group as at 31 December 2021 include real estate assets as disclosed in Note 11 to the consolidated financial statements, recorded at fair value and classified as Investment Properties, amounting a net of 2,178 m€ which represents a total of about 11% of the consolidated assets.</p> <p>The real estate appraisals were based on the methods disclosed in Note 11 to the consolidated financial statements and assumptions for which the effects of the economic and the ability of the market to absorb the available supply is crucial.</p> <p>The consideration of this matter as a key audit matter was based on their materiality to the consolidated financial statements and the inherent risk on the assumptions used in appraisals performed by external experts.</p>	<p>Our approach to the risk of material misstatements included a specific strategy consisting of a combination of evaluation of controls and substantive procedures, namely:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the process of valuation of real estate investments; ▶ Analytical review tests on real estate items included in the consolidated financial statements; ▶ Analysis of the valuation reports prepared by experts, testing the appropriateness of the valuation methods used and reasonableness of the assumptions made; ▶ Comparative analysis of value and assumptions of the appraisals made in the year with those of previous years and price comparison with available market information; and ▶ Verification of the completeness and consistency of disclosures of real estate in the consolidated financial statements with the respective accounting data and requirements of International Financial Reporting Standards.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of the consolidated financial statements which present a true and fair view of financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by *Autoridade de Supervisão de Seguros e Fundos de Pensões*;
- ▶ the preparation of the Sole Management Report and non-financial statement in accordance with the applicable laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or what safeguards were applied.

Our responsibility includes the verification of the consistency of the Sole Management Report with consolidated financial statements, as well as the verification that the non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Sole Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

About the non-financial statement

In compliance with Article 451, nr. 6 of the Commercial Companies Code, we inform that the Company has prepared a separate report from the Sole Management Report, which includes the non-financial statement, as provided for in Article 66-B of the Commercial Companies Code, and it was disclosed together with the Sole Management Report.

On additional items set out in article 10^o of Regulation (EU) nr. 537/2014

Pursuant to article 10^o of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Fidelidade – Companhia de Seguros, S.A. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 15 May 2014 for the year 2014. We were reappointed for a second mandate in the shareholders' general meeting held on 31 March 2015 for the period between 2015 and 2017. On 29 March 2017, we renounced that mandate, between 2015 and 2017, and were appointed at the shareholders' meeting held on 31 March for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 30 June 2020 for the term between 2020 and 2022;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with the ISA we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;

- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and the Council of 16 April 2014 and we have remained independent of the Group in conducting the audit.

Lisbon, 14 March 2022

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

Ricardo Nuno Lopes Pinto - ROC nr. 1579
Registered with the Portuguese Securities Market Commission under license nr. 20161189

FIDELIDADE – COMPANHIA DE SEGUROS, S.A.

REPORT AND OPINION OF THE SUPERVISORY BOARD

2021

In compliance with the applicable legal provisions, articles of association and our instructions we hereby submit the report on our inspection and opinion on the accounting documents produced by the Board of Directors for which the Board is responsible.

We have monitored the company's activity during this accounting period, taking all the necessary steps to comply with the duties by which we are bound, and noted the regularity of its accounting records and compliance with the applicable legal and statutory regulations, having made the checks considered expedient.

We were provided with regular information and clarifications on the operation of the company and its corporate business by the Board of Directors and other governing bodies.

We have examined the Management Report and the other consolidated accounting documents for the year in addition to the Statutory Auditor's Report, with which we are in agreement.

In consideration of the above, the Supervisory Board issues the following

OPINION

- That the Management Report and other consolidated accounting documents for the year, as submitted by the Board of Directors, should be approved;

The Supervisory Board wishes to express its gratitude to the Board of Directors and other governing bodies for their excellent collaboration during the course of the year.

Lisbon, 14 March 2022.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

**DECLARATION OF COMPLEMENTARY LIABILITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
FOR 2021**

In compliance with the provisions of Article 420(6) of the Commercial Companies Code, the members of the Supervisory Board hereby declare that, to the best of their knowledge, the consolidated accounts and other accounting documents for the year have been produced in conformity with the applicable accounting standards and are a true and fair reflection of the company's assets and liabilities, its financial situation and its results.

They also declare that, to the best of their knowledge, the Management Report provides a faithful account of the evolution of the company's business, performance and position, and that this report refers to the risks and uncertainties attached to the activity.

Lisbon, 14 March 2022.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

C1 Separate Financial Statements

Separate Statement of Financial Position

Separate Income Statement

Separate Statement of Changes in Equity

Separate Statement of Comprehensive Income

Separate Statement of Cash Flows

Notes to the Separate Accounts

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

ASSETS	Notes	2021			2020
		Gross amount	Impairment, depreciation / amortisation and adjustments	Net amount	
Cash and cash equivalents and sight deposits	3 and 11	521.902.520	-	521.902.520	254.989.747
Investments in subsidiaries, associates and joint ventures	4 and 11	2.733.001.790	-	2.733.001.790	2.859.578.864
Financial assets at fair value through profit or loss	5, 6 and 11	3.537.609.194	-	3.537.609.194	2.681.360.705
Financial assets at fair value through other comprehensive income	7 and 11	8.006.813.593	-	8.006.813.593	8.380.136.584
Financial assets at amortised cost	8 and 11	939.661.097	-	939.661.097	1.265.549.435
Properties		146.170.664	(33.358.615)	112.812.049	119.541.541
Properties for own use	9 and 11	86.384.345	(33.358.615)	53.025.730	56.610.714
Investment properties	10 and 11	59.786.319	-	59.786.319	62.930.827
Other tangible assets	11 and 12	93.213.764	(74.466.570)	18.747.194	21.056.200
Inventories	12	1.644	-	1.644	315.147
Other intangible assets	13	109.833.102	(56.725.648)	53.107.454	39.702.891
Technical provisions on reinsurance ceded		385.916.544	-	385.916.544	270.327.816
Provision for unearned premiums	14	82.555.208	-	82.555.208	66.583.589
Mathematical provision for life insurance	14	27.004.267	-	27.004.267	21.535.404
Claims provision	14	253.812.077	-	253.812.077	173.788.078
Profit sharing provision	14	-	-	-	3.494
Other technical provisions	14	22.544.992	-	22.544.992	8.417.251
Assets for post-employment and long-term benefits	32	12.122.242	-	12.122.242	6.817.869
Other debtors for insurance operations and other operations		241.542.862	(30.575.908)	210.966.954	204.111.439
Accounts receivable for direct insurance operations	15	179.977.063	(15.756.954)	164.220.109	144.956.327
Accounts receivable for other reinsurance operations	15	33.612.727	(7.116.203)	26.496.524	27.322.399
Accounts receivable for other operations	15	27.953.072	(7.702.751)	20.250.321	31.832.713
Tax assets		148.438.554	-	148.438.554	151.840.506
Recoverable tax assets	16	19.376	-	19.376	81.914
Deferred tax assets	16	148.419.178	-	148.419.178	151.758.592
Accruals and deferrals	17	13.214.978	-	13.214.978	18.005.378
Non-current assets held for sale	18	-	-	-	4.174.555
TOTAL ASSETS		16.889.442.549	(195.126.741)	16.694.315.808	16.277.508.677

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2021	2020
LIABILITIES			
Technical provisions		4.247.263.520	4.213.363.534
Provision for unearned premiums	19	321.833.928	287.742.414
Mathematical provision for life insurance	19	1.797.846.377	1.979.443.654
Claims provision		1.921.611.319	1.747.669.367
Life	19	113.423.958	105.342.959
Workers' compensation	19	1.009.412.309	943.271.218
Other	19	798.775.053	699.055.190
Provision for profit sharing	19	62.290.771	75.633.193
Provision for interest rate commitments	19	17.780.388	29.012.022
Provision for portfolio stabilisation	19	25.803.587	26.345.782
Equalisation provision	19	32.960.468	30.959.225
Provision for unexpired risks	19	43.924.719	27.588.681
Other technical provisions	19	23.211.963	8.969.196
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	20	8.016.951.962	8.276.624.799
Financial liabilities at fair value through profit or loss	6 and 21	312.638.571	44.939.333
Other financial liabilities		657.956.624	172.409.963
Subordinated debt	21	501.053.722	-
Deposits received from reinsurers	21	130.146.691	108.430.121
Others	21	26.756.211	63.979.842
Liabilities for post-employment and other long-term benefits	32	88.245	86.499
Other creditors for insurance operations and other operations		253.171.674	200.599.716
Accounts payable for direct insurance operations	22	105.557.345	71.262.077
Accounts payable for other reinsurance operations	22	85.915.611	109.625.821
Accounts payable for other operations	22	61.698.719	19.711.818
Tax liabilities		137.145.214	183.878.876
Tax payable liabilities	16	49.770.423	40.556.684
Deferred tax liabilities	16	87.374.791	143.322.192
Accruals and deferrals	23	134.321.454	133.860.576
Other provisions	24	122.696.254	109.436.636
Liabilities from a group for disposal classified as held for sale	18	-	574.928
TOTAL LIABILITIES		13.882.233.518	13.335.774.860
SHAREHOLDERS' EQUITY			
Paid-in Capital	25	509.263.524	509.263.524
(Treasury shares)	25	(148.960)	(148.960)
Other Capital Instruments	25	164.977.301	314.977.301
Revaluation reserves	26	85.093.212	191.645.278
From adjustments in fair value of debt instruments at fair value through other comprehensive income	26	60.268.208	161.153.294
Revaluation of properties for own use	26	640.095	1.276.035
From adjustments in fair value of equity instruments at fair value through other comprehensive income	26	(708.391)	(2.581.781)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	26	24.893.300	31.797.730
Deferred tax reserve	26	(30.977.971)	(91.447.502)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	26	(1.394.347)	-
Overlay Approach adjustment	5 and 26	59.380.408	210.130.237
Other reserves	26	1.761.000.541	1.628.029.179
Retained earnings	26	52.605.672	28.450.543
Net income for the year	26	212.282.911	150.834.217
TOTAL SHAREHOLDERS' EQUITY		2.812.082.290	2.941.733.817
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16.694.315.808	16.277.508.677

Lisbon, 22 February 2022

Chief Accounting Officer

Certified Public Accountant

On Behalf of the Board of Directors

Ana Paula Bailão Rodrigues

Filipa Jesus Martins Pires

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

SEPARATE INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2021				2020
		Technical - life	Technical - non-life	Non-technical	Total	
Earned premiums, net of reinsurance		222.160.338	984.025.079	-	1.206.185.417	1.185.714.475
Gross premiums written	27	246.221.328	1.647.119.865	-	1.893.341.194	1.798.324.978
Reinsurance ceded premiums	27	(23.751.533)	(644.791.547)	-	(668.543.080)	(606.748.474)
Provision for unearned premiums (change)	19 and 27	(416.666)	(39.840.081)	-	(40.256.747)	(18.480.215)
Provision for unearned premiums, reinsurers' share (change)	14 and 27	107.209	21.536.842	-	21.644.050	12.618.186
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	28	1.076.679	-	-	1.076.679	931.133
Claims costs, net of reinsurance		(349.522.154)	(672.834.266)	-	(1.022.356.420)	(947.492.570)
Amounts paid		(343.589.533)	(588.758.219)	-	(932.347.752)	(900.187.387)
Gross amounts	29 and 30	(351.744.414)	(917.375.331)	-	(1.269.119.745)	(1.204.086.726)
Reinsurers' share	29	8.154.881	328.617.111	-	336.771.993	303.899.339
Claims Provision (change)		(5.932.621)	(84.076.047)	-	(90.008.667)	(47.305.183)
Gross amount	29	(7.689.672)	(162.240.170)	-	(169.929.842)	(40.502.511)
Reinsurers' share	29	1.757.052	78.164.123	-	79.921.175	(6.802.672)
Other technical provisions, net of reinsurance	29	11.773.829	(18.452.307)	-	(6.678.478)	1.279.719
Mathematical provision for life insurance, net of reinsurance		191.766.358	-	-	191.766.358	163.769.666
Gross amount	19 and 29	186.297.495	-	-	186.297.495	157.896.931
Reinsurers' share	29	5.468.863	-	-	5.468.863	5.872.735
Profit sharing, net of reinsurance	14, 19 and 29	(14.218.461)	(134.973)	-	(14.353.435)	(2.686.717)
Net operating costs and expenses		(108.476.121)	(322.033.393)	-	(430.509.514)	(374.855.100)
Acquisition expenses	30	(93.580.490)	(320.274.000)	-	(413.854.490)	(384.295.322)
Deferred cost acquisition (change)	19	(7.936)	6.162.463	-	6.154.527	7.114.216
Administrative expenses	30	(23.940.663)	(83.441.314)	-	(107.381.977)	(100.777.353)
Commissions and reinsurance profit sharing	30	9.052.969	75.519.457	-	84.572.426	103.103.359
Financial income		197.967.763	65.418.723	4.660.204	268.046.690	236.752.107
From interest on financial assets not recognised at fair value through profit or loss	33	140.050.403	18.060.918	356.227	158.467.549	183.103.918
Other	33	57.917.360	47.357.805	4.303.976	109.579.141	53.648.189
Financial expenses		(21.438.767)	(13.438.310)	(31.789.084)	(66.666.161)	(35.495.596)
Other	30 and 34	(21.438.767)	(13.438.310)	(31.789.084)	(66.666.161)	(35.495.596)
Net income on financial assets and liabilities not recognised at fair value through profit or loss		(6.096.399)	(975.710)	1.219	(7.070.889)	(1.197.731)
Financial assets at fair value through other comprehensive income	25	11.791.983	(975.710)	1.010	10.817.283	21.902.074
Financial assets at amortised cost		27.517	-	-	27.517	-
Financial liabilities at amortised cost	20 and 35	(17.915.898)	-	-	(17.915.898)	(23.099.805)
Other	35	(0)	-	209	209	-
Net income on financial assets and liabilities recognised at fair value through profit or loss		(201.541.738)	(25.496.362)	(8.194.549)	(235.232.649)	201.278.167
Net income on financial assets and liabilities at fair value through profit or loss	36	(201.541.738)	(25.496.362)	(8.194.549)	(235.232.649)	201.278.167
Exchange differences	37	212.389.729	36.656.916	3.240.207	252.286.852	(243.276.197)
Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations	38	-	2.184.105	749.555	2.933.659	2.401.478
Impairment losses (net of reversals)		(15.733.854)	178.384	(1.163.470)	(16.718.940)	39.495.790
Financial assets at fair value through other comprehensive income	39	358.445	(342.575)	(20.513)	(4.643)	5.384.457
Financial assets at amortised cost	39	1.487.194	(3.859)	-	1.483.335	159.533
Other	39	(17.579.493)	524.817	(1.142.956)	(18.197.632)	33.951.800
Overlay Approach adjustment	36	98.845.487	51.897.669	504.706	151.247.862	(7.588.291)
Other technical income/expenses, net of reinsurance	40	55.917	11.743.307	-	11.799.224	(8.570.921)
Other income/expenses	41	-	-	(806.490)	(806.490)	(8.110.947)
Gains and losses from non-current assets (or groups for disposal) classified as held for sale	18	-	-	3.890.250	3.890.250	(7.794)
NET INCOME BEFORE TAX		219.008.605	98.738.860	(28.907.450)	288.840.015	202.340.671
Current income tax - current taxes	16	-	-	(73.023.642)	(73.023.642)	(26.044.897)
Current income tax - deferred taxes	16	-	-	(3.533.462)	(3.533.462)	(25.461.557)
NET INCOME FOR THE YEAR		219.008.605	98.738.860	(105.464.554)	212.282.911	150.834.217

Lisbon, 22 February 2022

Chief Accounting Officer

Certified Public Accountant

On Behalf of the Board of Directors

Ana Paula Bailão Rodrigues

Filipa Jesus Martins Pires

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE 2021 AND 2020 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	Paid-in capital and other capital instruments	Revaluation reserves	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Legal reserve	Other reserves			Retained earnings	Net income for year	Total
							Share premiums	Merger reserves	Other reserves			
Balance at 31 December 2019	835.250.940	342.893.300	(76.498.731)	-	-	196.797.284	182.379.280	91.335.345	805.535.126	66.320.073	145.271.486	2.589.284.103
Change in accounting policy - IFRS 9	-	(165.455.956)	(11.784.700)	-	203.531.455	-	-	-	-	(27.421.966)	-	(1.131.167)
Balance at 1 January 2020	835.250.940	177.437.344	(88.283.431)	-	203.531.455	196.797.284	182.379.280	91.335.345	805.535.126	38.898.107	145.271.486	2.588.152.936
Appropriation of net income	-	-	-	-	-	14.440.640	-	-	141.279.907	(10.449.061)	(145.271.486)	-
Capital increase	51.883.524	-	-	-	-	-	200.286.874	-	-	-	-	252.170.398
Redemption of capital supplementary contributions	(63.042.599)	-	-	-	-	-	-	-	-	-	-	(63.042.599)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	23.048.261	(6.972.530)	-	-	-	-	-	-	-	-	16.075.731
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(6.277.769)	2.062.708	-	-	-	-	-	-	-	-	(4.215.061)
Overlay Approach adjustment	-	-	(861.043)	-	6.598.782	-	-	-	-	-	-	5.737.739
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	(2.581.781)	817.964	-	-	-	-	-	-	-	-	(1.763.817)
Revaluation of properties for own use	-	19.223	742.550	-	-	-	-	-	-	-	-	761.773
Actuarial gains and losses	-	-	1.046.280	-	-	-	-	-	(4.025.277)	-	-	(2.978.997)
Others	-	-	-	-	-	-	-	-	-	1.497	-	1.497
Net income for the year	-	-	-	-	-	-	-	-	-	-	150.834.217	150.834.217
Balance at 31 December 2020	824.091.865	191.645.278	(91.447.502)	-	210.130.237	211.237.924	382.666.154	91.335.345	942.789.756	28.450.543	150.834.217	2.941.733.817
Appropriation of net income	-	-	-	-	-	15.083.422	-	-	111.597.365	24.153.430	(150.834.217)	-
Redemption of capital supplementary contributions	(150.000.000)	-	-	-	-	-	-	-	-	-	-	(150.000.000)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	(100.885.086)	32.090.983	-	-	-	-	-	-	-	-	(68.794.103)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(6.904.431)	2.077.363	-	-	-	-	-	-	-	-	(4.827.068)
Overlay Approach adjustment	-	-	27.028.377	-	(150.749.829)	-	-	-	-	-	-	(123.721.453)
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	1.873.390	(429.265)	-	-	-	-	-	-	-	-	1.444.125
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	427.822	(1.394.347)	-	-	-	-	-	-	-	(966.525)
Revaluation of properties for own use	-	(635.940)	(559.015)	-	-	-	-	-	-	-	-	(1.194.954)
Actuarial gains and losses	-	-	(166.732)	-	-	-	-	-	6.290.575	-	-	6.123.842
Others	-	-	-	-	-	-	-	-	-	1.699	-	1.699
Net income for the year	-	-	-	-	-	-	-	-	-	-	212.282.911	212.282.911
Balance at 31 December 2021	674.091.865	85.093.212	(30.977.971)	(1.394.347)	59.380.408	226.321.346	382.666.154	91.335.345	1.060.677.696	52.605.672	212.282.911	2.812.082.290

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT 31 DECEMBER 2021 AND 2020

Tax no: 500 918 880

(amounts in euros)

	2021	2020
NET INCOME FOR THE YEAR	212.282.911	150.834.217
Items that may be reclassified subsequently to gains and losses		
Change in fair value of debt instruments at fair value through other comprehensive income		
Gross amount		
Appreciation	(121.632.005)	22.821.218
Impairment	(7.960.016)	-
Disposal	10.817.283	(2.372.973)
Life insurance contracts with profit sharing	17.889.652	2.600.016
Deferred tax	29.576.121	(6.954.693)
Current tax - Life insurance contracts with profit sharing	2.514.862	(17.837)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income		
Gross amount	(7.955.373)	(5.384.457)
Life insurance contracts with profit sharing	1.050.943	(893.312)
Deferred tax	2.077.363	2.062.708
Overlay Approach adjustment		
Gross amount	(151.706.174)	8.143.938
Life insurance contracts with profit sharing	956.344	(1.545.156)
Deferred tax	27.028.377	(861.043)
Items that may not be reclassified subsequently to gains and losses		
Change in fair value of equity instruments at fair value through other comprehensive income		
Gross amount	1.993.679	(2.447.416)
Life insurance contracts with profit sharing	(120.289)	(134.365)
Deferred tax	(429.265)	817.964
Gains and losses from disposal of equity instruments at fair value through other comprehensive income		
Gross amount	(1.394.347)	-
Current tax	427.822	-
Change in potential gains on properties for own use		
Gross amount	(635.940)	19.223
Deferred tax	(559.015)	742.550
Actuarial deviations		
Post-employment benefits	5.830.456	1.280.001
Health benefits	460.118	(5.305.278)
Current tax	(21.795)	(194.442)
Deferred tax	(144.937)	1.240.722
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	(191.936.137)	13.617.368
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	20.346.774	164.451.585

FIDELIDADE - COMPANHIA DE SEGUROS, S.A.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE 2021 AND 2020 FINANCIAL YEARS

Tax no. 500 918 880

(Amounts in euros)

	2021	2020
1. Cash flows generated by operating activities		
Net income for the year	212.282.911	150.834.217
Adjustments for:		
Properties for own use amortisation	638.942	716.839
Tangible assets amortisation	4.370.594	5.358.867
Right of use assets depreciation	12.509.006	12.636.411
Intangible assets amortisation	4.429.997	1.206.402
Share of net profit in associates and joint ventures with equity method	(209)	-
Impairment losses (net of reversal)	16.718.940	(39.495.791)
Overlay approach gains/losses	(151.247.862)	8.143.938
Income from investment assets/liabilities	(284.773.944)	(61.159.715)
Lease interest payments	209.123	305.006
Interest paid	12.778.576	21.168
Interest received	(35.827)	(31.592)
Short-term leasing payment	17.966	13.416
Income tax - current tax	73.023.642	26.078.370
Income tax - deferred tax	3.533.462	25.461.557
Changes:		
Change in provision for unearned premiums	34.091.514	11.406.538
Change in mathematical provision for life insurance	(181.597.278)	(296.339.294)
Change in claims provision	173.941.953	33.389.093
Change in provision for insurance and reinsurance contracts	(115.588.729)	(11.647.675)
Change in other technical provisions	8.880.260	(8.318.888)
Change in other non technical provisions	12.727.323	(4.947.665)
Change in accruals and deferrals assets/liabilities	5.251.278	16.419.179
Change in financial liabilities on investment contracts	(259.672.837)	(590.259.770)
Change in other financial liabilities	21.716.569	(17.577.397)
Change in other debtors for insurance and other operations	(1.980.697)	265.404.725
Change in other creditors for insurance and other operations	1.972.991	(15.389.795)
Change in inventories	313.503	(172.066)
Net cash from operating activities before tax	(395.488.834)	(487.943.922)
Payment/receipt of taxes	(16.274.966)	5.332.908
Net cash from operating activities	(411.763.800)	(482.611.014)
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	110.689.794	(417.363.215)
Change in financial assets at fair value through profit or loss	(924.307.273)	(237.740.340)
Change in financial assets at fair value through other comprehensive income	617.932.007	45.290.288
Change in financial assets at amortised cost	314.629.613	931.438.305
Investment properties acquisition	(1.285.062)	(512.822)
Properties for own use acquisition	(8.991.763)	(92.148)
Other tangible assets acquisition	(2.509.363)	(5.473.522)
Other intangible assets acquisition	(17.834.560)	(17.046.274)
Receipts from disposal or repayment of investment properties	11.095.914	8.333.712
Receipts from disposal or repayment of properties for own use	14.204.449	8.105.862
Receipts from disposal or repayment of other tangible assets	47.509	14.362
Change in other assets	7.250.000	(7.794)
Dividends received	106.655.132	47.461.433
Change in derivatives held for trading	153.698.450	(49.708.846)
Change in financial liabilities at fair value through profit or loss	(34.146.488)	33.192.808
Income from demand deposits	5.973.336	(18.576.033)
Net cash from investing activities	353.101.695	327.315.776
3. Cash flows generated by financing activities		
Debt issued	501.053.722	-
Interest paid	(12.778.576)	(21.168)
Interest received	35.827	31.592
Lease payments (Note 21)	(12.509.006)	(12.636.411)
Interest lease payments (Note 21)	(209.123)	(305.006)
Shor-term leasing payment	(17.966)	(13.416)
Capital increase/ decrease	-	63.042.599
Supplementary contributions	(150.000.000)	(63.042.599)
Net cash from financing activities	325.574.878	(12.944.409)
4. Increase/decrease net of cash and equivalents	266.912.773	(168.239.647)
Cash and equivalents at start of the year	254.989.747	423.229.394
5. Cash and equivalents at end of the year	521.902.520	254.989.747

Index

1.	Introductory Note	3
2.	Accounting Policies	4
3.	Cash and Cash Equivalents and Sight Deposits.....	34
4.	Investments in Subsidiaries, Associates and Joint Ventures	35
5.	Financial Assets at Fair Value Through Profit or Loss	37
6.	Derivatives	39
7.	Financial Assets at Fair Value Through Other Comprehensive Income.....	43
8.	Financial Assets at Amortised Cost	44
9.	Properties for own use	45
10.	Investment properties	46
11.	Allocation of Investments and Other Assets	47
12.	Other Tangible Assets and Inventories.....	48
13.	Other Intangible Assets.....	49
14.	Technical Provisions for Reinsurance Ceded	50
15.	Other Debtors for Insurance Operations and Other Operations.....	54
16.	Tax Assets and Liabilities	55
17.	Accruals and Deferrals (Assets)	60
18.	Non-Current Assets Held for Sale and Discontinued Operations	60
19.	Technical Provisions.....	61
20.	Financial Liabilities of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts.....	67
21.	Financial Liabilities at Fair Value Through Profit or Loss and Other Financial Liabilities.....	68
22.	Other Creditors for Insurance Operations and Other Operations.....	69
23.	Accruals and Deferrals (Liabilities).....	70
24.	Other Provisions	70
25.	Paid-in Capital and Other equity instruments	71
26.	Reserves, Retained Earnings and Income for the Year	74
27.	Earned Premiums, Net of Reinsurance.....	76
28.	Fees from Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts or Service Contracts	77
29.	Claims Costs, Net of Reinsurance	78
30.	Net Operating Costs and Expenses, by Type and Function	81
31.	Employee Costs.....	84
32.	Retirement Pensions and Other Long-Term Benefits.....	86
33.	Income	93
34.	Financial Expenses	94
35.	Net Income on Financial Assets and Liabilities not Recognised at Fair Value through Profit or Loss	95
36.	Net Income on Financial Assets and Liabilities Recognised at Fair Value through Profit or Loss	96
37.	Exchange differences	97
38.	Net Income on the Sale of Non-Financial Assets which have not been Recognised as Non-Current Assets Held for Sale and Discontinued Operations.....	98
39.	Impairment Losses (Net of Reversals)	99
40.	Other Technical Income/Expenses, Net of Reinsurance.....	103

41.	Other Income/Expenses	103
42.	Segment Reporting	104
43.	Related Parties	109
44.	Disclosures Relating to Financial Instruments	122
45.	Disclosures Relating to Insurance Contract Risks	141
46.	Capital Management	152
47.	Subsequent Events.....	155

1. Introductory Note

Fidelidade - Companhia de Seguros, S.A. (“Fidelidade” or “Company”), with its head office at Largo do Calhariz, 30, Lisbon, Portugal, is a public limited company, resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. and Companhia de Seguros Fidelidade-Mundial, S.A., in accordance with the public deed dated 31 May 2012, which became effective from 1 January 2012. The operation was authorised by the Portuguese insurance regulator (Insurance and Pension Funds Supervisory Authority or “ASF”), by a resolution of its Board of Directors dated 23 February 2012. From 15 May 2014, with the initial acquisition of Fidelidade share capital, the Company became part of Fosun International Holdings Ltd by way of the interest held by Longrun Portugal, SGPS, S.A. (“Longrun”).

The Company’s corporate purpose is the performance of insurance and reinsurance activities in all technical lines of business. The life insurance line of business, including investment contracts, has been the most important in terms of the technical liabilities under management. The most important non-life technical lines of business in terms of premiums are motor, fire and other damage, health, and accidents at work, which represent approximately 86.2% and 87.5% of the total non-life premiums written during 2021 and 2020 respectively.

To perform its activity, Fidelidade has a nationwide branch network, agent centres and client branches. The Company has a foreign presence in Spain, France, Luxembourg, China and Mozambique.

Fidelidade’s financial statements at 31 December 2021 were approved by the Board of Directors on 22 February 2022. On the date of issue of the financial statements, these were pending approval by the General Meeting.

2. Accounting Policies

2.1. Presentation basis

The financial statements at 31 December 2021 have been prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by ASF Standard 3/2018-R, of 29 March, and the remaining regulatory standards issued by the ASF.

The standards set out in the PCES correspond in general terms to the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, of 19 July, transposed into the Portuguese legal system by Decree-Law No. 35/2005, of 17 February, with the amendments introduced by Law No. 53-A/2006, of 29 December, and Decree-Law No. 237/2008, of 15 December, except with regard to the application of IFRS 4 – “Insurance Contracts”, in respect of which only the classification principles relating to insurance type contracts were adopted.

In 2021, the Company adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2021. These standards are listed in Note 2.20. In line with the transitory provisions of those standards and interpretations, comparative amounts are presented in relation to the new disclosures required.

The basis for the preparation of the financial statements from the accounting books and records was the accrual method, consistency of presentation, materiality and aggregation and the assumption of a going concern.

The accounting policies used by the Company in the preparation of its financial statements relating to 31 December 2021 are consistent with those used in the preparation of the financial statements relating to 31 December 2020.

The amounts in these financial statements are expressed in Euros. The totals in the financial statements and in the tables in the notes to the financial statements may not correspond to the sum of the instalments due to rounding. The values 0 and (0) indicate positive or negative amounts rounded to zero, while the dash (-) indicates zero.

The financial statements were prepared using the historical cost principle, with the exception of assets and liabilities at their fair value, namely investments relating to life contracts where the investment risk is borne by the policyholder, derivative financial instruments, financial assets and liabilities at fair value through profit or loss, financial assets and liabilities at fair value through other comprehensive income and real estate for income generation. The remaining assets, namely financial assets at amortised cost and financial liabilities, and non-financial assets and liabilities, are recognised at amortised cost or historical cost.

The preparation of the financial statements requires the Company to make judgements and estimates and use assumptions which affect the application of the accounting policies and the amounts of the income, costs, assets and liabilities. Changes to those assumptions, or the differences between them and actual amounts, may impact these estimates and judgements. Areas which involve a higher level of judgement or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are described in Note 2.18.

2.2. Investments in subsidiaries, associates and joint ventures

Subsidiaries are companies over which the Fidelidade Group exercises control. Control is normally presumed to exist when the Company holds the ownership of the majority of voting rights. Control may also exist when the Group holds, directly or indirectly, the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, even though the percentage holding of its equity is less than 50%.

“Associates” are those entities over whose financial and operational policies the Group has the power to exercise significant influence, although it does not have control. Significant influence is presumed to exist whenever the Group holding in an invested company directly or indirectly comprises between 20% and 50% of the capital or voting rights. The Company may also exercise significant influence over an investee by means of a role in management of the associate or membership of the Board of Directors with executive powers.

There are also situations where the Group may exercise, together with other bodies, control over the activity of the company in which it has a holding (so-called joint ventures), where, under the terms of IFRS 11 – “Joint Arrangements”, it exercises shared control of the voting rights and equivalent decision-making rights.

These investments are recorded at acquisition cost, subject to impairment tests. Dividends are recorded as income in the year in which their distribution is decided.

The recoverable value of investments in subsidiaries, associates and joint ventures is assessed annually, regardless of the existence of impairment indicators. Impairment losses are calculated based on the difference between the recoverable value of investments in subsidiaries, associates and joint ventures and their book value. Identified impairment losses are recorded in the Income statement, and are subsequently reversed through profit or loss if there is a reduction in the estimated loss amount in a later period. The recoverable value is assessed on the basis of valuation methods based on the greater of the use value and fair value minus costs of sale. They are calculated using discounted future cash flow models, considering the market conditions and the time value and business risks. Whenever the value of the liabilities of a subsidiary, associate or joint venture exceeds its assets, in addition to the recognition of impairment to cancel the investment, the Company sets up a provision when it is responsible for the liabilities of that entity.

2.3. Conversion of foreign currency balances and transactions

Foreign currency transactions are recognised on the basis of the exchange rates in force on the date they were performed.

At each balance sheet date, monetary assets and liabilities in a foreign currency are converted to the functional currency based on the exchange rate in force. Non-monetary assets which are valued at fair value are converted based on the exchange rate in force on the date of their latest valuation. Non-monetary assets recognised at historical cost, including tangible and intangible assets, continue to be recognised in the original exchange rate.

Exchange rate differences calculated on exchange rate conversion are recognised in the Income statement, except those resulting from non-monetary financial instruments recognised at fair value through other comprehensive income.

2.4. Financial instruments

a) Adoption of IFRS 9 – “Financial instruments”

IFRS 9 replaced IAS 39 – “Financial Instruments: Recognition and Measurement” for annual periods after 1 January 2018. In order to ensure consistency in the insurance industry between the application of IFRS 9 and IFRS 17 – “Insurance Contracts”, the IASB issued an amendment to IFRS 4 with effect from 1 January 2018 which allowed insurance companies to insurance to defer the application of IFRS 9 for periods after 1 January 2023, thus aligning the effective dates of IFRS 9 and IFRS 17.

b) Financial assets

Classification, initial recognition and subsequent measurement

Financial assets are recognised at the trade date at fair value. On initial recognition, financial assets are classified in one of the following categories:

- i) Financial assets at amortised cost;
- ii) Financial assets at fair value through other comprehensive income; or
- iii) Financial assets at fair value through profit or loss.

The classification depends on the following aspects, except when the option to measure the financial instrument by its fair value through profit or loss is applied:

- The entity’s business model for managing the financial asset;
- The financial asset’s contractual cash flow characteristics.

Business Model Assessment

The Company assessed the business model within which the financial instruments are held at portfolio level, since this approach best reflects how the assets are managed and how information is reported to the management bodies.

Assessment as to whether contractual cash flows are solely payments of principal and interest (SPPI)

“Principal” for the purpose of this test is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as consideration for the time value of money, the credit risk associated with the amount owed for a particular period of time and other risks and costs associated with the business (e.g., liquidity risk and administrative costs), and also a profit margin.

When assessing financial instruments in which the contractual cash flows are solely payments of principal and interest, the Company considered the instrument’s original contractual terms. This assessment included an analysis of the existence of situations in which the contractual terms may change the timing or amount of contractual cash flows so that they do not meet the SPPI condition. During the assessment process, the Company takes into consideration:

- Contingent events that may change the timing or amount of cash flows;
- Characteristics resulting in leverage;
- Prepayment and extended maturity clauses;
- Characteristics that may change the consideration for the time value of money.

In addition, a prepayment feature is consistent with the SPPI criterion, if:

- The financial asset was acquired or originated at a premium or discount to the contractual per amount;
- The prepayment amount substantially represents the contractual nominal amount and accrued, but unpaid, contractual interest (which may include reasonable compensation for early payment);
- On initial recognition, the fair value of the prepayment feature is insignificant.

The classification of financial assets follows the scheme below:

Contractual Cash Flows	Business Model	Classification of financial assets
Contractual cash flows that are solely payments of principal and interest (SPPI)	Collect contractual cash flows	Financial assets at amortised cost
	Collect contractual cash flows and sell	Financial assets at fair value through other comprehensive income
Others (non-SPPI)	Derivatives and other financial instruments used to hedge risks	Hedge derivatives or Financial assets at fair value through profit or loss
	Acquired for sale in the near term	Financial assets at fair value through profit or loss
	Group of identified financial instruments that are managed together and for which there is a pattern of short-term profit-taking	
	Others	

i. Financial assets at amortised cost

Classification

A financial asset is classified in the category “Financial assets at amortised cost” if it meets all the following conditions:

- The financial asset is held within a business model with the main objective of holding assets to collect the contractual cash flows;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initial recognition and subsequent measurement

Financial assets at amortised cost are initially recognised at their fair value, plus transaction costs, and are subsequently measured at amortised cost. In addition, they are subject, from their initial recognition, to calculation of impairment losses for expected credit losses, which are registered as a charge to the heading “Impairment losses on financial assets at amortised cost” in the Income Statement .

Interest on financial assets at amortised cost is recognised under “Interest on financial assets not recognised at fair value through profit or loss”, calculated according to the effective interest rate method. Gains and losses on derecognition are registered under the heading “Net income on financial assets and liabilities at amortised cost”.

ii. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category “Financial assets at fair value through other comprehensive income” (FVOCI) if it meets all the following conditions:

- The financial asset is held within a business model the objective of which is both collecting contractual cash flows and selling that financial asset;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These instruments largely comprise debt instruments.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are registered as a charge to other comprehensive income and, on their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific Income statement heading called “Net income from financial assets and liabilities at fair value through other comprehensive income”.

Debt instruments at fair value through other comprehensive income are also subject, from their initial recognition, to calculation of impairment losses for expected credit losses. The estimated impairment losses are recognised in the Income statement, under the heading “Impairment losses on financial assets at fair value through other comprehensive income”, as a charge to other comprehensive income, and do not reduce the carrying amount of the financial asset on the balance sheet.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised under “Interest on financial assets not recognised at fair value through profit or loss” calculated according to the effective interest rate method.

Equity instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognised in income when the right to receive them is attributed.

iii. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category “Financial assets at fair value through profit or loss” (FVPL) if the business model defined by the Company for managing it or its contractual cash flow characteristics do not meet the conditions described above for measuring it at amortised cost or FVOCI.

Additionally, even if a financial asset meets the requirements to be measured at amortised cost or FVOCI, the Company may irrevocably designate it at initial recognition as measured at fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on it on different bases.

The Company has classified the following types of assets as “Financial assets at fair value through profit or loss”:

- Financial assets that are acquired for the purpose of sale in the near term, or that, on initial recognition, are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or that fall under the definition of derivatives (except for derivatives designated as hedging instruments);
- Debt instruments the contractual cash flows of which are not solely payments of principal and interest (SPPI) on the principal amount outstanding;
- Financial assets that the Company has opted to designate at fair value through profit or loss to eliminate an accounting mismatch;
- Financial assets that do not meet the requirements to be classified as financial assets at amortised cost or at fair value through other comprehensive income, whether they are debt instruments or equity instruments that have not been designated at fair value through other comprehensive income.

Initial recognition and subsequent measurement

Given that the transactions performed by the Company in the normal course of its business are made under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, and the costs or gains associated with the transactions are recognised initially in the Income statement. Subsequent changes in the fair value of these financial assets are recognised in the Income statement.

The accrual of interest and premium/discount (when applicable) is recognised under "Other income" on the basis of the effective interest rate of each transaction, and the accrual of interest on the derivatives associated with the financial instruments is classified in this category. Dividends are recognised in income when the right to receive them is attributed.

Derivatives for trading with a positive fair value are included under "Financial assets at fair value through profit or loss", and derivatives for trading with a negative fair value are included under "Financial liabilities at fair value through profit or loss".

iv. Overlay approach

An insurer may elect to apply the overlay approach described in paragraph 35B of IFRS 4, only when it first applies IFRS 9.

In line with this approach, the Company must reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Company had applied IAS 39 to the designated financial assets. Accordingly, the amount reclassified is equal to the difference between:

- The amount reported in gains or losses for the designated financial assets, applying IFRS 9;

- The amount that would have been reported in gains or losses for the designated financial assets if the insurer had applied IAS 39.

A financial asset is eligible for designation for the overlay approach if, and only if, the following criteria are met:

- It is measured at fair value through profit or loss applying IFRS 9 but would not have been measured at fair value through profit or loss in its entirety applying IAS 39;
- It is not held in respect of an activity that is unconnected with contracts within the scope of IFRS 4.

The Company meets the overlay approach requirements for financial instruments which, according to the IAS 39 classification requirements, were considered available-for-sale investments and according to the IFRS 9 classification requirements were reclassified to financial assets at fair value through profit or loss. Financial assets in account are equity instruments and debt instruments that do not fulfil the contractual cash flow characteristics of the SPPI (solely payments of principal and interest) test.

The Company applies the overlay approach to a designated financial asset until that financial asset is derecognised or ceases to be held in relation to an activity that is not linked to contracts covered by IFRS 4.

v. Assets sold with a repurchase agreement (repos)

Assets sold with a repurchase agreement (repos) for a fixed price or for a price that is equal to the sale price plus interest inherent to the maturity of the operation are not derecognised on the balance sheet. The corresponding liability is accounted for in Other Financial Liabilities. The difference between the sale amount and the repurchase amount is treated as interest and is deferred during the life of the agreement, using the effective interest rate method.

vi. Fair value

Financial assets recognised in the categories “Financial assets at fair value through profit or loss” and “Financial assets at fair value through other comprehensive income” are measured at fair value.

A financial instrument’s fair value corresponds to the price that would be received for an asset if it was sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets is determined based on the closing price at the balance sheet date, for instruments traded in active markets.

Regarding debt instruments not traded in active markets (including unquoted securities or securities of limited liquidity), valuation methods and techniques are used, which include:

- Bid prices published by financial information services, namely Bloomberg and Reuters, including market prices available for recent transactions;
- Bid prices obtained from financial institutions which operate as market-makers;
- Internal valuation models that take into account the market data which would be used to define a price for the financial instrument, reflecting the market interest rates and volatility, and the liquidity and credit risk associated with the instrument.

Other unquoted equity instruments whose fair value cannot be reliably measured (for example, due to an absence of recent transactions) continue to be recognised at cost, less any impairment losses.

vii. Derecognition of financial assets

These assets are derecognised when the Company's contractual rights to receive cash flows from them have expired or when the Company has transferred substantially all the risks and rewards associated with holding the assets.

The Company considers control of a financial asset to be transferred if, and only if, the transferee has the ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

viii. Transfers between categories of financial assets

Financial assets are reclassified to other categories only if the business model for managing them is changed. In this case, all the affected financial assets are reclassified.

Reclassification is applied prospectively from the reclassification date, and no previously recognised gains or losses (including those related with impairment) or interest are restated.

Investments in equity instruments measured at fair value through other comprehensive income and financial instruments designated at fair value through profit or loss may not be reclassified.

c) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for settlement by delivering cash or another financial asset, regardless of its legal form. Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance operations and other liabilities. These financial liabilities are initially recorded at fair value less transaction costs, and subsequently at amortised cost based on the effective interest rate method. The Company derecognises financial liabilities when they are cancelled or extinguished.

Financial liabilities are recognised at the contract date at fair value, less costs directly attributable to the transaction. Financial liabilities are classified in the following categories:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments with negative revaluation. These liabilities are recognised at fair value, and the gains or losses arising from any subsequent appreciation are recognised in "Net income on financial assets and liabilities recognised at fair value through profit or loss".

Other financial liabilities

This category includes subordinated liabilities, deposits received from reinsurers, amounts received in repo transactions and also liabilities incurred on payment for provision of services or the purchase of assets, recognised in "Other creditors for insurance operations and other operations".

These financial liabilities are recognised at amortised cost, and any applicable interest is recognised in line with the effective interest rate method.

d) Derivatives and hedge accounting

The Company performs operations with derivative products as part of its activity, with the aim of reducing its exposure to fluctuations in exchange and interest rates.

Derivative financial instruments are recognised at their fair value through profit or loss at the contract date.

Fair value is calculated:

- On the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets);
- On the basis of models which incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Embedded derivatives

Derivatives embedded in non-derivative contracts or financial liability host contracts are separated from the host contract and treated as separate derivatives, if:

- The embedded derivative's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
- A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative; and
- The hybrid contract is not measured at fair value with changes recognised in profit or loss.

Hedge accounting

These are derivatives used to hedge the Company's exposure to the risks inherent to its activity, namely hedging of the fair value of foreign currency assets (currency fluctuation risk), which is applicable within the scope of IAS 39.

At the beginning of all hedging operations, the Company prepares formal documentation, which includes at least the following items:

- Risk management objectives and strategy associated with the performance of the hedging operation, in line with the defined hedging policies;
- Description of the hedged risk(s);
- Identification and description of the hedged and hedging financial instruments;
- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in the profit or loss for the year. If the hedge is shown to be effective, the Company also reflects in the period's profit or loss the fair value change of the hedged item attributable to the hedged risk. If the hedging relationship is no longer effective, the accumulated fair value variation on the hedged element is recognised in profit or loss until its maturity.

Positive and negative revaluations of hedge derivatives are recognised in specific assets and liabilities headings respectively.

Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

The Company used hedge accounting to hedge the fair value of equity instruments until 2019. In the light of IFRS 9, the Company no longer uses hedge accounting for this purpose. However, it must maintain the rules for the aforementioned hedging as it has applied IFRS 9 with the overlay approach.

Derivatives at fair value through profit or loss

These include all derivatives not associated with effective hedging relationships, in particular:

- Derivatives used to hedge risk in assets and liabilities at fair value through profit or loss, rendering the use of hedge accounting unnecessary;
- Derivatives used to hedge risks which do not meet the criteria defined for use of hedge accounting under IFRS 9, in particular due to the difficulty in specifically identifying the hedged items, in macro or portfolio cases, or because the results of the effectiveness assessment demonstrate that the hedge is not effective;
- Derivatives used for trading purposes.

Derivatives at fair value through profit or loss are recognised at fair value, and the results of revaluation are calculated daily and recognised in gains and losses for the year, under the headings “Net income on financial assets and liabilities recognised at fair value through profit or loss”, with the exception of the part related to interest accrued and paid, which is recognised in “Other income”. Positive and negative revaluations are recognised in “Financial assets at fair value through profit or loss” and “Other financial liabilities” respectively.

e) Impairment losses

Financial instruments subject to recognition of impairment losses

The Company recognises impairment losses for expected credit losses in financial instruments recognised under the following accounting headings:

- Financial assets at amortised cost – Impairment losses on financial assets at amortised cost reduce the balance sheet value of those financial assets as a charge to “Impairment losses of financial assets at amortised cost”.
- Debt instruments at fair value through other comprehensive income – Impairment losses on debt instruments at fair value through other comprehensive income are recognised in the Income statement, under “Impairment losses on financial assets at fair value through other comprehensive income” as a charge to other comprehensive income (they do not reduce the balance sheet value of those financial assets).

Impairment losses are based on the difference between contractual cash flows and all cash flows that the Company expects to receive, discounted at the original effective interest rate.

General approach

The expected credit loss allowance is calculated taking into account, at the time of assessment, the risk exposure (monetary value of the loan), probability of default (PD), loss given default (LGD) and the relevant discount factor. It is a risk assessment that takes into account an estimate of the probability and time value of the future cash flows being assessed.

This assessment is complemented by an assessment of whether the credit rating has decreased since initial recognition. A significant decrease in the credit rating means that the assessment will no longer be made considering an annual period, but will be made considering the remaining lifetime of the loan. Loans with no deterioration in rating are therefore considered in stage 1, loans with deterioration in rating are considered in stage 2, and stage 3 comprises loans with objective evidence of default.

In general terms, a significant decrease in rating since initial recognition is equivalent to a decrease of at least 2 notches from the time the initial rating is at BBB, although this decision will always be based on a case-by-case analysis of the factors leading to the rating downgrade.

Expected credit loss allowances are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the expected credit loss allowance reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default, called lifetime expected credit losses.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk since initial recognition. When conducting the assessment, the Company compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition and considers all reasonable and supportable information available without undue cost or effort.

For credit assessment, the Company uses at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA) regulator, applying the second-best rating criterion, limited in general terms to the rating of the issue or, if not available or not applicable, to the rating of the issuer or alternatively to the rating of the corresponding financial group. As a last resort, in a situation where this information is not available, the Company seeks to assess, through a scoring methodology, an internal rating based on an analysis of the available financial statements. The scoring methodology is based on financial indicators that aim to assess the solvency capacity of the issuer's financial commitments. For repack issues, and to the extent that we can look into the underlying assets, we use the average rating of the issues considered in the vehicle.

The Company considers a financial asset to be in default when it has been overdue for 90 days, and the Company is unlikely to receive the outstanding contractual amounts in full. The book value of a financial asset in this stage, Stage 3, is reduced so as only to reflect the recovery value since there is no reasonable expectation of recovering the contractual cash flows.

In addition to the signs of impairment mentioned above, the following specific signs with regard to equity instruments are also considered:

- i) Significant changes with an adverse impact on the technological, market, economic or legal environment in which the issuer operates which indicate that the cost of the investment will not be fully recovered;
- ii) A significant or prolonged decline in market value below cost price.

The Company analyses the existence of impairment losses on these assets on each reference date of the financial statements, considering for this purpose the nature and specific and individual characteristics of the assets being valued.

In addition to the results of this analysis, the events presented below are considered as indicative of objective evidence of impairment in equity instruments:

- Existence of potential capital losses greater than 50%, compared to the respective acquisition value;
- Situations in which the fair value of the financial instrument remains below its acquisition cost over a period of more than 12 months.

Additionally, the existence of potential losses greater than 30% is considered a potential impairment indicator. For this criterion, the recognition of impairment is judged using a case-by-case analysis.

Impairment losses on equity instruments cannot be reversed, so any potential gains arising after the recognition of impairment losses are reflected in “Revaluation reserves for adjustments in the fair value of financial assets”. If additional capital losses are subsequently determined, it is always considered that there is impairment, so they are reflected in profit or loss for the year.

Impairment losses on debt instruments can be reversed through profit or loss for the year, if in a subsequent period the fair value of that asset increases, provided this increase is objectively related to an event that occurred after the recognition of the impairment loss.

2.5. Non-current assets held for sale and groups of assets and liabilities for disposal

IFRS 5 – “Non-current assets held for sale and discontinued operations” applies to single assets and to groups of assets for disposal, by sale or another means, in aggregate form in a single transaction, and all liabilities directly associated with those assets which are subsequently transferred in the transaction entitled “groups of assets and liabilities for disposal”).

Non-current assets, or groups of assets and liabilities for disposal are classified as held for sale whenever their carrying amount is expected to be recovered through a sale transaction rather than through continuing use, and are recorded at the lower of their carrying amount and fair value less costs to sell. For an asset (or group of assets and liabilities) to be classified in the heading the following requirements must be met:

- The probability of the sale occurring is high;
- The asset is available for immediate sale in its present condition;
- The sale should be expected to occur within one year of the asset being classified under this heading.

The fair value of these assets is determined on the basis of experts’ assessments.

If the amount recognised on the balance sheet is higher than the fair value less costs to sell, impairment losses are recognised in “Gains and losses from non-current assets (or groups for disposal) classified as held for sale”.

2.6. Investment properties

These are properties held by the Company to earn income through rental and/or capital appreciation.

Investment properties are initially recognised at cost, including directly related measurement costs. They are not amortised and are recognised at fair value, determined on the basis of experts' assessments. Changes in the fair value and realised capital gains and losses are reflected in the Income statement, in "Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations".

Investment properties are assessed each year to ensure that their balance sheet value does not differ significantly from their fair value. The Company has set a maximum period of 2 years between valuations carried out by independent experts.

2.7. Properties for own use

Properties for own use are initially recognised at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes the purchase cost and any costs directly attributable to the activities needed to bring the assets to their location and place them in the state necessary for their use as intended.

The costs of repair, maintenance and other expenses associated with the use of these assets are recognised as expenses for the year, except for expenses on items where capitalisation criteria are met and which are depreciated throughout their useful life.

Depreciation is calculated using the straight-line method, at rates corresponding to the estimated useful life of the properties for own use and is recognised in expenses for the year. Land is not depreciated, given that it does not have a defined useful life. The Company periodically assesses the adequacy of the estimated useful life of its assets.

Analyses are periodically undertaken to identify evidence of impairment on Properties for own use. An impairment loss is recognised in "Other impairment losses (net of reversals)" in the Income statement for the year whenever the net book value of these assets is greater than their recoverable value (the greater of the value in use and the fair value). "Other impairment losses" may be reversed, also with an impact on the Income statement for the year, if an increase in that asset's recoverable value subsequently occurs.

The gain (or loss) arising from the sale or write-off of a property for own use is determined based on the difference between the amount received in the transaction and the net book value of that asset and is recognised in the Income statement in the year when the write-off or sale occurs.

In addition, buildings under construction are recognised at cost less any impairment losses and are not subject to depreciation. The costs of these properties include the direct construction cost and the costs inherent to the loan obtained for the construction of these properties. Properties under construction are reclassified to established properties when they become available for use.

2.8. Other tangible assets

These are recognised at acquisition cost, less depreciation and accumulated impairment losses. Costs of repair, maintenance and other expenses associated with their use are recognised as costs for the year.

Depreciation is calculated systematically throughout the estimated useful life of the asset, which corresponds to the period during which it is expected that the asset will be available for use, which is:

Years of	<u>useful life</u>
Furniture and materials	2 - 12
Machinery and tools	4 - 10
IT equipment	4
Interior installations	8 - 10
Transport material	4
Safety equipment	4 - 10

Depreciation is recognised in expenses for the year. The Company periodically assesses the adequacy of the estimated useful life of its tangible assets.

Analyses are periodically undertaken to identify evidence of impairment on other tangible assets. An impairment loss is recognised in “Impairment losses (net of reversals) of others” in the Income statement for the year whenever the net book value of these tangible assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income statement for the year, if an increase in the asset’s recoverable value subsequently occurs.

2.9. Inventories

Inventories are valued at the lower of acquisition cost and net realisable value.

Inventory costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, applying the average cost method.

The net realisable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs to conclude the sale.

Whenever the net realisable value is lower than the acquisition cost, the value of the inventories is reduced, by recognising an impairment loss, recorded under the heading “Impairment losses (net of reversals) of others” in the Income statement. These losses may be reversed whenever the factors giving rise to the impairment cease to exist.

2.10. Leases

Lessee

On the commencement date of the lease, the lessee recognises a liability for the obligation to make payments to the lessor and an asset representing the right-of-use the underlying asset for the lease term. Lessees are required to recognise separately interest on the lease liability and depreciation of the right-of-use asset.

At the date of the standard's entry into force the lessee shall measure the lease liability at the present value of the lease payments not paid on that date. The discount rate of the payments will be determined as the interest rate implicit in the lease, that is, the rate that causes the present value of the lease payments and the unguaranteed residual value to equal the fair value of the underlying asset plus the direct costs of the lessor. If the rate implicit in the lease cannot be readily determined, the incremental borrowing rate will be used, that is, a discount rate that can be obtained to borrow, with the same maturity and a similar guarantee, the funds necessary to acquire the underlying asset.

After that date, the lessee shall measure the liability:

- i) By increasing the carrying amount to reflect interest on the lease liability;
- ii) By reducing the carrying amount to reflect the lease payments made;
- iii) By remeasuring the carrying amount to reflect any reassessment or lease modifications.

The standard sets out two recognition exemptions for lessees – leases of low value assets (for example, laptops) and short-term leases, i.e. leases with a lease term of 12 months or less.

The Company opted to use the exemptions applicable to the standard on lease contracts where the lease term ends within 12 months of the date of initial application (except for real estate leases), and on lease contracts where the underlying asset is of low value. The Company has leases of some office equipment (for example, laptops) that are considered low value. The Company also decided to separate the leases from the non-lease (service) components and to consider only the lease component when applying this standard.

For all lease contracts covered by the exemptions, the lease payments associated with these contracts will be recognised as expenses.

Lessor

Leases continue to be classified as finance leases or operating leases, and there are therefore no significant changes to that previously defined. Assets under finance leases are recorded in the financial position as "Accounts receivable for other operations", and this is reimbursed by means of the capital amortisations set out in the contracts' financial plans. Interest included in rents is recorded as "Other income/expenses".

2.11. Intangible assets

This heading includes the costs of acquisition, development or preparation for use of the software used in the development of the Company's activities.

Intangible assets are recognised at acquisition cost, less amortisation and accumulated impairment losses.

Amortisation is recognised systematically throughout the estimated useful life of the assets, which normally corresponds to a period of 3 to 6 years, except the IT structural projects that may extend to a period of 10 years.

Software maintenance expenses are accounted for as a cost for the year in which they are incurred.

2.12. Income tax

The Company is subject to Corporation Tax (IRC). Additionally, there is a Municipal Surcharge, the aggregate rate of which, in 2020 and 2021 is 22.5%, and a State Surcharge which corresponds to an additional rate of 3% of the taxable profit between EUR 1,500,000 and EUR 7,500,000, 5% of the profit between EUR 7,500,000 and EUR 35,000,000 and 9% of any profit which exceeds this amount.

The accounts of the Company branches are included in the accounts of the head office for fiscal purposes. Besides being subject to CIT, the income of the branches is also further subject to local taxes in the countries/territories where these are established. The local taxes of the various branches are deductible from the corporate income tax of the head office pursuant to Article 91 of the Corporate Income Tax Code and to Double Taxation Agreements.

The Company is subject to CIT under the Special Rules for the Taxation of Corporate Groups (SRTCG), in line with Article 69 *et seq.* of the CIT Code. Under these taxation rules, Longrun (the controlling company) presents a single tax declaration in which the results of the subsidiaries making up the SRTCG are consolidated. The amount of CIT to be paid or received by the Company is recorded in the balance sheet as an amount receivable from or payable to Longrun. The tax which corresponds to the Company's activity is recognised in the Income statement and/or in shareholders' equity, as applicable.

Total income tax recognised in the Income statement includes current and deferred taxes.

Current tax is calculated on the basis of the taxable profit for the year, which is different from accounting income because of adjustments to taxable income resulting from expenses or income which are not considered for fiscal purposes, or which will only be considered in other accounting periods.

Deferred tax represents tax recoverable/payable in future periods resulting from temporary deductible or taxable differences between the book value of assets and liabilities and their tax basis, used to determine taxable income.

Deferred tax liabilities are normally recognised for all temporary taxable differences, whereas deferred tax assets are only recognised to the extent that it is probable that sufficient future taxable income will be generated, allowing the use of the corresponding deductible temporary differences or tax losses carried forward. In addition, deferred tax assets are not recognised where their recoverability may be questionable due to other situations, including issues regarding the interpretation of the tax legislation in force.

The main situations which give rise to temporary differences at the Company correspond to (i) impairment), (ii) provisions temporarily not accepted on a fiscal basis, (iii) gains or losses on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income and (iv) potential gains or losses on land and buildings.

Deferred taxes are calculated at the tax rates expected to be in force on the date of reversal of the temporary differences, which correspond to the tax rules that have been enacted, or substantially enacted, at the balance sheet date.

Income tax (current or deferred) is recognised in the Income statement for the year, except for cases in which the originating transactions have been recognised in other shareholders' equity headings (for example, in the case of changes in fair value of financial assets at fair value through other comprehensive income). The corresponding tax, in these cases, is also recognised in shareholders' equity and does not affect the Income statement for the year.

2.13. Provisions, contingent liabilities and assets

Provisions are set up whenever there is a current (legal or constructive) obligation resulting from past events involving the probable future expenditure of resources and when such expenditure may be reliably assessed. The amount of the provision corresponds to the best estimate of the amount payable to settle the liability at the balance sheet date.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

“Other provisions” are for legal, fiscal and other contingencies resulting from the Company’s activity.

Contingent assets are not recognised in the financial statements, but they are disclosed in the notes to the accounts if future economic benefits are likely to flow from them.

2.14. Employee benefits

Liabilities for employee benefits are recognised in line with the principles established in IAS 19 – “Employee Benefits”. The principal benefits granted by the Company correspond to retirement and survivors’ pensions and healthcare benefits.

Defined benefit plan – Liabilities with pensions and healthcare

In line with the collective employment agreement (CEA) then in force for the insurance activity, the Company is committed to making cash payments, to complement the retirement pensions paid by the Social Security services, to its employees hired prior to 22 June 1995, the date on which the CEA was published. The amount of these payments varies according to the employee’s remuneration, the number of years contributing to Social Security, the history of remuneration on which Social Security was collected and also, in the case of disability, the number of years in the insurance activity.

In addition, the former Império Bonança is also committed to providing medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The Company bears almost the entire burden of such benefits.

The defined benefit plans are financed through a closed pension funds. These funds include liabilities with retirement supplements, and liabilities relating to early retirement and pre-retirement. These plans meet the requirements for classification as defined benefit plans, since they comply with the criteria for determining the amount of pension that an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and salary at retirement date.

Liabilities recognised on the balance sheet relating to defined benefit plans correspond to the difference between the current value of liabilities and the fair value of the pension fund assets. The total amount of liabilities is determined annually by specialised actuaries using the Projected Unit Credit Method and actuarial assumptions considered appropriate (Note 32). The discount rate used to update the liabilities reflects market interest rates on prime corporate bonds, denominated in the currency in which the liabilities are paid and with similar maturity periods to the average periods for settlement of liabilities.

Gains and losses resulting from the differences between the actuarial and financial assumptions used and the actual amounts of the pension obligation and expected return from the pension fund, as well as the results of changes to actuarial assumptions, are recognised directly in shareholders' equity.

The cost in the year for retirement and survivors' pensions, which includes the cost of current services, the cost of past services, the cost of payments and the net interest on the defined benefit liability (asset), is reflected at net value in "Employee Costs". The healthcare cost for the year is recognised in "Other Provisions".

The impact of employees' retirement prior to the standard retirement age, defined in the actuarial study, is directly recognised in "Employee Costs".

Defined contribution plan

The new collective employment agreements for the insurance sector, published on 15 January 2012, on 29 January 2016 and on 8 February 2019 entitle all employees of working age employed as permanent staff, with indefinite employment contracts, covered by these CEAs, to an individual retirement plan ("IRP"), a defined contribution plan which replaces the system of retirement pensions defined in the former CEAs.

These plans, besides guaranteeing capital, meet the requirements for classification as defined contribution plans, since the amount of post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a benefit plan, together with investment returns arising from the contributions.

The provisions of the previous defined benefit plan apply to active workers in full employment, with employment contracts for an indefinite period, who are not covered by the above-mentioned Collective Employment Agreements (CEA) for the insurance sector.

The Company's contributions to the defined contribution plan are made in line with the terms of the CEA, and are recorded as a cost for the year to which they relate in "Employee Costs".

Other long-term benefits

Under the new CEA, published on 8 February 2019, and as provided in its clauses 32nd to 34th and 65nd to 68th, new long-term benefits are established, called Career Benefits.

Short-term benefits

Short-term benefits, including performance bonuses paid to employees for the performance of the different business units and their contribution to the company's results, are recognised in "Employee Costs" in the period to which they relate, on an accrual basis.

2.15. Insurance and investment contracts

a) Classification of contracts

Transactions associated with insurance and reinsurance contracts issued and with reinsurance contracts held by the Company are recognised in accordance with ASF regulations. Under the transition to the new PCES, the classification principles for contracts established by IFRS 4, were incorporated into these regulations according to which contracts without a significant insurance risk are considered to be investment contracts and recognised in line with IFRS 9 requirements.

In addition, as provided by IFRS 4, investment contracts with a discretionary profit-sharing component also continue to be classified as insurance contracts, and are therefore valued in line with the ASF regulations.

Calculation of contracts associated with insurance contracts is covered by specific regulations issued by the ASF.

An insurance or investment contract is considered to include a discretionary profit-sharing component when the respective contractual conditions provide for, in addition to the contract's guaranteed component, the allocation of additional benefits to the insured with the following characteristics:

- It is probable that they will constitute a significant part of the total benefits to be allocated within the scope of the contract;
- The amount or time of their allocation is contractually at the issuer's discretion; and
- They are dependent on the performance of a given group of contracts, on realised or unrealised income on certain assets held by the contract issuer, or on the profit of the entity responsible for issuing the contract.

Potential capital gains, net of capital losses, resulting from the revaluation of assets allocated to insurance with profit sharing and which are expected to be paid to insured persons are recognised in the profit-sharing provision.

b) Recognition of income and costs

Premiums for non-life insurance and reinsurance contracts, life insurance contracts and investment contracts with a discretionary profit-sharing component are recognised when due in "Earned premiums, net of reinsurance" in the Income Statement .

Premiums written on non-life insurance and reinsurance contracts and the associated acquisition costs are recognised as income and cost over the corresponding risk periods, through the use of the provision for unearned premiums.

Insured persons' liabilities relating to life insurance contracts and to investment contracts with a discretionary profit-sharing component are recognised via the life insurance mathematical provision, and their cost is recognised at the same time as recognition of the income associated with the premiums written.

c) Provision for unearned premiums and deferred acquisition costs

The provision for unearned premiums corresponds to the value of the premiums written on insurance and reinsurance contracts which relate to subsequent years, i.e. the part corresponding to the period between the balance sheet close and the end of the period to which the premium refers. It is calculated for each contract using the *pro rata temporis* method on the respective gross premiums written.

In 2020, as a consequence of the COVID-19 pandemic, in the Health line of business there was a transfer of additional risk arising from the periods of lockdown that meant insured persons stopped seeking medical care. Therefore, added to the aforementioned premium transfer is the proportion of unreported claims applied to unearned premiums in the months of low demand. The amortisation period for this part of the premium is considered to be from 1 September 2020 until the end of the year of each policy. The quantitative impact of this change is disclosed in Notes 14 and 19.

Expenditure incurred with the acquisition of non-life insurance contracts, including brokerage commissions and other expenses allocated to the acquisition function, is deferred over the course of the period to which it relates and is recognised as a deduction from the amount of the technical provisions on insurance contracts in provisions for unearned premiums.

d) Claims provision

This provision recognises the estimated amount of indemnities payable on claims incurred, including claims incurred but not reported (IBNR), and administrative costs to be incurred for future settlement of claims which are currently being managed and those for IBNR claims. Except for mathematical provisions and whole life assistance for workers' compensation, the claims provision set up by the Company is not discounted.

Claims provision for workers' compensation

The provision for workers' compensation claims includes the mathematical provision, provision for temporary assistance expenses and provision for whole life assistance expenses.

The mathematical provision for workers' compensation relates to:

- Approved pensions – pensions payable for claims where the amounts have already been approved by the Employment Tribunal;
- Defined pensions – estimate of liabilities for pensions for claims already incurred but awaiting a final agreement or ruling;
- Presumed pensions – estimate of liabilities for pensions relating to claims already incurred but the clinical processes of which are not yet concluded at the date of the financial statements and pensions relating to claims already incurred but not yet reported.

The hypotheses and technical bases used to calculate approved and defined mathematical provisions for workers' compensation are the following:

	2021		2020	
	Mandatorily redeemable	Non-redeemable	Mandatorily redeemable	Non-redeemable
Mortality table	TD 88/90	INE 2010_2012 by gender	TD 88/90	INE 2010_2012 by gender
Discount rate	5.25%	2.70%	5.25%	3.10%
Management costs	2.40%	3%	2.40%	3%

The mathematical provision for presumed pensions for workers' compensation claims incurred in the tax year is based on an estimate of the number of claims for permanent disability and death and the average mathematical provision, representing the expected cost of each of those pensions after approval and including the risk of future revision. For claims incurred in previous tax years the variation of this provision corresponds to the difference between the amount paid in pensions and redemptions less the estimated technical interest and the variation of the provision for approved and defined pensions.

In accordance with current legislation, the liability resulting from the annual increase in pensions is covered by FAT (Fundo de Acidentes de Trabalho – Workers' Compensation Fund). The Company pays the pensions in full and is subsequently reimbursed for the part corresponding to FAT's liability. FAT is managed by the ASF, and the fund's income consists of contributions made by the insurance companies and by workers' compensation insurance policyholders. A provision is set up for future contributions to FAT relating to liabilities for pensions already contracted at the balance sheet date.

The objective of the provision for temporary assistance expenses is to recognise the liability relating to expenses of workers' compensation claimants which are not whole life in nature. Using monthly development matrices, the number of claims incurred in the tax year is estimated, which is then multiplied by the estimated average cost of temporary assistance expenses for claims incurred in 2020 and 2021, which results from actuarial projections, based on matrices of payment and claims participation frequency, in order to obtain the cost in the tax year for this type of expense. For claims incurred in previous tax years the variation of the provision corresponds to the amounts paid for temporary assistance expenses recognised in the accounts.

Provision for whole-life assistance expenses relates to:

- Provision for declared whole-life assistance – refers to lifetime expenses, with pension claimant beneficiaries, whose service date occurs 730 days after the date of occurrence of the claim;
- Provision for presumptive whole-life assistance - lifetime expenses relating to claims that have already occurred but do not yet have expenses.

This provision is calculated according to the following technical bases:

	2021	2020
Mortality table	INE 2010_2012 by gender	INE 2010_2012 by gender
Discount rate	2.70%	3.10%
Rate of inflation	2%	2%
Management costs	2%	2%

The provision for presumed whole life assistance is calculated using methodology similar to that described for the mathematical provision for presumed pensions.

Claims provision for motor insurance

The opening of a motor insurance claim automatically generates the recognition of an initial average provision for each sub-claim, which affects the unit at risk and the insurance element in question. The automatic provision also varies according to the seriousness of any bodily injury. This provision may be revised, when the claims manager confirms it is inadequate, with adjustments being made in accordance with the information gathered (specialised technical reports) during the life of the claim, i.e. a specific analysis of the provision is made.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Provision for Multi-risk Home Insurance and Multi-risk Business Insurance claims

An initial provision is generated for Multi-risk Home Insurance and Multi-risk Business Insurance when the claim is opened, according to the coverage and type of property affected. The amount of these provisions is adjusted when the claims manager receives more detailed information on the indemnifiable damage, in particular from loss adjusters' reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Claims provision for other types of insurance

The claims provision for other types of insurance is calculated on a case-by-case basis by the claims manager and revised whenever updated information is obtained from specialised technical reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Analysis of sufficiency of the claims provisions

The sufficiency of the provisions for the various types of insurance is assessed/validated by actuarial studies performed throughout the year.

The analyses performed include direct liabilities to the insured (whether or not the claims have been reported) as well as future payments, notably contributions to FAT.

The estimates are for the most part based on claims participation triangles and use both deterministic and stochastic models.

e) Mathematical provision for life insurance

This corresponds to the estimated actuarial value of the insurance company's commitments, including profit-sharing payments already distributed and following the deduction of the actuarial value of future premiums, calculated for each policy in accordance with actuarial methods and their respective technical bases.

In the case of life insurance contracts in which the investment risk is borne by the policyholder, this heading only includes any additional technical provisions which may be set up to cover mortality risks, administrative expenses or other expenditure (e.g. guaranteed payments at maturity date or guaranteed surrender values).

f) Provision for profit sharing

The profit-sharing provision includes amounts payable to policyholders or contract beneficiaries, in the form of a profit-sharing scheme, whether already allocated or yet to be allocated, provided that such amounts have not yet been distributed.

Provision for profit sharing to be allocated

This provision includes the balances arising from the net capital gains to be allocated to the insured persons which transited from the former accounting standards applicable to insurance companies until 2007, which were registered in what was called the "Fund for Future Appropriations". It also reflects the net amount of the subsequent potential capital gains and losses (fair value adjustments) relating to investments linked to life insurance contracts with a profit-sharing component, in the portion estimated for the policyholder or contract beneficiary, provided that the balances by portfolio are not negative.

This provision is set up in "Profit sharing", in the Income Statement, or directly in the revaluation reserves for adjustments to the fair value of financial assets at fair value through other comprehensive income linked to life insurance with a profit-sharing component, depending on the classification of the assets.

Throughout the duration of the contracts of each type or set of types, the balance of the provision for profit sharing to be allocated corresponding to this is used in full.

The use of the provision for profit sharing to be allocated is by portfolio, according to the following order of priorities:

- The balances of the net capital gains to be allocated to the insured persons which transited from the former “Fund for Future Appropriations” are used in the first place to cover the losses arising each year in the technical accounts of the respective life insurance products with a profit-sharing component, which were reflected as losses for the Company, and are recognised in its profit or loss up to the limit of the losses they seek to compensate. The Company has been using this procedure since 2011;
- The amounts corresponding to the insured persons’ potential sharing of the loss of the related portfolios are reflected in this provision until the corresponding positive balance is reached. Thus, amounts arising from the former “Fund for Future Appropriations” which are still available after the use referred to in the item above are used to offset potential capital losses of the respective portfolios;
- If the balance of the provision for profit sharing to be allocated is positive after the movements above, and there are losses to be recovered which have been calculated in previous years in the technical accounts of the respective products and which have been recognised in the Company Income statement due to the fact that the income from the related portfolios was not sufficient to cover the costs resulting from the guaranteed technical rates, that positive balance is recognised in the Company Income statement up until these losses are recovered. This movement can be reversed, which will also have an impact on the Income statement, once the balance arising from the potential gains/losses is no longer positive.

Provision for allocated profit sharing

This provision includes the amounts intended for policyholders or beneficiaries of insurance contracts, in the form of a profit-sharing scheme, which have not yet been distributed but which have already been allocated.

For the majority of the products, this provision is calculated on the basis of the income from the related assets, including the capital gains and losses due to impairment recorded in the period, less any negative balances from previous tax years, in cases where this deduction is provided for in the contract.

g) Provision for interest rate commitments

The provision for interest rate commitments is set up for all insurance and operations in the “Life” line of business where there is an interest rate guarantee, whenever the effective profitability rate of the applications which represent the mathematical provisions of certain insurance contracts is lower than the technical interest rate used to determine the mathematical provisions of those contracts.

h) Provision for portfolio stabilising

The provision for portfolio stabilising is set up for group insurance contracts, which are renewable annually, and which guarantee as their main cover the risk of death, with the aim of responding to any increase in the risk inherent in the increasing average age of the insured group, whenever the latter are charged according to a single rate, which, by contractual agreement, must be maintained for a given period.

i) Equalisation provision

The equalisation provision is intended to respond to exceptionally large insurance claims in insurance areas which, by their nature, are predicted to fluctuate considerably. This provision is set up for loan insurance, deposit insurance, crop insurance, earthquakes and reinsurance accepted — atomic risk, in accordance with ASF standards.

j) Provision for unexpired risks

This provision is calculated for all non-life insurance and is intended to respond to situations where premiums to be allocated to subsequent years for contracts in force at the date of the financial statements are not sufficient to pay for the indemnities and the expenses of the respective technical lines of business. This provision is calculated on the basis of the ratios for claims, operating costs, ceding and income, in accordance with ASF definitions.

In the motor insurance line of business, in 2021 and 2020, as a consequence of the COVID-19 pandemic, the provision for unexpired risks considered the amount of claims obtained from the average of the claims ratios from 2017, 2018 and 2019. The quantitative impact of this change is disclosed in Note 19.

k) Technical provisions for reinsurance ceded

These provisions are determined by applying the criteria described above for direct insurance, taking into account the ceding percentages, in addition to the remaining provisions of the treaties in force.

l) Liabilities to subscribers of Unit-linked products

Liabilities associated with investment contracts issued by the Company in which the risk is borne by the policyholder (Unit-linked products) are recognised at fair value, determined on the basis of the fair value of the assets included in the investment portfolio linked to each of the products, less the corresponding management costs, and are recognised in “Financial liabilities on insurance contracts and operations considered for accounting purposes as investment contracts”.

Investment portfolios linked to Unit-linked products are composed of financial assets, including fixed-income securities, variable-income securities, derivative instruments and deposits in credit institutions, which are recognised at fair value, and the corresponding unrealised capital gains and losses are recognised in Income Statement for the year.

For insurance and capitalisation operations on investment units with a guarantee of capital and income at the end of the contract, the provisions are set up for either the value which results from multiplying the value of the reference unit by the number of existing units, or the guaranteed capital and income at the end of the contract discounted up to the date of calculation at the guaranteed rate, whichever is higher.

m) Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts under IFRS 4, and which do not include a discretionary profit-sharing component, are valued in accordance with the requirements of IFRS 9 and recognised in “Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts”.

n) Impairment of debtor balances related with insurance and reinsurance contracts

For each date the financial statements are presented, the Company assesses the existence of evidence of impairment on assets from insurance or reinsurance contracts, namely accounts receivable from insured persons, agents, reinsurers and reinsured, and technical provisions for reinsurance ceded.

If impairment losses are identified, the balance sheet value of the respective assets is reduced in the Income Statement for the year, with the cost being recognised in “Impairment losses (net of reversals)”.

2.16. Fees

The fees related to financial instruments, such as commissions charged or paid on contracting of operations, are included in the amortised cost and recognised in the statement of gains and losses throughout the operation, by the effective interest rate method.

Fees for services provided are normally recognised as earnings throughout the period of service provision or on a one-off basis if they relate to payment for the performance of single acts.

2.17. Cash and cash equivalents

For the purposes of the statement of cash flows, “Cash and cash equivalents and sight deposits” includes amounts recognised in the balance sheet with maturity of less than three months from the date of their acquisition, readily convertible to cash and with low risk of a change in value, and cash and deposits with credit institutions which do not have an investment purpose.

2.18. Critical accounting estimates and most relevant judgements in the application of the accounting policies

When applying the accounting principles described above, the Boards of Directors of the Company are required to make estimates. The estimates with the greatest impact on the financial statements include those presented below.

Impairment of investments in subsidiaries, associates and joint ventures

The Company conducts an annual valuation, with reference to the end of the financial year, of the recoverable value of investments in subsidiaries, associates and joint ventures. Whenever possible, the recoverable value is assessed on the basis of valuation methods based on discounted future cash flow models, considering the strategy for each entity, market conditions and the time value and business risks, for which certain assumptions or judgements are used to establish estimates of fair value. In the remaining cases, the recoverable value is assessed on the basis of the Shareholders’ Equity of each company.

Alternative methods and the use of different assumptions and estimates may lead to different valuations of investments in subsidiaries, associates and joint ventures, with an impact on the Company’s results.

To determine the future cash flows of each entity, when using the discounted cash flow method within the scope of the impairment test, the calculation is based on the business model approved by the management of each entity, for a period of 5 years. Cash flows are then discounted at a discount rate that adequately reflects the risk of each business and the market in which the company operates, ranging between 3.5% and 11.2% for December 2021.

For periods after the business model, cash flows are based on a perpetuity that reflects the long-term growth rates expected for each entity based on expected growth rates of inflation, ranging between 1.4% and 4% for December 2021.

Below is additional information regarding discount rates and perpetual growth rates by geography:

Region	Sector	Discount rate	Perpetual growth rate
Europe	Insurance and Healthcare	3.5% - 5.9%	1.4%
Africa	Insurance	11.2%	2.0%
Asia	Insurance	7.0%	2.0%
South America	Insurance	10.8%	3.0% - 4.0%

In order to assess the sensitivity of the recoverable amount to the main assumptions identified, sensitivity tests were carried out, mainly at the discount rate and the perpetual growth rate. A 0.5 percentage point increase in the discount rate and a 0.5 percentage point decrease in the perpetual growth rate do not result in a potential impairment loss.

Valuation of Investment Properties

As stated in note 2.6, Investment Properties are valued at each balance sheet date, to ensure that their balance sheet value does not differ significantly from their fair value. The Company has set a maximum period of 2 years between valuations performed by qualified experts.

Investment properties are valued to obtain an estimate of their presumed transaction price, which is normally the market value (fair value). In other words, for the price for which the property can be sold, on the assessment date, by a private contract between an independent seller and buyer. It is understood that the asset is the object of a public offer on the market, that the conditions of the same allow a regular and orderly sale, and that there is a normal period for negotiate the sale, taking into account the nature of the asset. If there are any rental agreements, the assessment of the estimated transaction price takes the rental value into consideration.

The following valuation methods are normally used:

- a. Market approach: this consists of evaluating the property by comparison, i.e. according to transactions and/or effective purchase proposals concerning properties that have identical physical and functional characteristics, and whose location is within the same area the real estate market;
- b. Cost approach: this consists of determining the value of the building through the sum of the market value of the land and all the costs necessary for the construction of a building with the same physical and functional characteristics, depreciated according to its age, state of conservation and estimate of useful life plus the required profit margins. Alternatively, this approach can be based on the fair value of the property in its current state, less all associated costs and margins after completion of the works not yet executed;
- c. Yield approach: consists of determining the value of the land or building through the quotient between the effective annual rent and an adequate capitalisation rate.

The Company considers that the valuations obtained based on these methods correspond to the best estimate of the fair value of these assets at the balance sheet date.

As set out in IFRS 13 – “Fair Value Measurement”, valuations of properties maximise the use of observable market data. However, since most valuations also consider unobservable data, the fair value of the Company’s properties is classified as Level 3 in the fair value hierarchy defined by IFRS 13.

Determination of income tax

The Company determines income tax (both current and deferred) based on the rules defined by the tax framework in force. However, in some situations the tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the amounts recognised result from the best understanding of the responsible bodies of the Company with regard to the correct presentation of their operations, which may, however, be questioned by the Tax Authorities. Note 16 discloses additional details on tax assets and liabilities.

Provisions and contingent liabilities

As referred to in Note 2.13, provisions are set up whenever there is a current (legal or constructive) obligation resulting from past events involving the probable future expenditure of resources and when such expenditure may be reliably assessed.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

The decision to recognise provisions and measurement of these takes into account the Company’s assessment of the risks and uncertainties associated with the processes in progress and the expectation regarding expenditure of resources, which uses as a reference the best available information at the date the financial statements are closed.

Employee benefits

As stated in Note 2.14, the Company’s liabilities for post-employment and other long-term benefits granted to its employees are determined on the basis of actuarial assessments. These assessments incorporate, in particular, financial and actuarial assumptions on mortality, disability, wage and pensions growth, assets returns and discount rates, among others, detailed in Note 32. The assumptions adopted correspond to the best estimate of the Company and its actuaries regarding the future performance of the respective variables.

Determination of liabilities on insurance and reinsurance contracts

The Company’s liabilities for insurance and reinsurance contracts are determined based on the methodologies and assumptions described in Note 2.15. The calculation of the claims provision reflect a quantified estimate of the impact of future events on the accounts of the Company, calculated based on actuarial assumptions, claims history and other methods accepted in the sector.

Owing to the nature of the insurance activity, the determination of the claims provisions is highly subjective and the actual amounts payable in the future may differ significantly from the estimates. Note 45 discloses additional information on assumptions in risk assessment and sensitivity analyses.

The Company considers, however, that the liabilities on insurance and reinsurance contracts recognised in the financial statements adequately reflect the best estimates at the balance sheet date of the amounts to be disbursed by the Company.

2.19. Subsequent Events

Events occurring after the balance sheet date that provide additional information about conditions that existed on the balance sheet date are included in the financial statements.

Events occurring after the balance sheet date that provide additional information about conditions that existed after the balance sheet date are included in the notes to the accounts, if considered material.

2.20. Adoption of standards (new or revised) issued by the “International Accounting Standards Board” (IASB) and interpretations issued by the “International Financial Reporting Interpretation Committee” (IFRIC), as endorsed by the European Union

2.20.1 Adopted Standards (New or Revised)

During the course of 2021 the Company adopted, in the preparation of its financial statements, the standards and interpretations issued by IASB and IFRIC, respectively, provided they had been endorsed by the European Union, with application in financial periods beginning on or after 1 January 2021. The relevant changes for the Company were as follows:

Standards/Interpretations	Date of issue	EU Regulation	Applicable to accounting periods beginning on or after
IFRS 9 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021
IFRS 7 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021
IFRS 16 - Interest rate benchmark reform phase 2 (amendment)	27-08-2020	2021/25	01-01-2021

Amendments to IFRS 9, IFRS 7 and IFRS 16 related to phase 2 of the interest rate benchmark reform provide for temporary measures to reduce the impact on the financial statements of the change from the benchmark interest rate to a risk-free interest rate alternative.

The amendments provide for the following practical measures:

- Allowing all situations directly related to the IBOR reform to be recorded in the accounts by updating the effective interest rate of the operation, with all other changes focusing on the rules currently provided for in the relevant regulations.
- Allowing hedging relationships to not be discontinued only as a result of the reform; however, it is necessary to ensure that the documentation is updated according to the changes that have taken place in the scope of the covered elements, hedging elements and covered risks. The new modified relationship must meet the requirements for applying hedge accounting, including the level of effectiveness.

These changes had no material impact on the Company's financial statements.

2.20.2 Standards, Interpretations, Amendments and Revisions with Mandatory Application in Future Accounting Periods

The following standards, interpretations, amendments and revisions, with mandatory application in future accounting periods, had been endorsed by the European Union up to the date these financial statements were approved:

Standards/Interpretations	Date of issue	EU Regulation	Applicable to accounting periods beginning on or after
IFRS 17 - Insurance Contracts	18-05-2017	2021/2036	01-01-2023
IFRS 3 - Business Combinations (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 3 - Business Combinations: Reference to the Conceptual Framework (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - costs of fulfilling a contract (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 9 - Financial Instruments (Annual improvements of the IFRS standards, cycle 2018-2020)	14-05-2020	2021/1080	01-01-2022
IFRS 16 - Leases (Annual improvements of the IFRS standards, cycle 2018-2020)	14-05-2020	2021/1080	01-01-2022
IFRS 17 - Insurance Contracts (Amendment)	25-06-2020	2021/2036	01-01-2023

The Company is analysing their implementation, and it is not possible at this time to assess the impact on the financial statements.

2.20.3 Standards, Interpretations, Amendments and Revisions Not Yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future accounting periods, had not been endorsed by the European Union up to the date these financial statements were approved:

Standards/Interpretations	Date of issue	Applicable to accounting periods beginning on or after
IAS 1 - Presentation of Financial Statements: classification of liabilities as current and non-current (Amendment)	23-01-2020	01-01-2023
IAS 1 - Presentation of Financial Statements: classification of liabilities as current and non-current - Deferral of effective date (Amendment)	15-07-2020	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	12-02-2021	01-01-2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (Amendment)	12-02-2021	01-01-2023
IAS 12 - Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment)	07-05-2021	01-01-2023
IFRS 17 - Insurance Contracts Initial Presentation of IFRS 17 and IFRS 9 - Comparative Information (Amendment)	09-12-2021	01-01-2023

These standards have not been endorsed by the European Union and, as such, have not been applied by the Company for the year ended 31 December 2021, and it is not possible at this time to assess the impact on the financial statements.

3. Cash and Cash Equivalents and Sight Deposits

At 31 December 2021 and 2020, this heading was composed as follows:

	2021	2020
Cash		
Headquarters	373,525	708,000
Branch offices	-	9,991
	<u>373,525</u>	<u>717,991</u>
Sight Deposits		
Domestic currency	354,959,826	199,941,033
Foreign currency	166,569,169	54,330,723
	<u>521,528,995</u>	<u>254,271,756</u>
	<u>521,902,520</u>	<u>254,989,747</u>

4. Investments in Subsidiaries, Associates and Joint Ventures

At 31 December 2021 and 2020, this heading was composed as follows:

Operating sector/entity	Country	Effective share %	2021		Balance sheet Value
			Gross amount	Impairment (Note 39)	
Subsidiaries					
Insurance					
Multicare - Seguros de Saúde, S.A.	Portugal	100.00%	113,205,508	-	113,205,508
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	100.00%	75,922,290	-	75,922,290
Via Directa - Companhia de Seguros, S.A.	Portugal	100.00%	41,000,000	-	41,000,000
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	14,315,928	-	14,315,928
Fidelidade Angola - Companhia de Seguros, S.A.	Angola	69.25%	13,203,495	-	13,203,495
Garantia - Companhia de Seguros de Cabo Verde, S.A.	Cape Verde	55.89%	6,260,184	-	6,260,184
Fidelidade Macau - Companhia de Seguros, S.A.	Macao	99.99%	17,889,052	-	17,889,052
Fidelidade Macau Vida – Companhia de Seguros, S.A.	Macao	99.99%	18,811,806	-	18,811,806
Seguradora Internacional de Moçambique, S.A.	Mozambique	70.00%	47,070,607	-	47,070,607
			<u>347,678,870</u>	<u>-</u>	<u>347,678,870</u>
Property					
Fidelidade - Property Europe, S.A.	Portugal	100.00%	1,491,559,925	-	1,491,559,925
Fidelidade - Property International, S.A.	Portugal	100.00%	118,664,012	(20,925,292)	97,738,720
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	1,500,000	(182,881)	1,317,119
			<u>1,611,723,937</u>	<u>(21,108,173)</u>	<u>1,590,615,764</u>
Healthcare					
Luz Saúde, S.A.	Portugal	50.85%	246,166,042	-	246,166,042
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	100.00%	1,600,000	-	1,600,000
			<u>247,766,042</u>	<u>-</u>	<u>247,766,042</u>
Other sectors					
Cetra - Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	2,717,053	-	2,717,053
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	849,880	-	849,880
GEP - Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100,000	-	100,000
FCM Beteiligungs GmbH	Germany	100.00%	10,628,746	(10,402,452)	226,294
FID III (HK) LIMITED	Hong Kong	100.00%	-	-	-
Fidelidade - Consultoria e Gestão de Risco, Lda.	Mozambique	80.00%	335	(148)	186
GEP Moçambique – Gestão de Peritagens, Limitada	Mozambique	0.00%	-	-	-
FID Loans 1 (Ireland) Limited	Ireland	100.00%	350,000,000	-	350,000,000
FID LatAm SGPS, S.A.	Portugal	100.00%	500,000	(172,707)	327,293
FID Perú, S.A.	Peru	99.80%	137,216,160	-	137,216,160
FID Chile, SpA.	Chile	100.00%	33,993,867	(3,826,567)	30,167,301
FID I&D, S.A.	Portugal	100.00%	455,000	(384,993)	70,007
Tenax Capital Limited	United Kingdom	75.00%	5,436,252	-	5,436,252
			<u>541,897,293</u>	<u>(14,786,867)</u>	<u>527,110,426</u>
			<u>2,749,066,142</u>	<u>(35,895,040)</u>	<u>2,713,171,102</u>
Associates					
Property					
EA One Holding, Inc.	USA	44.16%	19,143,718	-	19,143,718
			<u>19,143,718</u>	<u>-</u>	<u>19,143,718</u>
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (a)	Portugal	34.78%	641,091	-	641,091
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	112,700	(66,821)	45,879
			<u>753,791</u>	<u>(66,821)</u>	<u>686,970</u>
			<u>19,897,508</u>	<u>(66,821)</u>	<u>19,830,688</u>
			<u>2,768,963,650</u>	<u>(35,961,861)</u>	<u>2,733,001,790</u>

(a) Values at March 2021, respectively (accounting period from March 2020 to March 2021).

Operating sector/entity	Country	Effective share %	2020		Balance sheet value
			Gross amount	Impairment (Note 39)	
Subsidiaries					
Insurance					
Multicare - Seguros de Saúde, S.A.	Portugal	100.00%	113,205,508	-	113,205,508
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	100.00%	75,922,290	-	75,922,290
Via Directa - Companhia de Seguros, S.A.	Portugal	100.00%	41,000,000	-	41,000,000
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	14,315,928	(112,933)	14,202,995
Fidelidade Angola - Companhia de Seguros, S.A.	Angola	69.25%	13,203,495	-	13,203,495
Garantia - Companhia de Seguros de Cabo Verde, S.A.	Cape Verde	55.89%	6,260,184	-	6,260,184
Fidelidade Macau - Companhia de Seguros, S.A.	Macao	99.99%	17,889,052	-	17,889,052
Fidelidade Macau Vida – Companhia de Seguros, S.A.	Macao	99.99%	18,811,806	-	18,811,806
			<u>300,608,263</u>	<u>(112,933)</u>	<u>300,495,330</u>
Property					
Fidelidade - Property Europe, S.A.	Portugal	100.00%	1,524,604,925	-	1,524,604,925
Fidelidade - Property International, S.A.	Portugal	100.00%	258,664,012	-	258,664,012
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	1,500,000	(617,976)	882,024
			<u>1,784,768,937</u>	<u>(617,976)</u>	<u>1,784,150,961</u>
Healthcare					
Luz Saúde, S.A.	Portugal	50.85%	246,163,130	-	246,163,130
			<u>246,163,130</u>	<u>-</u>	<u>246,163,130</u>
Other sectors					
Cetra - Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	2,717,053	-	2,717,053
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	449,880	(69,601)	380,279
GEP - Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100,000	-	100,000
FCM Beteiligungs GmbH	Germany	100.00%	14,093,818	(10,621,832)	3,471,986
FID III (HK) LIMITED	Hong Kong	100.00%	-	-	-
Fidelidade - Consultoria e Gestão de Risco, Lda.	Mozambique	80.00%	335	(141)	194
Fidelidade - Assistência e Serviços, Lda.	Mozambique	80.00%	335	(335)	-
FID Loans 1 (Ireland) Limited	Ireland	100.00%	350,000,000	-	350,000,000
FID LatAm SGPS, S.A.	Portugal	100.00%	324,985	(66,085)	258,900
FID Perú, S.A.	Peru	99.80%	137,216,160	-	137,216,160
FID Chile, SpA.	Chile	100.00%	17,473,346	(8,183,236)	9,290,110
FID I&D, S.A.	Portugal	100.00%	50,000	-	50,000
Tenax Capital Limited	United Kingdom	75.00%	5,436,252	-	5,436,252
			<u>527,862,164</u>	<u>(18,941,230)</u>	<u>508,920,934</u>
			<u>2,859,402,494</u>	<u>(19,672,139)</u>	<u>2,839,730,355</u>
Associates					
Property					
EA One Holding, Inc.	USA	44.16%	19,143,718	-	19,143,718
			<u>19,143,718</u>	<u>-</u>	<u>19,143,718</u>
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (a)	Portugal	34.78%	641,091	-	641,091
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	63,700	-	63,700
			<u>704,791</u>	<u>-</u>	<u>704,791</u>
			<u>19,848,509</u>	<u>-</u>	<u>19,848,509</u>
			<u>2,879,251,003</u>	<u>(19,672,139)</u>	<u>2,859,578,864</u>

(a) Values from March 2020 respectively (accounting period from March 2019 to March 2020).

The following changes occurred in 2021:

In January and April 2021, the Company acquired shares in Luz Saúde, S.A., increasing its shareholding in the share capital, for a sum of EUR 2,912.

On 19 January 2021, the Company acquired the company Clínica Fisiátrica das Antas, Unipessoal, Lda., with share capital of EUR 5,000, giving it a 100% stake in the company.

In November, the Company assigned its 80% in the share capital of Fidelidade - Assistência e Serviços, Lda. to the company GEP - Gestão de Peritagens Automóveis, S.A. In 2021, the trading name of the company Fidelidade – Assistência e Serviços, Lda was changed to GEP Moçambique – Gestão de Peritagens, Limitada.

In December 2021, the company Fundo de Investimento Imobiliário Fechado Saudeinveste was sold.

In December 2021, the Company acquired 2,065,000 shares in Seguradora Internacional de Moçambique, for the sum of EUR 47,070,607, obtaining thus a stake of 70% in the company's share capital, in order to strengthen its strategic position in Mozambique and increase its market share.

During 2021, there were increases in and repayments of supplementary contributions from Fidelidade - Property Europe, S.A., totalling EUR 33 million.

During 2021, Fidelidade - Property Europe, S.A. made repayments of supplementary contributions totalling EUR 140 million.

The impairment tests carried out on FPI recorded a recoverable amount lower than the cost of the investment, and an impairment was recognised totalling EUR 20,925,292. This impact was essentially caused by FPI's stake in FPI (UK).

5. Financial Assets at Fair Value Through Profit or Loss

At 31 December 2021 and 2020, this heading was composed as follows:

	2021	2020
Investments related to Unit-linked contracts	1,617,753,877	489,529,130
Debt instruments		
Public issuers		
Foreign issuers	120,629	100,509
Other issuers		
Foreign issuers	334,718,732	357,303,842
	<u>334,839,361</u>	<u>357,404,351</u>
Equity instruments		
Residents	98,028,611	88,007,157
Non-Residents	400,381,379	466,825,692
	<u>498,409,990</u>	<u>554,832,849</u>
Other financial instruments		
Investment units		
Residents	251,554,425	350,326,152
Non-Residents	806,976,986	893,543,816
	<u>1,058,531,411</u>	<u>1,243,869,968</u>
Derivative instruments with positive fair value		
Interest rate swaps	33,949	27,285
Currency futures	4,430,652	19,120,381
Interest rate futures	1,983,568	162,230
Exchange forwards	16,830,252	15,838,260
Other derivatives	4,796,134	576,251
	<u>28,074,555</u>	<u>35,724,407</u>
	<u>3,537,609,194</u>	<u>2,681,360,705</u>

Investments in Unit-linked contracts are assets managed by the Company in which the risk is borne by the policyholder. Accordingly, the assets are recognised at fair value, and the liability to the insured is recognised in the “Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts” accounting heading.

(Amounts in euros except when expressly indicated otherwise)

At 31 December 2021 and 2020, the heading "Financial assets at fair value through profit or loss" includes fixed-income securities with embedded derivatives of EUR 334,718,732 and EUR 357,303,842 respectively. These securities are recognised at their fair value, which is assessed on the basis of the prices indicated by the respective issuing bodies for the whole amount of the instrument, in line with the market conditions in operation at the reference date of the financial statements.

At 31 December 2021 and 2020, the Company recognised net gains and losses with the valuation of these investments of EUR (2,820,832) and EUR 4,825,343 respectively.

At 31 December 2021 and 2020, investments allocated to Unit-linked contracts were composed as follows:

	2021	2020
Debt instruments		
Public issuers		
Domestic issuers	13,611,387	11,319,292
Foreign issuers	8,830,740	14,809,225
Other public issuers		
Domestic issuers	5,405,273	-
International financial bodies	292,580	-
Other issuers		
Domestic issuers	137,042,713	88,066,389
Foreign issuers	399,587,170	158,531,227
Group companies	64,324,753	37,320,363
	<u>629,094,616</u>	<u>310,046,496</u>
Equity instruments		
Residents	497,500	445,000
Non-Residents	134,789,654	64,862,103
	<u>135,287,154</u>	<u>65,307,103</u>
Other financial instruments		
Investment units		
Residents	165,603,976	83,753,478
Non-Residents	544,169,130	13,535,052
Other		
Residents	23,544,695	17,628,385
	<u>733,317,801</u>	<u>114,916,915</u>
Transactions to be settled	(2,311,647)	(1,217,047)
Other deposits	239,650	-
Derivative instruments with positive fair value		
Interest rate swaps	71,927	57,808
Interest rate futures	89,220	-
Other derivatives	121,965,156	417,855
	<u>122,126,303</u>	<u>475,663</u>
	<u>1,617,753,877</u>	<u>489,529,130</u>
Other assets		
Sight Deposits	142,516,087	34,000,997
	<u>142,516,087</u>	<u>34,000,997</u>
	<u>1,760,269,964</u>	<u>523,530,127</u>

(Amounts in euros except when expressly indicated otherwise)

At 31 December 2021 and 2020, the amount of eligible assets for overlay approach corresponds to EUR 1,481,994,499 and EUR 1,720,207,230 respectively. Consequently, the amounts reported in Revaluation reserves by adjustments to fair value were as follows:

	2021	2020
Equity instruments		
Residents	(6,149,697)	3,871,757
Non-Residents	(18,597,656)	(110,953,030)
	<u>(24,747,353)</u>	<u>(107,081,273)</u>
Other financial instruments		
Investment units		
Residents	(18,663,796)	(99,680,311)
Non-Residents	(16,134,694)	(4,490,433)
	<u>(34,798,490)</u>	<u>(104,170,744)</u>
	<u>(59,545,843)</u>	<u>(211,252,017)</u>

6. Derivatives

The Company performs operations with derivative products as part of its activity, essentially with the aim of reducing its exposure to fluctuations in exchange and interest rates.

The Company controls the risks of its derivative activities by approval procedures for operations, definition of exposure limits per product and counterparty, and monitoring of the evolution of the respective income.

At 31 December 2021 and 2020, these operations were valued in line with the criteria in Note 2.4.d). On these dates, the notional amount and the book value for derivatives under the heading "Financial assets at fair value through profit or loss" had the following breakdown:

	2021			
	Notional Amount	Book Value		
		Assets ⁽¹⁾	Liabilities	Total
	(Note 5)	(Note 21)		
Fair value hedge				
Interest rate swaps	668,155	105,876	-	105,876
Currency swaps	833,807,114	-	(69,373,031)	(69,373,031)
Currency futures	2,179,875,000	4,430,652	(93,427,940)	(88,997,288)
Interest rate futures	188,700,000	2,072,788	(222,491)	1,850,297
Exchange forwards	812,895,732	16,830,252	(19,860,647)	(3,030,395)
	<u>4,015,946,001</u>	<u>23,439,568</u>	<u>(182,884,109)</u>	<u>(159,444,541)</u>
Other Derivatives	<u>1,277,838</u>	<u>126,761,290</u>	<u>(129,754,462)</u>	<u>(2,993,172)</u>
	<u>4,017,223,839</u>	<u>150,200,858</u>	<u>(312,638,571)</u>	<u>(162,437,713)</u>
	2020			
	Notional Amount	Book Value		
		Assets ⁽¹⁾	Liabilities	Total
	(Note 5)	(Note 2)		
Fair value hedge				
Interest rate swaps	40,668,155	85,092	(1,641,049)	(1,555,957)
Currency swaps	833,807,114	-	(33,521,885)	(33,521,885)
Currency futures	2,116,750,000	19,120,383	(2,035,420)	17,084,963
Interest rate futures	176,500,000	162,230	(104,742)	57,488
Exchange forwards	897,711,375	15,838,260	(6,642,288)	9,195,972
	<u>4,065,436,644</u>	<u>35,205,965</u>	<u>(43,945,384)</u>	<u>(8,739,419)</u>
Other Derivatives	<u>-</u>	<u>994,105</u>	<u>(993,949)</u>	<u>156</u>
	<u>4,065,436,644</u>	<u>36,200,070</u>	<u>(44,939,333)</u>	<u>(8,739,263)</u>

⁽¹⁾The book value of derivatives incorporates the values included in the unit-linked portfolios.

The interest rate swaps contracted by the Company and classified as derivatives held for trading are essentially intended to hedge its liabilities on life insurance investment contracts which, except for Unit-linked contracts, are valued at amortised cost (Note 21).

To mitigate the risk of fluctuations in financial instruments, EUR/USD and EUR/GBP futures listed on the Chicago Mercantile Exchange (CME) were contracted, in order to ensure the exchange rate alignment of the currency of the assets with the currency of the liabilities. In the case of EUR/JPY, EUR/USD, EUR/GBP and EUR/AUD risks, the instruments contracted are over-the-counter forwards.

“Derivatives at fair value through profit or loss” include derivatives that are classified as “Hedge derivatives” under IAS 39:

	2021			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	347,875,000	727,655	(12,572,648)	(11,844,992)
Exchange forwards	1,510,567	-	(86,742)	(86,742)
	<u>349,385,567</u>	<u>727,655</u>	<u>(12,659,390)</u>	<u>(11,931,735)</u>

	2020			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	347,875,000	4,723,274	(256,704)	4,466,570
	<u>347,875,000</u>	<u>4,723,274</u>	<u>(256,704)</u>	<u>4,466,570</u>

In 2021 and 2020, the following gains and losses were generated in relation to fair value hedge accounting under IAS 39:

	2021			2020		
	Gains	Losses	Net gains	Gains	Losses	Net gains
Derivatives	2,372,870	(30,287,731)	(27,914,861)	217,902,987	(185,596,352)	32,306,635
Hedged assets	31,176,947	(505,065)	30,671,882	7,388,185	(39,478,356)	(32,090,171)
	<u>33,549,817</u>	<u>(30,792,796)</u>	<u>2,757,021</u>	<u>225,291,172</u>	<u>(225,074,708)</u>	<u>216,464</u>

On 30 June 2016, the Company entered into a mandate contract with its subsidiaries Fidelidade – Property Europe, S.A., Fidelidade – Property International, S.A. and FPE (Lux) Holding S.à r.l.

This contract gives Fidelidade, on behalf of its subsidiaries, the powers to identify, negotiate and enter into any and all agreements and mechanisms deemed adequate to cover the exchange rate risk to which they are subject. This option derives from the specific nature and complexity of the hedging operations that require technique which the subsidiaries do not possess. With this option, Fidelidade protects foreign exchange risks at the subsidiaries and the economic effects of this hedging are passed on to these entities.

(Amounts in euros except when expressly indicated otherwise)

At 31 December 2021 and 2020, the Company has the following derivatives in its portfolio traded as part of the aforementioned mandate contract:

	2021			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	24,125,000	55,327	(353,152)	(297,825)
Exchange forwards	678,453,306	2,619,597	(12,443,483)	(9,823,886)
	<u>702,578,306</u>	<u>2,674,924</u>	<u>(12,796,635)</u>	<u>(10,121,711)</u>

	2020			
	Notional Amount	Book Value		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	29,250,000	-	(416,082)	(416,082)
Exchange forwards	745,857,481	5,350,419	(1,784,592)	3,565,827
	<u>775,107,481</u>	<u>5,350,419</u>	<u>(2,200,674)</u>	<u>3,149,745</u>

Due to the contract entered into, Fidelidade passed the following profit or loss to its subsidiaries:

	2021		2020	
	Gains and Losses	Commissions	Gains and Losses	Commissions
Currency futures	1,582,969	2,697	(2,141,119)	6,366
Exchange forwards	40,379,846	-	(22,274,963)	-
	<u>41,962,815</u>	<u>2,697</u>	<u>(24,416,082)</u>	<u>6,366</u>

The distribution of the Company's derivative financial instrument operations at 31 December 2021 and 2020, by period to maturity, was as follows:

	2021						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	-	668,155	-	-	668,155
Currency swaps	-	-	-	829,422,688	4,384,426	-	833,807,114
Currency futures	2,003,125,000	176,750,000	-	-	-	-	2,179,875,000
Interest rate futures	188,700,000	-	-	-	-	-	188,700,000
Exchange forwards	759,484,952	1,270,740	52,140,040	-	-	-	812,895,732
	<u>2,951,309,952</u>	<u>178,020,740</u>	<u>52,140,040</u>	<u>830,090,843</u>	<u>4,384,426</u>	<u>-</u>	<u>4,015,946,001</u>
Other Derivatives	-	-	-	-	-	1,277,838	1,277,838
	<u>2,951,309,952</u>	<u>178,020,740</u>	<u>52,140,040</u>	<u>830,090,843</u>	<u>4,384,426</u>	<u>1,277,838</u>	<u>4,017,223,839</u>

	2020						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	40,000,000	668,155	-	-	40,668,155
Currency swaps	-	-	-	552,293,614	281,513,500	-	833,807,114
Currency futures	2,116,750,000	-	-	-	-	-	2,116,750,000
Interest rate futures	176,500,000	-	-	-	-	-	176,500,000
Exchange forwards	750,375,581	126,987,704	18,179,281	2,168,809	-	-	897,711,375
	<u>3,043,625,581</u>	<u>126,987,704</u>	<u>58,179,281</u>	<u>555,130,578</u>	<u>281,513,500</u>	<u>-</u>	<u>4,065,436,644</u>

(Amounts in euros except when expressly indicated otherwise)

The distribution of the Company's derivative financial operations at 31 December 2021 and 2020, by counterparty type, was as follows:

	2021		2020	
	Notional Amount	Book Value	Notional Amount	Book Value
Interest rate swaps				
Financial institutions				
Caixa Geral Depósitos Group	668,155	105,876	40,668,155	(1,555,956)
	<u>668,155</u>	<u>105,876</u>	<u>40,668,155</u>	<u>(1,555,956)</u>
Currency swaps				
Financial institutions				
Other institutions	833,807,114	(69,373,031)	833,807,114	(33,521,885)
	<u>833,807,114</u>	<u>(69,373,031)</u>	<u>833,807,114</u>	<u>(33,521,885)</u>
Currency futures				
On the				
Chicago Stock Exchange	2,179,875,000	(88,997,288)	2,116,750,000	17,084,961
	<u>2,179,875,000</u>	<u>(88,997,288)</u>	<u>2,116,750,000</u>	<u>17,084,961</u>
Interest Rate Futures				
Financial institutions				
Other institutions	188,700,000	1,850,297	176,500,000	57,488
	<u>188,700,000</u>	<u>1,850,297</u>	<u>176,500,000</u>	<u>57,488</u>
Exchange forwards				
Financial institutions				
Other institutions	812,895,732	(3,030,395)	897,711,375	9,195,972
	<u>812,895,732</u>	<u>(3,030,395)</u>	<u>897,711,375</u>	<u>9,195,972</u>
Other Derivatives				
Financial institutions				
Munich RE	1,277,838	(714,117)	-	155
Banco Internacional de Moçambique SA.		(2,279,055)		
	<u>1,277,838</u>	<u>(2,993,172)</u>	<u>-</u>	<u>155</u>
	<u>4,017,223,839</u>	<u>(162,437,713)</u>	<u>4,065,436,644</u>	<u>(8,739,264)</u>

8. Financial Assets at Amortised Cost

At 31 December 2021 and 2020, this heading was composed as follows:

		2021						
	Balance sheet amount	Amortised cost	Expected credit loss	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential gains
(Note 39)								
Debt instruments								
Public issuers								
Domestic issuers	302,950,000	333,937,138	-	-	7,102,162	341,039,300	351,941,890	10,902,590
Foreign issuers	476,600,000	479,348,952	(2)	-	1,877,038	481,225,988	490,449,384	9,223,396
	779,550,000	813,286,090	(2)	-	8,979,200	822,265,288	842,391,274	20,125,986
Other Loans								
Deposits in ceding companies	-	1,146,681	-	23,801	-	1,170,482	1,170,482	-
Loans	-	277,454	(375,153)	-	97,699	-	-	-
Policy loans	-	835,314	(10,597)	-	233,878	1,058,595	1,058,595	-
	-	2,259,449	(385,750)	23,801	331,577	2,229,077	2,229,077	-
Financial investments in credit institutions								
Term deposits	25,618,442	26,242,965	-	104,105	109,430	26,456,500	26,456,500	-
Other deposits	-	87,425,561	-	1,284,671	-	88,710,232	88,710,232	-
	25,618,442	113,668,526	-	1,388,776	109,430	115,166,732	115,166,732	-
	805,168,442	929,214,065	(385,752)	1,412,577	9,420,207	939,661,097	959,787,083	20,125,986
		2020						
	Balance sheet amount	Amortised cost	Expected credit loss	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential gains
(Note 39)								
Debt instruments								
Public issuers								
Domestic issuers	302,950,000	342,796,860	(511,955)	-	7,104,021	349,388,926	365,989,096	16,600,170
Foreign issuers	693,600,000	702,549,251	(975,240)	-	3,743,788	705,317,799	724,746,272	19,428,473
	996,550,000	1,045,346,111	(1,487,195)	-	10,847,809	1,054,706,725	1,090,735,368	36,028,643
Other Loans								
Deposits in ceding companies	-	518,865	-	(29,144)	-	489,721	489,721	-
Loans	-	189	(1,378)	-	1,378	189	189	-
Policy loans	-	831,473	-	-	255,294	1,086,767	1,086,767	-
	-	1,350,527	(1,378)	(29,144)	256,672	1,576,677	1,576,677	-
Financial investments in credit institutions								
Term deposits	-	131,551,189	-	(228,993)	169,961	131,492,157	131,492,157	-
Deposit certificates	-	29,975,770	-	-	-	29,975,771	29,975,770	-
Other deposits	-	48,249,629	-	(451,525)	-	47,798,104	47,798,104	-
	-	209,776,589	-	(680,518)	169,961	209,266,032	209,266,031	-
	996,550,000	1,256,473,226	(1,488,573)	(709,662)	11,274,442	1,265,549,434	1,301,578,076	36,028,643

⁽¹⁾ Corresponds to the market value calculated in accordance with the methodology described in Note 2.6.

9. Properties for own use

In 2021 and 2020, the “Properties for own use” heading saw the following movements:

	Own use		Total
	Property Rights	Right-of-Use	
Balances at 31 December 2019			
Gross amount	41,856,212	39,381,353	81,237,565
Accumulated depreciation and impairment	(9,690,312)	(6,469,036)	(16,159,347)
	<u>32,165,900</u>	<u>32,912,318</u>	<u>65,078,218</u>
Additions			
Acquisitions made in the period	-	1,748,980	1,748,980
Subsequent expenditure	92,148	-	92,148
Additions/reversals of impairment in the year (Note 39)	2,207,267	-	2,207,267
Depreciation for the year (Note 30)	(716,839)	(9,759,406)	(10,476,245)
Transfers	(404,968)	-	(404,968)
Disposals and write-offs (net)	(1,893,720)	-	(1,893,720)
Other movements	-	259,034	259,034
Balances at 31 December 2020			
Gross amount	39,089,204	40,757,322	79,846,526
Accumulated depreciation and impairment	(7,639,417)	(15,596,396)	(23,235,812)
	<u>31,449,787</u>	<u>25,160,926</u>	<u>56,610,714</u>
Additions			
Acquisitions made in the period	-	8,680,766	8,680,766
Subsequent expenditure	310,997	-	310,997
Additions/reversals of impairment in the year (Note 39)	(1,237,619)	-	(1,237,619)
Depreciation for the year (Note 30)	(638,942)	(9,399,834)	(10,038,776)
Transfers	(1,296,627)	-	(1,296,627)
Disposals and write-offs (net)	-	(3,385)	(3,385)
Other movements	-	(340)	(340)
Balances at 31 December 2021			
Gross amount	37,513,874	48,870,471	86,384,345
Accumulated depreciation and impairment	(8,926,278)	(24,432,337)	(33,358,615)
	<u>28,587,596</u>	<u>24,438,134</u>	<u>53,025,730</u>

Properties for own use are valued at cost and subject to impairment tests in line with the option set out in IAS 16, as described in Note 2.7. Own use buildings are depreciated throughout their useful life.

If the Company had opted to value properties for own use at fair value, their book value would have been EUR 36,590,057 in 2021 and EUR 31,449,788 in 2020.

10. Investment properties

In 2021 and 2020, the “Investment Properties” headings saw the following movements:

	Investment Properties
Balances at 31 December 2019	
Gross amount	65,656,449
	<u>65,656,449</u>
Additions	
Subsequent expenditure	512,822
Revaluations	
As a credit to the Income statement (Note 38)	(489,635)
As a charge to shareholders' equity	19,223
Transfers	404,968
Disposals and write-offs (net)	(3,173,000)
Balances at 31 December 2020	
Gross amount	62,930,827
	<u>62,930,827</u>
Additions	
Subsequent expenditure	1,285,062
Revaluations	
As a credit to the Income statement (Note 38)	1,676,173
As a charge to shareholders' equity	220,677
Transfers	1,296,627
Disposals and write-offs (net)	(7,623,047)
Balances at 31 December 2021	
Gross amount	59,786,319
	<u>59,786,319</u>

Investment properties are also valued at fair value, in line with the treatment provided for in IAS 40 and mentioned in Note 2.6 and Note 2.18.

11. Allocation of Investments and Other Assets

At 31 December 2021 and 2020, the allocation of investments and other assets, using a prudential perspective, for insurance contracts or insurance contracts and other operations classified for accounting purposes as investment contracts, may be summarised as follows:

	2021					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight Deposits (Note 3)	45,858,026	12,177,196	303,448,737	57,096,436	103,322,124	521,902,520
Investments in branches, associates and joint ventures (Note 4)	-	50,500,914	1,458,794,705	717,454,743	506,251,428	2,733,001,790
Financial assets at fair value through profit or loss (Note 5)	167,036,935	19,092,349	2,546,023,231	714,248,065	91,208,614	3,537,609,194
Financial assets at fair value through other comprehensive income (Note 7)	1,745,617,423	257,085,311	5,219,255,156	670,535,405	114,320,297	8,006,813,593
Financial assets at amortised cost (Note 8)	28,998,156	2,068,607	842,885,795	12,509,926	53,198,613	939,661,097
Properties (Notes 9 and 10)	-	-	-	74,946,723	37,865,326	112,812,049
Other tangible assets (Note 12)	-	-	-	-	18,747,194	18,747,194
	<u>1,987,510,540</u>	<u>340,924,377</u>	<u>10,370,407,624</u>	<u>2,246,791,298</u>	<u>924,913,597</u>	<u>15,870,547,437</u>

	2020					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight Deposits (Note 3)	15,170,791	2,617,957	61,411,247	8,813,458	166,976,294	254,989,747
Investments in branches, associates and joint ventures (Note 4)	-	56,432,561	1,573,921,715	743,295,771	485,928,817	2,859,578,864
Financial assets at fair value through profit or loss (Note 5)	152,782,204	27,673,680	1,716,338,486	743,746,581	40,819,754	2,681,360,705
Financial assets at fair value through other comprehensive income (Note 7)	1,814,283,583	246,115,035	5,747,882,504	571,839,894	15,568	8,380,136,584
Financial assets at amortised cost (Note 8)	148,761,758	1,815,767	1,104,246,345	12,738,303	(2,012,738)	1,265,549,435
Properties (Notes 9 and 10)	-	-	-	82,619,639	36,921,902	119,541,541
Other tangible assets (Note 12)	-	-	-	-	21,056,200	21,056,200
	<u>2,130,998,336</u>	<u>334,655,000</u>	<u>10,203,800,297</u>	<u>2,163,053,646</u>	<u>749,705,797</u>	<u>15,582,213,076</u>

13. Other Intangible Assets

In 2021 and 2020, the "Other intangible assets" heading saw the following movements:

	2021								
	Opening balances		Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Closing balances		
	Gross amount	Accumulated depreciation and impairment					Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	55,836,141	(53,020,432)	2,651,001	(4,429,997)	18,520,152	-	76,282,512	(56,725,648)	19,556,864
Intangible assets in progress	36,887,182	-	15,183,559	-	(18,520,152)	-	33,550,590	-	33,550,590
	<u>92,723,323</u>	<u>(53,020,432)</u>	<u>17,834,560</u>	<u>(4,429,997)</u>	<u>-</u>	<u>-</u>	<u>109,833,102</u>	<u>(56,725,648)</u>	<u>53,107,454</u>

	2020								
	Opening balances		Additions	Transfers and adjustments	Depreciation for the year (Note 30)	Disposals and write-offs (net)	Closing balances		
	Gross amount	Accumulated depreciation and impairment					Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	53,433,901	(51,814,030)	2,402,240	-	(1,206,402)	-	55,836,141	(53,020,432)	2,815,709
Intangible assets in progress	22,243,148	-	14,644,034	-	-	-	36,887,182	-	36,887,182
	<u>75,677,049</u>	<u>(51,814,030)</u>	<u>17,046,274</u>	<u>-</u>	<u>(1,206,402)</u>	<u>-</u>	<u>92,723,323</u>	<u>(53,020,432)</u>	<u>39,702,891</u>

At 31 December 2021 and 2020, the values recognised in "Intangible assets in progress" refer to costs incurred with the development of new IT applications (software). The main investments recognised are Multisin, Project IFRS17, The MEDIATHEQUE-Risk Assessment, Eflow and Omnichannel.

In 2021 and 2020, the Company recognised directly on the statement of gains and expenses the expenditure with external costs related with research, development and maintenance of automatic data processing systems, of EUR 23,508,173 and EUR 20,014,991 respectively.

14. Technical Provisions for Reinsurance Ceded

At 31 December 2021 and 2020, technical provisions for reinsurance ceded were composed as follows:

	2021			2020		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	329,110	82,226,097	82,555,208	223,139	66,360,450	66,583,589
Mathematical provision	27,004,267	-	27,004,267	21,535,404	-	21,535,404
Claims provision						
Reported claims	5,618,892	217,682,292	223,301,184	4,320,196	144,194,397	148,514,593
Claims incurred but not reported (IBNR)	3,213,974	27,296,920	30,510,894	2,785,373	22,488,112	25,273,485
	8,832,866	244,979,211	253,812,077	7,105,569	166,682,509	173,788,078
Provision for profit sharing	-	-	-	-	3,494	3,494
Other technical provisions	-	22,544,992	22,544,992	-	8,417,251	8,417,251
	36,166,243	349,750,301	385,916,544	28,864,112	241,463,704	270,327,816

At 31 December 2021 and 2020, technical provision for unearned premiums was composed as follows:

	2021			2020		
	Deferred premiums	Deferred costs	Net	Deferred premiums	Deferred costs	Net
Life insurance	330,495	(1,385)	329,110	223,287	(148)	223,139
Non-life insurance						
Personal accident and passengers	6,643,183	(3,421,121)	3,222,062	3,844,977	(1,858,563)	1,986,414
Health	30,828,200	-	30,828,200	33,529,314	-	33,529,314
Fire and other damage	38,030,550	(6,295,275)	31,735,275	26,385,399	(4,844,926)	21,540,473
Motor	16,282	-	16,282	23,161	(1)	23,160
Marine, aviation and transport	1,135,320	(105,887)	1,029,433	127,463	(23,773)	103,690
Third-party liability	13,021,172	(2,598,165)	10,423,007	7,250,718	(1,310,816)	5,939,902
Credit and suretyship	25,748	(1,404)	24,344	43,886	(1,358)	42,528
Legal protection	1,374	(117)	1,257	1,159	(117)	1,042
Assistance	64,012	(12,634)	51,378	56,910	(13,505)	43,405
Other	8,450,284	(3,555,425)	4,894,859	5,416,296	(2,265,774)	3,150,522
	98,216,124	(15,990,027)	82,226,097	76,679,283	(10,318,833)	66,360,450
	98,546,619	(15,991,412)	82,555,208	76,902,570	(10,318,981)	66,583,589

(Amounts in euros except when expressly indicated otherwise)

The following tables provide information on the movement in the provision for unearned premiums on reinsurance ceded during 2021 and 2020:

	Balance 31/12/2019	Liabilities originated in the year	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021
Provision for unearned premiums					
Life insurance	196,298	26,989	223,287	107,208	330,495
Non-life insurance					
Workers' compensation	44,151	(44,151)	-	-	-
Personal accident and passengers	2,483,208	1,361,769	3,844,977	2,798,206	6,643,183
Health	28,126,674	5,402,640	33,529,314	(2,701,115)	30,828,200
Fire and other damage	24,454,414	1,930,985	26,385,399	11,645,150	38,030,550
Motor	195,921	(172,760)	23,161	(6,879)	16,282
Marine, aviation and transport	343,079	(215,616)	127,463	1,007,857	1,135,320
Third-party liability	4,294,999	2,955,719	7,250,718	5,770,454	13,021,172
Credit and suretyship	78,336	(34,450)	43,886	(18,138)	25,748
Legal protection	1,470	(311)	1,159	215	1,374
Assistance	55,670	1,240	56,910	7,102	64,012
Other	4,010,164	1,406,132	5,416,296	3,033,989	8,450,284
	64,088,086	12,591,197	76,679,283	21,536,842	98,216,124
	64,284,384	12,618,186	76,902,570	21,644,050	98,546,619
Deferred acquisition costs					
Life insurance	(148)	-	(148)	(1,237)	(1,385)
Non-life insurance					
Workers' compensation	(9,934)	9,934	-	-	-
Personal accident and passengers	(1,155,784)	(702,779)	(1,858,563)	(1,562,558)	(3,421,121)
Fire and other damage	(4,006,977)	(837,949)	(4,844,926)	(1,450,348)	(6,295,275)
Motor	(36,610)	36,609	(1)	1	-
Marine, aviation and transport	(27,032)	3,259	(23,773)	(82,113)	(105,887)
Third-party liability	(593,754)	(717,062)	(1,310,816)	(1,287,349)	(2,598,165)
Credit and suretyship	(2,831)	1,473	(1,358)	(45)	(1,404)
Legal protection	(117)	-	(117)	-	(117)
Assistance	(2,077)	(11,428)	(13,505)	871	(12,634)
Other	(1,590,116)	(675,658)	(2,265,774)	(1,289,652)	(3,555,425)
	(7,425,232)	(2,893,601)	(10,318,833)	(5,671,194)	(15,990,027)
	(7,425,380)	(2,893,601)	(10,318,981)	(5,672,431)	(15,991,412)
	56,859,004	9,724,585	66,583,589	15,971,619	82,555,208

The change in the method for calculating the provision for unearned premiums on reinsurance ceded due to the impact of the pandemic on the 2020 accounting year, described in Note 2.15.c), originated an increase of EUR 3,295,735 in deferred premiums.

Information on the claims provision for reinsurance ceded, at 31 December 2021 and 2020, is set out below:

	2021			2020		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	5,618,892	3,213,974	8,832,866	4,320,196	2,785,373	7,105,569
Non-life insurance						
Workers' compensation	1,360,239	1,163,239	2,523,478	2,844,115	996,975	3,841,090
Personal accident and passengers	18,853,045	492,360	19,345,405	17,365,814	429,973	17,795,787
Health	66,890,807	5,966,406	72,857,213	44,778,841	6,492,845	51,271,686
Fire and other damage	91,046,857	9,808,969	100,855,826	51,009,974	5,993,698	57,003,672
Motor	10,078,659	3,308,659	13,387,318	6,782,092	2,803,698	9,585,790
Marine, aviation and transport	3,199,818	166,649	3,366,467	1,424,800	89,108	1,513,908
Third-party liability	22,145,306	5,959,628	28,104,934	14,115,366	5,202,426	19,317,792
Credit and suretyship	-	159	159	-	159	159
Assistance	-	5,358	5,358	500	5,525	6,025
Other	4,107,562	425,493	4,533,054	5,872,895	473,705	6,346,600
	217,682,292	27,296,920	244,979,211	144,194,397	22,488,112	166,682,509
	223,301,184	30,510,894	253,812,077	148,514,593	25,273,485	173,788,078

The following tables provide information on the movement in the claims provisions for reinsurance ceded during 2021 and 2020:

	Balance 31/12/2019	Liabilities originated in the year	Claims paid	Balance 31/12/2020	Liabilities originated in the year	Claims paid	Balance 31/12/2021
Life insurance	7,830,705	7,214,012	(7,939,148)	7,105,569	11,013,835	(9,286,538)	8,832,866
Non-life insurance							
Workers' compensation	4,199,213	1,388,667	(1,746,790)	3,841,090	(620,427)	(697,185)	2,523,478
Personal accident and passengers	17,256,664	2,639,319	(2,100,196)	17,795,787	3,419,603	(1,869,985)	19,345,405
Health	61,484,362	250,830,698	(261,043,374)	51,271,686	309,943,054	(288,357,528)	72,857,213
Fire and other damage	56,820,919	41,208,838	(41,026,085)	57,003,672	82,952,935	(39,100,781)	100,855,826
Motor	10,423,004	834,651	(1,671,865)	9,585,790	5,038,239	(1,236,711)	13,387,318
Marine, aviation and transport	6,458,527	(4,342,143)	(602,476)	1,513,908	2,758,767	(906,209)	3,366,467
Third-party liability	16,537,146	5,935,223	(3,154,577)	19,317,792	12,549,882	(3,762,741)	28,104,934
Credit and suretyship	171	(12)	-	159	-	-	159
Assistance	8,333	(27,854)	25,546	6,025	(3,467)	2,799	5,358
Other	5,046,620	7,084,098	(5,784,118)	6,346,600	12,699,140	(14,512,686)	4,533,054
	178,234,959	305,551,485	(317,103,935)	166,682,509	428,737,727	(350,441,024)	244,979,211
	186,065,664	312,765,497	(325,043,083)	173,788,078	439,751,562	(359,727,563)	253,812,077

Liabilities originated in the year and the claims paid are not deducted from the reinsurers' portion of the processed reimbursements.

Information on the mathematical provision and claims provision for profit-sharing in reinsurance ceded, at 31 December 2021 and 2020, is set out below:

	2021		
	Mathematical provision	Provision for profit sharing	Total
Life insurance			
Insurance contracts			
Life individual risk	17,776,438	-	17,776,438
Life group risk	9,227,829	-	9,227,829
	<u>27,004,267</u>	<u>-</u>	<u>27,004,267</u>
Non-life insurance	-	-	-
	<u>27,004,267</u>	<u>-</u>	<u>27,004,267</u>

	2020		
	Mathematical provision	Provision for profit sharing	Total
Life insurance			
Insurance contracts			
Life individual risk	12,193,293	-	12,193,293
Life group risk	9,342,111	-	9,342,111
	<u>21,535,404</u>	<u>-</u>	<u>21,535,404</u>
Non-life insurance	-	3,494	3,494
	<u>21,535,404</u>	<u>3,494</u>	<u>21,538,898</u>

The movement in the mathematical provision and in the provision for profit sharing from reinsurance ceded during the years 2021 and 2020 was as follows:

	2021			
	Opening balance	Liabilities originated in the year and interest allocated	Profit shared	Closing balance
Mathematical provision				
Life insurance				
Insurance contracts	21,535,404	5,468,863	-	27,004,267
Profit-sharing provision				
Non-life insurance	3,494	11,229	(14,723)	-

	2020					
	Opening balance	Liabilities originated in the year and interest allocated	Change in deferred acquisition costs	Profit shared	Other	Closing balance
Mathematical provision						
Life insurance						
Insurance contracts	15,731,409	5,872,735	327	-	(69,067)	21,535,404
Profit-sharing provision						
Non-life insurance	24,064	(1,108)	-	(19,462)	-	3,494

The “Others” column corresponds to the outflow associated with the transformation of the former Macao branch into an entity under local law.

15. Other Debtors for Insurance Operations and Other Operations

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accounts receivable for direct insurance operations		
Premiums pending collection	80,586,688	101,771,703
Brokers	55,946,249	27,998,627
Claims reimbursements	22,893,121	19,256,273
Co-insurers	18,076,704	12,491,995
Workers' compensation fund	2,167,786	2,605,873
Funding Institute of Agriculture and Fisheries (IFAP)	49,972	2,087,658
Other	256,542	1,177
	<u>179,977,063</u>	<u>166,213,307</u>
(Adjustments to premiums pending collection - Note 39)	(11,154,855)	(16,284,062)
(Adjustments for doubtful debts - Note 39)	(4,602,099)	(4,972,918)
	<u>(15,756,954)</u>	<u>(21,256,980)</u>
	<u>164,220,109</u>	<u>144,956,327</u>
Accounts receivable for other reinsurance operations		
Reinsurers' current accounts	32,245,438	28,906,659
Reinsureds' current accounts	1,367,289	4,515,543
	<u>33,612,727</u>	<u>33,422,202</u>
(Adjustments for doubtful debts - Note 39)	(7,116,203)	(6,099,803)
	<u>26,496,524</u>	<u>27,322,399</u>
Accounts receivable for other operations		
Clients - current accounts	5,332,746	4,272,179
Mandate Contracts	4,312,663	-
Rental properties	1,781,181	2,710,108
Funding Institute of Agriculture and Fisheries (IFAP)	1,464,985	2,000,000
Advances to suppliers	1,383,171	1,316,909
Group companies	698,412	10,122,193
Taxes to recover	3,503,144	2,654,721
Internal adjustment accounts	2,224,462	1,564,184
Transactions to be settled	-	6,892,041
Other	7,252,307	7,579,865
	<u>27,953,072</u>	<u>39,112,199</u>
(Adjustments for doubtful debts - Note 39)	(7,702,751)	(7,279,486)
	<u>20,250,321</u>	<u>31,832,713</u>
	<u>210,966,954</u>	<u>204,111,439</u>

Balances receivable from IFAP correspond, essentially, to bonuses and compensation for excess claims regarding crop insurance campaigns from 2021.

16. Tax Assets and Liabilities

The balances for tax assets and liabilities at 31 December 2021 and 2020 were as follows:

	2021	2020
Current tax assets		
Other	19,376	81,914
	<u>19,376</u>	<u>81,914</u>
Current tax liabilities		
Income tax payable	(12,249,932)	(3,121,457)
Other		
Stamp duty	(9,698,842)	(11,048,017)
Value added tax	(1,834,499)	(1,079,110)
Motor insurance guarantee fund	(2,032,583)	(1,970,852)
Workers' compensation fund	(4,518,974)	(4,552,433)
National civil protection authority tax	(2,550,197)	(2,362,935)
Insurance and pension funds supervisory authority tax	(2,392,633)	(2,055,770)
National medical emergency institute tax	(3,119,591)	(3,157,079)
Social security	(3,064,382)	(3,447,856)
Withholding	(3,644,139)	(4,592,855)
Other	(4,664,651)	(3,168,320)
	<u>(49,770,423)</u>	<u>(40,556,684)</u>
Deferred tax assets	148,419,178	151,758,592
Deferred tax liabilities	<u>(87,374,791)</u>	<u>(143,322,192)</u>
	61,044,388	8,436,400
	<u>11,293,340</u>	<u>(32,038,370)</u>

At 31 December 2021 and 2020, the balances relating to current income tax assets and liabilities break down as follows:

	2021	2020
Income tax estimate recognised as a charge to the Income statement	(67,714,535)	(26,100,400)
Income tax estimate recognised as a charge to reserves	3,760,776	797,453
Withholding tax	2,197,237	1,855,535
Payments on account	19,637,556	-
Income tax on branches	415,143	-
Corporation tax from previous years	6,264,882	31,309,376
Financial liabilities	(12,201,057)	(3,122,726)
Other	-	(9,275)
	<u>(47,639,997)</u>	<u>4,729,963</u>

At 31 December 2021 and 2020, the heading “Income tax estimate recognised as a charge to the Income statement” corresponds to the amount of the estimate of CIT.

In 2021 and 2020, the income tax registered in reserves is the result of the change in fair value reserve of financial assets at fair value through other comprehensive income linked to life insurance products with profit sharing and of the change in actuarial deviations relating to post-employment benefits granted to employees.

In addition, the Company has recorded in its balance sheet receivables from Longrun referring to (i) corporation tax referring to previous years, in the amount of EUR 6,264,882 (2020: EUR 31,309,376), (ii) payments due to the mandate contract of EUR 19,637,556, (iii) withholding tax in the amount of EUR 2,197,237 (2020: EUR 1,855,535) and (iv) an amount payable to Longrun, referring to the estimated corporation tax totalling EUR 63,953,759 (2020: EUR 25,302,947), as shown in note 14.

At 31 December 2021, the heading “Corporation tax referring to previous years” corresponds, among others, to the estimate of the tax benefit of the Tax Incentive System for Business Research and Development (SIFIDE II) for the year 2020 (EUR 3,791,196) and 2019 (EUR 1,031,712).

Indeed, in 2020, the Company made contributions to Investment Funds mainly dedicated to funding companies that carry out Research and Development ("R&D") to the sum of EUR 4,199,920, and also paid the expenses of R&D projects in the amount of EUR 6,049,328. In August 2021, it made an application to SIFIDE II for those investments, totalling EUR 4,831,006.

At 31 December 2021, the application made for 2020 had yet to be approved by Agência Nacional de Inovação, S.A. (ANI) (National Innovation Agency). As such, the Company recorded, in 2021, the sum of EUR 3,791,196, corresponding to 70% of the application for R&D projects and 100% of the investment funds, as set out in the table below:

	2020	
	R&D Expenses	Tax credit
Investment funds	4,199,920	1,364,974
R&D Projects	6,049,328	2,426,222
	<u>10,249,248</u>	<u>3,791,196</u>

During 2021, Fidelidade was notified of the final decision to fully grant the application to SIFIDE II for the year 2019, and was awarded a tax credit in the amount of EUR 1,031,712.

Movements under the deferred taxes headings during 2021 and 2020 were as follows:

	2021			
	Opening Balances	Change in		Closing Balances
		Reserves	Income statement	
Assets				
Valuation of financial assets at fair value through other comprehensive income	22,037,873	(1,468,880)	-	20,568,993
Expected credit losses	468,467	2,077,363	(2,545,829)	1
Properties				
Own use	8,052,706	-	74,769	8,127,475
Investment Properties	20,234,786	(493,063)	(860,631)	18,881,091
Provisions for impairment temporarily not allowed for tax purposes	89,312,361	43,868	3,643,499	92,999,728
Employee benefits	10,613,150	(839,887)	(1,982,772)	7,790,491
Leases	1,039,250	-	(1,001,396)	37,853
Other temporary differences	-	-	13,546	13,546
	151,758,592	(680,601)	(2,658,813)	148,419,178
Liabilities				
Valuation of financial assets at fair value through other comprehensive income	(130,997,721)	57,455,306	(681,034)	(74,223,449)
Properties				
Own use	(10,684,198)	-	(693,253)	(11,377,452)
Investment Properties	(1,640,273)	(62,753)	(70,865)	(1,773,890)
	(143,322,192)	57,392,553	(1,445,152)	(87,374,791)
	8,436,400	56,711,952	(4,103,966)	61,044,387

	2020					
	Opening Balances	Adjustment due to change of real estate accounting policy	Impact IFRS 9	Change in		Closing Balances
				Reserves	Income statement	
Assets						
Valuation of financial assets at fair value through other comprehensive income	11,925,407	-	8,862,008	1,250,458	-	22,037,873
Expected credit losses	-	-	520,171	2,062,708	(2,114,412)	468,467
Properties						
Own use	7,396,746	2,244,529	-	-	(1,588,569)	8,052,706
Investment Properties	21,049,466	(430)	-	1,002,494	(1,816,744)	20,234,786
Provisions for impairment temporarily not allowed for tax purposes	109,350,249	82,120	-	1,240,722	(21,360,730)	89,312,361
Employee benefits	13,691,045	-	-	(839,887)	(2,238,008)	10,613,150
Leases	660,803	-	-	-	378,447	1,039,250
	164,073,716	2,326,219	9,382,179	4,716,493	(28,740,015)	151,758,592
Liabilities						
Valuation of financial assets at fair value through other comprehensive income	(116,555,554)	-	(8,862,008)	(8,248,230)	2,668,071	(130,997,721)
Properties						
Own use	(1,258,260)	(9,488,162)	-	-	62,277	(10,684,198)
Investment Properties	(1,573,713)	(563)	-	(259,944)	193,947	(1,640,273)
	(119,387,527)	(9,488,725)	(8,862,008)	(8,508,174)	2,924,295	(143,322,192)
	44,686,189	(7,162,506)	520,171	(3,791,681)	(25,815,720)	8,436,400

In 2021, the tax rate for deferred taxes was 31.5%, except for the part corresponding to tax losses, which are measured at a rate of 21%.

Law 64-B/2011, which approved the State Budget for 2012, was published on 30 December 2011. Article 183 of this law lays down that losses made in 2011, deriving from changes to the accounting policy for the recognition of actuarial profit resulting from recognition of liabilities with retirement pensions and other defined post-employment benefits, relating to contributions made in that period or in previous years, are not included in the limits of deductions established in Article 43 of the CIT Code, but are reported within the calculation of taxable income in the 2012 tax year and the following nine taxation periods.

Income tax recognised in profits and losses, and the tax burden, measured as the ratio between income tax and the profit in the year before tax, may be represented as follows:

	2021	2020
Current tax		
Estimated tax for the year	42,586,640	18,223,354
State and municipal surcharge	24,446,201	7,298,536
Autonomous taxation	681,694	578,511
	<u>67,714,535</u>	<u>26,100,401</u>
Other		
Branches	(17,173)	153,870
Over/under-estimation of CIT	(2,276,706)	(1,461,293)
Financial liabilities	9,078,331	3,122,726
SIFIDE II	(4,100,710)	(1,880,082)
Tax paid abroad	2,625,365	9,275
	<u>73,023,642</u>	<u>26,044,897</u>
Deferred tax	3,533,462	25,461,557
Total tax in Income statement	<u>76,557,104</u>	<u>51,506,454</u>
Pre-tax profit	288,840,015	202,340,671
Tax burden	26.51%	25.46%

The heading “Other” corresponds to, among others, (i) the tax liability in the amount of EUR 9,078,331, of which EUR 8,486,041 refers to IFRIC 23, (ii) SIFIDE II in the amount of EUR 4,100,710, still to be reimbursed, with the amount of EUR 309,514 referring to the 2019 tax credit and the amount of EUR 3,791,196 referring to the 2020 tax credit and (iii) the under/over-estimate of CIT from previous years in the amount of EUR (2,276,706), which has already been fully reimbursed, with the exception of the amount of EUR 120,752 referring to CIT for 2016.

Reconciliation between the nominal tax rate and the effective tax rate in 2021 and 2020 was as follows:

	2021		2020	
	Rate	Tax	Rate	Tax
Income before tax		288,840,015		202,340,671
Income tax calculated at nominal rate	21.00%	60,656,403	22.50%	45,526,651
Permanent differences to be deducted				
Dividends from equity instruments	(2.54%)	(7,329,245)	(2.79%)	(5,643,722)
Non-deductible impairment losses	0.00%	-	(2.18%)	(4,402,570)
Adjustments to previous periods	(0.44%)	(1,272,387)	(1.00%)	(2,026,318)
Others	0.00%	-	(0.21%)	(426,607)
Permanent differences to be added				
Tax gains or losses	0.26%	746,425	0.12%	245,173
Under-estimation of CIT	0.00%	-	1.09%	2,212,555
Financial liabilities	4.05%	11,696,459	2.32%	4,687,327
Others	0.19%	545,733	0.00%	-
Tax benefits				
Net job creation	(0.07%)	(198,877)	0.11%	232,604
International double taxation	(0.20%)	(563,892)	(0.18%)	(361,171)
SIFIDE II	(1.31%)	(3,791,196)	(0.93%)	(1,880,082)
Other	(0.10%)	(287,412)	(0.36%)	(725,423)
Tax paid abroad	0.91%	2,625,365	0.00%	-
Withholding tax	(4.39%)	(12,692,648)	0.00%	-
Autonomous taxation	0.24%	681,694	0.29%	578,511
Municipal Surcharge	1.36%	3,919,410	0.00%	-
State Surcharge	7.59%	21,921,462	3.07%	6,210,623
Deferred tax assets and liabilities - Effect if tax rate change	(0.03%)	(100,191)	3.60%	7,278,903
	26.51%	76,557,104	25.46%	51,506,454

In 2021, the heading “Tax calculated based on the nominal rate” reflects the amount of tax based on the nominal rate of 21% (instead of 22.5% as in the previous year), and the heading “Municipal Surcharge” changed to include the impact of the municipal surcharge in 2021.

The tax authorities have the option of inspecting the four prior years in Portugal (in periods with fiscal losses, the deadline to review the fiscal situation is the report deadlines of those fiscal losses). Different interpretations of the legislation could lead to potential adjustments to the taxable profit of past years. Given the nature of any corrections which may be made, it is not possible to quantify these at the present time. However, in the opinion of the Company's Board of Directors, it is unlikely that any correction concerning the years referred to above will be significant for the attached financial statements.

17. Accruals and Deferrals (Assets)

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accrued income		
Estimate of profit commissions	4,565,000	5,820,000
Other	87,238	92,852
Deferred expenses		
Commissions on the issue of financial products	2,455,794	5,561,062
Insurance	26,514	70,245
Rents and leases	32,311	34,582
IT equipment assistance	384,885	611,558
Advertising	-	353,625
Portuguese Insurers Association subscriptions	295,737	560,837
Software licences	4,561,122	3,503,804
Other	806,377	1,396,813
	<u>13,214,978</u>	<u>18,005,378</u>

The heading “Deferred expenses – Commissions on the issue of financial products” corresponds to the deferral of commission charges made by Caixa Geral de Depósitos, S.A. on the commercialisation of capitalisation products recognised as financial liabilities, which are deferred during the lifetime of the contracts.

18. Non-Current Assets Held for Sale and Discontinued Operations

At 31 December 2021 and 2020, the non-current held for sale assets, liabilities, and gains and losses headings were composed as follows:

	2021	2020
Non-current assets held for sale		
Investment properties	-	4,171,357
Deferred tax assets	-	3,198
	<u>-</u>	<u>4,174,555</u>
Liabilities of a group for sale classified as held for sale		
Deferred tax liabilities	-	574,928
	<u>-</u>	<u>574,928</u>
Gains and losses on non-current assets classified as held for sale		
Gains		
Gains realised	3,890,250	-
Losses		
Other Costs	-	(7,794)
	<u>3,890,250</u>	<u>(7,794)</u>

At 31 December 2020, this balance of this heading refers to the property located in P. Guilherme Gomes Fernandes, 2 to 18, in Porto, which was sold in September 2021.

19. Technical Provisions

At 31 December 2021 and 2020, technical provisions for direct insurance and reinsurance accepted were composed as follows:

	2021			2020		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	2,363,593	319,470,334	321,833,928	1,949,697	285,792,717	287,742,414
Mathematical provision for life insurance	1,797,846,377	-	1,797,846,377	1,979,443,654	-	1,979,443,654
Claims provision						
Reported claims	85,547,599	1,708,058,607	1,793,606,206	84,084,888	1,552,791,318	1,636,876,206
Claims incurred but not reported (IBNR)	27,876,359	100,128,755	128,005,114	21,258,071	89,535,090	110,793,161
	113,423,958	1,808,187,362	1,921,611,319	105,342,959	1,642,326,408	1,747,669,367
Provision for profit sharing	62,284,521	6,250	62,290,771	75,626,943	6,250	75,633,193
Provision for interest rate commitments	17,780,388	-	17,780,388	29,012,022	-	29,012,022
Provision for portfolio stabilising	25,803,587	-	25,803,587	26,345,782	-	26,345,782
Equalisation provision	-	32,960,468	32,960,468	-	30,959,225	30,959,225
Provision for unexpired risks	-	43,924,719	43,924,719	-	27,588,681	27,588,681
Other technical provisions	-	23,211,963	23,211,963	-	8,969,196	8,969,196
	2,019,502,424	2,227,761,096	4,247,263,520	2,217,721,057	1,995,642,477	4,213,363,534

Other provisions originated at the French branch in 2020, when accounting for PSNEM (*Provision pour Sinistres Non Encore Manifestés*), which is a compulsory provision for products relating to third-party liability linked to construction. In 2021, the steep rise in the provision is essentially due to the adjustment of the PSNEM from the previous year.

At 31 December 2021 and 2020, the provisions for unearned premiums on direct insurance and reinsurance accepted were as follows:

	2021			2020		
	Deferred premiums	Deferred costs	Net	Deferred premiums	Deferred costs	Net
Life insurance	2,366,363	(2,770)	2,363,593	1,949,697	-	1,949,697
Non-life insurance						
Workers' compensation	18,173,302	(3,700,161)	14,473,141	16,617,602	(3,513,473)	13,104,129
Personal accident and passengers	12,518,081	(3,522,977)	8,995,104	9,530,583	(3,105,820)	6,424,763
Health	32,111,313	(3,666,605)	28,444,708	34,358,122	(4,444,278)	29,913,844
Fire and other damage	114,642,963	(26,726,786)	87,916,176	100,451,137	(25,540,386)	74,910,751
Motor	165,943,776	(36,386,753)	129,557,023	158,674,072	(33,503,540)	125,170,532
Marine, aviation and transport	3,310,232	(518,272)	2,791,960	1,948,442	(298,569)	1,649,873
Third-party liability	27,887,786	(6,691,174)	21,196,612	18,197,517	(5,237,360)	12,960,157
Credit and suretyship	79,803	(8,562)	71,241	116,294	(9,502)	106,792
Legal protection	2,448,640	(1,132,928)	1,315,712	2,251,765	(1,177,666)	1,074,099
Assistance	16,771,368	(3,903,255)	12,868,114	15,738,423	(3,774,520)	11,963,903
Other	15,517,256	(3,676,711)	11,840,544	11,680,483	(3,166,609)	8,513,874
	409,404,520	(89,934,185)	319,470,334	369,564,440	(83,771,723)	285,792,717
	411,770,883	(89,936,955)	321,833,928	371,514,137	(83,771,723)	287,742,414

(Amounts in euros except when expressly indicated otherwise)

The movements in the provision for unearned premiums and in the deferred acquisition costs on direct insurance and reinsurance accepted during 2021 and 2020 were as follows:

	Balance 31/12/2019	Liabilities originated in the year	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021
Provision for unearned premiums					
Life insurance	1,622,833	326,864	1,949,697	416,666	2,366,363
Non-life insurance					
Workers' compensation	16,267,998	349,604	16,617,602	1,555,700	18,173,302
Personal accident and passengers	8,659,683	870,900	9,530,583	2,987,498	12,518,081
Health	29,160,267	5,197,855	34,358,122	(2,246,809)	32,111,313
Fire and other damage	95,623,400	4,827,737	100,451,137	14,191,826	114,642,963
Motor	158,116,983	557,089	158,674,072	7,269,704	165,943,776
Marine, aviation and transport	1,875,402	73,040	1,948,442	1,361,790	3,310,232
Third-party liability	14,160,918	4,036,599	18,197,517	9,690,269	27,887,786
Credit and suretyship	142,125	(25,831)	116,294	(36,491)	79,803
Legal protection	2,078,726	173,039	2,251,765	196,875	2,448,640
Assistance	15,012,684	725,739	15,738,423	1,032,945	16,771,368
Other	10,312,998	1,367,485	11,680,483	3,836,773	15,517,256
	351,411,184	18,153,256	369,564,440	39,840,081	409,404,520
	353,034,017	18,480,120	371,514,137	40,256,747	411,770,883
Deferred acquisition costs					
Life insurance	-	-	-	(2,770)	(2,770)
Non-life insurance					
Workers' compensation	(3,268,616)	(244,857)	(3,513,473)	(186,688)	(3,700,161)
Personal accident and passengers	(2,433,524)	(672,296)	(3,105,820)	(417,157)	(3,522,977)
Health	(3,469,278)	(975,000)	(4,444,278)	777,673	(3,666,605)
Fire and other damage	(23,611,619)	(1,928,767)	(25,540,386)	(1,186,401)	(26,726,786)
Motor	(32,351,749)	(1,151,791)	(33,503,540)	(2,883,213)	(36,386,753)
Marine, aviation and transport	(244,016)	(54,553)	(298,569)	(219,703)	(518,272)
Third-party liability	(4,107,326)	(1,130,034)	(5,237,360)	(1,453,814)	(6,691,174)
Credit and suretyship	(8,627)	(875)	(9,502)	940	(8,562)
Legal protection	(935,298)	(242,368)	(1,177,666)	44,738	(1,132,928)
Assistance	(3,340,079)	(434,441)	(3,774,520)	(128,735)	(3,903,255)
Other	(2,928,010)	(238,599)	(3,166,609)	(510,102)	(3,676,711)
	(76,698,142)	(7,073,581)	(83,771,723)	(6,162,463)	(89,934,185)
	(76,698,142)	(7,073,581)	(83,771,723)	(6,165,233)	(89,936,955)
	276,335,875	11,406,539	287,742,414	34,091,514	321,833,928

The change in the method for calculating the provision for unearned premiums on direct insurance due to the impact of the pandemic on the 2020 accounting year, described in Note 2.15.c), originated an increase of EUR 461,923 in deferred costs.

At 31 December 2021 and 2020, claims provisions for direct insurance and reinsurance accepted were composed as follows:

	2021			2020		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	85,547,599	27,876,359	113,423,958	84,084,888	21,258,071	105,342,959
Non-life insurance						
Workers' compensation						
Mathematical provision	721,628,962	1,212,253	722,841,215	679,622,911	1,392,925	681,015,836
Provision for whole-life assistance	206,705,696	7,978,518	214,684,214	193,043,500	7,994,534	201,038,034
Provision for temporary assistance	68,672,688	3,214,192	71,886,880	57,977,799	3,239,549	61,217,348
	997,007,346	12,404,963	1,009,412,309	930,644,210	12,627,008	943,271,218
Other insurance						
Personal accident and passengers	27,864,203	7,120,790	34,984,993	26,980,875	6,665,206	33,646,081
Health	68,684,632	7,051,346	75,735,978	46,289,930	7,051,439	53,341,369
Fire and other damage	139,274,344	25,280,155	164,554,499	102,082,422	18,794,475	120,876,897
Motor	369,622,604	16,982,252	386,604,856	351,160,643	16,273,100	367,433,743
Marine, aviation and transport	5,384,515	2,694,325	8,078,840	3,490,982	2,443,234	5,934,216
Third-party liability	92,286,710	26,529,625	118,816,335	82,644,992	23,746,131	106,391,123
Credit and suretyship	170,917	94,487	265,405	216,958	87,087	304,045
Legal protection	19,837	10,697	30,535	12,971	8,811	21,782
Assistance	151,385	89,366	240,750	101,185	77,214	178,399
Other	7,592,115	1,870,747	9,462,862	9,166,150	1,761,385	10,927,535
	711,051,261	87,723,791	798,775,053	622,147,108	76,908,082	699,055,190
	1,708,058,607	100,128,755	1,808,187,362	1,552,791,318	89,535,090	1,642,326,408
	1,793,606,206	128,005,114	1,921,611,319	1,636,876,206	110,793,161	1,747,669,367

The movement in the claims provisions on direct insurance and reinsurance accepted during 2021 and 2020 was as follows:

	Balance 31/12/2019	Liabilities originated in the year	Claims paid	Balance 31/12/2020	Liabilities originated in the year	Claims paid	Balance 31/12/2021
Life insurance	106,283,577	325,286,054	(326,226,672)	105,342,959	359,127,763	(351,046,764)	113,423,958
Non-life insurance							
Workers' compensation	896,376,311	200,002,919	(153,108,012)	943,271,218	224,565,701	(158,424,610)	1,009,412,309
Personal accident and passengers	30,712,791	12,377,428	(9,444,138)	33,646,081	11,183,146	(9,844,235)	34,984,993
Health	63,078,013	256,540,182	(266,276,826)	53,341,369	317,462,359	(295,067,750)	75,735,978
Fire and other damage	118,334,568	123,095,332	(120,553,003)	120,876,897	170,465,134	(126,787,532)	164,554,499
Motor	379,281,200	322,482,898	(334,330,355)	367,433,743	334,908,806	(315,737,693)	386,604,856
Marine, aviation and transport	10,691,248	(1,411,568)	(3,345,464)	5,934,216	5,676,676	(3,532,052)	8,078,840
Third-party liability	99,462,559	19,634,277	(12,705,713)	106,391,123	26,596,858	(14,171,645)	118,816,335
Credit and suretyship	411,540	(104,870)	(2,625)	304,045	(33,424)	(5,216)	265,405
Legal protection	24,421	(30)	(2,609)	21,782	18,959	(10,206)	30,535
Assistance	219,775	(92,469)	51,093	178,399	57,203	5,149	240,750
Other	9,404,272	17,211,939	(15,688,676)	10,927,535	24,076,090	(25,540,763)	9,462,862
	1,607,996,698	949,736,038	(915,406,328)	1,642,326,408	1,114,977,507	(949,116,553)	1,808,187,362
	1,714,280,275	1,275,022,092	(1,241,633,000)	1,747,669,367	1,474,105,270	(1,300,163,317)	1,921,611,319

Liabilities originated in the year and the claims paid do not include the costs allocated to claims management and are not deducted from the reimbursements processed by the Company.

At 31 December 2021 and 2020, the provisions for unexpired risks on direct insurance and reinsurance accepted were as follows:

	2021	2020
Non-life insurance		
Workers' compensation	869,120	631,521
Personal accident and passengers	221,649	1,194,634
Health	10,047,998	691,569
Fire and other damage	2,707,599	3,601,537
Motor	21,774,761	15,980,859
Marine, aviation and transport	81,065	-
Third-party liability	4,787,340	3,025,260
Credit and suretyship	-	508
Legal protection	648,005	477,133
Assistance	2,745,404	1,974,627
Other	41,780	11,033
	<u>43,924,719</u>	<u>27,588,681</u>

The movement in the provision for unexpired risks in direct insurance and reinsurance accepted during 2021 and 2020 was as follows:

	Balance 31/12/2019	Appropriations in the year	Other	Balance 31/12/2020	Appropriations in the year	Balance 31/12/2021
Life insurance	228,864	6,812	(235,676)	-	-	-
Non-life insurance						
Workers' compensation	997,564	(366,043)	-	631,521	237,599	869,120
Personal accident and passengers	476,269	718,365	-	1,194,634	(972,985)	221,649
Health	4,912,646	(4,221,077)	-	691,569	9,356,429	10,047,998
Fire and other damage	4,115,950	(514,413)	-	3,601,537	(893,938)	2,707,599
Motor	15,635,598	345,261	-	15,980,859	5,793,902	21,774,761
Marine, aviation and transport	-	-	-	-	81,065	81,065
Third-party liability	1,786,828	1,238,432	-	3,025,260	1,762,080	4,787,340
Credit and suretyship	-	508	-	508	(508)	-
Legal protection	225,411	251,722	-	477,133	170,872	648,005
Assistance	2,932,315	(957,688)	-	1,974,627	770,777	2,745,404
Other	7,569	3,464	-	11,033	30,747	41,780
	<u>31,090,150</u>	<u>(3,501,469)</u>	<u>-</u>	<u>27,588,681</u>	<u>16,336,038</u>	<u>43,924,719</u>
	<u>31,319,014</u>	<u>(3,494,657)</u>	<u>(235,676)</u>	<u>27,588,681</u>	<u>16,336,038</u>	<u>43,924,719</u>

In the motor segment, the change in the method for calculating the provision for unexpired risks due to the impact of the pandemic on the 2021 and 2020 financial year, described in Note 2.15.j), gave rise to provisions of EUR 20,659,927 and EUR 15,900,772 respectively.

The "Others" column corresponds to the outflow associated with the transformation of the former Macao branch into an entity under local law.

20. Financial Liabilities of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts

Information on movements in this account heading for 2021 and 2020 is set out below:

	2021					Closing balance
	Opening balance	Issues	Redemptions	Income and expenditure	Portfolio recomposition	
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	436,425,650	1,042,531,268	(47,732,420)	16,009,090	(176,145)	1,447,057,443
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	86,383,232	229,704,106	(7,906,181)	8,432,175	(4,122,056)	312,491,275
	<u>523,530,127</u>	<u>1,272,235,374</u>	<u>(55,638,601)</u>	<u>24,441,265</u>	<u>(4,298,202)</u>	<u>1,760,269,964</u>
Valued at amortised cost						
Other investment contracts						
Life individual PPR fixed rate	5,404,155,924	181,613,064	(1,223,274,300)	3,141,892	4,175,111	4,369,811,692
Life individual fixed rate	2,343,751,264	611,885,111	(1,088,940,538)	14,745,886	176,145	1,881,617,869
Life group fixed rate	751,929	36,834	-	28,119	-	816,882
Capitalisation Op. Individual fixed rate	4,435,555	-	-	-	-	4,435,555
	<u>7,753,094,672</u>	<u>793,535,009</u>	<u>(2,312,214,838)</u>	<u>17,915,898</u>	<u>4,351,256</u>	<u>6,256,681,997</u>
	<u>8,276,624,799</u>	<u>2,065,770,383</u>	<u>(2,367,853,439)</u>	<u>42,357,163</u>	<u>53,055</u>	<u>8,016,951,962</u>

	2020					Closing balance
	Opening balance	Issues	Redemptions	Income and expenditure	Portfolio recomposition	
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	123,232,458	314,532,002	(11,403,383)	10,234,093	(169,520)	436,425,650
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	14,768,940	70,843,775	(1,235,785)	2,043,712	(37,410)	86,383,232
	<u>138,722,643</u>	<u>385,375,777</u>	<u>(12,639,168)</u>	<u>12,277,805</u>	<u>(206,930)</u>	<u>523,530,127</u>
Valued at amortised cost						
Other investment contracts						
Life individual PPR fixed rate	6,149,070,517	246,238,998	(993,805,979)	1,938,417	713,971	5,404,155,924
Life individual fixed rate	2,574,655,854	326,532,274	(578,767,772)	21,161,388	169,520	2,343,751,264
Life group fixed rate	-	751,929	-	-	-	751,929
Capitalisation Op. Individual fixed rate	4,435,555	-	-	-	-	4,435,555
	<u>8,728,161,926</u>	<u>573,523,201</u>	<u>(1,572,573,751)</u>	<u>23,099,805</u>	<u>883,491</u>	<u>7,753,094,672</u>
	<u>8,866,884,569</u>	<u>958,898,978</u>	<u>(1,585,212,919)</u>	<u>35,377,610</u>	<u>676,561</u>	<u>8,276,624,799</u>

“Other investment contracts” corresponds, for the most part, to liabilities with contracts which guarantee the insured person a fixed yield throughout the whole of the contract, and these are recognised at amortised cost.

21. Financial Liabilities at Fair Value Through Profit or Loss and Other Financial Liabilities

At 31 December 2021 and 2020, these headings were composed as follows:

	2021	2020
Financial liabilities at fair value through profit or loss		
Fair value hedge (Note 6)	312,638,571	44,939,333
Other financial liabilities		
Subordinate liabilities	501,053,722	-
Deposits received from reinsurers		
Life	2,069,390	2,374,457
Non-Life	128,077,301	106,055,664
	<u>130,146,691</u>	<u>108,430,121</u>
Repo Agreement	-	34,146,488
Leases	26,756,211	29,833,354
	<u>657,956,624</u>	<u>172,409,963</u>
	<u>970,595,195</u>	<u>217,349,296</u>

The heading “Subordinate liabilities” refers to the issuance of debt by the Company on 4 June 2021, in the amount of EUR 500,000,000, with a maturity of 10 years, with a 5-year call option and a remuneration rate of 4.25%.

In December 2021, Fidelidade sold investment units in a real estate fund in the amount of EUR 40 million. In the sales contract, (i) it was agreed that, within 12 months, if any investor acquires investment units in this real estate fund at a price below market value, on terms comparable to that of this contract, the purchaser is entitled to a price reduction and (ii) a Put Option was contracted in favour of the acquirer, whereby the latter can sell the entire position to Fidelidade at the end of 5 years without any conditions, or on each anniversary of the contract, if the market value at that date is less than the value on the contract date. If the Put Option is exercised, the exercise price is the higher of the market value and the value at the date of the contract, plus a return of 3% per year, adjusted in case of capital increases or distribution of income. The transition meets the requirements of IFRS 9 for derecognition of the transferred asset. Fidelidade has transferred substantially all the risks and rewards, since the exposure to its variability is no longer significant in relation to the total variability of the present value of the net cash flows futures associated with the investment units of the real estate fund.

On the same date, investment units in the same fund were issued in the amount of EUR 25 million. These have an associated return guarantee of 3% per year, over a period of 5 years.

At the balance sheet date, no liability arising from these guarantees was recorded.

During 2021, the movements in finance liabilities were as follows:

Value at 31 December 2020	<u>29,833,354</u>
Increase for the period	<u>11,543,424</u>
Additions	11,334,301
Interest	209,123
Decrease for the period	<u>14,620,567</u>
Payments made	12,718,129
Other	1,902,438
Value at 31 December 2021	<u>26,756,211</u>

At 31 December 2021, lease liabilities had the following maturities:

	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
Leases	13,176,057	8,066,189	3,457,584	2,056,382	26,756,211
	13,176,057	8,066,189	3,457,584	2,056,382	26,756,211

The amounts recorded during the year are recognised in accordance with the principles defined in IFRS 16 – “Leases”.

22. Other Creditors for Insurance Operations and Other Operations

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Accounts payable for direct insurance operations		
Brokers	48,398,734	21,491,352
Policyholders	41,546,311	40,295,641
Co-Insurers	15,612,300	9,475,084
	<u>105,557,345</u>	<u>71,262,077</u>
Accounts payable for other reinsurance operations		
Reinsurers' current accounts	83,950,551	108,046,223
Reinsureds' current accounts	1,965,060	1,579,598
	<u>85,915,611</u>	<u>109,625,821</u>
Accounts payable for other operations		
Aggregate tax	35,854,084	-
Suppliers' current accounts	14,758,970	13,214,161
Group companies	3,517,315	2,080,330
Internal adjustment accounts	2,122,232	2,268,746
Transactions to be settled	3,191,151	-
Other	2,254,967	2,148,581
	<u>61,698,719</u>	<u>19,711,818</u>
	<u>253,171,674</u>	<u>200,599,716</u>

The heading “Internal adjustment accounts” recognises various transactions performed in the last days of December, which will be settled in the first days of the following month.

23. Accruals and Deferrals (Liabilities)

At 31 December 2021 and 2020, the breakdown of this heading was as follows:

	2021	2020
Deferred income		
Rents and leases	224,213	224,026
	<u>224,213</u>	<u>224,026</u>
Accrued expenses		
Holidays and holiday allowances payable	15,791,721	15,003,904
Insurance	4,388,673	4,617,756
Variable remuneration payable to employees	794,487	773,306
Performance bonuses	12,015,359	10,575,717
Optional career benefits	1,736,236	1,156,642
Other employee costs	290,640	573,525
Commissions payable	73,447,619	70,507,601
Deferred payments - Marketing	9,792,217	6,582,910
Municipal property tax	188,313	294,094
Audit	433,631	520,870
Advertising	437,166	4,291
Invoices pending checking	6,099,143	5,645,444
Other	8,682,036	17,380,490
	<u>134,097,241</u>	<u>133,636,550</u>
	<u>134,321,454</u>	<u>133,860,576</u>

The "Commissions payable" heading includes:

- Estimates for over commissions of EUR 36,058,179 for 2021 and EUR 32,391,011 for 2020.
- Estimates for commissions payable to CGD of EUR 32,564,262 for 2021 and EUR 29,869,478 for 2020.

24. Other Provisions

Information on the above account heading movements for 2021 and 2020 is set out below:

	2021					Closing Balances
	Opening Balances	Increases	Recoveries and cancellations	Uses	Actuarial gains and losses from equity	
Provisions for tax	-	7,125,154	-	-	-	7,125,154
Provisions for the cost of employee benefits (Note 32)						
Health benefits	27,006,755	-	(642,953)	(0)	(460,118)	25,903,684
Provision for Workers' compensation fund	53,936,302	1,200,000	-	-	-	55,136,302
Provision for restructuring	9,402,267	5,974,644	(5,235,138)	-	-	10,141,774
Provision for judicial contingencies	988,601	7,104,448	-	(0)	-	8,093,049
Others	18,102,711	-	(1,794,436)	(11,982)	-	16,296,292
	<u>109,436,636</u>	<u>21,404,245</u>	<u>(7,672,526)</u>	<u>(11,983)</u>	<u>(460,118)</u>	<u>122,696,254</u>

	2020					Closing Balances
	Opening balances	Increases	Recoveries and cancellations	Uses	Actuarial gains and losses from equity	
Provisions for the cost of employee benefits (Note 32)						
Health benefits	22,784,917	-	(1,083,440)	-	5,305,278	27,006,755
Pension costs	3,404,910	-	(2,038,431)	-	(1,366,479)	-
Provision for Workers' compensation fund	52,736,302	1,200,000	-	-	-	53,936,302
Provision for restructuring	3,586,283	9,000,000	(3,184,016)	-	-	9,402,267
Provision for judicial contingencies	1,289,576	-	(299,475)	(1,500)	-	988,601
Others	30,582,312	-	(12,361,200)	(118,401)	-	18,102,711
	114,384,300	10,200,000	(18,966,562)	(119,901)	3,938,799	109,436,636

Fidelidade set up a provision related to the employee restructuring and rejuvenation programme which consists of hiring new qualified employees and a negotiated exit solution for a group of employees prior to retirement age.

In 2020, 181 employees left, which led to EUR 3,184,016 being used. 279 employees were hired during the same period.

In 2021, 234 employees left, which led to EUR 5,235,138 being used. 331 employees were hired during the same period.

Taking into account this continued strategy of constantly renewing skills and introducing new profiles, revision of the development plan was necessary, and on 31 December 2021 and 2020 Fidelidade added a further EUR 5,974,644 and EUR 9,000,000 respectively to the provision, considering the actual cost of recently negotiated employee departures, based on the legal retirement age of 66 years and 6 months in 2021.

The other amounts recognised in the heading “Others” are to respond to ongoing legal cases and other contingencies resulting from the Company’s activity.

In 2021 and 2020, the “Other Provisions” headings include the use of EUR 1,362,168 and EUR 12,886,200 respectively, which are registered under the heading “Impairment Losses (net of reversals)”.

The heading “Provisions for costs of employee benefits – Health benefits” represents the liabilities assumed by the Company in relation to employees’ health benefits. The heading “Provisions for costs of employee benefits – Pension costs” represents the liabilities assumed by the Company resulting from the complement to the retirement pension granted to some of its employees, and which are not covered by the pension fund set up by the Company to cover liabilities with post-employment benefits in the defined benefit pensions plan (Note 32).

25. Paid-in Capital and Other equity instruments

The share capital of EUR 509,263,524 is composed of 161.7 million shares with the nominal unit value of EUR 3.15 and is fully paid up.

Other equity instruments are supplementary contributions, and repayment of these is not expected in the short term. In accordance with the legislation in force, repayment is subject to a resolution of the shareholders, which can only be approved if, by virtue of this resolution, the Group's net equity does not become less than the sum of the share capital and the legal reserve.

(Amounts in euros except when expressly indicated otherwise)

In 2015, pursuant to a deliberation of the General Meeting of 31 March 2015 under item 9 of its agenda, 13,300 own shares were acquired at a unit price of EUR 11.20, with a total value of EUR 148,960. This acquisition was completed on 22 December 2015.

In May 2018, there was a capital increase of EUR 76,230,000, with an Issue Premium of EUR 67,276,000.

In September 2020, there was a capital increase of EUR 38,912,643 by new contributions in kind, with subscription reserved for the holders of shares in the companies Multicare and Fidelidade Assistência.

In October 2020, there was an increase by new contributions in cash, in the remaining amount of EUR 12,970,881. The capital was increased with an Issue Premium of EUR 63,042,599.

The movement in supplementary contributions was as follows:

	Constitutions/Redemptions				Situation at 31 December 2021
	2015	2018	2020	2021	
Longrun Portugal, SGPS, S.A.					
Constitutions	500,000,000	-	-	-	500,000,000
Redemptions	-	(121,980,100)	(63,042,599)	(150,000,000)	(335,022,699)
	<u>500,000,000</u>	<u>(121,980,100)</u>	<u>(63,042,599)</u>	<u>(150,000,000)</u>	<u>164,977,301</u>
Caixa Geral de Depósitos, S.A.					
Constitutions	21,530,515	-	-	-	21,530,515
Redemptions	-	(21,530,515)	-	-	(21,530,515)
	<u>21,530,515</u>	<u>(21,530,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company's shareholder structure at 31 December 2021 and 2020 was as follows:

Shareholders	2021		2020	
	Number of shares	% Share	Number of shares	% Share
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	137,402,839	84.9892%
Caixa Geral de Depósitos, S.A.	24,250,644	15.0000%	24,250,644	15.0000%
Employees and former employees of Fidelidade - Companhia de Seguros, S.A.	4,177	0.0026%	4,177	0.0026%
Own Shares	13,300	0.0082%	13,300	0.0082%
	<u>161,670,960</u>	<u>100%</u>	<u>161,670,960</u>	<u>100%</u>

The Company became a part of the Fosun Group as of 15 May 2014 when Longrun acquired 80% of Fidelidade's share capital.

The income of 2020 and 2019 was applied as indicated below:

	2020	2019
Application of income for the year		
Legal reserve	15,083,422	14,440,640
Free reserves	111,597,365	141,279,907
Retained earnings	24,153,430	(10,449,061)
	<u>150,834,217</u>	<u>145,271,486</u>

The income per share at 31 December 2021 and 2020 was as follows:

	2021	2020
Net income for the year	212,282,911	150,834,217
Number of shares (at end of year)	161,670,960	161,670,960
Income per share (in Euros)	1.31	0.93

26. Reserves, Retained Earnings and Income for the Year

At 31 December 2021 and 2020, reserves and retained earnings were composed as follows:

	2021	2020
Revaluation reserves		
Fair value adjustments		
Debt instruments valued at fair value through other comprehensive income		
Gross gains (Note 7)	84,239,656	203,014,395
Amount attributable to policyholders	(23,971,448)	(41,861,101)
	<u>60,268,208</u>	<u>161,153,294</u>
Equity instruments valued at fair value through other comprehensive income		
Gross gains (Note 7)	(453,737)	(2,447,416)
Amount attributable to policyholders	(254,653)	(134,365)
	<u>(708,391)</u>	<u>(2,581,781)</u>
Revaluations of properties for own use	640,095	1,276,035
Provision for expected credit losses in debt instruments valued at fair value through other comprehensive income		
Gross gains (Note 39)	26,583,442	34,538,815
Amount attributable to policyholders	(1,690,142)	(2,741,085)
	<u>24,893,300</u>	<u>31,797,730</u>
	<u>85,093,212</u>	<u>191,645,278</u>
Deferred tax reserve		
Debt instruments valued at fair value through other comprehensive income	(23,824,973)	(55,632,905)
Equity instruments valued at fair value through other comprehensive income	(27,532,886)	(53,977,548)
Properties for own use	737,338	1,296,352
Actuarial gains and losses		
Post-employment benefits	25,198,328	25,220,123
Health benefits	3,885,647	4,030,584
Tax (paid)/deducted from potential capital gains or losses	(9,441,426)	(12,384,108)
	<u>(30,977,971)</u>	<u>(91,447,502)</u>
Gains and losses from the sale of equity instruments valued at fair value through other comprehensive income	(1,394,347)	-
Overlay approach adjustment		
Gross gains (Note 5)	59,545,843	211,252,017
Amount attributable to policyholders	(165,436)	(1,121,780)
	<u>59,380,408</u>	<u>210,130,237</u>
Other reserves		
Legal reserve	226,321,345	211,237,923
Share premiums	382,666,154	382,666,154
Actuarial gains and losses		
Post-employment benefits	(49,753,134)	(55,583,590)
Health benefits	(12,335,387)	(12,795,505)
Merger reserve	91,335,345	91,335,345
Other reserves	1,122,766,218	1,011,168,852
	<u>1,761,000,541</u>	<u>1,628,029,179</u>
Retained earnings	52,605,672	28,450,543
Income for the year	212,282,911	150,834,217
	<u>2,137,990,425</u>	<u>2,117,641,952</u>

In accordance with the legislation in force, at least 10% of net profits for each year must be transferred to the legal reserve, until it totals the amount of share capital. The legal reserve may not be distributed, but may be used to increase the share capital or to offset accumulated losses.

The change in “Other reserves” corresponds to the distribution of profits from the previous year recording in Free Reserves.

27. Earned Premiums, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written						
Life insurance						
Insurance contracts without profit sharing	194,858,606	(22,483,524)	172,375,082	189,497,443	(22,408,304)	167,089,139
Insurance contracts with profit sharing	11,324,434	(1,268,009)	10,056,425	11,995,983	(1,046,003)	10,949,980
Investment contracts with a discretionary profit-sharing component	40,038,289	-	40,038,289	51,515,515	-	51,515,515
	<u>246,221,328</u>	<u>(23,751,533)</u>	<u>222,469,795</u>	<u>253,008,941</u>	<u>(23,454,307)</u>	<u>229,554,634</u>
Non-life insurance						
Workers' compensation	257,176,162	(7,038,724)	250,137,437	246,912,493	(6,299,308)	240,613,185
Personal accident and passengers	35,403,321	(12,611,777)	22,791,544	30,980,315	(9,672,558)	21,307,757
Health	387,386,779	(379,280,246)	8,106,534	362,968,469	(354,734,411)	8,234,058
Fire and other damage	307,489,136	(133,201,156)	174,287,980	278,091,312	(115,761,415)	162,329,897
Motor	467,392,058	(2,062,040)	465,330,018	463,878,435	(2,236,170)	461,642,265
Marine, aviation and transport	26,922,558	(16,625,920)	10,296,638	22,578,244	(14,234,865)	8,343,379
Third-party liability	72,663,353	(35,440,283)	37,223,070	57,464,236	(27,938,276)	29,525,960
Credit and suretyship	344,600	(242,198)	102,402	394,295	(253,613)	140,682
Legal protection	5,987,286	(4,568,334)	1,418,952	5,575,406	(4,103,603)	1,471,803
Assistance	44,877,945	(35,711,266)	9,166,679	42,627,881	(33,993,201)	8,634,680
Other	41,476,669	(18,009,602)	23,467,066	33,844,951	(14,066,747)	19,778,204
	<u>1,647,119,865</u>	<u>(644,791,547)</u>	<u>1,002,328,318</u>	<u>1,545,316,037</u>	<u>(583,294,167)</u>	<u>962,021,870</u>
	<u>1,893,341,194</u>	<u>(668,543,080)</u>	<u>1,224,798,114</u>	<u>1,798,324,978</u>	<u>(606,748,474)</u>	<u>1,191,576,504</u>
Change in provision for unearned premiums						
Life insurance						
Insurance contracts without profit sharing	(310,965)	75,364	(235,601)	(389,994)	33,130	(356,864)
Insurance contracts with profit sharing	(109,479)	31,844	(77,635)	62,163	(6,141)	56,022
Investment contracts with a discretionary profit-sharing component	3,778	-	3,778	967	-	967
	<u>(416,666)</u>	<u>107,209</u>	<u>(309,458)</u>	<u>(326,864)</u>	<u>26,989</u>	<u>(299,875)</u>
Non-life insurance						
Workers' compensation	(1,555,700)	(0)	(1,555,700)	(349,609)	(44,151)	(393,760)
Personal accident and passengers	(2,987,499)	2,798,206	(189,293)	(870,899)	1,361,769	490,870
Health	2,246,809	(2,701,115)	(454,306)	(5,197,924)	5,402,640	204,716
Fire and other damage	(14,191,826)	11,645,150	(2,546,675)	(4,827,748)	1,930,985	(2,896,763)
Motor	(7,269,704)	(6,879)	(7,276,583)	(557,095)	(172,760)	(729,855)
Marine, aviation and transport	(1,361,790)	1,007,857	(353,933)	(73,040)	(215,616)	(288,656)
Third-party liability	(9,690,269)	5,770,454	(3,919,815)	(4,036,599)	2,955,719	(1,080,880)
Credit and suretyship	36,490	(18,138)	18,352	25,831	(34,450)	(8,619)
Legal protection	(196,874)	215	(196,659)	(173,037)	(311)	(173,348)
Assistance	(1,032,946)	7,102	(1,025,843)	(725,746)	1,240	(724,506)
Other	(3,836,773)	3,033,989	(802,784)	(1,367,485)	1,406,132	38,647
	<u>(39,840,081)</u>	<u>21,536,842</u>	<u>(18,303,239)</u>	<u>(18,153,351)</u>	<u>12,591,197</u>	<u>(5,562,154)</u>
	<u>(40,256,747)</u>	<u>21,644,050</u>	<u>(18,612,697)</u>	<u>(18,480,215)</u>	<u>12,618,186</u>	<u>(5,862,029)</u>
Earned premiums						
Life insurance						
Insurance contracts without profit sharing	194,547,641	(22,408,160)	172,139,481	189,107,449	(22,375,174)	166,732,275
Insurance contracts with profit sharing	11,214,954	(1,236,164)	9,978,790	12,058,146	(1,052,144)	11,006,002
Investment contracts with a discretionary profit-sharing component	40,042,066	-	40,042,066	51,516,482	-	51,516,482
	<u>245,804,662</u>	<u>(23,644,324)</u>	<u>222,160,338</u>	<u>252,682,077</u>	<u>(23,427,318)</u>	<u>229,254,759</u>
Non-life insurance						
Workers' compensation	255,620,462	(7,038,725)	248,581,737	246,562,884	(6,343,459)	240,219,425
Personal accident and passengers	32,415,822	(9,813,571)	22,602,251	30,109,416	(8,310,789)	21,798,627
Health	389,633,588	(381,981,360)	7,652,228	357,770,545	(349,331,771)	8,438,774
Fire and other damage	293,297,310	(121,556,006)	171,741,304	273,263,564	(113,830,430)	159,433,134
Motor	460,122,354	(2,068,920)	458,053,435	463,321,340	(2,408,930)	460,912,410
Marine, aviation and transport	25,560,767	(15,618,063)	9,942,704	22,505,204	(14,450,481)	8,054,723
Third-party liability	62,973,084	(29,669,829)	33,303,254	53,427,637	(24,982,557)	28,445,080
Credit and suretyship	381,090	(260,336)	120,754	420,126	(288,063)	132,063
Legal protection	5,790,412	(4,568,119)	1,222,293	5,402,369	(4,103,914)	1,298,455
Assistance	43,844,999	(35,704,163)	8,140,836	41,902,135	(33,991,961)	7,910,174
Other	37,639,896	(14,975,614)	22,664,282	32,477,466	(12,660,615)	19,816,851
	<u>1,607,279,784</u>	<u>(623,254,705)</u>	<u>984,025,079</u>	<u>1,527,162,686</u>	<u>(570,702,970)</u>	<u>956,459,716</u>
	<u>1,853,084,446</u>	<u>(646,899,030)</u>	<u>1,206,185,417</u>	<u>1,779,844,763</u>	<u>(594,130,288)</u>	<u>1,185,714,475</u>

In 2021 and 2020, premiums for life insurance contracts may be broken down as follows:

	2021	2020
Direct insurance gross premiums written	<u>245,996,266</u>	<u>252,845,474</u>
Individual contracts	60,244,060	60,166,022
Group contracts	<u>185,752,205</u>	<u>192,679,452</u>
	<u>245,996,266</u>	<u>252,845,474</u>
Periodic	214,792,678	225,368,690
Non-periodic	<u>31,203,588</u>	<u>27,476,784</u>
	<u>245,996,266</u>	<u>252,845,474</u>
Contracts without profit sharing	194,633,544	189,333,975
Contracts with profit sharing	<u>51,362,722</u>	<u>63,511,499</u>
	<u>245,996,266</u>	<u>252,845,474</u>
Gross premiums written from reinsurance accepted	<u>225,062</u>	<u>163,467</u>
Gross premiums written from direct insurance and reinsurance accepted	<u>246,221,328</u>	<u>253,008,941</u>
Reinsurance balance	<u>789,440</u>	<u>(2,887,135)</u>

28. Fees from Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts or Service Contracts

In 2021 and 2020, the commissions received relating to insurance contracts and operations considered for accounting purposes as investment contracts totalled EUR 1,076,679 and EUR 931,133 respectively.

29. Claims Costs, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Claims paid	Changes in claims provision	Total	Claims paid	Changes in claims provision	Total
Life insurance						
Direct insurance and reinsurance accepted						
Insurance contracts	112,160,209	(33,804)	112,126,405	97,683,965	(8,236,321)	89,447,644
Investment contracts with a discretionary profit-sharing component	239,584,205	7,723,476	247,307,681	230,956,132	7,180,647	238,136,779
	351,744,414	7,689,672	359,434,087	328,640,097	(1,055,674)	327,584,423
Reinsurance ceded						
Insurance contracts	(8,154,881)	(1,757,052)	(9,911,933)	(7,625,544)	723,662	(6,901,882)
	343,589,533	5,932,621	349,522,154	321,014,553	(332,012)	320,682,541
Non-life insurance						
Direct insurance and reinsurance accepted						
Workers' compensation	155,203,401	64,666,593	219,869,993	149,026,660	47,290,547	196,317,207
Personal accident and passengers	13,284,076	1,343,272	14,627,348	12,640,337	2,920,116	15,560,453
Health	282,194,031	22,225,603	304,419,634	254,049,670	(8,604,429)	245,445,241
Fire and other damage	132,571,797	44,051,666	176,623,464	126,138,266	2,080,010	128,218,276
Motor	292,004,194	16,791,079	308,795,273	305,747,595	(10,296,791)	295,450,804
Marine, aviation and transport	3,478,848	2,146,275	5,625,123	3,543,401	(4,758,208)	(1,214,807)
Third-party liability	15,621,736	12,444,623	28,066,359	14,276,806	6,674,454	20,951,260
Credit and suretyship	35,896	(38,641)	(2,744)	39,710	(107,495)	(67,785)
Legal protection	147,963	8,753	156,715	120,525	(2,639)	117,886
Assistance	1,010,696	62,352	1,073,048	830,576	(41,377)	789,199
Other	21,822,693	(1,461,406)	20,361,286	9,033,083	6,403,997	15,437,080
	917,375,331	162,240,170	1,079,615,500	875,446,629	41,558,185	917,004,814
Reinsurance ceded						
Workers' compensation	(517,224)	1,317,612	800,389	(1,384,171)	358,124	(1,026,047)
Personal accident and passengers	(1,756,123)	(1,549,617)	(3,305,740)	(2,079,184)	(538,872)	(2,618,056)
Health	(275,234,448)	(21,411,241)	(296,645,689)	(248,618,536)	9,075,619	(239,542,917)
Fire and other damage	(35,395,620)	(43,846,587)	(79,242,207)	(39,256,607)	(186,053)	(39,442,660)
Motor	(1,190,484)	(3,801,531)	(4,992,016)	(1,546,417)	836,968	(709,449)
Marine, aviation and transport	(820,477)	(1,852,558)	(2,673,035)	(564,782)	4,944,619	4,379,837
Third-party liability	(2,971,505)	(8,834,414)	(11,805,919)	(2,556,693)	(2,608,179)	(5,164,872)
Credit and suretyship	-	-	-	-	12	12
Assistance	2,799	667	3,467	25,546	2,307	27,853
Other	(10,734,029)	1,813,546	(8,920,483)	(292,951)	(5,805,535)	(6,098,486)
	(328,617,111)	(78,164,123)	(406,781,235)	(296,273,795)	6,079,010	(290,194,785)
	588,758,219	84,076,047	672,834,266	579,172,834	47,637,195	626,810,029
	932,347,752	90,008,667	1,022,356,420	900,187,387	47,305,183	947,492,570

“Claims paid” includes costs with claims management and refunds processed by the Company.

The following is a breakdown of claims costs and changes in other life insurance technical provisions in 2021 and 2020:

	2021			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(542,195)	4,263,955	3,884,090	7,605,850
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(190,561,450)	10,334,371	(191,458,713)
	(11,773,829)	(186,297,495)	14,218,461	(183,852,863)
Reinsurance ceded				
Insurance contracts	-	(5,468,863)	-	(5,468,863)
	-	(5,468,863)	-	(5,468,863)
Net				
Insurance contracts	(542,195)	(1,204,907)	3,884,090	2,136,988
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(190,561,450)	10,334,371	(191,458,713)
	(11,773,829)	(191,766,358)	14,218,461	(189,321,725)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	237,599	-	-	237,599
Personal accident and passengers	(972,985)	-	-	(972,985)
Health	9,356,429	-	-	9,356,429
Fire and other damage	1,077,413	-	6,115	1,083,528
Motor	5,793,901	-	-	5,793,901
Marine, aviation and transport	81,065	-	-	81,065
Third-party liability	16,004,846	-	-	16,004,846
Credit and suretyship	4,080	-	-	4,080
Legal protection	170,872	-	-	170,872
Assistance	770,777	-	-	770,777
Other	56,052	-	140,087	196,139
	32,580,048	-	146,202	32,726,251
Reinsurance ceded				
Third-party liability	(14,127,741)	-	-	(14,127,741)
Assistance	-	-	(11,229)	(11,229)
	(14,127,741)	-	(11,229)	(14,138,970)
Net				
Workers' compensation	237,599	-	-	237,599
Personal accident and passengers	(972,985)	-	-	(972,985)
Health	9,356,429	-	-	9,356,429
Fire and other damage	1,077,413	-	6,115	1,083,528
Motor	5,793,901	-	-	5,793,901
Marine, aviation and transport	81,065	-	-	81,065
Third-party liability	1,877,105	-	-	1,877,105
Credit and suretyship	4,080	-	-	4,080
Legal protection	170,872	-	-	170,872
Assistance	770,777	-	(11,229)	759,548
Other	56,052	-	140,087	196,139
	18,452,307	-	134,973	18,587,280
	6,678,478	(191,766,358)	14,353,435	(170,734,445)

	2020			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(109,882)	12,860,558	4,433,695	17,184,371
Investment contracts with a discretionary profit-sharing component	(159,833)	(170,757,489)	(2,145,920)	(173,063,242)
	(269,715)	(157,896,931)	2,287,775	(155,878,871)
Reinsurance ceded				
Insurance contracts	-	(5,872,735)	-	(12,774,617)
	-	(5,872,735)	-	(12,774,617)
Net				
Insurance contracts	(109,882)	6,987,823	4,433,695	11,311,636
Investment contracts with a discretionary profit-sharing component	(159,833)	(170,757,489)	(2,145,920)	(173,063,242)
	(269,715)	(163,769,666)	2,287,775	(161,751,606)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	(366,043)	-	-	(366,043)
Personal accident and passengers	718,365	-	-	718,365
Health	(4,221,078)	-	-	(4,221,078)
Fire and other damage	1,399,069	-	19,740	1,418,809
Motor	345,263	-	-	345,263
Third-party liability	10,207,627	-	-	10,207,627
Credit and suretyship	508	-	-	508
Legal protection	251,723	-	-	251,723
Assistance	(957,688)	-	-	(957,688)
Other	29,501	-	378,094	407,595
	7,407,247	-	397,834	7,805,081
Reinsurance ceded				
Third-party liability	(8,417,251)	-	-	(8,417,251)
Assistance	-	-	1,108	1,108
	(8,417,251)	-	1,108	(8,416,143)
Net				
Workers' compensation	(366,043)	-	-	(366,043)
Personal accident and passengers	718,365	-	-	718,365
Health	(4,221,078)	-	-	(4,221,078)
Fire and other damage	1,399,069	-	19,740	1,418,809
Motor	345,263	-	-	345,263
Third-party liability	1,790,376	-	-	1,790,376
Credit and suretyship	508	-	-	508
Legal protection	251,723	-	-	251,723
Assistance	(957,688)	-	1,108	(956,580)
Other	29,501	-	378,094	407,595
	(1,010,004)	-	398,942	(611,062)
	(1,279,719)	(163,769,666)	2,686,717	(162,362,668)

Changes in other technical provisions for life insurance include the reversal of the provision to stabilise the portfolio in the amount of EUR 542,195 in 2021 and reversal of the provision to stabilise the portfolio and the provision for unexpired risks in the amount of EUR 109,882 in 2020.

In 2021 and 2020, this heading also includes the reversal of EUR 11,231,634 and EUR 159,833 respectively to the provision for interest rate commitments.

30. Net Operating Costs and Expenses, by Type and Function

In 2021 and 2020, the Company's operating costs by type were as follows:

	2021	2020
Employee costs (Note 31)	156,651,625	143,926,732
External supplies and services		
Electricity	1,146,989	1,424,787
Fuel	601,267	458,833
Water	121,654	161,132
Printed material	230,289	320,790
Office supplies	117,917	122,849
Maintenance and repair	5,984,485	5,743,931
Rents and leases	4,699,783	5,460,318
Representation expenses	410,604	715,377
Communication	5,573,064	7,089,771
Travel and accommodation	1,447,951	1,794,923
Insurance	667,189	651,054
Expenditure with self-employed workers	430,411	359,520
Advertising and publicity	15,422,157	14,792,256
Litigation and notary expenses	151,806	249,764
Security and surveillance	1,358,109	1,292,264
Specialist work	71,038,433	63,132,313
Contributions	1,765,491	1,640,131
Cleanliness, hygiene and comfort	1,527,848	1,656,905
Expenses with premium collections	1,411,593	1,422,181
Software licences	14,785,156	10,131,566
Other	2,673,414	3,336,737
	<u>131,565,609</u>	<u>121,957,402</u>
Taxes and charges	12,277,723	11,038,782
Depreciation and amortisation for the year (Note 9, 12 and 13)	21,948,539	19,918,519
Other provisions	9,119,243	14,119,638
Commissions	8,484,070	5,868,315
Interest paid	14,250,383	2,024,429
	<u>354,297,190</u>	<u>318,853,817</u>

In 2021 and 2020, the depreciation and amortisation heading was set out as follows:

	2021			2020		
	Assets without a lease	Leased assets	Total	Assets without a lease	Leased assets	Total
Properties (Note 10)	638,942	9,399,834	10,038,776	716,839	9,759,406	10,476,245
Depreciation of other tangible assets (Note 12)	4,370,594	3,109,172	7,479,766	5,358,867	2,877,005	8,235,872
Depreciation of other intangible assets (Note 13)	4,429,997	-	4,429,997	1,206,402	-	1,206,402
	9,439,533	12,509,006	21,948,539	7,282,109	12,636,411	19,918,519

In 2021 and 2020, the Company also incurred in the following costs related with leases:

	2021			2020		
	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets
Properties	9,399,834	-	-	9,759,406	-	-
Machinery and equipment	-	-	3,226	-	-	15,856
IT equipment	1,914,443	-	100,347	1,792,303	-	243,578
Transport material	1,194,729	17,966	-	1,084,702	13,416	-
Other equipment	-	-	216,173	-	-	186,560
	12,509,006	17,966	319,745	12,636,411	13,416	445,994

In 2021 and 2020, the interest paid heading was set out as follows:

	2021			2020		
	Leases	Other charges	Total	Leases	Other charges	Total
Properties	163,657	-	163,657	269,014	-	269,014
IT equipment	17,816	-	17,816	20,914	-	20,914
Transport material	27,650	-	27,650	15,079	-	15,079
Deposits from reinsurers	-	1,262,685	1,262,685	-	1,698,255	1,698,255
Subordinate Liabilities	-	12,773,005	12,773,005	-	-	-
Other	-	5,571	5,571	-	21,168	21,168
	209,123	14,041,260	14,250,383	305,006	1,719,422	2,024,429

The increase in interest paid is due to the issue of a subordinated liability in June 2021 and recognised in “Other financial liabilities” (Note 21).

In 2021 and 2020, the balance of reinsurance commissions and profit sharing is as follows:

	2021			2020		
	Commissions	Reinsurance profit-sharing	Total	Commissions	Reinsurance profit-sharing	Total
Related to life insurance	2,975,667	6,077,302	9,052,969	3,364,694	4,400,872	7,765,566
Related to non-life insurance	72,217,951	3,301,507	75,519,457	88,262,590	7,075,203	95,337,793
	75,193,617	9,378,809	84,572,426	91,627,284	11,476,075	103,103,359

31. Employee Costs

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Remuneration		
Statutory bodies	5,435,336	4,150,118
Employees	105,348,056	97,331,151
Remuneration expenses	23,939,858	22,310,445
Post-employment benefits	2,764,162	4,566,593
Redundancy payments	5,297,076	2,742,223
Mandatory insurance	2,000,781	2,097,106
Social action costs	9,379,215	8,101,296
Other employee costs	2,487,141	2,627,800
	<u>156,651,625</u>	<u>143,926,732</u>

The existence of structures which cut across some of the Group's companies makes it necessary to carry out the allocation of common costs among the various companies, based on distribution keys subordinated to the cost-benefit principle. Consequently, in 2021 and 2020, employee costs include the impact arising from the following movements with related entities:

	2021	2020
Costs with Company employees who perform work for		
Multicare - Seguros de Saúde, S.A.	(3,419,460)	(3,325,769)
Fidelidade - Property Europe, S.A.	(1,013,626)	(538,974)
Fidelidade Assistência – Companhia de Seguros, S.A.	(440,415)	(391,018)
GEP - Gestão de Peritagens Automóveis, S.A.	(372,392)	(161,912)
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	(325,407)	(176,628)
FID I&D, S.A.	(176,561)	(18,339)
Others	(117,533)	(458,842)
	<u>(5,865,395)</u>	<u>(5,071,481)</u>

In 2021 and 2020, the costs of post-employment benefits were as follows

	2021	2020
Post-employment benefits		
Defined benefit plan (Note 32)	716,083	1,464,297
Individual retirement plan	1,286,895	1,257,073
Employee transfer	(72,774)	(66,907)
Other charges	833,958	1,912,131
	<u>2,764,162</u>	<u>4,566,593</u>

In 2021 and 2020, the heading “Post-employment benefits – Employee transfer” corresponds to the cost of post-employment benefits for employees of the Company who were assigned to other entities in the Group.

In 2021 and 2020, the number of employees working for the Company by category was as follows:

	2021	2020
Senior management	57	38
Line management	343	304
Technical	1,653	1,477
Administrative	775	771
Ancillary	14	5
	<u>2,842</u>	<u>2,595</u>

In 2021 and 2020, the Company established an estimate for optional career benefits of EUR 465,518 and EUR 461,096 respectively.

32. Retirement Pensions and Other Long-Term Benefits

At 31 December 2021 and 2020, the headings “Assets for post-employment benefits and other long-term benefits” and “Liabilities for post-employment benefits and other long-term benefits” were as follows:

	2021	2020
Assets		
Defined benefit plan	12,122,242	6,817,869
Liabilities		
Defined contribution plan	(88,245)	(86,499)
	<u>12,033,997</u>	<u>6,731,370</u>

Regarding 2021, in the “Defined contribution plan” Fidelidade recorded a cost of EUR 1,286,761, with the payment of EUR 88,245 still pending, which corresponds to the contributions for December 2021 that were paid in January 2022.

Defined contribution plan

Within the scope of the new collective employment agreements applicable to companies in the Insurance Sector of the Fidelidade Group, published on 15 January 2012, 29 January 2016 and 8 February 2019, all permanent employees covered by these Collective Labour Regulation Instruments (CLRI) are entitled to an individual retirement plan (“IRP”), a defined contribution plan which replaces the system of retirement pensions set out in the former CLRIs.

The provisions of the previous defined benefit plan apply to active workers in full employment, with employment contracts for an indefinite period, who are not covered by the above-mentioned Collective Employment Agreements (CEA) for the insurance sector.

In line with the rules set out in the new CEAs, the capitalised amount of the payments into the IRP can be claimed by the employee, in accordance with the law, on the date he/she retires through the Social Security system due to disability or old age, and there is a capital guarantee on the amounts of the initial transfer and the contributions made by the Company and by the beneficiaries themselves.

In the event of the death of an employee, the capitalised amount of the payments reverts to the beneficiaries named by the employee or, where these are not named, to his/her legal heirs.

The Company’s contributions to the individual retirement plan are made in line with that set out in the aforementioned CLRI and correspond to the sum resulting from the application of 3.25% to each employee’s basic annual salary.

At 31 December 2021 and 2020, the liabilities and assets of the Individual Retirement Plan of Fidelidade were:

Liabilities at 31 December 2020	27,570,760
Expenses for the year	1,286,761
Liabilities at 31 December 2021	28,857,521
Assets at 31 December 2020	27,484,261
Contributions to fund	1,285,015
Assets at 31 December 2021	28,769,276
Difference	1.00
Funding level	99.69%

Defined benefit plan

In line with the collective employment agreement previously in force for the insurance activity (2008 CEA), the Group granted cash payments to its employees hired by the insurance activity prior to June 1995 to complement the retirement pensions paid by the Social Security services. The amount of these payments varied according to the employee's remuneration, the number of years contributing to Social Security, the history of remuneration on which Social Security was collected and also, in the case of disability, the number of years in the insurance activity. Currently, this Plan covers pension fund beneficiaries (retired employees) and workers who took early retirement covered by the 2008 CEA.

In addition, the former Império Bonança granted the following benefits:

- Between 1999 and 2005, it assumed, in situations of early retirement, the payment of a whole life pension which corresponded to the difference between 80% of the last remuneration and the amount paid by the Social Security;
- It assumed the commitment to extend the benefits set out in the collective employment agreement to employees hired up to June 2005 and also to grant to the beneficiaries of the pensions fund, the additional benefits guaranteed by the complementary plan which was in force at the Millennium BCP Group, to which the company belonged until 31 January 2005. The liabilities associated with the complementary plan are financed by the related pension fund.
- For a very small group of employees (4), with "XVII internal salary levels", coming from the former-Império, there is a commitment, when they retire, to award a supplement to the Social Security pension, to 80% of their remuneration at the time they retire. Any retirement benefits arising from other pension plans are deducted from the Social Security pension supplement.

Determination of liabilities with defined benefit plans

Liabilities for current payments of retirement pensions and the past services of current employees, at 31 December 2021 and 2020, were determined by Fidelidade's life insurance actuarial department.

The assumptions and technical bases used to calculate the liabilities were as follows:

	2021	2020
Actuarial method	Projected Unit Credit	Projected Unit Credit
Mortality table		
Men	TV 73/77 (-2)	TV 73/77 (-2)
Women	TV 88/90 (-2)	TV 88/90 (-2)
Discount rate	1.25%	0.75%
Salary growth rate	2.40%	2.40%
Pension growth rate	0.75%	0.75%
Pre-retirement growth rate	1.25%	1.25%
Exits table	n/a	n/a

The following table provides a comparison between the actuarial and financial assumptions used to determine pension costs for 2021 and 2020 and the actual amounts:

	2021		2020	
	Assumptions	Real	Assumptions	Real
Salary growth rate	2.40%	2.30%	2.40%	1.27%
Pension growth rate	0.75%	0.19%	0.75%	0.21%

At 31 December 2021 and 2020, the Fidelidade's liabilities for past service, based on the actuarial studies performed, and the funds and provisions available, were as follows:

	2021	2020
Liabilities for past services		
Active employees	12,117,031	13,109,637
Retired and pre-retired	123,522,484	143,346,088
	135,639,515	156,455,725
Autonomous pension funds	113,610,233	126,635,008
Mathematical provisions	34,151,524	36,638,586
	147,761,757	163,273,594
Difference	12,122,242	6,817,869
Funding level	108.94%	104.36%

Pursuant to ASF Standard No. 5/2007-R, of 27 April, insurance companies must ensure at the end of each year:

- a) The full funding of the current amount of the liability with current pensions, including pre-retirement and early retirement provisions payable up until the normal age of retirement and subsequently; and
- b) The funding of at least 95% of the current amount of the liability for past service of employees of working age, excluding those who are pre-retired or in early retirement.

At 31 December 2021 and 2020, the Fidelidade's liabilities for past service were fully funded.

The pensions plan is non-contributory and independent of social security. It is funded by the Company's pension fund, excluding the Ex-Império pension fund (Levels XVII and XVIII), which is dependent on social security.

The Company's defined benefit pension funds have the following average duration:

• Fidelidade – Companhia de Seguros, S.A.:	
Fidelidade Pension Fund	7.85 years
Mundial Confiança Pension Fund	6.58 years
Império Bonança Pension Fund	11.14 years
Império Bonança Pension Fund	14.05 years

At 31 December 2021 and 2020, the number of beneficiaries was as follows:

	2021	2020
Active employees	860	898
Retired and pre-retired	1,779	1,875
Annuity holders	339	390
	<u>2,978</u>	<u>3,163</u>

The movements in the pension fund and in the mathematical provisions during 2021 and 2020 were as follows:

Balances at 31 December 2019	<u>174,008,589</u>
Corrections	2,528,264
Contributions	2,820,000
Change in mathematical provisions	(2,750,073)
Pensions paid	(17,468,233)
(Payments)/Receipts relating to other benefits	(617,865)
Net income of pension funds	<u>4,752,912</u>
Balances at 31 December 2020	<u>163,273,594</u>
Contributions	190,000
Change in mathematical provisions	(2,487,062)
Pensions paid	(15,514,447)
(Payments)/Receipts relating to other benefits	(535,885)
Net income of pension funds	<u>2,835,557</u>
Balances at 31 December 2021	<u>147,761,757</u>

At 31 December 2021 and 2020 Fidelidade's Pension Funds were managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, S.A.

At 31 December 2021 and 2020, the pension fund assets were composed as follows, according to the respective valuation sources:

	2021			2020		
	Market value	Other	Portfolio Value	Market value	Other	Portfolio value
Equity instruments	738,658	-	738,658	524,516	-	524,516
Debt instruments						
Public issuers	6,865,923	8,383,105	15,249,028	7,093,082	9,277,158	16,370,240
Other issuers	30,572,942	29,151,059	59,724,001	37,880,734	33,809,327	71,690,061
	37,438,865	37,534,164	74,973,029	44,973,816	43,086,485	88,060,301
Real estate	16,427,374	-	16,427,374	16,308,310	-	16,308,310
Investment funds						
European shares	2,562,868	-	2,562,868	2,014,812	-	2,014,812
Real estate	2,990,365	-	2,990,365	4,032,444	-	4,032,444
Debt instruments						
Other issuers	5,012,063	-	5,012,063	5,783,333	-	5,783,333
Treasury	3,921,164	-	3,921,164	2,152,789	-	2,152,789
Other	189,815	-	189,815	565,768	-	565,768
	14,676,275	-	14,676,275	14,549,146	-	14,549,146
Others	6,794,897	-	6,794,897	7,192,735	-	7,192,735
	76,076,069	37,534,164	113,610,233	83,548,523	43,086,485	126,635,008

On these dates, the pension fund portfolio contained the following assets issued or managed by entities in the CGD Group:

	2021	2020
Debt instruments	808,055	510,046
Investment funds		
Real estate	2,700,061	2,228,288
Debt instruments		
Other issuers	5,012,063	4,021,226
Other	189,815	565,768
	7,901,939	6,815,282
	8,709,994	7,325,328

(Amounts in euros except when expressly indicated otherwise)

The change in the difference between the Company's liabilities for past services and the respective cover, and the corresponding impact on the financial statements at 31 December 2021 and 2020, can be demonstrated as follows:

	Liabilities	Cover	Difference
Situation at 31 December 2019	169,877,561	174,008,589	4,131,028
Impact of change to retirement age	2,415,078	2,528,264	113,186
Current service expenses	170,582	-	(170,582)
Net defined benefit interest	1,248,893	1,289,454	40,561
Costs for the year	1,419,475	1,289,454	(130,021)
Increased liabilities due to early retirements	716,411	-	(716,411)
Other changes in the Income statement	-	(617,865)	(617,865)
Changes with an impact in the Income statement (Note 31)	2,135,886	671,589	(1,464,297)
Actuarial gains and losses			
return on plan assets not included in interest income	-	3,463,460	3,463,460
resulting from changes in financial assumptions	2,671,681	-	(2,671,681)
resulting from differences between assumptions and actual amounts	(426,174)	-	426,174
Changes with an impact on shareholders' equity	2,245,507	3,463,460	1,217,953
Contributions to the plan:			
made by the company	-	2,819,999	2,819,999
Change in mathematical provisions	(2,750,075)	(2,750,075)	-
Payments made by the plan:			
pensions paid	(17,468,232)	(17,468,232)	-
Situation at 31 December 2020	156,455,725	163,273,594	6,817,869
Impact of change to retirement age	-	-	-
Current service expenses	179,523	-	(179,523)
Net defined benefit interest	870,541	923,073	52,532
Costs for the year	1,050,063	923,073	(126,990)
Increased liabilities due to early retirements	25,116	-	(25,116)
Other changes in the Income statement	-	(563,977)	(563,977)
Changes with an impact in the Income statement (Note 31)	1,075,179	359,096	(716,083)
Actuarial gains and losses			
return on plan assets not included in interest income	-	1,940,576	1,940,576
resulting from changes in financial assumptions	(4,636,614)	-	4,636,614
resulting from differences between assumptions and actual amounts	746,734	-	(746,734)
Changes with an impact on shareholders' equity	(3,889,880)	1,940,576	5,830,456
Contributions to the plan			
made by the company	-	190,000	190,000
Change in mathematical provisions	(2,487,062)	(2,487,062)	-
Payments made by the plan:			
pensions paid	(15,514,447)	(15,514,447)	-
Situation at 31 December 2021	135,639,515	147,761,757	12,122,242

Medical assistance

The Company contributes part of the cost of health insurance provided for its retired and pre-retired employees. In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The company bears almost the entire burden of such benefits.

At 31 December 2021 and 2020, these liabilities totalled EUR 25,903,684 and EUR 27,006,755 respectively, and were covered by provisions (Note 24). The actuarial deviations determined at 31 December 2021 and 2020 relating to this benefit amounted to EUR (460,118) and EUR 3,938,799 respectively.

Liabilities for past service with medical assistance were determined on the basis of actuarial studies performed by Fidelidade's life actuarial department, using actuarial assumptions identical to those presented above for liabilities with pensions.

Sensitivity analysis

At 31 December 2021, the sensitivity of the defined benefit liabilities assumed by the Company, due to significant changes in the assumptions, excluding the liabilities covered by whole life annuities, corresponds to:

Scenarios		2021	A	B	C
Financial Assumptions					
	Discount rate	1.25%	0.75%	1.75%	1.25%
	Salary growth rate	2.40%	2.40%	2.40%	2.40%
	Pre-retirement salary growth rate	1.25%	1.25%	1.25%	1.25%
	Pension growth rate	0.75%	0.75%	0.75%	0.75%
Demographic Assumptions					
	Mortality table				
	> Women	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)
	> Men	TV 73/77 (-2)	TV 73/77 (-2)	TV 73/77 (-2)	TV 88/90 (-2)
	Retirement Age	0	0	0	0
Liabilities at 31 December 2021					
Scenarios		2021	A	B	C
	Old age	43,088,670	44,745,468	41,539,614	46,978,355
Retirees	Early retirement	12,430,031	12,928,553	11,962,695	13,498,750
	Disability	7,813,041	8,341,273	7,335,370	8,223,115
Pensioners	Widow/widower	4,012,122	4,182,257	3,854,545	4,044,745
	Orphan	145,416	159,116	133,408	146,570
	Pension up to retirement age	16,399,386	16,595,667	16,207,717	16,448,947
	Costs up to retirement age	4,325,492	4,377,736	4,274,482	4,338,688
Pre-retirees	Pension after retirement age				
	> CEA plan	942,243	1,010,035	880,690	1,015,432
	> Complementary plan	234,486	251,635	218,938	252,010
Active employees	CEA plan	3,920,141	4,385,040	3,514,894	4,117,944
	Complementary plan	8,176,963	8,921,325	7,570,315	8,474,350
Total		101,487,991	105,898,105	97,492,668	107,538,906

The information in the above table was prepared based on the method used to calculate the liabilities for accounting purposes, not including mathematical provisions, of EUR 34,151,524.

33. Income

In 2021 and 2020, the "Income" heading was composed as follows:

	2021			Total
	Interest	Dividends	Rents	
Life insurance				
Investments allocated to technical provisions for life insurance				
Investments in subsidiaries, associates and joint ventures	-	66,615	-	66,615
Financial assets at fair value through profit or loss	1,488,691	1,585,600	-	3,074,291
Financial assets at fair value through other comprehensive income	34,577,457	-	-	34,577,457
Financial assets at amortised cost	113,300	-	-	113,300
Sight Deposits	20	-	-	20
	<u>36,179,468</u>	<u>1,652,215</u>	<u>-</u>	<u>37,831,683</u>
Investment contracts				
Investments related to contracts considered for accounting purposes as investment contracts				
Investments in subsidiaries, associates and joint ventures	-	6,761,757	-	6,761,757
Financial assets at fair value through profit or loss	3,959,755	44,054,942	-	48,014,697
Financial assets at fair value through other comprehensive income	96,436,199	-	-	96,436,199
Financial assets at amortised cost	8,921,957	-	-	8,921,957
Sight Deposits	1,469	-	-	1,469
	<u>109,319,380</u>	<u>50,816,699</u>	<u>-</u>	<u>160,136,079</u>
	<u>145,498,848</u>	<u>52,468,914</u>	<u>-</u>	<u>197,967,762</u>
Non-life insurance:				
Investments allocated to technical provisions for non-life insurance				
Properties	-	-	5,106,895	5,106,895
Investments in subsidiaries, associates and joint ventures	-	2,647,810	-	2,647,810
Financial assets at fair value through profit or loss	2,235,189	37,367,910	-	39,603,099
Financial assets at fair value through other comprehensive income	17,685,921	-	-	17,685,921
Financial assets at amortised cost	374,997	-	-	374,997
	<u>20,296,107</u>	<u>40,015,720</u>	<u>5,106,895</u>	<u>65,418,722</u>
Not allocated:				
Investments not allocated				
Properties	-	-	2,677,178	2,677,178
Investments in subsidiaries, associates and joint ventures	-	1,477,849	-	1,477,849
Financial assets at fair value through profit or loss	148,950	-	-	148,950
Financial assets at fair value through other comprehensive income	210,307	-	-	210,307
Financial assets at amortised cost	65,287	-	-	65,287
Sight Deposits	80,634	-	-	80,634
	<u>505,178</u>	<u>1,477,849</u>	<u>2,677,178</u>	<u>4,660,205</u>
	<u>166,300,133</u>	<u>93,962,483</u>	<u>7,784,073</u>	<u>268,046,690</u>

(Amounts in euros except when expressly indicated otherwise)

	2020			
	Interest	Dividends	Rents	Total
Life insurance				
Investments allocated to technical provisions for life insurance				
Financial assets at fair value through profit or loss	3,400,582	1,055,696	-	4,456,278
Financial assets at fair value through other comprehensive income	36,943,582	720,772	-	37,664,354
Financial assets at amortised cost	1,336,958	-	-	1,336,958
Sight Deposits	(37,702)	-	-	(37,702)
	<u>41,643,420</u>	<u>1,776,468</u>	<u>-</u>	<u>43,419,888</u>
Investment contracts				
Investments related to contracts considered for accounting purposes as investment contracts				
Financial assets at fair value through profit or loss	(7,444,051)	27,948,933	-	20,504,882
Financial assets at fair value through other comprehensive income	113,631,216	2,434,237	-	116,065,453
Financial assets at amortised cost	9,617,948	-	-	9,617,948
Sight Deposits	46,952	-	-	46,952
	<u>115,852,065</u>	<u>30,383,170</u>	<u>-</u>	<u>146,235,235</u>
	<u>157,495,485</u>	<u>32,159,638</u>	<u>-</u>	<u>189,655,123</u>
Non-life insurance:				
Investments allocated to technical provisions for non-life insurance				
Properties	-	-	5,442,827	5,442,827
Financial assets at fair value through profit or loss	2,623,652	17,407,980	-	20,031,632
Financial assets at fair value through other comprehensive income	15,238,836	2,258,967	-	17,497,803
Financial assets at amortised cost	16,148	-	-	16,148
	<u>17,878,636</u>	<u>19,666,947</u>	<u>5,442,827</u>	<u>42,988,410</u>
Not allocated:				
Investments not allocated				
Properties	-	-	3,038,912	3,038,912
Investments in subsidiaries, associates and joint ventures	-	1,176,607	-	1,176,607
Financial assets at fair value through profit or loss	(545,158)	132,784	-	(412,374)
Financial assets at fair value through other comprehensive income	2,649	-	-	2,649
Financial assets at amortised cost	57,823	-	-	57,823
Sight Deposits	244,958	-	-	244,958
	<u>(239,728)</u>	<u>1,309,391</u>	<u>3,038,912</u>	<u>4,108,575</u>
	<u>175,134,393</u>	<u>53,135,976</u>	<u>8,481,739</u>	<u>236,752,108</u>

In 2021 and 2020, the income obtained from subleasing right-of-use assets was EUR 1,349,491 and EUR 1,356,836 respectively.

34. Financial Expenses

In 2021 and 2020, the "financial expenses" heading was composed as follows:

	2021				2020			
	Life technical account	Non-life technical account	Non-technical account	Total	Life technical account	Non-life technical account	Non-technical account	Total
Investment expenses (Note 30)								
Cost allocations	19,751,038	13,270,282	30,584,943	63,606,263	16,365,923	7,103,681	10,353,388	33,822,992
Other investment expenses	1,687,729	168,028	1,204,141	3,059,898	996,053	190,079	486,472	1,672,604
	<u>21,438,767</u>	<u>13,438,310</u>	<u>31,789,084</u>	<u>66,666,161</u>	<u>17,361,976</u>	<u>7,293,760</u>	<u>10,839,860</u>	<u>35,495,596</u>

37. Exchange differences

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Life insurance		
Investments allocated to technical provisions for life insurance		
Financial assets at fair value through profit or loss	4,529,735	(6,189,675)
Financial assets at fair value through other comprehensive income	28,142,421	(21,673,215)
Financial assets at amortised cost	501,168	3,579,882
Sight Deposits	(174,696)	(21,464)
Other	38	255
	<u>32,998,666</u>	<u>(24,304,217)</u>
Investment contracts		
Investments related to contracts considered for accounting purposes as investment contracts		
Financial assets at fair value through profit or loss	27,913,049	(36,918,586)
Financial assets at fair value through other comprehensive income	146,409,621	(132,598,840)
Assets valued at amortised cost	1,666,541	-
Sight Deposits	3,012,871	(6,050,753)
Other	388,981	6,859
	<u>179,391,063</u>	<u>(175,561,320)</u>
	<u>212,389,729</u>	<u>(199,865,537)</u>
Non-life insurance:		
Investments allocated to technical provisions for non-life insurance		
Financial assets at fair value through profit or loss	17,574,561	(19,191,667)
Financial assets at fair value through other comprehensive income	17,644,921	(12,740,902)
Assets valued at amortised cost	1,374,544	(988,568)
Sight Deposits	62,595	(2,111,459)
Other	295	4,702
	<u>36,656,916</u>	<u>(35,027,894)</u>
Not allocated:		
Investments not allocated		
Financial assets at fair value through profit or loss	161,089	867,514
Assets valued at amortised cost	88,675	1,396,279
Sight Deposits	2,990,443	(10,646,566)
Other	-	7
	<u>3,240,207</u>	<u>(8,382,766)</u>
	<u>252,286,852</u>	<u>(243,276,197)</u>

38. Net Income on the Sale of Non-Financial Assets which have not been Recognised as Non-Current Assets Held for Sale and Discontinued Operations

In 2021 and 2020, this heading was composed as follows:

Realised gains and losses	2021			2020		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for non-life insurance						
Investment properties	1,500,791	(229,304)	1,271,487	557,018	(8,897)	548,121
	1,500,791	(229,304)	1,271,487	557,018	(8,897)	548,121
Investments not allocated						
Properties for own use	-	-	-	1,264,646	(47,646)	1,217,000
Investment properties	3,234	(17,234)	(14,000)	1,125,992	-	1,125,992
	3,234	(17,234)	(14,000)	2,390,638	(47,646)	2,342,992
	1,504,026	(246,539)	1,257,487	2,947,656	(56,543)	2,891,113
Unrealised gains and losses	2021			2020		
	Gains	Losses	Net	Gains	Losses	Net
			(Note 10)			(Note 10)
Investments allocated to technical provisions for non-life insurance						
Investment properties	4,881,325	(3,968,707)	912,618	884,119	(1,427,219)	(543,100)
	4,881,325	(3,968,707)	912,618	884,119	(1,427,219)	(543,100)
Investments not allocated						
Investment properties	1,711,069	(947,514)	763,555	263,156	(209,691)	53,465
	1,711,069	(947,514)	763,555	263,156	(209,691)	53,465
	6,592,394	(4,916,222)	1,676,173	1,147,275	(1,636,910)	(489,635)
Total	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for non-life insurance						
Investment properties	6,382,116	(4,198,012)	2,184,105	1,441,137	(1,436,116)	5,021
	6,382,116	(4,198,012)	2,184,105	1,441,137	(1,436,116)	5,021
Investments not allocated						
Properties for own use	-	-	-	1,264,646	(47,646)	1,217,000
Investment properties	1,714,303	(964,749)	749,555	1,389,148	(209,691)	1,179,457
	1,714,303	(964,749)	749,555	2,653,794	(257,337)	2,396,457
	8,096,420	(5,162,760)	2,933,659	4,094,931	(1,693,453)	2,401,478

39. Impairment Losses (Net of Reversals)

Information on impairment losses movements in 2021 and 2020 is set out below:

	2021					
	Opening balances	Increases	Recoveries and cancellations	Uses	Other	Closing balances
Impairment of investments in subsidiaries (Note 4)	19,672,139	21,416,913	(5,193,679)	(333)	-	35,895,040
Impairment of investments in associates (Note 4)	-	66,821	-	-	-	66,821
Expected credit loss on financial assets at fair value through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 26)	34,538,815	8,137,482	(16,092,855)	-	-	26,583,442
Stage 3 (Note 7)	49,979,822	7,960,016	-	-	-	57,939,838
Expected credit loss on financial assets at amortised cost (Note 8)						
Debt instruments	1,487,195	-	(1,487,194)	-	-	2
Other instruments	1,378	3,859	-	-	380,515	385,752
Impairment of properties for own use (Note 9)	3,200,231	1,237,619	-	(162,320)	-	4,275,530
Adjustments to premiums pending collection (Note 15)	16,284,062	-	(5,127,509)	(1,699)	-	11,154,855
Adjustments for doubtful debts (Note 15)	18,352,207	1,184,991	-	(116,144)	-	19,421,053
	<u>143,515,849</u>	<u>34,880,192</u>	<u>(22,773,728)</u>	<u>(280,497)</u>	<u>380,515</u>	<u>155,722,332</u>

	2020						
	Opening balances	IFRS 9 application	Increases	Recoveries and Cancellations	Uses	Other	Closing balances
Impairment of investments in subsidiaries (Note 4)	39,243,726	-	8,963,191	(28,534,778)	-	-	19,672,139
Impairment of available-for-sale investments (Note 7)							
Debt instruments	49,979,822	(49,979,822)	-	-	-	-	-
Equity instruments	150,956,407	(150,956,407)	-	-	-	-	-
Other instruments	27,606,647	(27,606,647)	-	-	-	-	-
Expected credit loss on financial assets at fair value through other comprehensive income							
Debt instruments							
Stages 1 and 2 (Note 26)	-	39,923,272	24,392,768	(29,777,225)	-	-	34,538,815
Stage 3 (Note 7)	-	49,979,822	-	-	-	-	49,979,822
Impairment of loans and accounts receivable (Note 8)	377,286	(377,286)	-				
Expected credit loss on financial assets at amortised cost (Note 8)							
Debt instruments	-	1,651,335	618,971	(783,111)	-	-	1,487,195
Other instruments	-	377,286	4,607	-	(380,515)	-	1,378
Impairment of properties for own use (Note 9)	5,599,843	-	56,022	(2,263,289)	(192,345)	-	3,200,231
Adjustments to premiums pending collection (Note 15)	6,754,692	-	9,528,197	-	-	1,173	16,284,062
Adjustments for doubtful debts (Note 15)	17,168,510	-	1,185,057	-	(1,360)	-	18,352,207
	<u>297,686,933</u>	<u>(136,988,447)</u>	<u>44,748,813</u>	<u>(61,358,403)</u>	<u>(574,220)</u>	<u>1,173</u>	<u>143,515,849</u>

In 2021 and 2020, the heading “Impairment losses (net of reversals)” includes uses of EUR 1,362,168 and EUR 12,886,200 of “Other provisions” (Note 24) respectively.

(Amounts in euros except when expressly indicated otherwise)

At 31 December 2021 and 2020 the breakdown by rating and stage of expected credit losses based on the gross balance sheet value was the following:

	2021			Total
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	
Financial assets at fair value through other comprehensive income				
AAA	2,523,456	-	-	2,523,456
AA- to AA+	75,004,448	-	-	75,004,448
A- to A+	1,896,547,569	-	-	1,896,547,569
BBB- to BBB+	4,925,223,635	5,562,633	-	4,930,786,268
BB- to BB+	901,975,516	13,218,735	-	915,194,251
B- to B+	45,374,282	22,215,215	-	67,589,497
CCC- to CCC+	26,896,824	-	-	26,896,824
Not rated	41,167,061	-	63,300,060	104,467,121
	<u>7,914,712,791</u>	<u>40,996,583</u>	<u>63,300,060</u>	<u>8,019,009,434</u>
Financial assets at amortised cost				
BBB- to BBB+	822,265,288	-	-	822,265,288
	<u>822,265,288</u>	<u>-</u>	<u>-</u>	<u>822,265,288</u>
	2020			
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
AAA	5,725,342	-	-	5,725,342
AA- to AA+	76,378,586	-	-	76,378,586
A- to A+	1,938,463,992	-	-	1,938,463,992
BBB- to BBB+	4,941,674,693	2,397,796	-	4,944,072,489
BB- to BB+	659,019,048	11,091,553	-	670,110,601
B- to B+	41,020,604	20,837,598	-	61,858,202
CCC- to CCC+	1,237,656	9,634,602	-	10,872,258
Not rated	608,390,290	-	49,979,822	658,370,112
	<u>8,271,910,211</u>	<u>43,961,549</u>	<u>49,979,822</u>	<u>8,365,851,582</u>
Financial assets at amortised cost				
BBB- to BBB+	1,056,193,920	-	-	1,056,193,920
	<u>1,056,193,920</u>	<u>-</u>	<u>-</u>	<u>1,056,193,920</u>

(Amounts in euros except when expressly indicated otherwise)

The movement in expected credit losses based on the gross balance sheet value in 2021 and 2020 was the following:

	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
ECL amount at 31/12/2020	8,271,910,211	43,961,549	49,979,822	8,365,851,582
New assets originated or purchased	1,868,015,639	4,887,586	-	1,872,903,225
Assets derecognised or matured	(2,237,013,649)	(7,532,286)	(2,879,247)	(2,247,425,182)
Accrued interest capitalised	(44,826,114)	5,625	(207,254)	(45,027,743)
Change in fair value	(108,282,176)	3,659,130	4,304,716	(100,318,330)
Net foreign exchange expense/(income)	167,784,646	2,773,816	2,467,421	173,025,883
Movement between 12mECL and LTECL	(2,875,765)	(6,758,837)	9,634,602	-
ECL amount at 31/12/2021	7,914,712,792	40,996,583	63,300,060	8,019,009,435
Financial assets at amortised cost				
ECL amount at 31/12/2020	1,056,193,920	-	-	1,056,193,920
Assets derecognised or matured	(222,976,694)	-	-	(222,976,694)
Accrued interest capitalised	(10,951,938)	-	-	(10,951,938)
ECL amount at 31/12/2021	822,265,288	-	-	822,265,288

At 31 December 2021 and 2020 the breakdown by rating and stage of expected credit losses based on expected credit loss was the following:

	2021			
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
AA- to AA+	13,605	-	-	13,605
A- to A+	805,687	-	-	805,687
BBB- to BBB+	3,048,391	29,961	-	3,078,352
BB- to BB+	4,362,506	101,381	-	4,463,887
B- to B+	800,590	724,280	-	1,524,870
CCC- to CCC+	6,491,776	-	-	6,491,776
Not rated	10,205,265	-	57,939,838	68,145,103
	25,727,820	855,622	57,939,838	84,523,280

	2020			Total
	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	
Financial assets at fair value through other comprehensive income				
AA- to AA+	16,547	-	-	16,547
A- to A+	879,429	-	-	879,429
BBB- to BBB+	5,596,179	17,511	-	5,613,690
BB- to BB+	2,265,162	294,172	-	2,559,334
B- to B+	750,661	1,298,776	-	2,049,437
CCC- to CCC+	94,505	1,711,444	-	1,805,949
Not rated	21,614,429	-	49,979,822	71,594,251
	<u>31,216,912</u>	<u>3,321,903</u>	<u>49,979,822</u>	<u>84,518,637</u>
Financial assets at amortised cost				
BBB- to BBB+	1,487,195	-	-	1,487,195
	<u>1,487,195</u>	<u>-</u>	<u>-</u>	<u>1,487,195</u>

The movement in expected credit losses based on expected credit loss in 2021 and 2020 was the following:

	12-month expected credit losses	Expected lifetime credit losses	Credit impaired	Total
Financial assets at fair value through other comprehensive income				
ECL amount at 31/12/2020	31,216,912	3,321,903	49,979,822	84,518,637
New assets originated or purchased	5,838,226	1,200	-	5,839,426
Assets derecognised or matured	(3,445,920)	(1,249)	-	(3,447,169)
Re-measurement of expected credit loss	(7,879,082)	(757,103)	6,248,572	(2,387,613)
Movement between 12mECL and LTECL	(2,315)	(1,709,129)	1,711,444	-
ECL amount at 31/12/2021	<u>25,727,821</u>	<u>855,622</u>	<u>57,939,838</u>	<u>84,523,281</u>
Financial assets at amortised cost				
ECL amount at 31/12/2020	1,487,195	-	-	1,487,195
Assets derecognised or matured	(201,903)	-	-	(201,903)
Re-measurement of expected credit loss	(1,285,292)	-	-	(1,285,292)
ECL amount at 31/12/2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

40. Other Technical Income/Expenses, Net of Reinsurance

In 2021 and 2020, this heading was composed as follows:

	2021			2020		
	Income	Expenses	Net	Income	Expenses	Net
Related to life insurance						
Co-insurance management commissions	12,723	(5,836)	6,887	12,797	(38,210)	(25,413)
Pension fund management commissions	-	-	-	214,702	-	214,702
Other	239,314	(190,283)	49,030	6	(1,073,599)	(1,073,593)
	<u>252,037</u>	<u>(196,120)</u>	<u>55,917</u>	<u>227,505</u>	<u>(1,111,809)</u>	<u>(884,304)</u>
Related to non-life insurance						
Co-insurance management commissions	368,400	(67,097)	301,303	191,208	(13,854)	177,354
Other	11,912,528	(470,524)	11,442,004	2,255,790	(10,119,760)	(7,863,970)
	<u>12,280,928</u>	<u>(537,621)</u>	<u>11,743,307</u>	<u>2,446,997</u>	<u>(10,133,614)</u>	<u>(7,686,617)</u>
	<u>12,532,965</u>	<u>(733,741)</u>	<u>11,799,224</u>	<u>2,674,502</u>	<u>(11,245,423)</u>	<u>(8,570,921)</u>

41. Other Income/Expenses

In 2021 and 2020, this heading was composed as follows:

	2021	2020
Non-current income and gains		
Tax rebates	31,935	12,368
Other	855,514	85,719
	<u>887,449</u>	<u>98,087</u>
Financial income and gains		
Interest obtained	53,317	279,235
Exchange rate gains	20,560,002	17,815,781
Prompt payment discounts	-	1,007
Other	295,290	198,878
	<u>20,908,610</u>	<u>18,294,901</u>
Other non-technical income		
Adjustments to balances	568,651	80,175
Provision of services	2,099,426	397,385
Gains on other tangible assets	50,079	373,736
Other	530,240	287,536
	<u>3,248,396</u>	<u>1,138,832</u>
Non-current expenses and losses		
Donations	(1,173,428)	(1,871,177)
Sponsorship	(95,256)	21,464
Gifts to clients	(95,418)	(101,379)
Fines and penalties	(21,531)	(43,875)
Miscellaneous contributions	(97,571)	(58,827)
Under-estimation of tax	-	(58,059)
Corrections to previous years	(237,129)	(4,053)
Bad debts	(844,876)	(227,339)
Adjustments to balances	(103,776)	(149,779)
Other	(396,742)	(1,319,531)
	<u>(3,065,727)</u>	<u>(3,812,555)</u>
Financial expenses and losses		
Interest paid	(211,340)	(228,261)
Exchange rate losses	(21,766,229)	(22,116,519)
Banking services	(253,132)	(256,795)
Other	(489,374)	(1,022,675)
	<u>(22,720,075)</u>	<u>(23,624,250)</u>
Losses in other assets		
Losses on other tangible assets	(65,143)	(205,961)
	<u>(65,143)</u>	<u>(205,961)</u>
	<u>(806,490)</u>	<u>(8,110,947)</u>

The "Service provision" heading for the period ending on 31 December 2021 essential concerns the sale of the "Fixo" project to Fidelidade – Serviços de Assistência, S.A. for the price of EUR 1,367,571.

42. Segment Reporting

The Company presents operating segments based on management information produced internally. Operating results are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to the segment and evaluating performance.

The results may be segmented by activity since there is distinct financial information.

An operating segment is an identifiable component of the Company which is engaged in supplying a product or individual service or a set of related products and services within a specific economic environment, and which is subject to risks and benefits which can be differentiated from others.

The Company considers the insurance segment as its main segment; it operates in Life and Non-Life insurance.

Life insurance includes the following sub-segments:

- "Risk", which comprises contracts whereby the insurer undertakes to pay the sum insured in the event of the death of the insured person (insurance in the event of death) or survival of the insured person (insurance in the event of life);
- "Capitalisation with profit sharing", which comprises contracts through which a life insurance company undertakes to pay a certain capital sum at the end of the contracts and the right of the policyholder, insured or beneficiary to receive part of the results generated by the contract;
- "Investment contracts", which comprise financial instruments from the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts.

Non-life insurance includes the following sub-segments:

- "Accidents at Work", which aims to insure workers in the event of damage arising at the place and time of work or while travelling to or from work, which results in bodily injury, functional disability or illness that causes a reduction in the ability to work, capacity to earn or death;
- "Motor", which covers the risks to which land motor vehicles (cars, motorcycles, etc.) are exposed, including third-party liability arising from their transit, as well as optional coverage, such as own damages, travel assistance and legal protection;
- "Health", which covers the risks related to the provision of healthcare in the modalities of agreed benefits, indemnity benefits and combinations of the two types of benefits;
- "Property", which covers the risks related to loss of property caused by "Fire and other damages" that damage property, "Credit and Surety", related to damages suffered in the event of non-compliance with obligations guaranteed by personal guarantee and "Miscellaneous pecuniary losses arising from other property risks";
- "Third-Party", which covers the risk of the insured having to indemnify third parties for damages resulting in bodily or material injuries for which the same is responsible, including "General Third-Party Liability", "Family Third-Party Liability" insurance, "Animals Third-Party Liability", "Operational Third-Party Liability", "Professional Third-Party Liability" and "Products Third-Party Liability";
- "Transported Goods", which covers risks related to the transport of goods or other goods by land, sea and air;
- "Other", which covers damages suffered by "Personal accidents", "Legal protection – other", "Assistance – other" and miscellaneous insurance not mentioned above.

The distribution of income by lines of business in 2021 and 2020 was as follows:

2021	Non-life insurance				
	Accidents at work	Motor	Health	Property	Others
Gains and losses					
Earned premiums, net of reinsurance	248,581,737	475,531,194	7,652,228	185,283,424	66,976,496
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	-	-	-	-
Claims costs, net of reinsurance	(220,670,382)	(307,457,650)	(7,773,945)	(106,403,144)	(30,529,146)
Other technical provisions, net of reinsurance	(237,599)	(6,689,980)	(9,356,429)	(1,137,544)	(1,030,754)
Mathematical provision for life insurance and profit sharing, net of reinsurance	-	-	-	(146,202)	11,229
Net operating costs and expenses	(55,164,268)	(145,529,905)	(20,666,831)	(70,399,313)	(30,273,076)
Income	36,948,834	13,597,234	3,048,311	6,388,057	5,436,286
Financial expenses and net income on financial assets and liabilities	14,901,967	(7,319,919)	(3,033,556)	(3,236,197)	(2,381,658)
Impairment losses (net of reversals)	(1,255,839)	352,199	1,141,688	346,761	(880,822)
Overlay approach adjustment	42,121,647	-	-	-	-
Other income/expenses	123,813	10,066,107	43,166	1,523,191	(12,970)
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	-	-	-	-	-
Current income tax	-	-	-	-	-
	<u>65,349,911</u>	<u>32,549,281</u>	<u>(28,945,368)</u>	<u>12,219,033</u>	<u>7,315,585</u>
Assets					
Total assets	<u>1,093,495,911</u>	<u>693,608,058</u>	<u>271,746,409</u>	<u>523,400,084</u>	<u>332,116,148</u>
Of which:					
Investment in associates and joint ventures	364,905,453	187,825,041	37,221,314	77,815,935	49,687,000
Liabilities					
Total liabilities	<u>1,123,593,849</u>	<u>638,743,385</u>	<u>268,508,584</u>	<u>413,130,765</u>	<u>277,442,304</u>

2021	Life Insurance			Not allocated	Total
	Risk	Capitalisation with profit sharing	Financial liabilities		
Gains and losses					
Earned premiums, net of reinsurance	181,831,997	40,328,340	-	-	1,206,185,417
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	-	1,076,679	-	1,076,679
Claims costs, net of reinsurance	(101,907,240)	(247,614,914)	-	-	(1,022,356,420)
Other technical provisions, net of reinsurance	542,195	11,231,634	-	-	(6,678,478)
Mathematical provision for life insurance and profit sharing, net of reinsurance	(2,625,038)	180,172,935	-	-	177,412,923
Net operating costs and expenses	(38,004,316)	(8,568,646)	(61,903,159)	-	(430,509,514)
Income	7,526,747	30,304,936	160,136,079	4,660,204	268,046,690
Financial expenses and net income on financial assets and liabilities	(2,414,544)	3,102,056	(17,374,685)	(35,992,651)	(53,749,188)
Impairment losses (net of reversals)	(4,233,642)	1,423,813	(12,924,025)	(689,073)	(16,718,940)
Overlay approach adjustment	4,531,506	1,071,879	93,242,103	10,280,728	151,247,862
Other income/expenses	(9,749)	33,803	31,863	(806,490)	10,992,734
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	-	-	-	3,890,250	3,890,250
Current income tax	-	-	-	(76,557,104)	(76,557,104)
	<u>45,237,915</u>	<u>11,485,835</u>	<u>162,284,855</u>	<u>(95,214,136)</u>	<u>212,282,911</u>
Assets					
Total assets	<u>537,955,314</u>	<u>1,897,216,207</u>	<u>10,465,713,320</u>	<u>886,806,819</u>	<u>16,702,058,270</u>
Of which:					
Investment in associates and joint ventures	50,500,914	-	1,458,794,705	506,251,428	2,733,001,790
Financial					
Total liabilities	<u>412,842,218</u>	<u>1,678,381,270</u>	<u>8,254,012,287</u>	<u>823,321,319</u>	<u>13,889,975,980</u>
				Total segments	<u>2,599,799,379</u>
				Shareholders' equity, reserves, retained earnings and non-controlling interests	<u>2,599,799,379</u>

2020	Non-life insurance				
	Accidents at work	Motor	Health	Property	Others
Gains and losses					
Earned premiums, net of reinsurance	240,219,426	477,472,827	8,438,775	170,766,088	59,562,601
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	-	-	-	-
Claims costs, net of reinsurance	(195,291,160)	(298,006,799)	(5,902,320)	(95,767,509)	(31,842,242)
Other technical provisions, net of reinsurance	366,043	482,906	4,221,078	(1,429,078)	(2,630,946)
Mathematical provision for life insurance and profit sharing, net of reinsurance	-	-	-	(397,834)	(1,108)
Net operating costs and expenses	(53,021,045)	(137,860,771)	3,293,794	(65,236,833)	(27,630,558)
Income	18,887,241	12,296,151	2,474,065	5,320,875	4,010,077
Financial expenses and net income on financial assets and liabilities	(5,229,837)	(12,861,215)	(4,126,467)	(5,186,197)	(3,670,409)
Impairment losses (net of reversals)	(3,158,118)	(1,453,609)	(2,265,726)	143,720	825,977
Overlay approach adjustment	12,306,407	-	-	-	-
Other income/expenses	135,095	(10,066,107)	152,234	2,252,669	(160,506)
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	-	-	-	-	-
Current income tax	-	-	-	-	-
	15,214,052	30,003,383	6,285,433	10,465,901	(1,537,115)
Assets					
Total assets	1,082,511,827	686,653,685	242,467,208	435,109,774	273,653,956
Of which:					
Investment in associates and joint ventures	351,733,571	216,144,817	36,943,097	86,937,082	51,537,204
Financial					
Total liabilities	1,065,416,674	592,664,102	238,062,889	334,934,047	222,612,199
Life Insurance					
2020	Risk	Capitalisation with profit sharing	Financial liabilities	Not allocated	Total
Gains and losses					
Earned premiums, net of reinsurance	177,126,004	52,128,755	-	-	1,185,714,475
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	-	931,133	-	931,133
Claims costs, net of reinsurance	(81,180,178)	(239,502,363)	-	-	(947,492,570)
Other technical provisions, net of reinsurance	109,882	159,833	-	-	1,279,719
Mathematical provision for life insurance and profit sharing, net of reinsurance	(4,593,821)	166,075,711	-	-	161,082,949
Net operating costs and expenses	(34,362,951)	(12,512,635)	(47,524,103)	-	(374,855,100)
Income	6,493,701	36,926,186	146,235,236	4,108,575	236,752,107
Financial expenses and net income on financial assets and liabilities	3,650,676	(5,226,802)	(34,819,970)	(8,819,659)	(76,289,879)
Impairment losses (net of reversals)	1,106,403	(1,174,322)	30,620,628	14,850,837	39,495,790
Overlay approach adjustment	(4,973,058)	205,576	(15,819,535)	692,319	(7,588,291)
Other income/expenses	189,289	(1,073,593)	-	(8,110,949)	(16,681,868)
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	-	-	-	(7,794)	(7,794)
Current income tax	-	-	-	(51,506,454)	(51,506,454)
	63,565,947	(3,993,654)	79,623,390	(48,793,125)	150,834,217
Assets					
Total assets	522,500,487	2,054,139,299	10,335,113,883	663,981,977	16,296,132,097
Of which:					
Investment in associates and joint ventures	56,432,561	-	1,573,921,715	485,928,818	2,859,578,864
Financial					
Total liabilities	400,725,074	1,869,455,139	8,485,617,781	144,910,364	13,354,398,280
				Total segments	2,790,899,600
				Shareholders' equity, reserves, retained earnings and non-controlling interests	2,790,899,600

(Amounts in euros except when expressly indicated otherwise)

The “Others” heading includes the operating segments “Transported Goods”, “Third-Party Liability” and “Miscellaneous” as they do not respect the quantitative thresholds defined in IFRS 8 to produce a reportable segment.

The total assets and liabilities have a different breakdown when compared to the Financial Statements, due to the fact that the segment distribution process gives rise to a breakdown of different balances.

In 2021 and 2020, earned premiums net of reinsurance was composed as follows by region:

Earned premiums, net of reinsurance	<u>2021</u>	<u>2020</u>
Portugal	1,143,104,533	1,118,119,073
Rest of European Union	55,424,228	54,697,386
Africa	7,656,656	8,140,998
Asia	-	4,757,018
Total	<u>1,206,185,417</u>	<u>1,185,714,475</u>

Earned premiums net of reinsurance are allocated based on the location of each company

In 2021 and 2020, non-current assets were composed as follows by region:

Non-current assets	<u>2021</u>	<u>2020</u>
Portugal	179,752,028	174,955,951
Rest of European Union	4,161,684	4,913,716
Africa	750,702	427,804
Asia	2,282	3,159
Total	<u>184,666,697</u>	<u>180,300,631</u>

Non-current assets include the headings “Properties” “Other tangible assets” and “Other intangible assets”.

43. Related Parties

The Company's related parties are deemed to be the subsidiaries and associates of the Fosun Group, and Caixa Geral de Depósitos, S.A. and the respective management bodies.

At 31 December 2021 and 2020 the Company's financial statements include the following balances and transactions with related parties, excluding the management bodies:

2021

	Fidelidade Assistência - Companhia de Seguros, S.A.	Via Directa - Companhia de Seguros, S.A.	Fidelidade Angola Companhia de Seguros, S.A.	Caixa Geral de Depósitos, S.A.	Garantia - Companhia de Seguros de Cabo Verde, S.A.	Fidelidade Property Europe, S.A.
	(2)	(2)	(2)	(5)	(2)	(2)
Assets	-	-	-	-	-	-
Cash and cash equivalents and sight deposits	-	-	-	321,143,261	-	-
Investments in subsidiaries, associates and joint ventures	75,922,290	41,000,000	13,203,495	-	6,260,184	1,491,559,925
Financial assets at fair value through profit or loss	-	-	-	56,331,343	-	7,682,554
Financial assets at fair value through other comprehensive income	-	-	-	77,800,897	-	-
Financial assets at amortised cost	-	-	202,283	2,052,382	76,782	-
Properties for own use	-	-	-	33,930	-	486,985
Technical provisions for reinsurance ceded	19,527	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	11,830,916	-	-
Accounts receivable for other reinsurance operations	4,493,098	-	54,485	-	49,070	-
Accounts receivable for other operations	72,825	-	3,618,802	191	58,382	2,782,882
Liabilities						
Provision for unearned premiums	-	-	537,403	(3,521,652)	57,152	-
Claims provision	-	5,356,258	1,460,846	(182,101,516)	867,412	-
Financial liabilities at fair value through profit or loss	-	-	-	(5,821,435)	-	434,696
Other financial liabilities	-	-	-	28,109	-	352,750
Accounts payable for direct insurance operations	-	-	-	13,585,767	-	-
Accounts payable for other reinsurance operations	4,635,099	190,174	-	-	-	-
Accounts payable for other operations	1,594	-	1,569,934	-	34,916	-
Accruals and deferrals	22,894	-	-	33,384,923	-	-
Gains and losses						
Gross premiums written	-	1,715,662	403,749	3,351,332	1,224,669	-
Reinsurance ceded premiums	(48,543,510)	-	-	-	-	-
Provision for unearned premiums (change)	-	-	(269,763)	345,809	66,705	-
Provision for unearned premiums, reinsurer's share (change)	6,443	-	-	-	-	-
Claims costs, net of reinsurance	18,152	(1,374,872)	291,994	(123,366)	(184,741)	35,456
Net operating costs and expenses	4,991,713	34,558	40,972	(70,810,665)	(278,430)	490,521
Income	274,733	289,909	420,404	7,413,878	550,384	3,700,000
Financial expenses	-	-	-	(4,391,215)	(35,543)	1,275
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	384,193	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	(1,731,128)	-	32,433,209
Exchange differences	-	-	19,153	1,949,380	-	31,190
Impairment losses (net of reversals)	-	-	-	49,122	-	-
Overlay approach adjustment	-	-	-	-	-	-
Other technical income/expenses, net of reinsurance	-	-	5,112	-	4,800	-
Other income/expenses	(41,632)	87,018	(2,496,457)	(286,126)	(30,545)	-

(Amounts in euros except when expressly indicated otherwise)

	GEP - Gestão de Peritagens Automóveis, S.A.	Fundo de Investimento Imobiliário Fechado Saudeinveste	Cetra - Centro Técnico de Reparação Automóvel, S.A.	Fundo de Investimento Imobiliário Aberto IMOFID	Multicare - Seguros de Saúde, S.A.	Companhia Portuguesa de Resseguros, S.A.
	(2)	(2)	(2)	(2)	(2)	(2)
Assets	-	-	-	-	-	-
Cash and cash equivalents and sight deposits	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	100,000	-	2,717,053	-	113,205,508	14,315,928
Financial assets at fair value through profit or loss	-	-	-	113,495,085	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Properties for own use	-	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	103,391,942	3,301,606
Accounts receivable for direct insurance operations	-	-	-	-	1,650,861	321
Accounts receivable for other reinsurance operations	-	-	-	-	-	458,334
Accounts receivable for other operations	-	-	-	-	2,179,162	2,858
Liabilities						
Provision for unearned premiums	-	-	-	-	(80,437)	220,010
Claims provision	39,440	-	-	-	(978,311)	1,353,017
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	96,345,647	734,646
Accounts payable for direct insurance operations	-	-	-	-	1,290,706	-
Accounts payable for other reinsurance operations	-	-	-	-	12,990,017	401,408
Accounts payable for other operations	12,153	-	9,210	-	-	-
Accruals and deferrals	-	-	-	-	48,652	-
Gains and losses						
Gross premiums written	-	-	-	-	(4,385,421)	830,697
Reinsurance ceded premiums	-	-	-	-	(375,291,352)	(1,776,549)
Provision for unearned premiums (change)	-	-	-	-	855	473,698
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	(2,701,115)	(233,435)
Claims costs, net of reinsurance	(19,609,479)	-	(2,412,415)	(801)	297,444,235	613,475
Net operating costs and expenses	362,525	-	80,187	(15,213)	39,228,119	41,114
Income	155,800	27,678,609	69,820	-	583,829	-
Financial expenses	-	-	-	-	(1,199,284)	(1,136)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	36,295,534	-	3,137,686	-	-
Exchange differences	-	-	-	-	-	-
Impairment losses (net of reversals)	-	-	-	-	-	112,933
Overlay approach adjustment	-	77,770,466	-	2,297,188	-	-
Other technical income/expenses, net of reinsurance	-	-	-	-	1,887	-
Other income/expenses	18,591	-	21,486	(2,714)	(216,605)	29,483

(Amounts in euros except when expressly indicated otherwise)

	Luz Saúde, S.A.	Fidelidade - Property Internacional, S.A.	Fidelidade Macau - Companhia de Seguros, S.A.	FPE (Lux) Holding Sarl	FID Loans 1 Ireland	Fidelidade - Sociedade Gestora de Org. de Investimento Coletivo, S.A.
	(2)	(2)	(2)	(2)	(2)	(2)
Assets						
Cash and cash equivalents and sight deposits	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	246,166,042	97,738,720	17,889,052	-	350,000,000	1,317,119
Financial assets at fair value through profit or loss	-	32,649	-	3,116,666	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Properties for own use	-	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	100,458	-	-	-
Accounts receivable for other operations	2,210	157,579	-	1,372,217	-	31,974
Liabilities						
Provision for unearned premiums	-	-	147,010	-	-	-
Claims provision	12,762,845	-	316,427	-	-	-
Financial liabilities at fair value through profit or loss	-	275,463	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-	-
Accounts payable for other operations	-	-	-	-	-	-
Accruals and deferrals	-	-	-	-	-	2,033
Gains and losses						
Gross premiums written	-	-	429,275	-	-	-
Reinsurance ceded premiums	-	-	-	-	-	-
Provision for unearned premiums (change)	-	-	(61,597)	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-	-
Claims costs, net of reinsurance	(95,119,508)	-	(145,426)	-	-	31,385
Net operating costs and expenses	(66,471)	-	(80,364)	-	-	291,422
Income	-	-	-	-	5,776,182	24,400
Financial expenses	(14,923)	403	-	1,020	-	2,600
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	(2,958,407)	-	12,053,317	-	-
Exchange differences	-	5,816	-	13,793	-	-
Impairment losses (net of reversals)	-	(20,925,292)	-	-	-	435,095
Overlay approach adjustment	-	-	-	-	-	-
Other technical income/expenses, net of reinsurance	-	-	-	-	-	-
Other income/expenses	-	-	4,944	-	-	-

(Amounts in euros except when expressly indicated otherwise)

	Fid Perú S.A.	Fid Chile, SpA	Fidelidade Macau Vida- Companhia de Seguros	Tenax Capital Limited	FSG Saúde – Fundo de Investimento Imobiliário Fechado	Clínica Fisiátrica das Antas, LDA
	(2)	(2)	(2)	(2)	(2)	(2)
Assets	-	-	-	-	-	-
Cash and cash equivalents and sight deposits	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	137,216,160	30,167,301	18,811,806	5,436,252	-	1,600,000
Financial assets at fair value through profit or loss	-	-	-	-	51,530,400	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Properties for own use	-	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	-	-
Accounts receivable for other operations	-	-	-	-	-	-
Liabilities						
Provision for unearned premiums	-	-	-	-	-	-
Claims provision	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-	-
Accounts payable for other operations	-	-	-	-	-	-
Accruals and deferrals	-	-	-	832,000	-	-
Gains and losses						
Gross premiums written	-	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-	-
Claims costs, net of reinsurance	-	-	-	-	-	-
Net operating costs and expenses	-	-	-	-	-	-
Income	-	-	-	-	-	-
Financial expenses	-	-	-	(3,261,223)	-	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	-	664,020	-
Exchange differences	-	279,304	-	-	-	-
Impairment losses (net of reversals)	-	4,356,669	-	-	-	-
Overlay approach adjustment	-	-	-	-	(664,020)	-
Other technical income/expenses, net of reinsurance	-	-	-	-	-	-
Other income/expenses	-	-	-	-	-	-

(Amounts in euros except when expressly indicated otherwise)

	Seguradora Internacional de Moçambique, S.A. (2)	Xingtao Assets Limited (5)	Peak Reinsurance Company (5)	Hauck & Aufhäuser Privatbankiers AG (5)	Fosun Asset Management Limited (5)	Banco Comercial Português, S.A. (5)
Assets						
Cash and cash equivalents and sight deposits	-	-	-	20,195,741	-	52,348,857
Investments in subsidiaries, associates and joint ventures	47,070,607	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	31,538,105
Financial assets at fair value through other comprehensive income	-	267,852,150	-	-	-	73,277,502
Financial assets at amortised cost	-	-	-	-	-	3,763,209
Properties for own use	-	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	8,121,544	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	390,207	-	-	-
Accounts receivable for other operations	-	-	-	-	-	-
Liabilities						
Provision for unearned premiums	-	-	-	-	-	-
Claims provision	-	-	55,972	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Other financial liabilities	-	-	3,847,794	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	1,536,721	-	-	-
Accounts payable for other operations	-	-	-	23,365	-	-
Accruals and deferrals	-	-	-	112,000	1,423,800	-
Gains and losses						
Gross premiums written	-	-	-	-	-	-
Reinsurance ceded premiums	-	-	(12,571,815)	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	(17,293)	-	-	-
Claims costs, net of reinsurance	-	-	7,847,211	-	(8,633)	-
Net operating costs and expenses	-	-	2,443,515	-	(44,142)	-
Income	-	8,871,784	-	1,469	-	6,150,090
Financial expenses	-	-	(659)	(389,816)	(5,475,192)	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-	15,044
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	-	-	753,196
Exchange differences	-	-	-	(195,858)	-	674,359
Impairment losses (net of reversals)	-	313,251	-	-	-	(120,802)
Overlay approach adjustment	-	-	-	-	-	-
Other technical income/expenses, net of reinsurance	-	-	-	-	-	-
Other income/expenses	-	-	-	-	(3)	30,573

(Amounts in euros except when expressly indicated otherwise)

	Longrun Portugal, SGPS, S.A. (1)	Others	TOTAL
Assets			
Cash and cash equivalents and sight deposits	-	-	393,687,859
Investments in subsidiaries, associates and joint ventures	-	21,304,348	2,733,001,790
Financial assets at fair value through profit or loss	-	-	263,726,802
Financial assets at fair value through other comprehensive income	-	-	418,930,549
Financial assets at amortised cost	-	-	6,094,656
Properties for own use	-	-	520,915
Technical provisions for reinsurance ceded	-	-	114,834,619
Accounts receivable for direct insurance operations	-	-	13,482,098
Accounts receivable for other reinsurance operations	-	-	5,545,652
Accounts receivable for other operations	-	501,335	10,780,417
Liabilities			
Provision for unearned premiums	-	-	(2,640,514)
Claims provision	-	638,046	(160,229,564)
Financial liabilities at fair value through profit or loss	-	-	(5,111,276)
Other financial liabilities	-	-	101,308,946
Accounts payable for direct insurance operations	-	-	14,876,473
Accounts payable for other reinsurance operations	-	-	19,753,419
Accounts payable for other operations	35,854,084	2,004,216	39,509,472
Accruals and deferrals	-	32,700	35,859,002
Gains and losses			
Gross premiums written	-	-	3,569,963
Reinsurance ceded premiums	-	-	(438,183,226)
Provision for unearned premiums (change)	-	-	555,707
Provision for unearned premiums, reinsurer's share (change)	-	-	(2,945,400)
Claims costs, net of reinsurance	-	(13,615,183)	173,687,484
Net operating costs and expenses	-	(393,599)	(23,684,238)
Income	-	466,296	62,427,587
Financial expenses	-	(272,992)	(15,036,685)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	209	399,446
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	80,647,427
Exchange differences	-	-	2,777,137
Impairment losses (net of reversals)	-	(273,467)	(16,052,491)
Overlay approach adjustment	-	-	79,403,634
Other technical income/expenses, net of reinsurance	-	-	11,799
Other income/expenses	4,920	1,407,269	(1,469,798)

2020

	Fidelidade Assistência - Companhia de Seguros, S.A. (2)	Via Directa - Companhia de Seguros, S.A. (2)	Fidelidade Angola Companhia de Seguros, S.A. (2)	Caixa Geral de Depósitos, S.A. (5)	Garantia - Companhia de Seguros de Cabo Verde, S.A. (2)
Assets					
Cash and cash equivalents and sight deposits	-	-	-	214,946,841	-
Investments in subsidiaries, associates and joint ventures	75,922,290	41,000,000	13,203,495	-	6,260,184
Financial assets at fair value through profit or loss	-	-	-	43,568,987	-
Financial assets at fair value through other comprehensive income	-	-	-	110,465,986	-
Financial assets at amortised cost	-	-	232,039	-	159,632
Properties for own use	-	-	-	28,931	-
Technical provisions for reinsurance ceded	16,578	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	6,717,210	-
Accounts receivable for other reinsurance operations	5,141,767	75,358	3,303,991	-	-
Accounts receivable for other operations	107,011	203	4,656,411	82,179	74,763
Liabilities					
Provision for unearned premiums	-	-	314,881	789,852	110,952
Claims provision	-	5,138,732	1,875,080	(22,120,123)	935,120
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Other financial liabilities	-	-	-	28,115	-
Accounts payable for direct insurance operations	-	-	-	7,234,604	-
Accounts payable for other reinsurance operations	7,767,416	-	-	-	40,703
Accounts payable for other operations	36,331	76	41,803	-	34,916
Accruals and deferrals	-	-	-	31,529,478	-
Gains and losses					
Gross premiums written	-	1,657,158	656,236	4,283,840	1,318,300
Reinsurance ceded premiums	(45,573,405)	-	-	-	-
Provision for unearned premiums (change)	-	(30)	281,890	(1,406,332)	627
Provision for unearned premiums, reinsurer's share (change)	2,150	-	-	-	-
Claims costs, net of reinsurance	15,794	(2,130,645)	(590,543)	(228,857)	(699,594)
Net operating costs and expenses	5,522,746	160,961	(126,831)	(59,226,706)	(356,326)
Income	274,269	289,541	340,637	5,898,266	520,751
Financial expenses	5,443	6,431	-	(3,660,996)	(19,946)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	-	-
Exchange differences	-	-	(23,678)	(11,949,601)	-
Impairment losses (net of reversals)	-	-	-	(226,351)	-
Overlay approach adjustment	-	-	-	-	-
Other technical income/expenses, net of reinsurance	-	-	3,483	-	4,400
Other income/expenses	39,307	145,030	(1,699,493)	(118,588)	10,880

(Amounts in euros except when expressly indicated otherwise)

	Fidelidade Property Europe, S.A.	GEP - Gestão de Peritagens Automóveis, S.A.	Fundo de Investimento Imobiliário Fechado Saudeinveste	Cetra - Centro Técnico de Reparação Automóvel, S.A.	Fundo de Investimento Imobiliário Aberto IMOFID
	(2)	(2)	(2)	(2)	(2)
Assets					
Cash and cash equivalents and sight deposits	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	1,524,604,925	100,000	-	2,717,053	-
Financial assets at fair value through profit or loss	988,049	-	165,707,096	-	67,964,398
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Properties for own use	662,642	-	-	-	32,176
Technical provisions for reinsurance ceded	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	-
Accounts receivable for other operations	4,917,847	3,367	-	50,909	-
Liabilities					
Provision for unearned premiums	-	-	-	-	-
Claims provision	-	66,703	-	5,935	-
Financial liabilities at fair value through profit or loss	1,657,053	-	-	-	-
Other financial liabilities	504,156	-	-	-	29,731
Accounts payable for direct insurance operations	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-
Accounts payable for other operations	15,153	1,243	-	-	23,320,000
Accruals and deferrals	6,399	-	-	-	-
Gains and losses					
Gross premiums written	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-
Claims costs, net of reinsurance	33,241	(18,476,307)	-	(2,177,394)	(1,629)
Net operating costs and expenses	534,627	252,199	-	76,094	(43,334)
Income	-	288,745	-	65,060	-
Financial expenses	8,744	-	-	-	(18,565)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	(10,942,111)	-	11,692,107	-	122,239
Exchange differences	(5,740)	-	-	-	-
Impairment losses (net of reversals)	-	-	-	-	-
Overlay approach adjustment	-	-	(11,692,107)	-	(202,979)
Other technical income/expenses, net of reinsurance	-	-	-	-	-
Other income/expenses	-	18,591	-	21,486	-

(Amounts in euros except when expressly indicated otherwise)

	Multicare - Seguros de Saúde, S.A.	Companhia Portuguesa de Resseguros, S.A.	Luz Saúde, S.A.	Fidelidade - Property Internacional, S.A.	Fidelidade Macau - Companhia de Seguros, S.A.
	(2)	(2)	(2)	(2)	(2)
Assets					
Cash and cash equivalents and sight deposits	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	113,205,508	14,202,995	246,163,130	258,664,012	17,889,052
Financial assets at fair value through profit or loss	-	-	-	21,839	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Properties for own use	-	-	-	-	-
Technical provisions for reinsurance ceded	84,516,820	3,135,094	-	-	-
Accounts receivable for direct insurance operations	1,198,523	-	-	-	-
Accounts receivable for other reinsurance operations	-	421,075	-	-	59,397
Accounts receivable for other operations	7,518,530	-	-	(229,027)	-
Liabilities					
Provision for unearned premiums	(2,811,135)	723,778	-	-	99,264
Claims provision	(753,888)	1,300,470	10,370,046	-	254,813
Financial liabilities at fair value through profit or loss	-	-	-	3,200,642	-
Other financial liabilities	77,685,628	571,939	-	-	-
Accounts payable for direct insurance operations	3,391,332	-	-	-	-
Accounts payable for other reinsurance operations	25,170,342	357,038	-	-	-
Accounts payable for other operations	(88,491)	180,411	39,226	-	-
Accruals and deferrals	48,652	-	-	-	-
Gains and losses					
Gross premiums written	(4,881,207)	2,241,726	-	-	342,879
Reinsurance ceded premiums	(353,513,776)	(2,704,212)	-	-	-
Provision for unearned premiums (change)	5,971	140,697	-	-	(8,043)
Provision for unearned premiums, reinsurer's share (change)	5,402,641	(108,388)	-	-	-
Claims costs, net of reinsurance	243,029,944	322,515	(82,166,551)	-	(122,392)
Net operating costs and expenses	62,872,226	(29,743)	(226,481)	-	(68,449)
Income	582,842	-	-	-	-
Financial expenses	(1,160,953)	4,424	(38,260)	728	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	-	(6,216,033)	-
Exchange differences	-	-	-	(1,861)	-
Impairment losses (net of reversals)	-	813,429	-	26,664,010	-
Overlay approach adjustment	-	-	-	-	-
Other technical income/expenses, net of reinsurance	17,809	-	-	-	-
Other income/expenses	66,336	57,017	(173,396)	-	(10,030)

(Amounts in euros except when expressly indicated otherwise)

	FPE (Lux) Holding Sarl (2)	FID Loans 1 Ireland (2)	Fidelidade - Sociedade Gestora de Org. de Investimento Coletivo, S.A. (2)	FID PERÚ S.A. (2)	FID CHILE, SpA (2)
Assets					
Cash and cash equivalents and sight deposits	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	-	350,000,000	882,024	137,216,160	9,290,111
Financial assets at fair value through profit or loss	698,062	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Properties for own use	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	-
Accounts receivable for direct insurance operations	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	-
Accounts receivable for other operations	1,679,037	-	15,400	-	-
Liabilities					
Provision for unearned premiums	-	-	-	-	-
Claims provision	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Accounts payable for direct insurance operations	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	-
Accounts payable for other operations	-	-	-	-	-
Accruals and deferrals	-	-	2,033	-	-
Gains and losses					
Gross premiums written	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	-
Provision for unearned premiums (change)	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-
Claims costs, net of reinsurance	-	-	17,663	-	-
Net operating costs and expenses	-	-	158,965	-	-
Income	-	-	24,379	-	-
Financial expenses	1,313	-	-	-	-
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	(7,257,938)	-	-	-	-
Exchange differences	(106,942)	-	-	-	(26,161)
Impairment losses (net of reversals)	-	-	381,183	-	(8,183,236)
Overlay approach adjustment	-	-	-	-	-
Other technical income/expenses, net of reinsurance	-	-	-	-	-
Other income/expenses	-	-	-	-	-

(Amounts in euros except when expressly indicated otherwise)

	Fidelidade Macau Vida-Companhia de Seguros	TENAX CAPITAL LIMITED	FSG Saúde – Fundo de Investimento Imobiliário Fechado	Xingtao Assets Limited	Peak Reinsurance Company
	(2)	(2)	(2)	(5)	(5)
Assets					
Cash and cash equivalents and sight deposits	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	18,811,806	5,436,252	-	-	-
Financial assets at fair value through profit or loss	-	-	50,866,380	-	-
Financial assets at fair value through other comprehensive income	-	-	-	269,577,450	-
Financial assets at amortised cost	-	-	-	-	-
Properties for own use	-	-	-	-	-
Technical provisions for reinsurance ceded	-	-	-	-	2,533,612
Accounts receivable for direct insurance operations	-	-	-	-	-
Accounts receivable for other reinsurance operations	-	-	-	-	19,602
Accounts receivable for other operations	-	59,642	-	-	-
Liabilities					
Provision for unearned premiums	-	-	-	-	-
Claims provision	-	-	-	-	55,972
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Other financial liabilities	-	-	-	-	3,459,113
Accounts payable for direct insurance operations	-	-	-	-	-
Accounts payable for other reinsurance operations	-	-	-	-	2,845,611
Accounts payable for other operations	-	59,642	-	-	-
Accruals and deferrals	-	216,235	-	-	-
Gains and losses					
Gross premiums written	-	-	-	-	-
Reinsurance ceded premiums	-	-	-	-	(11,875,389)
Provision for unearned premiums (change)	-	-	-	-	-
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	90,020
Claims costs, net of reinsurance	-	-	-	-	4,220,091
Net operating costs and expenses	-	-	-	-	2,029,249
Income	-	-	-	8,914,864	-
Financial expenses	-	(216,235)	-	-	(1,217)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	-	-	-
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	(133,620)	-	-
Exchange differences	-	-	-	-	-
Impairment losses (net of reversals)	-	-	-	(949,510)	-
Overlay approach adjustment	-	-	133,620	-	-
Other technical income/expenses, net of reinsurance	-	-	-	-	-
Other income/expenses	(942,721)	-	-	-	-

(Amounts in euros except when expressly indicated otherwise)

	Hauck & Aufhäuser Privatbankiers AG (5)	Fosun Asset Management Limited (5)	Banco Comercial Português, S.A. (5)	Longrun Portugal, SGPS, S.A. (1)	Others	TOTAL
Assets						
Cash and cash equivalents and sight deposits	18,821,465	-	2,017,990	-	-	235,786,296
Investments in subsidiaries, associates and joint ventures	-	-	-	-	24,009,868	2,859,578,865
Financial assets at fair value through profit or loss	-	-	15,649,979	-	-	345,464,790
Financial assets at fair value through other comprehensive income	-	-	65,650,311	-	-	445,693,747
Financial assets at amortised cost	-	-	2,755,292	-	-	3,146,963
Properties for own use	-	-	-	-	-	723,749
Technical provisions for reinsurance ceded	-	-	-	-	-	90,202,104
Accounts receivable for direct insurance operations	-	-	-	-	-	7,915,733
Accounts receivable for other reinsurance operations	-	-	-	-	-	9,021,190
Accounts receivable for other operations	-	-	-	7,861,964	842,520	27,640,756
Liabilities						
Provision for unearned premiums	-	-	-	-	-	(772,408)
Claims provision	-	-	-	-	302,774	(2,568,366)
Financial liabilities at fair value through profit or loss	-	-	-	-	-	4,857,695
Other financial liabilities	-	-	-	-	-	82,278,682
Accounts payable for direct insurance operations	-	-	-	-	-	10,625,936
Accounts payable for other reinsurance operations	-	-	-	-	-	36,181,110
Accounts payable for other operations	-	-	-	-	2,035,779	25,676,089
Accruals and deferrals	88,000	1,696,500	-	-	46,125	33,633,422
Gains and losses						
Gross premiums written	-	-	-	-	-	5,618,932
Reinsurance ceded premiums	-	-	-	-	-	(413,666,782)
Provision for unearned premiums (change)	-	-	-	-	-	(985,220)
Provision for unearned premiums, reinsurer's share (change)	-	-	-	-	-	5,386,423
Claims costs, net of reinsurance	-	(6,457)	-	-	(9,596,385)	131,442,494
Net operating costs and expenses	-	(89,872)	-	-	(797,797)	10,641,528
Income	34,942	-	4,336,331	-	96,656	21,667,283
Financial expenses	(388,491)	(6,539,609)	-	-	(237,439)	(12,254,628)
Net income on financial assets and liabilities not recognised at fair value through profit or loss	-	-	(64,363)	-	-	(5,249)
Net income on financial assets and liabilities recognised at fair value through profit or loss	-	-	444,267	-	1,643,963	(10,714,109)
Exchange differences	(410,296)	-	(508,133)	-	610,638	(12,421,774)
Impairment losses (net of reversals)	-	-	(281,989)	-	(103,801)	18,113,735
Overlay approach adjustment	-	-	-	-	-	(11,761,466)
Other technical income/expenses, net of reinsurance	-	-	-	-	-	25,692
Other income/expenses	-	-	26,840	6,504	(21,734)	(2,573,971)

The related parties are divided into the following categories:

- (1) Parent company;
- (2) Subsidiaries;
- (3) Associates;
- (4) Joint Ventures;
- (5) Other related parties.

Transactions with the related parties are performed on the basis of the market values on the respective dates.

Payment of remuneration to statutory bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Statutory Bodies, in line with criteria established by the shareholders.

The remuneration and benefits paid to the members of the Statutory Bodies during 2021 were as follows:

Board of Directors

	Fixed Remuneration	Variable Remuneration	Meal Allowance	Healthcare Segment Charge	Life Segment Charge
Non-executive members					
Chairman					
Jorge Manuel Baptista Magalhães Correia	420,000	427,180	-	-	-
Vice-Chairman					
José Manuel Alvarez Quintero	105,000	318,113	-	-	-
Executive members					
Chairman of Executive Board					
Rogério Miguel Antunes Campos Henriques	420,000	397,949	2,730	2,429	134
Members of Executive Board					
António Manuel Marques de Sousa Noronha	369,600	364,013	2,730	1,111	134
Wai Lam William Mak	369,600	364,013	2,730	1,989	134
André Simões Cardoso	348,480	348,572	2,459	2,795	134
Hui Chen	290,000	37,254	2,730	671	134
Juan Ignacio Arsuaga Serrats	369,600	45,901	2,730	1,989	134

Supervisory Board

	Fixed Remuneration	Variable Remuneration	Meal Allowance	Health Insurance	Life Segment Charge
Chairman					
Pedro Nunes de Almeida	50,000	-	-	-	-
Members					
João Filipe Gonçalves Pinto	50,000	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	50,000	-	-	-	-

The fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, related to 2021, are EUR 786,338, of which EUR 564,750 are related to the Statutory Audit and EUR 221,588 to compliance and assurance services.

The other compliance and assurance services refer to the certification of the annual solvency and financial condition report pursuant to Article 3(1) a) of ASF Regulatory Standard No. 2/2017-R, of 24 March from ASF.

44. Disclosures Relating to Financial Instruments

FINANCIAL POSITION

At 31 December 2021 and 2020, the financial instruments had the following balance sheet value:

	2021		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	521,902,520	521,902,520
Investments in subsidiaries, associates and joint ventures	-	2,733,001,790	2,733,001,790
Financial assets at fair value through profit or loss	3,535,753,742	1,855,452	3,537,609,194
Financial assets at fair value through other comprehensive income	8,006,813,593	-	8,006,813,593
Financial assets at amortised cost	-	939,661,097	939,661,097
Other debtors	-	188,242,333	188,242,333
	11,542,567,335	4,384,663,192	15,927,230,527
Liabilities			
Mathematical provision for life insurance	-	1,563,822,728	1,563,822,728
Financial liabilities at fair value through profit or loss	312,638,571	-	312,638,571
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	1,760,269,964	6,256,681,998	8,016,951,962
Deposits received from reinsurers	-	130,146,691	130,146,691
Other financial liabilities	-	26,756,211	26,756,211
Other creditors	-	191,472,956	191,472,956
	2,072,908,535	8,168,880,583	10,241,789,118
2020			
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	254,989,747	254,989,747
Investments in subsidiaries, associates and joint ventures	-	2,859,578,864	2,859,578,864
Financial assets at fair value through profit or loss	2,679,836,163	1,524,542	2,681,360,705
Financial assets at fair value through other comprehensive income	8,380,136,584	-	8,380,136,584
Financial assets at amortised cost	-	1,265,549,435	1,265,549,435
Other debtors	-	167,584,635	167,584,635
	11,059,972,747	4,549,227,223	15,609,199,970
Liabilities			
Mathematical provision for life insurance	-	1,751,056,927	1,751,056,927
Financial liabilities at fair value through profit or loss	44,939,333	-	44,939,333
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	523,530,129	7,753,094,670	8,276,624,799
Deposits received from reinsurers	-	108,430,121	108,430,121
Other financial liabilities	-	63,979,842	63,979,842
Other creditors	-	180,887,898	180,887,898
	568,469,462	9,857,449,458	10,425,918,920

The amount in the heading “Mathematical provision for life insurance” corresponds to the value of the mathematical provisions of capitalisation products in the life insurance business with profit sharing.

The amount considered in the headings “Other debtors” and “Other creditors” essentially corresponds to the balances receivable and payable from and to insured persons, reinsurers, reinsured persons, brokers, agents and other external entities.

GAINS AND LOSSES

In the years ended on 31 December 2021 and 2020, the net gains and losses on financial instruments had the following breakdown:

	2021		
	Income	As a charge to Shareholders' equity	Total
Earned premiums, net of reinsurance	40,042,066	-	40,042,066
Claims costs, net of reinsurance	(247,307,681)	-	(247,307,681)
Mathematical provision for life insurance, net of reinsurance	190,561,450	-	190,561,450
Income from financial instruments			
Financial assets at fair value through profit or loss	104,006,004	-	104,006,004
Financial assets at fair value through other comprehensive income	148,909,885	-	148,909,885
Financial assets at amortised cost	9,003,220	-	9,003,220
Sight deposits	82,123	-	82,123
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	10,817,283	(105,916,127)	(95,098,844)
Financial assets at amortised cost	27,517	-	27,517
Financial liabilities at amortised cost	(17,915,898)	-	(17,915,898)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities at fair value through profit or loss	(235,232,649)	-	(235,232,649)
Exchange differences	252,286,852	-	252,286,852
Impairment losses (net of reversals)			
Financial assets at fair value through other comprehensive income	(4,643)	-	(4,643)
Financial assets at amortised cost	1,483,335	-	1,483,335
Others	(18,197,632)	-	(18,197,632)
Interest on deposits received from reinsurers	(1,262,685)	-	(1,262,685)
	<u>237,298,547</u>	<u>(105,916,127)</u>	<u>131,382,420</u>

	2020		
	As a charge to		
	Income	Shareholders' equity	Total
Earned premiums, net of reinsurance	51,516,482	-	51,516,482
Claims costs, net of reinsurance	(238,136,779)	-	(238,136,779)
Mathematical provision for life insurance, net of reinsurance	170,757,489	-	170,757,489
Income from financial instruments			
Financial assets at fair value through profit or loss	44,580,418	-	44,580,418
Financial assets at fair value through other comprehensive income	171,230,259	-	171,230,259
Financial assets at amortised cost	11,011,556	-	11,011,556
Sight deposits	254,208	-	254,208
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	21,902,074	14,188,710	36,090,784
Financial assets at amortised cost	-	-	-
Financial liabilities at amortised cost	(23,099,805)	-	(23,099,805)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities at fair value through profit or loss	201,278,167	-	201,278,167
Exchange differences	(243,276,197)	-	(243,276,197)
Impairment losses (net of reversals)			
Financial assets at fair value through other comprehensive income	5,384,457	-	5,384,457
Financial assets at amortised cost	159,533	-	159,533
Others	33,951,800	-	33,951,800
Interest on deposits received from reinsurers	(1,698,255)	-	(1,698,255)
	<u>205,815,407</u>	<u>14,188,710</u>	<u>220,004,117</u>

In the years ended on 31 December 2021 and 2020, the income and expenses with interest, calculated according to the effective interest rate method, relating to financial assets and liabilities not recognised at fair value through profit or loss, had the following breakdown:

	2021	2020
Assets		
Financial assets at fair value through other comprehensive income	144,246,026	165,816,283
Financial assets at amortised cost	9,475,541	11,011,556
Sight Deposits	82,123	254,208
	<u>153,803,690</u>	<u>177,082,047</u>
Liabilities		
Mathematical provision for life insurance	(20,785,753)	(24,283,153)
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	(17,915,898)	(23,099,805)
Subordinate liabilities	(12,773,005)	-
Deposits received from reinsurers	(1,262,685)	(1,698,255)
	<u>(52,737,341)</u>	<u>(49,081,213)</u>

OTHER DISCLOSURES

Fair Value of Financial Instruments

At 31 December 2021 and 2020, the method for assessing the fair value of the financial instruments reflected in the Company's financial statements can be summarised as follows:

	2021			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	521,902,520	521,902,520
Investments in subsidiaries, associates and joint ventures	-	-	-	2,733,001,790	2,733,001,790
Financial assets at fair value through profit or loss	2,477,985,551	164,723,430	893,044,761	1,855,452	3,537,609,194
Financial assets at fair value through other comprehensive income	7,091,867,775	442,291,276	472,654,542	-	8,006,813,593
Financial assets at amortised cost	-	-	-	939,661,097	939,661,097
Other debtors	-	-	-	188,242,333	188,242,333
	9,569,853,326	607,014,706	1,365,699,303	4,384,663,192	15,927,230,527
Liabilities					
Mathematical provision for life insurance	-	-	-	1,563,822,728	1,563,822,728
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	-	1,760,269,964	-	6,256,681,998	8,016,951,962
Financial liabilities at fair value through profit or loss	93,650,431	92,359,251	126,628,889	-	312,638,571
Deposits received from reinsurers	-	-	-	130,146,691	130,146,691
Other financial liabilities	-	-	-	26,756,211	26,756,211
Other creditors	-	-	-	191,472,956	191,472,956
	93,650,431	1,852,629,215	126,628,889	8,168,880,583	10,241,789,118
	9,476,202,895	(1,245,614,509)	1,239,070,414	(3,784,217,392)	5,685,441,408
2020					
	Fair value calculation method			Not recognised at fair value	Total
	Level 1	Level 2	Level 3		
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	254,989,747	254,989,747
Investments in subsidiaries, associates and joint ventures	-	-	-	2,859,578,864	2,859,578,864
Financial assets at fair value through profit or loss	1,752,293,622	200,551,620	726,990,921	1,524,542	2,681,360,705
Financial assets at fair value through other comprehensive income	7,484,334,260	622,047,726	273,754,598	-	8,380,136,584
Financial assets at amortised cost	-	-	-	1,265,549,435	1,265,549,435
Other debtors	-	-	-	167,584,635	167,584,635
	9,236,627,882	822,599,346	1,000,745,519	4,549,227,223	15,609,199,970
Liabilities					
Mathematical provision for life insurance	-	-	-	1,751,056,927	1,751,056,927
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	-	523,530,129	-	7,753,094,670	8,276,624,799
Financial liabilities at fair value through profit or loss	2,140,163	41,805,221	993,949	-	44,939,333
Deposits received from reinsurers	-	-	-	108,430,121	108,430,121
Other financial liabilities	-	-	-	63,979,842	63,979,842
Other creditors	-	-	-	180,887,898	180,887,898
	2,140,163	565,335,350	993,949	9,857,449,458	10,425,918,920
	9,234,487,719	257,263,996	999,751,570	(5,308,222,236)	5,183,281,049

The tables above present the classification in line with the fair value hierarchy, as set out in IFRS 13, of the financial instruments held by the Company at 31 December 2021 and 2020 which are valued at fair value, in line with the following assumptions:

- Level 1 – Financial instruments valued on the basis of quoted prices in active markets to which the Company has access. Included in this category are securities valued on the basis of executable prices (with immediate liquidity) published by external sources.
- Level 2 – Financial instruments which are valued based on data which is observable, either directly or indirectly, in active markets. Included in this category are securities valued on the basis of bids supplied by external counterparties and internal valuation techniques which only use observable market data.
- Level 3 – All the financial instruments measured at fair value which do not fit within Levels 1 and 2.

The movement between 31 December 2020 and 2021 in the financial instruments classified within Level 3 of the fair value hierarchy can be broken down as follows:

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Balance at 31 December 2020	273,754,598	726,990,921	(993,949)
Acquisitions	73,922,468	351,319,297	(125,688,379)
Revaluations			
as a charge to the Income statement	(1,233,145)	8,464,518	53,439
as a charge to shareholders' equity	(6,432,607)	(71,698,237)	-
Transfers			
from level 1 to level 3	14,143,611	-	-
from level 2 to level 3	122,838,130	-	-
from level 3 to level 1	-	(29,832,364)	-
Disposals	(4,338,513)	(92,199,375)	-
Balance at 31 December 2021	472,654,542	893,044,760	(126,628,889)

At 31 December 2021 and 2020, the balance sheet value and the fair value of the financial assets valued at amortised cost or at historical cost were as follows:

	2021		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	521,902,520	521,902,520	-
Financial assets at fair value through profit or loss	1,855,452	1,855,452	-
Financial assets at amortised cost	939,661,097	959,787,083	(20,125,986)
Other debtors	188,242,333	188,242,333	-
	1,651,661,402	1,671,787,388	(20,125,986)

	2020		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	254,989,747	254,989,747	-
Financial assets at fair value through profit or loss	1,524,542	1,524,542	-
Financial assets at amortised cost	1,265,549,435	1,256,806,317	8,743,118
Other debtors	167,584,635	167,584,635	-
	<u>1,689,648,359</u>	<u>1,680,905,241</u>	<u>8,743,118</u>

The main assumptions used to calculate the fair value of these assets were:

- The fair value of the financial applications recognised in “Cash and cash equivalents and sight deposits” is the same as their balance sheet value, as essentially they correspond to short-term deposits.
- The fair value of term deposits recorded under the heading “Financial assets at fair value through profit or loss”, is similar to their balance sheet value, as they essentially correspond to short-term deposits;
- Under the heading “Financial assets at amortised cost” the fair value of mortgage loans was not calculated, given their immateriality and the fact that they are essentially loans made to employees, with real guarantees.

Policies on managing financial risks inherent to the Fidelidade’s activity

The Company’s objectives, rules and procedures on market risk management are governed by means of its Investments Policy.

This Policy is reviewed annually, or whenever other reviews are necessary in the light of changes in the law, trends in assets markets or changes to the company’s investment guidelines and/or risk profile. The Policy defines:

- the main guidelines for managing investments and how the Company assesses, approves, implements, controls and monitors its investment activities and the risks resulting from those activities;
- activities related to the Company’s investment process, including Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA), the decision-making process and control and reporting activities;
- the duties and responsibilities of those involved in the investment process.

The Investments Policy thus aims to ensure alignment between the portfolio objectives and the investment strategy, and to encourage effective and continual monitoring. It is the cornerstone of the Company’s investment process.

Establishing an appropriate assets portfolio is, at any time, the result of a well-structured, disciplined and transparent investment process, which includes the following components:

- an investment strategy designed to create value, yet in line with the Company’s business profile and risk appetite;
- an investment policy reflecting that strategy, implemented by investment managers with appropriate knowledge and resources;
- continual and independent control of the investment activity;
- appropriate reporting procedures.

With these aspects set out, the Company’s investment management cycle is composed of the following key activities:

- **Define** – Definition and approval of the general investment management cycle, including the global investment strategy, investment policies, asset and liability and liquidity management, and strategic asset allocation (SAA);

- **Invest** – Performance of all investment activities, in line with the strategies and policies defined (identification, assessment and approval of investment opportunities, and placing, settling and allocating investments);
- **Monitor** – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;
- **Manage** – Reviewing the strategies, policies, benchmarks and limits in line with current and future market conditions/expectations and internal risk capacity;
- **Control** – Ensuring compliance with all the strategies, policies, procedures and responsibilities assigned.

The following items are also decisive within the scope of the Company's investment activity:

1. Definition of the portfolio objective

The main objective of the Company's investments portfolio management is to optimise its return in a sound and prudent manner, ensuring that all stakeholders are protected, protecting in particular the interests of policyholders, insured persons and beneficiaries. Accordingly, the portfolio must be systematically optimised according to the nature of the business subscribed, the Company's risk appetite and its liquidity needs.

2. Rules for investment in assets

On one hand, the Company's assets are invested appropriately, taking into account both the nature and duration of the responsibilities assumed by the Company and the capacity to ensure the security, quality, availability, liquidity and profitability of the portfolio as a whole.

On the other hand, the assets are well diversified to avoid excessive concentration of risk in the portfolio as a whole.

Lastly, the assets are invested to guarantee a regular cash return, thereby enabling the Company to adequately manage its liquidity.

3. Asset classes

As a general rule, the Company's portfolio is mainly composed of liquid assets (in line with the liquidity criteria set out in the ALM and Liquidity Policy), participation units in investment funds and real estate.

The asset classes eligible for investment by the Company are:

- Treasury (cash, deposits and equivalent);
- Fixed income (medium and long-term debt instruments);
- Variable income (instruments which provide variable gains);
- Real estate (including properties for own use and for investment);
- Alternative investments.

Derivatives may be used exceptionally and in a simple format (swaps, forwards, futures, etc.) to hedge specific positions or for asset-liability management purposes.

4. Exposure limits

In order to enable the Company, in the light of market changes, to pursue its investment objectives without taking excessive risks, a set of targets and maximum and minimum limits has been established, in line with the following criteria:

- Asset class;
- Credit quality and duration;
- Operating sector;
- Geographical location;
- Concentration by position;
- Currency.

5. Risk management and control process

The Risk Management Division (DGR) is responsible for **controlling and monitoring the allocation of assets**, in light of the targets and limits established.

Accordingly, procedures are defined, including those responsible for them, for when there is non-compliance with the targets and/or limits established.

Regarding **asset losses control mechanisms**, DGR provides information on the evolution of the most important risks related with investments, in particular, their impact on the solvency capital requirements.

Based on the time-weighted return (TWR) evolution and solvency capital requirement estimates, DGR provides regular information on the estimated solvency position coverage, and procedures are defined to be adopted when certain warning levels are reached.

A regular **process of reporting** has been set up for the various levels of the Company involved in investment management, in order to enable adequate supervision and the activation of risk mitigation management mechanisms.

Accordingly, the information which should be produced has been defined, including the type of report, its content, its frequency and the body responsible for producing it.

Credit risk

At 31 December 2021 and 2020, the Company's exposure to credit risk was as follows:

	2021		
	Gross book value	Impairment	Net book value
Sight Deposits	521,528,995	-	521,528,995
Financial assets at fair value through profit or loss	963,933,976	-	963,933,976
Financial assets at fair value through other comprehensive income	7,961,069,597	-	7,961,069,597
Financial assets at amortised cost	939,661,097	-	939,661,097
Other debtors	211,115,489	(22,873,157)	188,242,333
Maximum exposure to credit risk	10,597,309,154	(22,873,157)	10,574,435,998

2020

	Gross book value	Impairment	Net book value
Sight Deposits	254,271,756	-	254,271,756
Financial assets at fair value through profit or loss	619,652,743	-	619,652,743
Financial assets at fair value through other comprehensive income	8,315,871,760	-	8,315,871,760
Financial assets at amortised cost	1,265,549,435	-	1,265,549,435
Other debtors	194,941,417	(27,356,783)	167,584,635
Maximum exposure to credit risk	10,650,287,111	(27,356,783)	10,622,930,329

Credit quality

In the risk ratings presented, the corresponding rating was considered in accordance with the methodology identified in note 2.4. The following tables present the breakdown of the balance sheet value which is presented in accordance with a scale equivalent to those of Standard & Poor's and Fitch.

The following table shows the breakdown of the book value of financial investments at 31 December 2021 and 2020:

Asset class	2021				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Other	
Deposits in credit institutions					
AA- to AA+	-	-	-	106,470	106,470
A- to A+	215,629	201,086,985	2,680,665	8,609,603	212,592,882
BBB- to BBB+	34,048,505	2,791,642	-	4,436,950	41,277,097
BB- to BB+	339,930,281	-	-	6,395,117	346,325,398
B- to B+	1,858,990	-	-	-	1,858,990
CCC- to CCC+	4,201	-	-	-	4,201
Not rated	556,877	32,314,018	-	1,899,445	34,770,340
	376,614,483	236,192,645	2,680,665	21,447,585	636,935,378
Deposits in ceding companies					
A- to A+	891,416	-	-	279,066	1,170,482
	891,416	-	-	279,066	1,170,482
	377,505,899	236,192,645	2,680,665	21,726,651	638,105,860

Asset class	2020				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Other	
Deposits in credit institutions					
AA- to AA+	-	-	-	100,227	100,227
A- to A+	-	47,806,923	(1,109,601)	65,037,583	111,734,905
BBB- to BBB+	86,754	10,282,436	-	40,266,913	50,636,103
BB- to BB+	217,934,166	-	-	5,394,418	223,328,584
CCC- to CCC+	376,065	-	-	-	376,065
Not rated	557,129	26,361,291	-	2,645,379	29,563,799
	218,954,114	84,450,650	(1,109,601)	113,444,520	415,739,683
Deposits in ceding companies					
Not rated	98,050	-	-	391,672	489,722
	98,050	-	-	391,672	489,722
	219,052,164	84,450,650	(1,109,601)	113,836,192	416,229,405

(Amounts in euros except when expressly indicated otherwise)

At 31 December 2021 and 2020, the book value of the debt instruments in the portfolio, net of impairment, has the following breakdown:

Asset class	2021				
	Country of origin				Total
	Portugal	Rest of European Union	North America	Other	
Financial assets at fair value through profit or loss					
Corporate					
A- to A+	-	2,389,432	-	1,401,876	3,791,308
BBB- to BBB+	47,713,505	79,980,358	14,813,763	99,849,922	242,357,548
BB- to BB+	40,150,371	105,362,327	17,534,039	32,529,719	195,576,456
B- to B+	-	2,816,262	2,405,449	1,905,730	7,127,441
Not rated	41,511,798	4,800,219	7,228,363	43,285,466	96,825,846
	<u>129,375,674</u>	<u>195,348,598</u>	<u>41,981,614</u>	<u>178,972,713</u>	<u>545,678,599</u>
Governments and other local authorities					
AAA	-	2,898,860	-	-	2,898,860
AA- to AA+	-	3,625,256	-	-	3,625,256
A- to A+	-	240,461	-	-	240,461
BBB- to BBB+	19,016,660	2,186,793	-	-	21,203,453
BB- to BB+	1,689,744	-	-	-	1,689,744
	<u>20,706,404</u>	<u>8,951,370</u>	<u>-</u>	<u>-</u>	<u>29,657,774</u>
Financial institutions					
AA- to AA+	-	3,007,913	-	-	3,007,913
A- to A+	-	23,565,002	114,647,801	53,169,906	191,382,709
BBB- to BBB+	983,858	18,746,933	15,277,101	3,470,983	38,478,875
BB- to BB+	48,481,072	80,747,043	-	-	129,228,115
B- to B+	20,837,116	5,370,296	-	-	26,207,412
	<u>70,302,046</u>	<u>131,437,187</u>	<u>129,924,902</u>	<u>56,640,889</u>	<u>388,305,024</u>
Other issuers					
AAA	-	-	-	292,580	292,580
	-	-	-	292,580	292,580
	<u>220,384,124</u>	<u>335,737,155</u>	<u>171,906,516</u>	<u>235,906,182</u>	<u>963,933,977</u>

(Amounts in euros except when expressly indicated otherwise)

Asset class	2020				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Other	
Financial assets at fair value through profit or loss					
Corporate					
A- to A+	-	6,502,700	319,830	2,865,523	9,688,053
BBB- to BBB+	25,948,998	49,395,225	38,605,791	86,160,954	200,110,968
BB- to BB+	35,968,612	27,255,064	6,410,886	24,546,608	94,181,170
B- to B+	-	2,039,668	2,833,270	246,942	5,119,880
Not rated	24,369,798	-	12,954,844	20,934,534	58,259,176
	<u>86,287,408</u>	<u>85,192,657</u>	<u>61,124,621</u>	<u>134,754,561</u>	<u>367,359,247</u>
Governments and other local authorities					
AAA	-	2,584,811	-	-	2,584,811
AA- to AA+	-	3,764,332	-	284,262	4,048,594
A- to A+	-	35,444	-	-	35,444
BBB- to BBB+	11,319,292	8,240,885	-	-	19,560,177
BB- to BB+	1,778,981	-	-	-	1,778,981
	<u>13,098,273</u>	<u>14,625,472</u>	<u>-</u>	<u>284,262</u>	<u>28,008,007</u>
Financial institutions					
A- to A+	-	6,041,531	1,262,995	1,555,439	8,859,965
BBB- to BBB+	-	5,016,950	33,791,964	2,253,606	41,062,520
BB- to BB+	24,372,633	41,982,612	-	-	66,355,245
B- to B+	12,947,730	12,593,562	-	-	25,541,292
	<u>37,320,363</u>	<u>65,634,655</u>	<u>35,054,959</u>	<u>3,809,045</u>	<u>141,819,022</u>
	<u>136,706,044</u>	<u>165,452,784</u>	<u>96,179,580</u>	<u>138,847,868</u>	<u>537,186,276</u>

Asset class	2021				Total
	Country of origin				
	Portugal	Rest of European Union	North America	Other	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,819,984	1,474,051	951,795	7,245,830
A- to A+	-	55,593,570	55,005,514	280,736,632	391,335,716
BBB- to BBB+	-	385,094,728	350,703,034	600,718,632	1,336,516,394
BB- to BB+	-	106,017,117	197,229,656	325,103,183	628,349,956
B- to B+	5,848,320	-	18,175,746	7,824,485	31,848,551
Not rated	23,753,992	-	-	22,773,293	46,527,285
	29,602,312	551,525,399	622,588,001	1,238,108,020	2,441,823,732
Governments and other local authorities					
AAA	-	526,387	-	-	526,387
AA- to AA+	-	1,002,090	-	-	1,002,090
A- to A+	-	87,095,305	-	10,662,149	97,757,454
BBB- to BBB+	785,049,619	1,850,192,741	4,682,592	5,221,346	2,645,146,298
BB- to BB+	47,052,021	-	-	-	47,052,021
CCC- to CCC+	-	-	-	1,668,181	1,668,181
	832,101,640	1,938,816,523	4,682,592	17,551,676	2,793,152,431
Financial institutions					
AAA	-	-	-	1,892,837	1,892,837
AA- to AA+	17,242,848	11,105,497	33,768,787	4,639,396	66,756,528
A- to A+	-	355,233,967	160,261,850	891,958,581	1,407,454,398
BBB- to BBB+	-	348,603,982	75,269,042	523,245,595	947,118,619
BB- to BB+	69,593,457	9,120,796	4,441,373	156,636,648	239,792,274
B- to B+	35,740,946	-	-	-	35,740,946
CCC- to CCC+	-	-	-	25,228,644	25,228,644
	122,577,251	724,064,242	273,741,052	1,603,601,701	2,723,984,246
Other issuers					
AAA	-	-	-	104,232	104,232
BBB- to BBB+	-	-	-	2,004,955	2,004,955
	-	-	-	2,109,187	2,109,187
	984,281,203	3,214,406,164	901,011,645	2,861,370,584	7,961,069,596

(Amounts in euros except when expressly indicated otherwise)

Asset class	2020				Total
	Country of origin			Total	
	Portugal	Rest of European Union	North America		
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,517,071	9,094,356	-	13,611,427
A- to A+	-	321,982,063	85,437,917	298,091,706	705,511,686
BBB- to BBB+	-	366,593,497	327,753,180	499,674,341	1,194,021,018
BB- to BB+	10,939,380	100,457,081	247,849,882	119,578,264	478,824,607
B- to B+	-	-	24,709,867	9,195,298	33,905,165
CCC- to CCC+	-	-	-	9,634,602	9,634,602
Not rated	29,604,935	-	-	322,232,819	351,837,754
	<u>40,544,315</u>	<u>793,549,712</u>	<u>694,845,202</u>	<u>1,258,407,030</u>	<u>2,787,346,259</u>
Governments and other local authorities					
AAA	-	557,133	-	-	557,133
AA- to AA+	-	1,053,772	-	-	1,053,772
A- to A+	-	59,990,969	-	4,645,895	64,636,864
BBB- to BBB+	1,277,847,470	1,585,185,190	3,128,593	42,740,566	2,908,901,819
BB- to BB+	63,500,611	-	-	-	63,500,611
CCC- to CCC+	-	-	-	1,237,656	1,237,656
	<u>1,341,348,081</u>	<u>1,646,787,064</u>	<u>3,128,593</u>	<u>48,624,117</u>	<u>3,039,887,855</u>
Financial institutions					
AAA	-	-	-	5,053,831	5,053,831
AA- to AA+	17,391,088	5,156,987	38,433,845	731,467	61,713,387
A- to A+	-	100,284,919	137,015,842	931,014,681	1,168,315,442
BBB- to BBB+	1,528,706	169,065,011	170,589,368	499,966,567	841,149,652
BB- to BB+	82,369,730	29,338,638	6,793,988	9,283,026	127,785,382
B- to B+	27,953,039	-	-	-	27,953,039
Not rated	-	127,897,934	-	128,654,601	256,552,535
	<u>129,242,563</u>	<u>431,743,489</u>	<u>352,833,043</u>	<u>1,574,704,173</u>	<u>2,488,523,268</u>
Other issuers					
AAA	-	-	-	114,378	114,378
	-	-	-	114,378	114,378
	<u>1,511,134,959</u>	<u>2,872,080,265</u>	<u>1,050,806,838</u>	<u>2,881,849,698</u>	<u>8,315,871,760</u>

Asset class	2021		
	Country of origin		
	Portugal	Rest of European Union	Total
Financial assets at amortised cost			
Governments and other local authorities			
BBB- to BBB+	341,039,300	481,225,988	822,265,288
	<u>341,039,300</u>	<u>481,225,988</u>	<u>822,265,288</u>
	<u>341,039,300</u>	<u>481,225,988</u>	<u>822,265,288</u>

Asset class	2020		
	Country of origin		
	Portugal	Rest of European Union	Total
Financial assets at amortised cost			
Governments and other local authorities			
BBB- to BBB+	349,388,925	705,317,800	1,054,706,725
	349,388,925	705,317,800	1,054,706,725
	349,388,925	705,317,800	1,054,706,725

The Company periodically undertakes a collective analysis of the debt recovery risk of premiums pending collection recognised in the balance sheet, in order to identify and quantify impairment losses to be recognised as “Adjustments for premiums pending collection” (Note 39). At 31 December 2021 and 2020, the balance sheet value of premiums from insured persons pending collection was as follows:

	2021						Net balance value
	Less than 30 days overdue	Between 30 and 90 days overdue	Between 90 and 180 days overdue	Between 180 days and 1 year overdue	Between over 1 year overdue	Impairment losses	
Life insurance							
Capitalisation products	3,492,733	79,851	3,281,822	273,411	1,162,012	-	8,289,829
Life risk products	1,638,614	254,024	150,758	(864,482)	1,178,501	(211,119)	2,146,297
Non-life insurance							
Motor	8,513,967	741,374	1,005,608	368,092	180,714	(2,479,818)	8,329,937
Workers' compensation	3,987,250	2,169,947	2,187,256	370,120	725,520	(3,974,220)	5,465,873
Domestic animals assistance	4,715	107	82	84	177	-	5,165
Health	3,804,348	7,215,042	927,255	731,233	1,021,833	(1,519,689)	12,180,024
Fire and other damage	11,069,038	760,440	1,079,473	1,052,061	4,320,039	(1,101,998)	17,179,052
Transport	1,123,577	92,447	105,794	33,288	286,803	(156,724)	1,485,186
Third-party liability	2,788,485	1,242,435	496,124	(1,124,601)	3,944,200	(634,755)	6,711,887
Other (includes person accidents)	2,362,952	(73,718)	77,114	1,613,765	4,735,001	(1,076,530)	7,638,584
	38,785,680	12,481,950	9,311,287	2,452,971	17,554,801	(11,154,855)	69,431,834
2020							
	Up to 30 days overdue	Between 30 and 90 days overdue	Between 90 and 180 days overdue	Between 180 days and 1 year overdue	Between over 1 year overdue	Impairment losses	Net balance value
Life insurance							
Capitalisation products	7,948,284	33,754	(8,169)	3,935	46,261	-	8,024,065
Life risk products	2,900,176	(10,152)	(87,065)	(58,101)	(50,102)	(266,642)	2,428,114
Non-life insurance							
Motor	9,491,761	1,718,700	157,091	301,326	813,142	(4,298,516)	8,183,504
Workers' compensation	7,781,130	2,667,266	757,968	627,834	780,162	(5,345,745)	7,268,615
Domestic animals assistance	2,250	157	372	(34)	90	-	2,835
Health	16,406,967	265,519	241,523	(2,222)	64,981	(2,933,518)	14,043,250
Fire and other damage	16,111,434	11,539,838	1,207,127	3,398,820	(124,751)	(1,669,073)	30,463,395
Transport	1,321,401	(105,028)	-	96,180	413,497	(112,385)	1,613,665
Third-party liability	5,154,406	157,251	484,579	206,555	593,350	(521,590)	6,074,551
Other (includes person accidents)	9,044,430	123,053	(98,159)	407,191	(954,276)	(1,136,593)	7,385,646
	76,162,239	16,390,358	2,655,267	4,981,484	1,582,354	(16,284,062)	85,487,640

The calculation of the estimated cash flows of the financial instruments is based on the principles and assumptions Fidelidade uses as part of its activity to manage and control liquidity, with the adjustments needed to comply with the applicable disclosure requirements. The main assumptions used to calculate the cash-flow estimates were:

- Cash and sight deposits were classified as payable on demand and included in the “up to 1 month” category;
- The amounts included in “Other debtors” and “Other creditors” are payable on demand, and classified with maturity of “Up to 1 month”;
- Equity instruments were classified as being of “Indefinite” maturity;
- In debt instruments the contractual maturity was considered to be the earlier of the following dates: call, put or maturity;
- The amounts recognised in “Deposits received from reinsurers” correspond to provisions retained from reinsurers, as part of the reinsurance treaty in force, and are renewable for annual periods. The cash-flow estimates were calculated on the basis of the next due date;
- “Hedge Derivatives” were classified as “Indefinite”, since they are foreign exchange futures and forwards contracts;
- To calculate the projected cash flows of “Financial liabilities at fair value through profit or loss” the contracts’ maturity dates were considered;
- The following assumptions were considered when calculating the estimated cash flows of the mathematical provision for life insurance and financial liabilities of the deposit component of insurance contracts and investment contracts:
 - Mortality was determined according to the history of the last five years;
 - The estimate of future outflows for redemption of capitalisation contracts was based on a generalised linear model with four factors: type of product, the initial contract duration and the difference between the market interest rate, the source company and the technical rate;
 - Expected yields were determined based on the rates of the interest rate curve, the duration of the liability and plus / minus unrealised gains;
 - The expected costs were estimated based on the values recorded in the year.

Market risk

Interest rate risk

At 31 December 2021 and 2020, the breakdown of financial instruments by type of exposure to interest rate risk was as follows:

	2021			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	521,528,995	373,525	521,902,520
Investments in subsidiaries, associates and joint ventures	-	-	2,733,001,790	2,733,001,790
Financial assets at fair value through profit or loss	718,042,870	269,541,678	2,550,024,646	3,537,609,194
Financial assets at fair value through other comprehensive income	7,508,122,221	498,691,372	-	8,006,813,593
Financial assets at amortised cost	848,721,788	-	90,939,309	939,661,097
Other debtors	-	-	188,242,333	188,242,333
	<u>9,074,886,879</u>	<u>1,289,762,045</u>	<u>5,562,581,603</u>	<u>15,927,230,527</u>
Liabilities				
Mathematical provision for life insurance	-	1,563,822,728	-	1,563,822,728
Financial liabilities at fair value through profit or loss	69,373,031	-	243,265,540	312,638,571
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	6,256,681,998	1,760,269,964	-	8,016,951,962
Deposits received from reinsurers	-	130,146,691	-	130,146,691
Other financial liabilities	-	26,756,211	-	26,756,211
Other creditors	-	-	191,472,956	191,472,956
	<u>6,326,055,029</u>	<u>3,480,995,594</u>	<u>434,738,496</u>	<u>10,241,789,118</u>
2020				
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	254,271,756	717,991	254,989,747
Investments in subsidiaries, associates and joint ventures	-	-	2,859,578,864	2,859,578,864
Financial assets at fair value through profit or loss	537,875,552	147,288,773	1,996,196,380	2,681,360,705
Financial assets at fair value through other comprehensive income	7,741,623,117	638,513,467	-	8,380,136,584
Financial assets at amortised cost	1,216,174,652	-	49,374,783	1,265,549,435
Other debtors	-	-	167,584,635	167,584,635
	<u>9,495,673,321</u>	<u>1,040,073,996</u>	<u>5,073,452,653</u>	<u>15,609,199,970</u>
Liabilities				
Mathematical provision for life insurance	-	1,751,056,927	-	1,751,056,927
Financial liabilities at fair value through profit or loss	35,429,371	(266,437)	9,776,399	44,939,333
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	7,753,094,670	523,530,129	-	8,276,624,799
Deposits received from reinsurers	-	108,430,121	-	108,430,121
Other financial liabilities	-	63,979,842	-	63,979,842
Other creditors	-	-	180,887,898	180,887,898
	<u>7,788,524,041</u>	<u>2,446,730,582</u>	<u>190,664,297</u>	<u>10,425,918,920</u>

At 31 December 2021 and 2020, the sensitivity of the fair value of the Company's financial instruments with exposure to interest rate risk to positive and negative changes of 50, 100 and 200 basis points (bps), respectively, was:

	2021					
	Change	Change	Change	Change	Change	Change
	+200 bps	+100 bps	+50 bps	-50 bps	-100 bps	-200 bps
Assets						
Financial assets at fair value through profit or loss	(23,222,803)	(11,974,590)	(6,082,559)	6,282,842	12,776,452	26,442,023
Financial assets at fair value through other comprehensive income	(595,139,772)	(314,193,270)	(162,223,076)	175,546,269	368,943,939	839,837,385
Financial assets at amortised cost	(91,430,834)	(46,747,191)	(23,640,172)	24,191,551	48,953,528	100,269,319
	<u>(709,793,409)</u>	<u>(372,915,050)</u>	<u>(191,945,807)</u>	<u>206,020,662</u>	<u>430,673,919</u>	<u>966,548,727</u>
Liabilities						
Other financial liabilities	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	(2,876,391)
	<u>2,641,215</u>	<u>1,348,381</u>	<u>681,328</u>	<u>(696,009)</u>	<u>(1,407,118)</u>	<u>(2,876,391)</u>
	2020					
	Change	Change	Change	Change	Change	Change
	+200 bps	+100 bps	+50 bps	-50 bps	-100 bps	-200 bps
Assets						
Financial assets at fair value through profit or loss	(23,147,523)	(11,936,062)	(6,063,068)	6,262,898	12,736,141	26,354,046
Financial assets at fair value through other comprehensive income	(581,599,807)	(307,223,851)	(158,686,601)	171,902,228	361,544,065	824,572,562
Financial assets at amortised cost	(90,730,563)	(46,379,118)	(23,451,391)	23,992,722	48,545,226	99,407,543
	<u>(695,477,893)</u>	<u>(365,539,032)</u>	<u>(188,201,061)</u>	<u>202,157,849</u>	<u>422,825,431</u>	<u>950,334,151</u>
Liabilities						
Other financial liabilities	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	2,567,796
	<u>2,641,215</u>	<u>1,348,381</u>	<u>681,328</u>	<u>(696,009)</u>	<u>(1,407,118)</u>	<u>2,567,796</u>

The sensitivity of the fair value of the financial assets and technical liabilities was calculated by considering the future cash flows discounted at the respective YTM, with positive and negative changes of 50, 100 and 200 bps, in the respective yields.

Currency risk

At 31 December 2021 and 2020, the breakdown of financial instruments by currency was as follows:

	2021				Total
	Euros	US dollars	HK dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	355,331,225	157,680,591	16,885	8,873,820	521,902,520
Investments in subsidiaries, associates and joint ventures	2,437,803,028	19,143,718	-	276,055,044	2,733,001,790
Financial assets at fair value through profit or loss	2,862,491,089	366,545,095	270,014,600	38,558,411	3,537,609,194
Financial assets at fair value through other comprehensive income	5,480,539,332	1,521,200,832	-	1,005,073,429	8,006,813,593
Financial assets at amortised cost	899,335,514	32,528,097	-	7,797,486	939,661,097
Other debtors	186,720,033	340,646	-	1,181,655	188,242,333
	12,222,220,220	2,097,438,978	270,031,485	1,337,539,845	15,927,230,528
Liabilities					
Mathematical provision for life insurance	1,563,822,728	-	-	-	1,563,822,728
Financial liabilities at fair value through profit or loss	(734,216,564)	96,979,252	-	949,875,883	312,638,571
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	8,016,951,962	-	-	-	8,016,951,962
Deposits received from reinsurers	130,146,691	-	-	-	130,146,691
Other financial liabilities	26,250,704	-	-	505,508	26,756,211
Other creditors	188,627,088	1,772,649	-	1,073,218	191,472,956
	9,191,582,609	98,751,901	-	951,454,608	10,241,789,118

	2020				Total
	Euros	US dollars	HK dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	200,658,390	36,128,334	7,700	18,195,323	254,989,747
Investments in subsidiaries, associates and joint ventures	2,632,327,892	19,143,718	-	208,107,254	2,859,578,864
Financial assets at fair value through profit or loss	1,939,869,245	367,746,095	351,737,370	22,007,995	2,681,360,705
Hedge derivatives	-	-	-	-	-
Financial assets at fair value through other comprehensive income	6,040,455,911	1,406,782,732	-	932,897,941	8,380,136,584
Financial assets at amortised cost	1,260,312,275	543,876	-	4,693,284	1,265,549,435
Other debtors	163,053,577	3,475,800	-	1,055,257	167,584,635
	12,236,677,289	1,833,820,555	351,745,069	1,186,957,055	15,609,199,968
Liabilities					
Mathematical provision for life insurance	1,436,020,553	-	-	315,036,375	1,751,056,928
Financial liabilities at fair value through profit or loss	(899,260,010)	5,393,876	-	938,805,468	44,939,333
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	8,276,624,799	-	-	-	8,276,624,799
Deposits received from reinsurers	108,430,121	-	-	-	108,430,121
Other financial liabilities	63,979,842	-	-	-	63,979,842
Other creditors	178,167,128	979,808	-	1,740,962	180,887,898
	9,163,962,433	6,373,684	-	1,255,582,805	10,425,918,922

As described in Note 6, the Company carries out operations with derivatives within the scope of its activity, essentially with the aim of reducing its exposure to fluctuations in the exchange rate risk for EUR/USD, EUR/GBP, EUR/JPY, EUR/USD. Thus, the impact of the sensitivity of the fair value of the Company's financial instruments with exposure to exchange rate risk to positive and negative variations is reduced.

The headings “Other debtors” and “Other creditors” are broken down differently between Assets and Liabilities, when compared with the Financial Statements due to the fact that the allocation by currency leads to a different breakdown of balances.

45. Disclosures Relating to Insurance Contract Risks

Below is a summary of the acceptance and risk management policies in force.

45.1 Risk underwriting

Risk acceptance and management is structured at two levels, following a model for delegating competence.

Each level has specific methodologies and procedures, in line with its competence, enabling interconnection and harmonisation between the two.

The second level, for commercial networks, includes delegated competence for risk acceptance, duly established by written standards and procedures, essentially based on the following criteria:

- Products with standard clauses;
- Risks or activities with a stable claims history;
- Homogeneous and easily identifiable risk universe;
- Small amounts of capital allowing dilution of higher risk;
- Risks with known and controllable accumulation, regarding cover and/or geographical spread;
- Premiums in line with a product tariff, adjustable by a delegated discount of reduced scope.

The following instruments are available: tariffs, simulators, underwriting manuals, algorithms that identify risks that require careful technical analysis and rules on delegation of competence, product manuals, general conditions and pre-contractual information, insurance proposals, standard declarations, technical questionnaires and rules on circuits and procedures.

The first level is for the Business Divisions – bodies in the structure that are responsible for managing the business areas, from product design to claims management, and including underwriting and portfolio management – which have additional instruments for risk analysis.

The Business Divisions have a multidisciplinary technical staff who are highly specialised in the different insurance lines of business, and are assisted by actuarial specialists. When the characteristics of the risk so justify, they use risk analyses performed by specialist companies.

Risk acceptance is based on strict technical standards, which seek to identify risks with high potential losses (in terms of severity and frequency), apply adjusted contract conditions and define premiums appropriate to the specific risk, in order to obtain sustained growth in the portfolio and a stable technical result. All risks which do not fit within the Reinsurance Treaties are analysed by the Business Divisions, and Facultative Reinsurance may be used when the conditions for accepting the risk are deemed to have been met.

When the risks analysed do not fit within the Reinsurance Charging Manuals or the conditions for acceptance defined by the Company, they are sent to the Reinsurers' Underwriting Departments for proposals for acceptance of the conditions of these risks to be presented.

The Business Divisions also have access to reports and analyses of a technical and actuarial nature which allow them to gain knowledge on the technical evolution of the insurance business and on the evolution of risk behaviour in relation to the cover and main characteristics of the insurable objects.

The Risk Acceptance Policy identifies situations with a particularly high risk and/or a high level of uncertainty. These situations are not delegated to the Technical Divisions, and competence to accept them is reserved for the Underwriting Policy Acceptance and Supervision Committee, which meets whenever it is necessary to assess risks with these characteristics.

45.2. Technical management

The technical management of the Lines of Business includes product design, definition of clauses and prices, definition and control of the underwriting policy, calculation of maximum risks and also monitoring of the technical results, namely supervision of the evolution of processed income, the number of insurance contracts, portfolio distribution by risk segments and guarantees, average premiums, risk characteristics, claims and the technical margin.

In order to monitor the above, periodic reports are produced containing management indicators and information is regularly prepared for the Reinsurance Division, with information on portfolio profiles, with the aim of aiding negotiation of the Reinsurance Treaties.

45.3. Risk control management instruments

Internal risks of the organisation

In order to control and minimise the organisation's internal risk, acceptance rules and procedures and product manuals have been published. These are freely available and employees are well aware of their content, and the process for application them is duly monitored by the competent areas.

Portfolio profile studies

Regular studies are produced on the risk profile of the portfolios, by class of capital/liabilities assumed, type of activity, type of objects insured and coverage.

Studies are also regularly made of the claims rate behaviour of products according to the most important characteristics for defining the risk.

This type of study enables a qualitative and quantitative analysis to be obtained of the portfolio's claims rate (by scales of sums insured, types of objects insured, types of activities, covers), with the aim of gauging the existing delegations and correcting any distortions, and also, correlating the main price determination factors and deciding on changes in products being commercialised or the creation of new ones.

Periodic analyses of portfolio evolution

The portfolio under management is subject to periodic analysis of the behaviour of the policy movements, both in terms of numbers of policies and in terms of new and cancelled policies, variations in premiums/average rates and changes in the distribution of contracts across the various business segments.

These studies also include analysis of claims behaviour, and monitor the respective frequency and rate of claims. This analysis is produced not only in terms of groups of business, but mainly in terms of products being managed.

In specific cases in the motor insurance line of business, extensive and detailed diagnoses are made regarding the portfolio's evolution, with the aim of identifying operational problems in the business, together with their causes, both from a commercial and technical perspective. Proposals are developed as a result of these diagnoses.

Portfolio selection and reorganisation

The aim of this function is to improve the profitability of the portfolio being managed, both by reorganising loss-making risks (high frequency and/or level of claims), and by introducing changes to the conditions of the contract (cover, deductibles, premiums), and also by providing advice to the Client (recommending the implementation of prevention and safety measures which improve the quality of the risk).

This function also includes the assessment of irregularities which are detected in contracts or in claims, which may lead to the implementation of measures which, depending on the seriousness of the irregularity, may lead to cancellation of the insured person's contract or portfolio.

Insurance risk concentrations

By producing regular studies on the risk profile of the portfolios, by class of capital/liabilities assumed, by activities and objects insured, and by cover, indicators are obtained which enable an estimate to be made of the impact of potential changes to the cover, and an analysis of the impact of any changes to the reinsurance treaties and to the Company's retention policy. In some cases, specific studies are conducted to assess these impacts.

These studies are also focused on specific cover, the geographical area, the type of responsibilities assumed or on the type of object insured, enabling the determination and quantification of maximum risk by classes, and also evaluating the impact of catastrophic claims circumstances on the portfolio.

Behaviour of the non-life portfolio – Direct insurance

Direct insurance

	2021			2020		
	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios
Accidents	287,758,197	1.07	1.05	276,303,785	1.02	1.01
Health	389,552,103	0.95	0.94	357,718,266	0.85	0.84
Fire and Other Damage	287,842,870	0.95	0.94	267,040,275	0.80	0.79
Motor	459,218,832	0.98	0.97	462,049,626	0.90	0.90
Marine	6,515,459	0.39	0.37	5,263,510	0.32	0.32
Aviation	11,194,824	0.28	0.27	10,102,649	-0.42	-0.42
Transported Goods	7,807,781	0.63	0.62	7,028,318	0.58	0.58
Third-Party Liability	62,147,268	1.20	1.19	52,663,571	1.04	1.03
Other Lines of Business (Credit and Suretyship + Miscellaneous)	87,576,814	0.67	0.65	80,162,539	0.57	0.56

Note: Ratios for the years of occurrence 2021 and 2020 for the company Fidelidade.

In the last 12 months, some variations in the post-investment claims/expenses ratio were seen. Only the Aviation group recorded a decrease in the ratio of 162.9%; all other lines of business recorded an increase in their ratios.

An analysis of the above table reveals that in the last 12 months only in the Accidents and Third-Party Liabilities lines of business were premiums not sufficient to meet the liabilities.

Fidelidade Portugal's pre-tax technical results for non-life were positive at 31 December 2021, reaching around EUR 106.1 million.

Premium sufficiency and creation of a provision for unexpired risks

Direct insurance

Fidelidade's direct non-life insurance premiums for Accidents and Third-Party Liability were insufficient to meet the liabilities associated with claims, operating costs and investments. A reduction of 5.3% and 18.6% respectively in the costs would be needed to eliminate the premiums shortfall in these lines of business.

The premiums earned from direct insurance were sufficient to meet the liabilities assumed in all other lines of business.

In the non-life lines of business, in the last 12 months, the operating result from direct insurance was sufficient in overall terms to meet the liabilities associated with their operation.

Net of reinsurance

Since the Provision for Unexpired Risks is calculated separately for each geography, we indicate for each whether we need to establish this provision in 2021.

In Portugal, with the exception of the Marine and Transport and Transported Goods lines of business, the insurance company's premiums net of reinsurance were insufficient, in 2021, to meet the costs associated with the operation of the lines of business.

Pursuant to Circular Letter No. 12/2020, of 23 December of the Insurance and Pension Funds Supervisory Authority, in Portugal the Motor branch suffered an adjustment to the provision for ongoing risks, within the scope of the exceptional situation related to the Coronavirus Pandemic – COVID-19 outbreak.

In Spain, provision for unexpired risks was necessary for all lines of business except Marine and Transport, Aviation and General Third-Party Liability.

In France, provision was only necessary for the Fire and Other Damages and General Third-Party Liability lines of business.

In Mozambique, for the Personal Accident, Motor, Health, Third-Party Liability, Fire and Other Damages and Miscellaneous branches, the insurer's net reinsurance premiums were not sufficient to cover the costs.

A provision for ongoing risks was put in place, in accordance with the regulations in force, which shows a decrease compared to the provision established in the same period of 2020 for all branches with the exception of France and Mozambique.

Provision for unearned premiums

The provision is calculated in line with the rules in force, and tests are carried out in order to determine the adequacy of the level of provisions.

Equalisation provision

The calculation for the equalisation provision is defined in the rules of the ASF which are applied both in terms of the algorithms and regarding the lines of business to be considered. The Group follows the criteria listed there.

Claims provision

The claims provision is calculated as described in the accounting policies. Throughout the year actuaries monitor the levels of the provisions set up, and statistical methods are used which are appropriate to the nature of the risks, namely estimating using stochastic methods of future cash flows associated with the assumed liabilities.

Risk concentration and mitigation

At Fidelidade, the Accidents, Health, Fire and Other Damage and Motor lines of business represent approximately 89.0% of the Gross Premiums Earned and 92.4% of the claims costs.

In order to control the risks assumed, the insurance company has underwriting and acceptance rules to select and control the level of exposure to which the Company is subject.

In non-life, risk mitigation is mostly by means of specific reinsurance programmes for each type of risk, and high demands are placed on the quality of the reinsurers involved.

The following table presents the rating of the main reinsurers, updated at the end of December 2021:

Rating	% Reinsurers	
	2021	2020
A -	16.0%	7.4%
A	32.0%	29.6%
A +	16.0%	22.2%
AA	-	-
AA +	28.0%	33.3%
Not rated	4.0%	3.8%

There is one not rated Reinsurer, with a share of 5% in Personal Accidents, Third-Party Liabilities, Motor and Workers' Compensation lines of business.

There is a specific "Excess of Loss" treaty to guarantee catastrophic risks, with a retention of EUR 63,000,000 and a capacity of EUR 358,000,000.

At Fidelidade 60.43% of the sums insured retained for cover for Seismic Phenomena are located in Zone I, the most serious in terms of seismic risk. The sums insured considered in this analysis are estimates.

Comparison between estimated and actual claims

Fidelidade's claims provision at 31 December 2020 totalled EUR 1.642 billion. During 2021, EUR 302,820,230 were paid for claims which occurred in 2020 and previous years.

In December 2021, natural consumption would lead to a provision of EUR 1,339,506,177. However, there was a positive readjustment of over EUR 52.7 million, and the provision at the end of December 2021 was EUR 1,392,270,934.

There were positive readjustments for Accidents and Health, Marine and Transport, Transported Goods, Third-Party Liabilities and Others. The most significant, in absolute terms, was in Accidents and Health, which totalled around EUR 48.6 million.

Development of Claims Provisions regarding claims occurred in previous years and their readjustments (corrections):

	Claims provisions at 31 December 2020	Claims Paid in the year *	Claims provisions at 31 December 2021 *	Readjustments
Accidents and Health	1,030,258,667	135,344,817	943,487,076	48,573,226
Fire and Other Damage	120,876,897	46,871,888	70,437,555	(3,567,453)
Motor	367,433,746	97,200,254	260,815,969	(9,417,523)
Marine and Transport	1,948,373	700,626	1,445,812	198,065
Aviation	816,100	476,489	1,043,459	703,848
Transported Goods	3,169,744	599,789	3,954,857	1,384,902
Third-Party Liability	106,391,122	8,365,965	104,450,607	6,425,449
Credit and Suretyship	304,045	(6,103)	258,981	(51,167)
Legal Protection	21,782	225	1,995	(19,562)
Assistance	178,398	(5,599)	11,889	(172,108)
Other	10,927,534	13,271,879	6,362,734	8,707,079
Total	1,642,326,408	302,820,230	1,392,270,934	52,764,756

* Claims occurred in the year N-1 and previous years

Insurance Risks

The Group underwrites contracts in all the non-life lines of business, the most significant risks of which are:

- Changes in the longevity of pensioners in the Workers' Compensation line of business and in income rates associated with assets allocated to the respective mathematical provisions;
- Climate change and natural disasters;
- Inflation risk, in the lines of business in which claims take longer to be fully settled;
- In health insurance, the most significant risks are the result of changes in lifestyle and scientific and technological developments.

Exposure to risks is mitigated by the diversification obtained due to the size of the group's portfolio of policies and the extent of the risks underwritten in all non-life lines of business. Variability of the risks is improved by the selection of risks to be underwritten and the implementation of underwriting strategies and policies which are defined so as to ensure that the risks are diversified in terms of the type of risk and the level of guarantees taken out.

Furthermore, policies are defined for claims revision and claims management procedures. These policies are regularly checked to ensure they reflect the practices in course and form the basis of the control carried out. Claims under management are regularly reviewed, and any giving rise to suspicions of fraud are investigated. The group carries out active and timely management of claims, in order to reduce its exposure to unforeseen developments which may have a negative impact on its liabilities.

In relation to whole life provisions in the Workers' Compensation line of business, the mortality table applied is regularly assessed, in order to reflect the real longevity of the beneficiaries of these covers.

The Group also limits its exposure to risk by both imposing maximum amounts of indemnifiable damage in most contracts and using reinsurance programmes which limit its exposure in particular to catastrophic events.

The assessment of exposure to seismic risk is studied by the insurer's reinsurers, and their conclusions are considered when the reinsurance treaties are acquired and renewed.

Risk Assessment Assumptions

Non-life lines of business, except annuities

The main assumption for estimating the group's liabilities is that future development of claims and indemnities will follow a similar pattern to known past experience for those variables. These assumptions include probabilities relating to the average cost of claims, claims management costs, inflation and the number of claims per year.

Qualitative judgements are also used to assess the adequacy of the past trends and whether they can be applied in the future or not, for example:

- Changes in market conditions, such as clients' attitudes regarding reporting claims;
- Economic conditions;
- Internal factors, such as the composition of the portfolios of policies, policy guarantees, and procedures, and greater or lesser speed in managing claims;

- External factors, namely changes to legislation or rules and court decisions and relevant regulations or legislation that may affect the cost estimate.

Annuitants and whole life assistance in the Workers' Compensation line of business

For whole life liabilities in the Workers' Compensation line of business, assumptions are adopted regarding the longevity of the beneficiaries of these provisions, discount rates and the costs of their management.

The table below shows the impact on the insurer's liabilities of changes which are reasonably possible in the assumptions indicated. All the others remain constant.

Assumption	Factor	Increase in Liability
Longevity	+20%	6.00%
Expense	+10%	0.69%
Revision	4%	2.32%
Interest Rate	-1%	12.77%

Sensitivity analysis

The sensitivity analyses were performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on liabilities, profit before tax and equity. The reinsurance impacts on the sensitivity analysis corresponds to the proportional effect of the current reinsurance protection.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

Assumptions	Change in assumption	2021			2020		
		Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
Number of claims	+10%	54,770,770	(54,770,770)	(37,517,977)	48,871,470	(48,871,470)	(33,476,957)
Average cost per claim	+10%	49,110,003	(49,110,003)	(33,640,352)	44,279,997	(44,279,997)	(30,331,798)
Average claim reserve	+10%	20,178,581	(20,178,581)	(13,822,328)	18,320,129	(18,320,129)	(12,549,288)
Longevity	+10%	23,218,592	(23,218,592)	(15,904,735)	672,269	(672,269)	(460,504)
Longevity	-10%	(23,915,918)	23,915,918	16,382,404	(1,114,874)	1,114,874	763,689
Discount rate	+1%	(99,393,798)	99,393,798	68,084,751	(5,034,250)	5,034,250	3,448,461
Discount rate	-1%	217,125,619	(217,125,619)	(148,731,049)	6,012,260	(6,012,260)	(4,118,398)

45.4. Reinsurance Policies

The decisive factors for limiting or transferring the risk insured are the nature of the business and the amounts of the risks to be insured, and a distinction is made mainly between those which are considered mass lines of business (Motor, Workers' Compensation, Personal Accidents and Multi-risks Home Insurance) and those which are dealt with more on a case-by-case basis, such as the remaining lines of business of Property, Engineering and Machinery, Marine, Transported Goods, Third Party Liability and Other risks.

Compliance with the Underwriting Rules is intrinsically associated with the contracts available and in force in Reinsurance, and these are decisive for the acceptance or refusal of certain risks and its pricing.

Risks involving significant amounts insured or serious situations are subject to prior analysis and their acceptance is strictly interdependent with and supported by Reinsurance.

The Company has based its Reinsurance Policy on the existence of Proportional and Non-Proportional Reinsurance Treaties, as well as Facultative Reinsurance and other types of reinsurance which prove necessary to obtain adequate Reinsurance protection for the risks accepted.

In Fire and Other Damage, Engineering and Aviation, the Company works with Proportional Treaties.

The Reinsurance cover in the main property lines of business, and the respective retention, takes into consideration the portfolio structure's ratio of sums insured and the respective volume of premiums for each line of business and also considers the statistical monitoring of the profitability of that portfolio, the Retention/Premiums ratio at the end of one year or one cycle and the Company's financial capacity, in terms of whether it is sufficient to absorb frequent claims.

Accumulations resulting from "Cover for Seismic Phenomena and Natural Risks", which are catastrophic in Retentions, are reinsured by Excess of Loss, and the Retention is determined by the Company's financial capacity.

When determining the Retention by event, the low frequency of catastrophes in Portugal is taken into account, and the retention reflects what is technically foreseeable from the point of view of the impact of a catastrophe on the Company's capital and its absorption over a defined period, working with a conservative scenario with a period of return of 500 years, which is significant in markets exposed to catastrophes.

Accumulations resulting from natural disasters that do not relate to seismic phenomena are protected by an Excess of Loss Treaty, and the Retention and Capacity are defined on the basis of the history of events that have occurred in the last 15 years and the Company's financial capacity.

Motor, Workers' Compensation, Personal Accidents, Marine Hull, Transported Goods and Third-Party Liability are covered by Excess of Loss treaties, which proves more appropriate to the nature of the risks and the portfolio and the Company's financial capacity. To establish the priority, the statistical behaviour of the claims rate and quotes for different levels of this are taken into consideration.

The criteria for selecting reinsurers take into account their reliability and financial solvency and their capacity to provide services. The selection process requires their constant observation and monitoring.

The information obtained in the International Market from Rating Agencies is a fundamental benchmark regarding the sound financial health of the Reinsurers.

The rating by the S&P Rating Agency or equivalent (A.M. Best, Fitch or Moody's) is therefore a factor in the selection of Reinsurers. The minimum rating required for a reinsurer to be part of our Panel of Reinsurers is "A-".

45.5. Life insurance

In the Life Insurance Line of Business there are three major groups of insurance contracts, covered by IFRS 4, in relation to which the nature of risks covered is characterised as follows:

Risk products

With regard to these products, the greatest risk factor is mortality, and there are a large number of contracts which also have an associated disability risk, with a significant part of these being transferred to reinsurers.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Changes in Mathematical Provision} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Annuity products

The greatest risk factor for these products is longevity.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Changes in Mathematical Provision} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Capitalisation products

The greatest risk factor for these products is interest rate risk.

Only the contracts with profit sharing are covered by IFRS 4, so the income awarded to the insured persons has a fixed component and a variable component which depends on the profitability of a given portfolio of assets partially dependent on the Group's discretion.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Percentage of Income} - \text{Technical Income} - \text{Management Costs} - \text{Potential Negative Balance from the previous year}) \times \text{Profit-sharing coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and the profit-sharing coefficient, the percentage of income and the management costs, given that the plans for awarding it only define minimum amounts for these figures.

(Amounts in euros except when expressly indicated otherwise)

Expected cash inflows and outflows for the next three years are presented for each of these groups of products (PS – Profit sharing).

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2022	152,612,643	117,647,150	0	15,182,684	15,732,919	225,332,941
2023	129,068,013	98,823,882	0	14,092,933	14,100,285	206,328,202
2024	119,028,669	90,626,820	0	13,131,296	12,591,600	223,338,689

The following tables provide information on the changes of these cash inflows and outflows, considering a 5% increase in expected redemptions.

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2022	149,028,618	115,000,432	0	15,182,684	13,052,639	237,338,977
2023	119,034,676	92,072,692	0	14,092,933	11,068,414	232,117,947
2024	103,799,684	80,577,081	0	13,131,296	9,377,567	170,410,882

Sensitivity analysis

The sensitivity analyses were performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

Assumptions	Change in assumption	2021			2020		
		Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
Mortality	+10%	(5,625,517)	5,625,517	3,853,479	(5,716,411)	5,716,411	3,915,742
Mortality	-10%	6,362,429	(6,362,429)	(4,358,264)	6,459,400	(6,459,400)	(4,424,689)
Expected rate of return	+0.5%	(10,868,333)	10,868,333	7,444,808	(15,007,478)	15,007,478	10,280,122
Expected rate of return	-0.5%	16,274,772	(16,274,772)	(11,148,219)	20,147,608	(20,147,608)	(13,801,111)
Claimed occurred but not reported	+10%	2,594,417	(2,594,417)	(1,777,176)	2,005,716	(2,005,716)	(1,373,915)

46. Capital Management

The new solvency regime (Solvency II), approved by Directive 2009/138/EC of the European Parliament and of the Council, of 25 November, and transposed into Portuguese Law by Law 147/2015, of 9 September, came into force on 1 January 2016.

The Solvency II rules are divided into three pillars.

Pillar I - Quantitative requirements

The Solvency II rules define criteria for determining own funds eligible for the purposes of capital requirements by undertaking an economic assessment of the assets and liabilities. They also define two levels of capital requirements: the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

The SCR is calculated taking into account all the risks that an Insurance Company may be exposed to, namely market risks, credit risks, specific insurance risks and operational risks. The SCR aims to guarantee the existence of eligible funds in an amount which is sufficient to absorb significant losses resulting from risks to which an Insurance Company may be exposed.

The MCR establishes the maximum warning level, corresponding to the amount of own funds that must be kept, so as not to jeopardise the Insurer's compliance with its liabilities.

If it is detected that the SCR or the MCR are no longer being complied with or if there is a risk of non-compliance in the following three months, even circumstantial or temporary non-compliance, it shall immediately inform the ASF. In the event of failure to comply with the SCR, it shall send this Authority a recovery plan within two months and take the measures necessary to ensure that, within six months, a level of own funds eligible to cover the SCR has been restored or the company's risk profile has been reduced.

In the event of failure to comply with the MCR or where a risk of non-compliance is detected, it shall send to the ASF, within one month, a short-term financing plan, with a view to avoiding non-compliance or restoring the eligible own funds, at least to the level of the MCR, or with a view to reducing the company's risk profile.

Pillar II - Qualitative requirements and supervision

This pillar defines qualitative requirements related with the existence and maintenance of effective systems of governance, risk management and internal control, including systems to ensure the suitability and qualification of those persons who effectively run the Company, supervise it and are responsible for key functions (risk management, internal audit and compliance and actuarial functions).

One of the main requirements of this pillar is the own risk and solvency assessment (ORSA), which must be performed at least once a year. Through this exercise, the company must conduct a prospective assessment of the adequacy of the capital available to achieve its business objectives, taking into account its risk profile, and also the adequacy of the regulatory capital, and conduct a solvency analysis considering stress scenarios. The resulting report must be sent to the ASF.

Pillar III - Prudential reporting and public disclosures

Pillar III sets out the obligations for disclosing public information and information to the Supervisor.

Within this context, Fidelidade's capital management objectives meet the following general principles:

- Comply with the legal requirements to which Fidelidade is bound;
- Generate adequate profitability, creating value for the shareholder and providing it with remuneration on the capitals applied;
- Sustain the development of the operations that Fidelidade is legally authorised to perform, maintaining a solid capital structure capable of responding to growth in the business and to the risks arising from it.

To achieve the objectives described, Fidelidade has defined a set of policies and processes.

On one hand, it has implemented a risk management system which is an integral part of the Company's daily activities, with an integrated approach being applied to ensure that the strategic objectives (clients' interests, financial solidity and efficiency of processes) are being maintained. This integrated approach also ensures value creation by identifying an appropriate balance between risk and return, at the same time guaranteeing the Company's obligations to its stakeholders.

Risk management aids the Company in identifying, assessing, managing and monitoring risks, enabling appropriate and immediate actions to be adopted in the event of material changes in its risk profile.

In establishing its risk profile, the Company identifies the different risks to which it is exposed and then assesses those risks. Risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks not included in that formula, the Company has opted to use a qualitative analysis in order to classify the foreseeable impact on capital needs.

On the other hand, the ORSA enables risk, capital and return to be related, in a prospective vision, in the context of the Company's business strategy.

The ORSA, which coincides timewise with the Company's strategic planning (which is never less than 3 years), plays a key role in the Company's Capital Management, and supports its main activities, namely:

- Assess, together with risk management, the risk appetite structure in relation to the business and capital management strategy;
- Contribute to the commencement of the strategic planning process, by performance of a capital adequacy assessment in the most recent period;
- Monitoring capital adequacy in line with the regulatory capital requirements and internal capital needs.

Taking into account the results obtained in the ORSA, and if the capital requirements differ from those defined, both in terms of the regulations and other limits defined internally, corrective actions to be implemented are prepared, in order to restore the capital level to the adequate or intended level.

Lastly, the obligations regarding public information, in particular, the obligation to disclose an annual "Solvency and Financial Condition Report", enable detailed information to be provided on the Company's activities and performance, governance system, risk profile, solvency assessment and capital management.

Given the time lag between the disclosure of these financial statements and the prudential information contained in the "Solvency and Financial Condition Report", it is important to state that the Company complies comfortably with the capital requirements, considering the preliminary data reported to the ASF on a quarterly basis and the information available on this date.

To ensure compliance with the policies and processes, the Company has implemented an appropriate system of governance involving, among others, an organisational structure which involves several bodies that perform key risk management and internal control functions: Risk Management Division, Compliance Division, Audit Division, Risk Committee, the Underwriting Policy Acceptance and Supervision Committee, the Life and Non-Life Products Committees and the Assets and Liabilities Management Committee.

47. Subsequent Events

As part of its internationalisation strategy and its commitment to strengthening its ability to innovate in savings products, Fidelidade acquired 70% of Insurtech Prosperity Group AG, an innovative company with experience in the Life and Financial lines of business, with more than 98% of its customers located in Switzerland and Germany.

With this operation, Fidelidade ensures the management control of Insurtech Prosperity Group AG, and has maintained the current executive management team, a clear sign of the project's continuity and confidence in the Company's future.

C2 Report and Opinions on the Separate Accounts

Legal Certification of Consolidated Accounts

Report and Opinion of the Supervisory Board

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails..

*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Fidelidade – Companhia de Seguros, S.A. (the Company), which comprise the Separate Statement of Financial Position as at 31 December 2021 (which establishes a total of 16,694,315,808 euros and total equity of 2,812,082,290 euros, including a net profit for the year of 212,282,911 euros), the Separate Income Statement, the Separate Statement of Comprehensive Income, the Separate Statement of Changes in Equity and the Separate Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the separate financial position of Fidelidade – Companhia de Seguros, S.A. as at 31 December 2021, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by the Supervisory Authority for insurance and pension funds in Portugal (“Autoridade de Supervisão de Seguros e Fundos de Pensões”).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section below. We are independent of the Company in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors’ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Measurement of technical provisions for life insurance and of financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Notes 19 and 20 of separate financial statements, as at 31 December 2021, the technical provisions for life insurance and the financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as	Our approach to the risk of material misstatements in the measurement of technical provisions for life insurance and financial liabilities included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following: <ul style="list-style-type: none"> ► Understanding of the Company’s internal control procedures and execution of specific audit procedures to assess the

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>investment contracts amounted to 2,020 and 8,017 million euros (m€), respectively, representing approximately 72% of the total liabilities.</p> <p>This matter was considered to be as a key audit matter based on materiality to the separate financial statements and the fact that it represents a significant estimate of management. To determine it, management needs to establish assumptions about future events, including the timing and total value of liabilities to policyholders and the income of the assets portfolio underlying these obligations.</p> <p>As described in Note 2.15, the liabilities for insurance contracts are determined based on actuarial assumptions, historical data and other methods accepted in the sector, and the actual amounts to be disbursed in the future may be significantly different from the estimates made.</p>	<p>operational effectiveness of the controls identified as significant in the measurement of technical provisions for life insurance and financial liabilities;</p> <ul style="list-style-type: none"> ▶ Analytical review procedures, recalculation and analysis of the methodologies for the projection of future cash flows, including the underlying financial and demographic assumptions (when applicable), with special attention to the obligations for products with guaranteed rates; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Company's actuaries for the measurement of liabilities arising from life insurance and investment contracts, including an analysis of their consistency with those used in the previous year and using as reference the specific terms of the products, regulatory requirements and practices in the insurance sector; and ▶ Review the completeness and consistency of the disclosures in the separate financial statements of the Technical Provisions for Life Insurance and Financial Liabilities with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

2. Measurement of claims provisions (non-life)

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As described in Note 19 to the separate financial statements as at 31 December 2021, the claims provisions arising from non-life insurance contracts amounted to 1,808 m€ (13% of total liabilities). These provisions are determined using actuarial assumptions and methodologies and are based on the history of the Company's loss ratio by business and they present the estimated value of damages to pay for claims already incurred, including claims incurred but not reported (IBNR), and administrative costs related to future settlement.</p> <p>These provisions include estimates for long-term claims provisions of workers' compensation, requiring assumptions based on judgments, in particular the discount rate, mortality tables and expenses to be incurred (see details in subparagraph d) in Note 2.15).</p>	<p>Our approach to the risk of material misstatements in the measurement of claims provisions (non-life) included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Company and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the measurement of claims provisions (non-life); ▶ Analytical review procedures on the separate financial statements line items relating to claims provisions (non-life) to understand the annual changes and of the main factors contributing to the most significant variations; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the actuaries of the Company for the measurement of the claims liabilities (non-life), including analysis of consistency with those used in the previous years and with the default payment history by segment, having as reference the specifics of the Company's products regulatory requirements and practices in the insurance sector;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>In view of the materiality of these liabilities to the separate financial statements and since it is a significant estimate based on assumptions and actuarial techniques applied to information currently available, the actual amounts payable in the future may be different from recorded amounts, we considered the claims provisions (non-life) to be a key audit matter.</p>	<ul style="list-style-type: none"> ▶ Recalculation of claims provisions with the support of our actuarial specialists for the segments representing the most significant share of the liabilities of the Company (Auto and Workers' compensation), on the basis of actuarial methods recognised in the insurance sector, to assess their adequacy. Additionally, for Workers' compensation segment, we examined the financial and demographic assumptions used in the estimation of the long-term obligations; ▶ Review the completeness and consistency of disclosures in the separate financial statements for Claims Provisions (non-life) with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

3. Valuation of financial instruments at fair value

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As detailed in Note 44, the assets and liabilities include financial instruments valued at fair value amounting to 11,543 m€ and 2,073 m€, respectively, which represent about 69% of the total assets and 15% of the total liabilities.</p> <p>The determination of the fair value of the financial instruments was primarily based on quotes in active markets. In the case of instruments with reduced liquidity in these markets, valuation models were used and other information involving judgment, such as information provided by specialised entities, observable and unobservable market assumptions and other estimates.</p> <p>The total value of instruments with reduced liquidity, recognised in the assets and liabilities of the Company, amounting to about 1,366 m€ (8% of the assets) and 127 m€ (1% of the liabilities), respectively, which were classified under the fair value hierarchy defined in the accounting framework as level 3 (Note 44).</p>	<p>Our approach to the risk of material misstatements in the valuation of financial instruments at fair value included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Company and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the valuation of financial instruments at fair value; ▶ Analytical review of the financial statements line items relating to financial instruments and recalculation of fair value financial instruments by comparing the rates used by the Company with those observed in external sources of information; ▶ Analysis of the methodologies and assumptions used by the Company in determining fair value, using as reference the details of its investment policy, regulatory requirements and sector practices; and ▶ Review the completeness and consistency of disclosures of financial instruments at fair value in the separate financial statements with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

4. Impairment in investments in subsidiaries, associates and joint ventures

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The separate financial statements of the Company as at 31 December 2021 include in the statement of financial position as more fully disclosed in Note 4, investments in subsidiaries, associates and joint ventures, net of impairment, of 2,733 m€, representing 16% of the assets.</p> <p>These assets are subject to impairment tests at least annually. This impairment assessment is a process that requires judgment and is based on assumptions regarding economic and financial market conditions of the subsidiaries (such as discount rates, inflation, growth rates/profit margins and prospective financial information, among others).</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the valuation models and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of impairment losses.</p>	<p>Our approach to the risk of material misstatements in the valuation of investments in subsidiaries, associates and joint ventures included a specific response by performing the following procedures:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the existing internal control procedures in the process for determining impairment losses of these investments; ▶ Review of the assumptions used in the valuation models approved by the management, in particular the cash flow projections, the discount rate, the rate of inflation, the growth rate in perpetuity and the sensitivity analysis, supported by internal corporate finance experts; ▶ Review of the consistency of the assumptions used in the construction of the business plan with previous years, comparison with historical data and with external sources. We tested the calculations of the models used; and ▶ Review of the completeness and consistency of disclosures of Investments in Subsidiaries, Associates and Joint Ventures in the financial statements with the respective accounting data and the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

5. Application of IFRS 9 - Financial Instruments, with overlay approach as provided for in IFRS 4 - Insurance Contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The Company applies IFRS 9 with overlay approach, as provided for in IFRS 4, reclassifying between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Company had applied IAS 39 to the designated financial assets. On 31 December 2021, the amount of financial assets eligible for the application of overlay approach amounts to 1,482 m€ (Note 5) and, for them, the Company carried out impairment tests as if IAS 39 were applicable and the impairment losses were recognised on evidence of impairment such as, among others, financial difficulties of the issuer or a significant or prolonged decline in the fair value of financial assets below cost price.</p>	<p>Our approach to the risk of material misstatements in the recognition and measurement of impairment losses of financial assets included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the process of valuation of financial instruments and recognition of impairment losses for the Company; ▶ We have validated the eligibility of financial assets to apply overlay approach and tested the valuation and impairment for a sample of capital instruments, thus ensuring the correct reclassification of amounts between profit or loss and other comprehensive income; ▶ Analytical review tests on the separate financial statements line items related to financial assets and recalculation of impairment losses on a sample basis; and

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the recognition and measurement of impairment losses on financial assets, since they are based on assumptions taking into account impairment indicators observable at a given time and that the use of different assumptions or obtaining additional information may result in different estimates of impairment losses.</p> <p>The details of the accounting policies, methodologies, concepts and assumptions used are disclosed in Note 2.4 of the Annex to the separate financial statements.</p>	<ul style="list-style-type: none"> ▶ Review the completeness and consistency of disclosures in the separate financial statements on recognition of impairment losses on financial assets with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- ▶ the preparation of the financial statements which present a true and fair view of financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by *Autoridade de Supervisão de Seguros e Fundos de Pensões*;
- ▶ the preparation of the Sole Management Report and non-financial statement in accordance with the applicable laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or what safeguards were applied.

Our responsibility includes the verification of the consistency of the Sole Management Report with financial statements, as well as the verification that the non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Sole Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Sole Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Company, we have not identified any material misstatement.

About the non-financial statement

In compliance with Article 451, nr. 6 of the Commercial Companies Code, we inform that the Company has prepared a separate report from the Sole Management Report, which includes the non-financial statement, as provided for in Article 66-B of the Commercial Companies Code, and it was disclosed together with the Sole Management Report.

On additional items set out in article 10^o of Regulation (EU) nr. 537/2014

Pursuant to article 10^o of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Fidelidade – Companhia de Seguros, S.A. for the first time in the shareholders' general meeting held on 15 May 2014 for the year 2014. We were reappointed for a second mandate in the shareholders' general meeting held on 31 March 2015 for the period between 2015 and 2017. On 29 March 2017, we renounced that mandate, between 2015 and 2017, and were appointed at the shareholders' meeting held on 31 March for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 30 June 2020 for the term between 2020 and 2022;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with the ISA we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Company; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and the Council of 16 April 2014 and we have remained independent of the Company in conducting the audit.

Lisbon, 14 March 2022

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

Ricardo Nuno Lopes Pinto - ROC nr. 1579
Registered with the Portuguese Securities Market Commission under license nr. 20161189

FIDELIDADE – COMPANHIA DE SEGUROS, S.A.

REPORT AND OPINION OF THE SUPERVISORY BOARD

2021

In compliance with the applicable legal provisions, articles of association and our instructions we hereby submit the report on our inspection and opinion on the accounting documents produced by the Board of Directors for which the Board is responsible.

We have monitored the company's activity during this accounting period, taking all the necessary steps to comply with the duties by which we are bound, and noted the regularity of its accounting records and compliance with the applicable legal and statutory regulations, having made the checks considered expedient.

We were provided with regular information and clarifications on the operation of the company and its corporate business by the Board of Directors and other governing bodies.

We have examined the Single Management Report and the other separate accounting documents for the year in addition to the Statutory Auditor's Report, with which we are in agreement.

In consideration of the above, the Supervisory Board issues the following

OPINION

- That the Single Management Report and other separate accounting documents for the year, as submitted by the Board of Directors, should be approved;
- That the proposal for the application of income set out in Single Management Report should be approved;

The Supervisory Board wishes to express its gratitude to the Board of Directors and other governing bodies for their excellent collaboration during the course of the year.

Lisbon, 14 March 2022.

SUPERVISORY BOARD,

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

**DECLARATION OF COMPLEMENTARY LIABILITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
FOR 2021**

In compliance with the provisions of Article 420(6) of the Commercial Companies Code, the members of the Supervisory Board hereby declare that, to the best of their knowledge, the separate accounts and other accounting documents for the year have been produced in conformity with the applicable accounting standards and are a true and fair reflection of the company's assets and liabilities, its financial situation and its results.

They also declare that, to the best of their knowledge, the Management Report provides a faithful account of the evolution of the company's business, performance and position, and that this report refers to the risks and uncertainties attached to the activity.

Lisbon, 14 March 2022.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

D Corporate Governance Report

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

Corporate Governance Report

2021

Fidelidade – Companhia de Seguros, S.A.

INTRODUCTION

Fidelidade – Companhia de Seguros, S.A., (hereinafter “Company” or “Fidelidade”) produces its Corporate Governance Report in a clear and transparent manner, applying the rules in force and observing best practice and recommendations, to make public its principles and regulatory standards within the scope of Corporate Governance.

This Corporate Governance Report relates to 2021 and was drawn up in compliance with that set out in Article 70(2) b) of the Portuguese Code of Commercial Companies and in Article 32(1) a) iv) of Regulatory Standard no. 8/2016 – R, of 16 August.

INFORMATION ON THE SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital Structure

1. CAPITAL STRUCTURE

Fidelidade’s share capital, of 509,263,524.00 euros, is represented by 161,670,960 nominative shares, with the nominal value of 3.15 euros each, which are fully subscribed and paid up. All the shares grant identical rights and are mutually fungible.

In line with its Articles of Association, besides the ordinary shares, Fidelidade may issue preferential shares without a vote, up to 20% of the share capital. Fidelidade has only issued ordinary shares.

The shareholder structure of the company is as follows:

Shareholder	% of Capital	No of shares
Longrun Portugal, SGPS, S.A.	84.9892%	137,402,839
Caixa Geral de Depósitos, S.A.	15.0000%	24,250,644
Employees	0.0026%	4,177
Own Shares	0.0082%	13,300
TOTAL:	100%	161,670,960

2. RESTRICTIONS ON THE TRANSFER OF SHARES

There are no restrictions on the transfer of shares.

3. NUMBER OF OWN SHARES, PERCENTAGE OF CORRESPONDING SHARE CAPITAL AND PERCENTAGE OF CORRESPONDING VOTING RIGHTS

At 31 December 2021, Fidelidade held 13,300 own shares, which corresponds to 0.0082% of the share capital and percentage of votes.

4. RULES GOVERNING THE RENEWAL OR REMOVAL OF DEFENSIVE MEASURES, IN PARTICULAR THOSE WHICH PROVIDE FOR LIMITATION OF THE NUMBER OF VOTES THAT MAY BE HELD OR EXERCISED BY A SINGLE SHAREHOLDER INDIVIDUALLY OR IN CONCERT WITH OTHER SHAREHOLDERS

The Company's Articles of Association do not provide for any limitation of the number of votes which may be held or exercised by a single shareholder individually or in concert with other shareholders.

5. AGREEMENTS BETWEEN SHAREHOLDERS WHICH ARE KNOWN TO THE COMPANY AND MAY RESULT IN RESTRICTIONS ON THE TRANSFER OF SECURITIES OR VOTING RIGHTS

See Point 2 above.

II. Shareholdings

6. IDENTIFICATION OF NATURAL OR LEGAL PERSONS WITH QUALIFYING HOLDINGS, WITH AN INDICATION OF THE PERCENTAGE OF CAPITAL AND VOTES ALLOCATED AND THE SOURCE AND CAUSES OF ALLOCATION

The qualifying holdings in the Company's share capital at 31 December 2021, and the percentage of capital and votes allocated and source and causes of allocation, are set out in the table below:

Shareholder	No. of Shares	% of Share Capital	% of Voting Rights	Method of Attribution
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	84.9892%	Acquisition
Caixa Geral de Depósitos, S.A.	24,250,644	15%	15%	Acquisition

7. INDICATION OF THE NUMBER OF SHARES AND BONDS HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

At 31 December 2021, the members of the management and supervisory bodies did not hold shares in the Company.

At 31 December 2021, the members of the management and supervisory bodies did not hold bonds in the Company.

B. CORPORATE BODIES AND COMMITTEES

I. General Meeting

a) Composition of the Presiding Board of the General Meeting

8. IDENTIFICATION AND POSITION OF THE MEMBERS OF THE PRESIDING BOARD OF THE GENERAL MEETING AND RESPECTIVE MANDATE

The Presiding Board of the General Meeting was composed as follows at 31 December 2021:

Position	Name
President	Nuno Azevedo Neves
Secretary	Nuno Ricardo Santos Jorge Pena

b) Exercise of voting rights

- 9.** ANY RESTRICTIONS ON VOTING RIGHTS, SUCH AS LIMITATIONS OF THE VOTING RIGHTS OF HOLDERS OF A GIVEN PERCENTAGE OR NUMBER OF SHARES, DEADLINES FOR EXERCISING VOTING RIGHTS OR SEPARATE SYSTEMS FOR EQUITY RIGHTS

Pursuant to Article 10 of the Company's Articles of Association, one vote corresponds to every 100 (one hundred) shares. Shareholders with a number of shares lower than this minimum number may form a group to make up the necessary number to exercise the vote and be represented by one of the group members.

Fidelidade shareholders may only participate, debate and vote in the General Meeting, in person or via a representative, if, on the date of registration, corresponding to 0.00 (GMT) of the fifth trading day prior to the day on which the General Meeting is held, they held shares which grant them, according to the law and the Articles of Association, at least one vote and which comply with the applicable legal formalities, in the terms set out in the corresponding meeting notification.

No shareholder may be represented by two or more persons.

Postal voting is not permitted.

- 10.** INDICATION OF THE MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS THAT ARE IN A RELATIONSHIP WITH HIM AS SET OUT IN ARTICLE 20(1) OF THE SECURITIES CODE

The Articles of Association do not contemplate any maximum percentage of voting rights which may be exercised by a single shareholder or by a shareholder that is in a relationship with him as set out in Article 20(1) of the Securities Code.

- 11.** IDENTIFICATION OF THE SHAREHOLDERS' RESOLUTIONS WHICH, BY IMPOSITION OF THE ARTICLES OF ASSOCIATION, MAY ONLY BE TAKEN BY A QUALIFIED MAJORITY, BESIDES THOSE PROVIDED FOR IN LAW, AND INDICATION OF THOSE MAJORITIES

Resolutions of the General Meeting are approved by a majority of the votes of the shareholders present or represented at the General Meeting, whenever the law or the Articles of Association do not require a greater number (Article 11(2) of the Articles of Association).

Resolutions concerning any amendments to the Company's Articles of Association, including amendment of the corporate purpose, an increase or reduction in the share capital, merger, demerger, transformation and dissolution of the Company, suppression or reduction of the preference right of the Company shareholders in increases in share capital, cancellation of shares representing the share capital, the suspension or cessation of the exercise of the principal activity included in the Company's corporate purpose, authorisation for the sale and purchase of own shares when this is not realised on a pro-rata basis, and the appointment of the Company's supervisory body and the respective external auditor when this is not one of the four largest international auditing companies, may only be approved if a vote in favour is achieved with a majority of at least 95% of the voting rights representing the entirety of the share capital.

II. Management

Board of Directors

Composition

12. IDENTIFICATION OF THE CORPORATE GOVERNANCE MODEL ADOPTED

Fidelidade adopts a unitary corporate governance model with a Board of Directors which includes an Executive Committee and a supervisory body comprising a Supervisory Board and a Statutory Auditor.

13. ARTICLES OF ASSOCIATION RULES ON THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors are elected by the General Meeting. The chairman and vice-chairmen of the Board of Directors are chosen by the Board of Directors itself, except when they are appointed by the General Meeting of shareholders which elects the Board of Directors.

Vacancies or impediments in the Board of Directors are filled by co-opting until a resolution is submitted to the first subsequent General Meeting.

14. COMPOSITION OF THE BOARD OF DIRECTORS, WITH AN INDICATION OF THE ARTICLES OF ASSOCIATION STIPULATIONS ON THE MINIMUM AND MAXIMUM NUMBER OF MEMBERS AND DURATION OF MANDATES, THE ACTUAL NUMBER OF MEMBERS AND THE DATE OF APPOINTMENT AND DURATION OF MANDATE OF EACH OF THEM

Pursuant to the Company's Articles of Association, the Board of Directors is composed of between five and seventeen members, who are elected for renewable mandates of three years.

At 31 December 2021, the Board of Directors was composed of fifteen members appointed to exercise functions for the three-year period 2020/2022, nine of whom were non-executive members and six of whom were executive members, as reflected in the table below:

Board of Directors (BD)	Position	Date of Appointment to Mandate	Duration of Mandate	Observations
Jorge Manuel Baptista Magalhães Correia	Chairman	30-06-2020	2020/2022	Non-executive*
José Manuel Alvarez Quintero	Vice-Chairman	30-06-2020	2020/2022	Non-executive*
Lingjiang XU	Member	30-06-2020	2020/2022	Non-executive
José João Guilherme	Member	30-06-2020	2020/2022	Non-executive
Francisco Ravara Cary	Member	30-06-2020	2020/2022	Non-executive
António Manuel Marques de Sousa Noronha	Member	30-06-2020	2020/2022	Executive
Rogério Miguel Antunes Campos Henriques	Member	30-06-2020	2020/2022	Executive
Wai Lam William MAK	Member	30-06-2020	2020/2022	Executive
André Simões Cardoso	Member	30-06-2020	2020/2022	Executive
Tao LI	Member	30-06-2020	2020/2022	Non-executive
Hui CHEN	Member	30-06-2020	2020/2022	Executive
Carlos António Torroaes Albuquerque	Member	30-06-2020	2020/2022	Non-executive
Andrew John Zeissink	Member	30-06-2020	2020/2022	Non-executive
Yulong PENG	Member	30-06-2020	2020/2022	Non-executive
Juan Ignacio Arsuaga Serrats	Member	30-06-2020	2020/2022	Executive

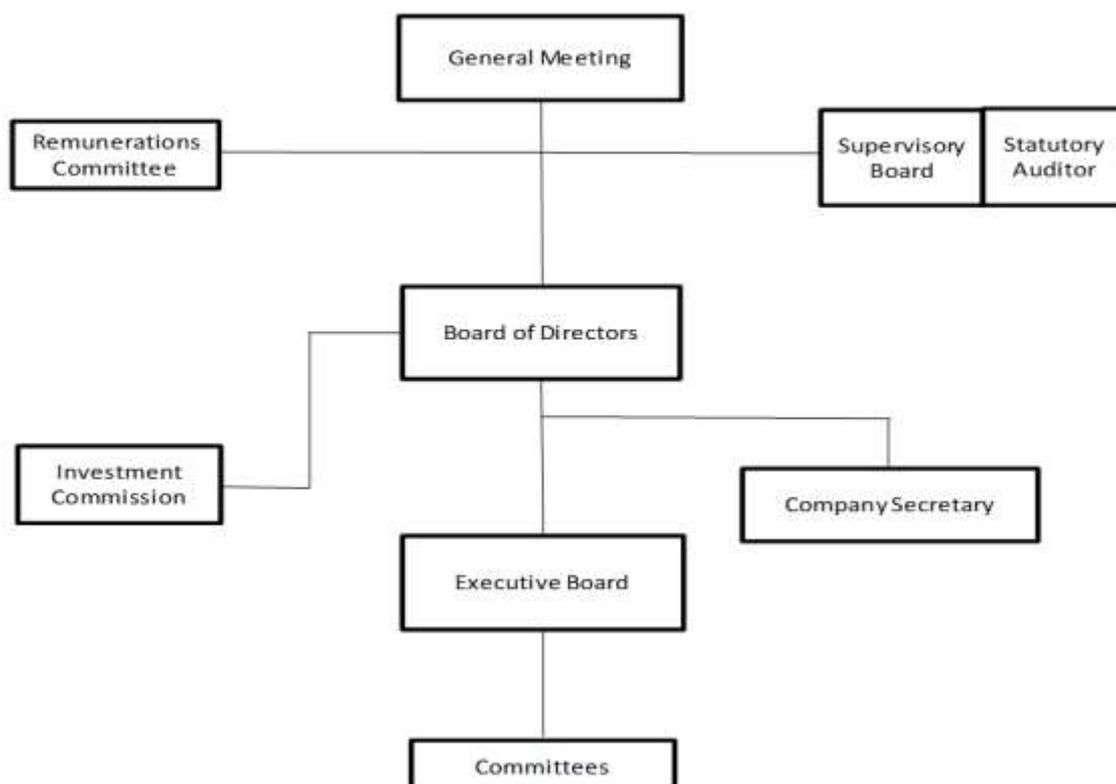
* Non-Executive member with the special charge of monitoring specific matters.

At 31 December 2021, the Executive Committee was composed as follows:

Executive Committee (EC)	Position	Date of Appointment to Mandate	Duration of Mandate
Rogério Miguel Antunes Campos Henriques	Chairman	30-06-2020	2020/2022
António Manuel Marques de Sousa Noronha	Member	30-06-2020	2020/2022
Wai Lam William MAK	Member	30-06-2020	2020/2022
André Simões Cardoso	Member	30-06-2020	2020/2022
Hui CHEN	Member	30-06-2020	2020/2022
Juan Ignacio Arsuaga Serrats	Member	30-06-2020	2020/2022

15. ORGANISATION CHART ON THE DIVISION OF COMPETENCES BETWEEN THE VARIOUS CORPORATE BODIES, INCLUDING INFORMATION ON DELEGATION OF COMPETENCES

The table below represents Fidelidade's Corporate Governance structure in 2021:



Board of Directors

The Board of Directors, as a corporate body of the Company, has the broadest of powers to manage and represent the Company. Pursuant to Article 15(1) of the Articles of Association, besides the general powers given to it, the Board of Directors is responsible for:

- a) Managing the company business and performing all the acts and operations related to the corporate purpose which do not fall within the competence of other Company bodies;
- b) Representing the Company in and out of court, actively and passively, with the power to withdraw, settle and accept liability in any proceedings, and also entering into arbitration agreements;
- c) Acquiring, selling or otherwise disposing of or encumbering movable and immovable rights and property;
- d) Setting up companies, subscribing, acquiring, pledging and disposing of shares;
- e) Establishing the technical and administrative organisation of the Company and the rules of internal operation, regarding employees and their remuneration;
- f) Appointing legal representatives, with the powers it deems appropriate, including those of delegation.

Resolutions of the Board of Directors which deal with the following issues may only be taken by a majority of 6 of the 7 members:

- a) A material change in the business, including the disposal of the whole or a substantial part of the Company's assets;
- b) The entering into, amendment or termination of any contract between the Company and any shareholder, and with companies which are in a controlling or group relationship with any shareholder, in the terms set out in Article 21 of the Securities Code;
- c) Definition of the voting intentions to be adopted by Company representatives at general meetings and in the boards of directors of the companies in which the Company holds the majority of the voting rights or the right to appoint the majority of the members of the management body, when resolutions on the following matters are at issue:
 - i. amendments to the Articles of Association, including amendment of the corporate purpose, an increase or reduction in the share capital, merger, demerger, transformation and dissolution of the Company;
 - ii. suppression or reduction of the preference right of the shareholders in increases in share capital;
 - iii. cancellation of shares representing the share capital;
 - iv. suspension or cessation of the exercise of the principal activity included in the corporate purpose;
 - v. authorisation for the sale and purchase of own shares when this is not realised on a pro-rata basis;
 - vi. appointment of the supervisory body and the respective external auditor when this is not one of the four largest international auditing companies;
 - vii. a material change in the business, including the disposal of the whole or a substantial part of the assets of the Company in question;
 - viii. the entering into, amendment or termination of any contract between the Company and any shareholder, and with companies which are in a controlling or group relationship with any shareholder, in the terms set out in Article 21 of the Securities Code.

The Chairman of the Board of Directors has specific powers based on the provisions in Article 16 of the Articles of Association and is responsible for:

- a) Representing the Board of Directors in and out of court;
- b) Coordinating the Board of Directors' activity and convening and managing the respective meetings;
- c) Ensuring the correct implementation of the Board of Directors' resolutions.

Executive Committee

Without prejudice to the possibility of rescinding powers delegated to the Executive Committee, the Board of Directors has delegated the day-to-day management of the Company to this committee, which includes:

- a) All insurance and reinsurance operations and operations which are connected or complementary to insurance and reinsurance operations, including those which relate to acts and contracts regarding salvage, the rebuilding and repair of real estate, vehicle repair, and the application of provisions, reserves and capital;
- b) Representation of the Company before the supervisory authorities and associations for the sector;
- c) Acquisition of services;
- d) Employees' admissions, definition of levels, categories, remuneration conditions and other benefits, and appointment to management positions;
- e) Exercise of disciplinary powers and the application of any sanctions;
- f) Representation of the Company before any bodies which represent the employees;
- g) Opening and closing of branches or agencies;
- h) Nomination of the person representing the Company at the general meetings of companies in which it holds shares, with determination of how the vote is to be cast;
- i) Nomination of the persons who will take up company positions for which the Company is elected, and the persons that the Company will indicate to take up company positions in companies in which it holds a share;
- j) Issuing of instructions which are binding on the companies which are in a group relationship with the Company involving full control;
- k) Representation of the Company in and out of court, actively and passively, including initiating and defending any judicial or arbitration proceedings, and accepting liability in, withdrawing from or settling any actions, and assuming arbitration agreements;
- l) Appointment of legal representatives, with or without power of attorney, to perform certain acts, or categories of acts, with definition of the scope of the respective mandates.

The delegation of powers to the Executive Committee does not cover matters which remain the exclusive competence of the Board of Directors.

Investment Committee

All of the Company's investment decisions are subject to supervision by the Investment Committee, and the Executive Committee reports operations performed to the Investment Committee.

The Investment Committee is responsible for defining the investment guidelines and the decisions which require its prior approval.

The members of the Investment Committee are appointed by the Board of Directors, and the respective mandate coincides with the mandate of this.

III. Supervision

Supervisory Board and Statutory Auditor

Composition

16. IDENTIFICATION OF THE SUPERVISORY BODY AND COMPETENCES

Supervision of the Company is charged, pursuant to Article 413(1) a) of the Code of Commercial Companies, to a Supervisory Board and a Statutory Auditor Firm, with the competences set out in law and the current mandate of which corresponds to the period 2020/2022.

The Company's Articles of Association establish the Supervisory Board's competences as those which are set out in the law.

17. COMPOSITION OF THE SUPERVISORY BOARD, WITH AN INDICATION OF THE POSITION OF EACH MEMBER AND THEIR DATE OF APPOINTMENT AND DURATION OF MANDATE

The Supervisory Board is composed of three permanent members and one alternate, with renewable mandates of three years. At 31 December 2021, it was composed as follows:

Members of the Supervisory Board	Position	Date of Appointment to Mandate	Duration of Mandate
Vasco Jorge Valdez Ferreira Matias	Chair	30-06-2020	2020/2022
João Filipe Gonçalves Pinto	Member	30-06-2020	2020/2022
Pedro Antunes de Almeida	Member	30-06-2020	2020/2022
Anabela de Jesus Nunes Prates	Alternate	30-06-2020	2020/2022

The members of the Supervisory Board comply with the independence requirements set out in Article 414(5) of the Code of Commercial Companies, as they are not associated with any specific interest group in the Company and there are no circumstances which might affect their impartiality when analysing or taking decisions.

IV. Statutory Auditor

18. IDENTIFICATION OF THE STATUTORY AUDITOR AND THE PARTNER OF THE STATUTORY AUDITOR REPRESENTING IT

The Statutory Auditor, at 31 December 2021, is Ernst & Young Audit & Associados – SROC, S.A., represented by Ricardo Nuno Lopes Pinto, Statutory Auditor no. 1579, registered with the Portuguese Securities Market Commission under license no. 20161189.

19. INDICATION OF THE NUMBER OF YEARS THE STATUTORY AUDITOR HAS CONSECUTIVELY PERFORMED FUNCTIONS FOR THE COMPANY AND/OR GROUP

The Statutory Auditor was appointed on 15 May 2014, and reappointed on 30 June 2020 to perform functions until the end of the three-year period 2020/2022.

20. DESCRIPTION OF OTHER SERVICES THE STATUTORY AUDITOR PROVIDES THE COMPANY WITH

Besides auditing work and the statutory audit, Ernst & Young Audit & Associados – SROC, S.A. provide the following services required by law on a recurring basis:

- Certification of the Annual Solvency and Financial Condition Report pursuant to Regulation No. 2/2017-R of the ASF, of 24 March;

- Review of the Annual Report on the Organisational Structure and the Risk Management and Internal Control Systems pursuant to Circular no. 1/2017 of the ASF.

Besides the above-mentioned services, Ernst & Young Audit & Associados – SROC, S.A. does not provide the Company, or the companies controlled by it, with any other type of services on a recurring basis.

However, when the Company, or the companies controlled by it, are provided with other services, this is in strict compliance with the procedures defined in law, namely in Law No. 140/2015, of 7 September.

C. INTERNAL ORGANISATION

I. Articles of Association

21. RULES APPLICABLE TO AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Any amendment to the Articles of Association requires a resolution of the General Meeting with a vote in favour with a majority of at least 95% of the voting rights representing the entirety of the share capital.

II. Reporting of irregularities

22. MEANS AND POLICY FOR REPORTING IRREGULARITIES OCCURRING IN THE COMPANY

Fidelidade has a culture of responsibility and compliance, and recognises the importance of the process of reporting and analysing irregularities as a corporate best practice tool. The Company implements appropriate means for receiving, investigating and archiving reports of irregularities alleged to have been committed by members of the corporate bodies and by Company employees or employees of companies within the Fidelidade Group.

Irregularities are deemed to be any acts or omissions, whether wilful or negligent, relating to the Company's management, accounting organisation and internal supervision which may severely:

- a) Break the law, regulations and other rules in force;
- b) Jeopardise the property of clients, shareholders and the Company;
- c) Cause harm to the Company's reputation or that of the companies within the Fidelidade Group.

Irregularities can be reported by employees, representatives, agents or any other persons who provide services on a permanent or occasional basis at the Company or at any Group entity, shareholders and any other persons.

III. Internal control and risk management

23. BODIES RESPONSIBLE FOR THE INTERNAL AUDIT AND FOR THE IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS

The Legal Rules on the Taking-up and Pursuit of the Business of Insurance and Reinsurance (RJASR), approved by Law No. 147/2015, of 9 September, which transposes the Solvency II Directive into Portuguese law, came into force on 1 January 2016.

Accordingly, the Company implemented a global risk management system, in order to meet the requirements set out therein.

The implementation of this system, besides complying with the rules applicable to the insurance business, is regarded as an opportunity to improve the processes for assessing and managing risk, thereby contributing to maintaining the solidity and stability of the insurance group to which Fidelidade belongs.

The risk management system is therefore an integral part of the Company's daily activities, and an integrated approach is applied, enabling the Company to ensure that its strategic objectives (client interests, profitability, financial solidity and efficiency of processes) are upheld.

Moreover, the own risk and solvency assessment (ORSA) enables risk, capital and return to be related to each other in a prospective vision, in the context of the business strategy established by the Company.

The Company has policies, processes and procedures relating to the governance system which are adapted to its business strategy and operations, guaranteeing sound and prudent management of its business. In terms of organisational structure, the risk management and internal control systems are managed by the following bodies: the Risk Management Division, the Audit Division, the Compliance Division, the Risk Committee, the Underwriting Policy Acceptance and Supervision Committee, the Life and Non-Life Products Committees, and the Asset and Liability Management Committee.

The remaining Management Bodies are responsible for enhancing the risk management and internal control process, so as to ensure that the management and control of operations is performed in a sound and prudent manner. They are also responsible for the existence and updating of documentation relating to the business processes, their risks and control activities.

Included within the set of prudential recommendations of the supervisory authorities, in order to guarantee operational continuity of its processes, systems and communications, the Fidelidade Group has a Business Continuity Plan (BCP) so as to guarantee the conducting of structured damage assessment and agile decision-making regarding the type of recovery to be undertaken.

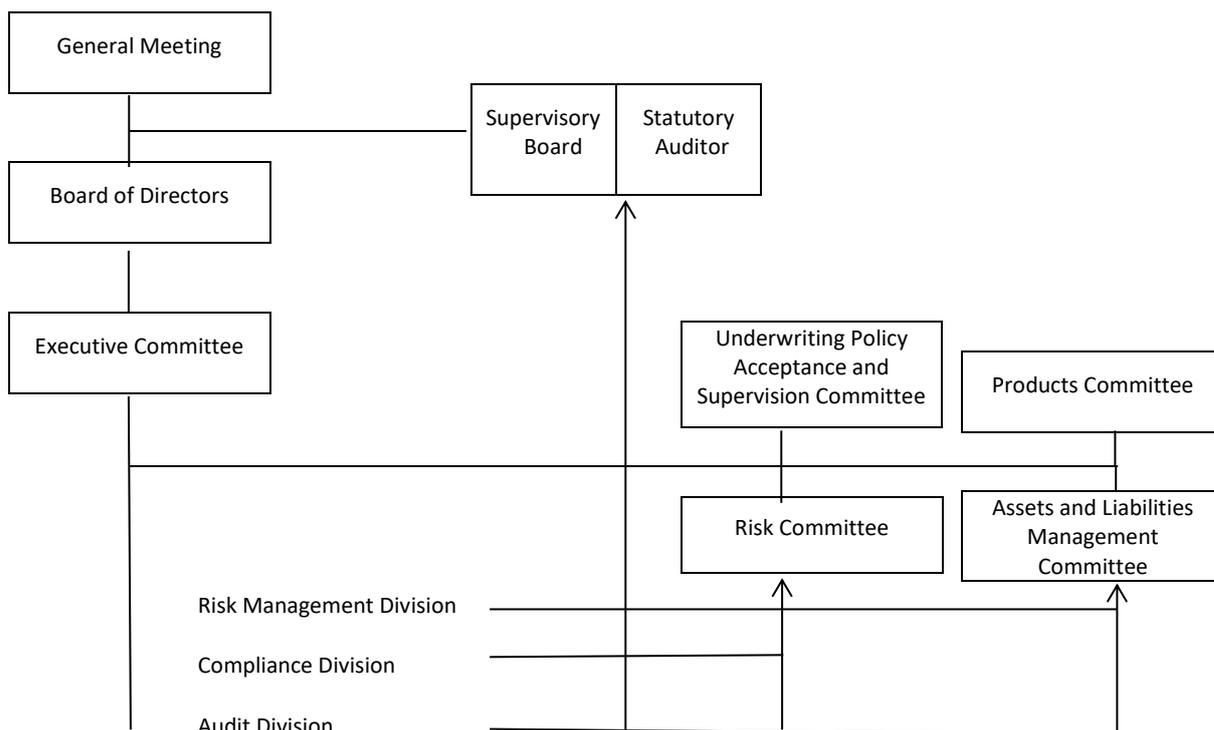
Regarding the public reporting requirements, in 2021 the Company prepared and disseminated, on its Internet site, the "2020 Solvency and Financial Condition Report", which contains detailed information on its activities and performance, governance system, risk profile, solvency assessment and capital management for 2020. This information, together with the annual quantitative reports submitted to the ASF, is certified by the statutory auditor and the responsible actuary.

The Company also conducted the annual own risk and solvency assessment (ORSA) in 2021, reporting its findings to the ASF in the respective supervision report, and provided quarterly quantitative information for supervisory purposes.

Accordingly, the measures adopted during the preparatory phase for applying the Solvency II rules, and their consolidation during the first years it was in force, place Fidelidade at a comfortable level of compliance with these new rules.

24. EXPLANATION OF THE HIERARCHICAL AND/OR FUNCTIONAL REPORTING RELATIONSHIPS WITH OTHER BODIES OR COMMITTEES OF THE COMPANY

The table below shows the reporting relationships of the Risk Management Division, the Audit Division and Compliance Division with other bodies or committees of the Company:



25. OTHER FUNCTIONAL AREAS WITH RISK CONTROL COMPETENCES

Alongside the areas with key functions within the scope of the internal control and risk management systems, and the control of legal risks performed by the Legal Affairs Division, there is an information and reporting system which supports decision-making and control processes, both internally and externally. This system falls within the competence of the Strategic Planning and Business Development Division and the Accounting and Financial Information Division, which ensure the existence of substantive, current, coherent, timely and reliable information, enabling a comprehensive vision of the financial condition, business development, compliance with the defined strategy and objectives, identification of the Company's risk profile, market behaviour and growth prospects.

The financial information and management process is supported by accounting and management support systems which record, classify, connect and archive all the operations performed by the company and its subsidiaries in a systematic, timely, reliable, complete and consistent manner, in line with the decisions and policies issued by the Executive Committee.

Thus, the Risk Management Division, the Compliance Division, the Audit Division, the Accounting and Financial Information Division and the Strategic Planning and Business Development Division ensure the implementation of the procedures and means necessary to obtain all the information relevant for the process of consolidation and reporting at the Company level – with regard to both accounts and support for the management and for the supervision and control of risks – which include:

- Definition of the content and format of the information to be reported by the entities included within the consolidation perimeter, in line with the accounting policies and guidelines defined by the management body, and the dates on which the reports are required;
- Identification and control of intra-Company operations; and
- A guarantee that the management information is coherent between the various entities, so that it is possible to measure and follow the evolution and profitability of each business

and confirm that the established objectives have been met, as well as assess and control the risks which each entity runs, in both absolute and relative terms.

- 26.** IDENTIFICATION AND DESCRIPTION OF THE MAIN TYPES OF RISK (ECONOMIC, FINANCIAL AND LEGAL) TO WHICH THE COMPANY IS EXPOSED IN THE PERFORMANCE OF ITS ACTIVITY

This information is provided in the Notes to the Separate Financial Statements (Notes 44, 45 and 46) and the Notes to the Consolidated Financial Statements (Notes 49, 50 and 51).

- 27.** DESCRIPTION OF THE PROCESS OF IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL AND MANAGEMENT OF RISKS

The risk management system aids the Company in identifying, assessing, managing and monitoring risks, enabling appropriate and immediate actions to be adopted in the event of material changes in its risk profile.

In establishing its risk profile, the Company identifies the different risks to which it is exposed and then assesses those risks. Risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks not included in that formula, the Company has opted to use a qualitative analysis in order to classify the foreseeable impact on capital needs.

The ORSA plays a key role in monitoring the Company's risk profile and the capital adequacy in terms of meeting the regulatory requirements and the internal capital needs.

IV. Internet Site

- 28.** ADDRESS(ES)

The address of Fidelidade's website is:

www.fidelidade.pt

- 29.** PLACE WHERE INFORMATION ON THE COMPANY, CORPORATE BODIES AND DOCUMENTS RELATING TO THE COMPANY ACCOUNTS CAN BE FOUND

Information about the Company and the corporate bodies and documents relating to the accounts are available on the Company's website, at the address indicated above.

- 30.** PLACE WHERE THE ARTICLES OF ASSOCIATION AND THE RULES GOVERNING THE FUNCTIONING OF THE CORPORATE BODIES CAN BE FOUND

The Articles of Association and the rules governing the functioning of the bodies and committees are available from the Company's Head Office, from the Company Secretary.

- 31.** PLACE WHERE THE NOTICE CONVENING THE GENERAL MEETING AND ALL THE PREPARATORY AND SUBSEQUENT INFORMATION RELATED THERETO IS DISCLOSED

Notices convening general meetings and all the preparatory and subsequent information related to these are available at the Company's Head Office, from the Company Secretary.

- 32.** PLACE WHERE THE FILE OF PAST RESOLUTIONS PASSED AT THE COMPANY'S GENERAL MEETINGS, THE SHARE CAPITAL REPRESENTED AND THE RESULTS OF THE VOTES, RELATING TO THE LAST THREE YEARS, IS DISCLOSED

The file of past resolutions passed at the Company's general meetings, the share capital represented and the results of the votes, relating to the last three years, is available from the Company's Head Office, from the Company Secretary.

D. REMUNERATION

I. Competence to determine

- 33.** INDICATION AS TO THE COMPETENCE TO DETERMINE THE REMUNERATION OF THE CORPORATE BODIES, THE MEMBERS OF THE EXECUTIVE COMMITTEE OR CHIEF EXECUTIVE AND THE DIRECTORS OF THE COMPANY

The fixing of the remuneration of the members of the corporate bodies is the responsibility of the Remunerations Committee.

II. Remunerations Committee

- 34.** COMPOSITION OF THE REMUNERATIONS COMMITTEE

The composition of the Remunerations Committee, appointed on 21 May 2020, is as follows as at 31 December 2021:

Chair:	Yumin CAI
Member:	Min GAO

- 35.** KNOWLEDGE AND EXPERIENCE OF THE MEMBERS OF THE REMUNERATIONS COMMITTEE ON REMUNERATION POLICY ISSUES

The members of the Remunerations Committee are persons who, given their professional experience and curriculum vitae, have the appropriate knowledge and profile with regard to remuneration policy issues.

III. Remunerations structure

- 36.** DESCRIPTION OF THE REMUNERATION POLICY FOR THE MANAGEMENT AND SUPERVISORY BODIES AS SET OUT IN ARTICLE 2 OF LAW NO. 28/2009, OF 19 JUNE

The Remunerations Committee submitted a declaration to the General Meeting of 30 March 2021, in compliance with the provisions of Article 2 of Law No. 28/2009, of 19 June, on the remuneration policy for the members of the respective management and supervisory bodies, which was approved by all the shareholders present or represented.

According to the aforementioned declaration, the remuneration policy was based on the following principles:

“The remuneration of the members of the Company’s management and supervisory bodies is established by the Remunerations Committee in the light of the Remuneration Policy in force, with reference to the applicable laws and regulations, and the guiding principles of the remuneration policy for the members of the corporate bodies of the Group companies.

To ensure alignment with the interests of the company, the remuneration of the executive members of the management body is composed of a fixed component and a variable component.

The fixed component is defined with reference to the amounts used in companies of a similar dimension, nature and complexity.

The fixed remuneration is paid in 14 monthly instalments, with the corresponding holiday and Christmas subsidies included within these, pursuant to the legislation in force.

The variable component is determined according to performance, assessed on the basis of a series of defined objectives, namely, financial, operational, risk and strategic objectives, and is granted on an individual and annual basis, in relation to the year ended. It may not be more than a specific percentage of the fixed gross remuneration in force at the end of that year, so that the components are appropriately balanced.

Members of the Board of Directors without executive functions may receive a fixed remuneration, if so resolved.

Members of the Supervisory Board only receive fixed remuneration.

There are no share allocation or stock option plans for members of the Company's management and supervisory bodies.

By a resolution of 30 June 2020, it was decided to award the Chairman and Vice-Chairman of the Board of Directors, both non-executive directors, a fixed remuneration.

Information on the annual amount of remuneration paid to the members of the corporate bodies is that set out in this Corporate Governance Report.

Given the above, the level of compliance with the recommendations contained in Circular No. 6/2010, of 1 April, from the then Portuguese Insurance Institute, now the Insurance and Pension Funds Supervisory Authority, regarding the remuneration policy can be summarised as follows:

Item	Recommendation	Level of Compliance	Observations
I. General Principles	1.1. Institutions should adopt a remuneration policy consistent with effective management and control of risks which avoids excessive exposure to risk and potential conflicts of interest, and which is consistent with the objectives, values and long-term interests of the institution, particularly with the prospects for sustainable growth and profitability and protection of the interests of policyholders, insured persons, participants, beneficiaries and taxpayers.	Met	
	1.2. The remuneration policy should be appropriate to the size, nature and complexity of the activity carried on or to be carried on by the institution and, in particular, as regards the risks taken or to be taken.	Met	
	1.3. Institutions should adopt a clear, transparent and appropriate structure for defining, implementing and monitoring the remuneration policy, which identifies, in an objective way, the employees involved in each case	Met	

	and their respective responsibilities and competences.		
II. Approval of the remuneration policy	II.1. Without prejudice to the provisions of Article 2(1) of Law No. 28/2009, of 19 June, with regard to the remuneration of the members of the management and supervisory bodies, the remuneration policy should be approved by a remunerations committee or, where the existence of such a body is not feasible or appropriate given the size, nature and complexity of the institution concerned, by the General Meeting or by the general and supervisory board, as applicable.	Met	
	II.2. With regard to the remuneration of the remaining employees covered by the Circular, the remuneration policy should be approved by the management body.	Met	
	II.3. When determining the remuneration policy the involvement should be sought of persons with functional independence and adequate technical capacity, including persons who belong to structural units responsible for key functions and, whenever necessary, human resources, in addition to external experts, in order to avoid conflicts of interests and to enable an independent value judgement to be formed as to the adequacy of the remuneration policy, including its effects on the management of the institution's risks and capital.	Met	
	II.4. The remuneration policy should be transparent and accessible to all employees of the institution. The remuneration policy should also be subject to periodic review and be formalised in a separate document, duly updated, showing the date of the introduced changes and the justification for them, and an archive should be kept of earlier versions.	Met	
	II.5. The employees should be informed of the evaluation process, including the criteria used to	Met	

	determine the variable remuneration, prior to the time period covered by the evaluation process.		
III. Remunerations committee	III.1. The remunerations committee, if any, should carry out a review, at least once a year, of the institution's remuneration policy and its implementation, in particular with regard to the remuneration of the executive members of the management body, including their remuneration based on shares or options, to enable an independent and substantiated value judgement to be formed as to the adequacy of the remuneration policy, in the light of the recommendations of this Circular, and in particular its effect on the management of the institution's risks and capital.	Met	
	III.2. The members of the remunerations committee should be independent from the members of the management body and should meet suitability requirements and possess professional qualifications which are appropriate to the performance of their duties, in particular having knowledge and / or professional experience in remuneration policy issues.	Met	
	III.3. If the remunerations committee seeks, in the exercise of its functions, the provision of external services in relation to remuneration, it should not recruit a natural or legal person that provides or has provided, in the previous three years, services to any structure that reports to the management body, to the management body itself or a structure that has a current relationship as a consultant of the institution. This recommendation also applies to any natural or legal person who is connected to any of the above by means of an employment or provision of services contract.	Met	
	III.4. The remunerations committee should report annually to the	Met	

	shareholders on the exercise of its functions and should attend any general meetings where the remuneration policy is included on the agenda.		
	III.5. The remunerations committee should meet at least once a year, and should prepare minutes of all meetings held.	Met	
IV. Remuneration of members of the management body			
Executive members	IV.1. The remuneration of directors performing executive duties should include a variable component, which is determined by a performance assessment carried out by the competent bodies of the institution, according to predetermined measurable criteria, including non-financial criteria, which considers, in addition to individual performance, the real growth of the institution and the wealth effectively created for shareholders, protection of the interests of policyholders, insured persons, participants, beneficiaries and taxpayers, the institution's long-term sustainability and the risks taken, as well as compliance with the rules applicable to the institution's activity.	Met	
	IV2. The fixed and variable components of the total remuneration should be appropriately balanced. The fixed component should represent a sufficiently high proportion of the total remuneration to allow the application of an entirely flexible policy regarding the variable remuneration component, including the possibility of not paying any variable remuneration component. The variable component should be subject to an upper limit.	Met	
	IV.3. A substantial part of the variable component of the remuneration should be paid in financial instruments issued by the institution, the value of which depends on the institution's medium and long-term	Met	Through a mechanism equivalent to financial instruments issued by the institution.

	performance. These financial instruments should be subject to an appropriate retention policy designed to align incentives with the long-term interests of the institution and, when not quoted on the stock exchange, should be valued for the purpose at fair value.		
	IV.4. A significant part of the variable remuneration should be deferred for a period of not less than three years and its payment should be dependent on the continued positive performance of the institution over this period.	Met	
	IV.5. The part of the variable component subject to deferral should be on a sliding scale according to its weight in relation to the fixed component of the remuneration.	Met	
	IV.6. The members of the Board of Directors should not enter into contracts with the institution, or with third parties, the purpose of which is to mitigate the risk inherent in the variability of the remuneration established for them by the institution.	Met	
	IV.7. Up until the end of their mandate, the executive members of the management body should maintain the shares in the institution which they have obtained via variable remuneration schemes, up to the limit of twice the value of the total annual remuneration, with the exception of those which need to be sold in order to pay taxes resulting from the gains from those same shares.	Not applicable	
	IV.8. When the variable remuneration includes options, the beginning of the period for them to be exercised should be deferred for a period of not less than three years.	Not applicable	No options were awarded.
	IV.9. After the period referred to in the previous paragraph, the executive members of the management body should retain a given number of shares, until the end of their mandate, subject to the need to finance any costs related to the acquisition of shares, and the	Not applicable	No shares were awarded.

	number of shares to be retained should be fixed.		
Non-executive members	IV.10. The remuneration of the non-executive members of the management body should not include any component the value of which depends on the performance or the value of the institution.	Met	Non-executive members, when remunerated, do not receive variable remuneration.
Compensation in the event of dismissal	IV.11. Appropriate legal instruments should be established so that the compensation fixed for any form of unfair dismissal of a member of the management body is not paid if the dismissal or termination by agreement is the result of the inadequate performance of the member of the management body.	Not applicable	No compensation has been established.
V. Remuneration of employees			
Relationship between fixed remuneration and variable remuneration	V.1. If the remuneration of the institution's employees includes a variable component, this must be appropriately balanced in relation to the fixed component of the remuneration, taking into account, namely, the performance, the responsibilities and functions of each employee and the activity performed by the institution. The fixed component should represent a sufficiently high proportion of the total remuneration to allow the application of an entirely flexible policy regarding the variable remuneration component, including the possibility of not paying any variable remuneration component. The variable component should be subject to an upper limit.	Met	
	V.2. A substantial part of the variable component of the remuneration should be paid in financial instruments issued by the institution, the value of which depends on the institution's medium and long-term performance. These financial instruments should be subject to an appropriate retention policy designed to align incentives with the long-term interests of the institution and, when not quoted	Not met	No financial instruments were issued by the institution to be awarded to its employees.

	on the stock exchange, should be valued for the purpose at fair value.		
Criteria for awarding variable remuneration	V.3. The performance assessment should take into account not only the individual performance but also the collective performance of the business unit of which the employee is a part and of the institution itself, and it should include relevant non-financial criteria, such as respect for the rules and procedures applicable to the activity being carried on, namely the internal control rules and those concerning the relationship with policyholders, insured persons, participants, beneficiaries and taxpayers, in order to promote the sustainability of the institution and the creation of value in the long term.	Met	
	V.4. The criteria for awarding variable remuneration according to performance should be predetermined and measurable, and should be related to a multi-annual framework of three to five years, to ensure that the assessment process is based on long-term performance.	Partially met	The remuneration policy for employees of the Group is related to an annual framework, and it is not considered opportune to apply rules to those employees subject to Regulatory Standard No. 5/2010-R, of 1 April, that are different to those applied to the remaining employees.
	V.5. The variable remuneration, including the deferred portion of that remuneration, should only be paid or constitute an acquired right if it is sustainable in the light of the financial situation of the institution as a whole and if it is justified in the light of the performance of the employee in question and of the business unit to which he or she belongs. The total variable remuneration should, in general terms, be severely reduced in the event of a regression in the performance or a negative performance for the institution.	Met	There is no deferred portion of the variable remuneration.
Deferral of the variable remuneration	V.6. A significant part of the variable remuneration should be deferred for a period of not less than three years and its payment should be dependent on the future	Not met	The remuneration policy for employees of the Group is related to an annual framework, and it is not considered

	performance criteria, measured on the basis of criteria adjusted to the risk, which consider the risks associated with the activity from which its allocation results.		opportune to apply rules to those employees subject to Regulatory Standard No. 5/2010-R, of 1 April, that are different to those applied to the remaining employees.
	V.7. The part of the variable component subject to deferral should be on a sliding scale according to its weight in relation to the fixed component of the remuneration, and the deferred percentage should increase significantly in line with the employee's level in the hierarchy or responsibility.	Not applicable	No portion of the variable remuneration is subject to deferral in the terms of the previous paragraph.
Remuneration of employees who perform key functions	V.8. Employees involved in performing tasks associated with key functions should be remunerated based on the pursuit of the objectives linked to their functions, regardless of the performance of the areas under their control, and the remuneration should provide a reward which is appropriate to the importance of the exercise of their duties.	Met	
	V.9. In particular, the actuarial function and the responsible actuary should be remunerated in a manner consistent with their role in the institution and not in relation to the company's performance.	Partially met	While the remuneration is consistent with the role in the institution, it is not dissociated from the performance of the latter.
VI. Assessment of the remuneration policy	VI.1. The remuneration policy should be subject to an independent internal assessment, at least once a year, to be carried out by employees with key functions in the institution, working in conjunction with each other.	Met	
	VI.2. The assessment provided for in the previous paragraph should include, namely, an analysis of the remuneration policy and its implementation in the light of the recommendations of this Circular, and in particular its effect on the management of the institution's risks and capital.	Met	
	VI.3. The employees with key functions should provide the management body and the General Meeting or the remunerations	Met	

	committee, if any, with a report containing the results of the analysis referred to in VI.1., which, namely, identifies the measures needed to correct any possible insufficiencies in the light of these recommendations.		
--	--	--	--

IV. Disclosure of Remunerations

- 37.** INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION PAID BY THE COMPANY, AS A WHOLE AND INDIVIDUALLY, TO MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING FIXED AND VARIABLE REMUNERATION AND, IN RELATION TO THE LATTER, REFERENCE TO THE DIFFERENT COMPONENTS THAT HAVE GIVEN RISE TO IT

Non-executive members of the Board of Directors, when remunerated, only receive fixed remuneration.

The annual amount of gross remuneration paid, as a whole and individually, to the non-executive members of the Company's Board of Directors, is set out in the table below:

Non-executive members of the Board of Directors	Fixed Remuneration 2021 (€)	Observations
Jorge Manuel Baptista Magalhães Correia	420,000	01.01.2021 to 31.12.2021
José Manuel Alvarez Quintero	105,000	01.01.2021 to 31.12.2021
TOTAL	525,000	

The annual amount of gross remuneration paid, as a whole and individually, for the exercise of the position of executive director, is set out in the tables below:

Executive members of the Board of Directors	Fixed Remuneration 2021 (€)	Observations
Rogério Miguel Antunes Campos Henriques	420,000	01.01.2021 to 31.12.2021
António Manuel Marques de Sousa Noronha	369,600	01.01.2021 to 31.12.2021
Wai Lam William Mak	369,600	01.01.2021 to 31.12.2021
André Simões Cardoso	348,480	01.01.2021 to 31.12.2021
Hui CHEN	290,000	01.01.2021 to 31.12.2021
Juan Ignacio Arsuaga Serrats	369,600	01.01.2021 to 31.12.2021
TOTAL	2,167,280	

	Short-term and deferred variable remuneration paid in 2021 and relating to previous years (€)				
Members of the Board of Directors	2017	2018	2019	2020	Observations
Jorge Manuel Baptista Magalhães Correia *	52,887	42,703	38,627	65,194	
José Manuel Alvarez Quintero *	31,733	25,622	23,176	39,117	
Rogério Miguel Antunes Campos Henriques	34,753	28,063	25,382	94,997	
António Manuel Marques de Sousa Noronha	31,733	25,622	23,176	85,017	
Wai Lam William Mak	31,733	25,622	23,176	85,017	
André Simões Cardoso	30,221	24,402	22,072	83,154	
Hui CHEN	-	-	-	37,254	
Juan Ignacio Arsuaga Serrats	-	-	-	45,901	
TOTAL	213,060	172,034	155,609	535,651	

	Long-term variable remuneration paid in 2021 and relating to previous years (€)				
Members of the Board of Directors	2016	2017	2018	2019	Observations
Jorge Manuel Baptista Magalhães Correia *	-	227,769	-	-	
José Manuel Alvarez Quintero *	-	198,65	-	-	
Rogério Miguel Antunes Campos Henriques	-	214,754	-	-	
António Manuel Marques de Sousa Noronha	-	198,465	-	-	
Wai Lam William Mak	-	198,465	-	-	
André Simões Cardoso	-	188,723	-	-	
Hui CHEN	-	0			
Juan Ignacio Arsuaga Serrat	-	0			
TOTAL	-	1,226,641			

* Remuneration paid in the performance of functions as executive director.

38. COMPENSATION PAID OR OWED TO FORMER EXECUTIVE DIRECTORS CONCERNING CONTRACT TERMINATION DURING THE YEAR

No executive director terminated their functions during 2021.

- 39.** INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION PAID, AS A WHOLE AND INDIVIDUALLY, TO MEMBERS OF THE COMPANY'S SUPERVISORY BODIES, FOR THE PURPOSES OF LAW NO. 28/2009, OF 19 JUNE

The amount of gross remuneration paid in 2021, as a whole and individually, to the members of the Company's supervisory body is set out in the following table:

Members of the Supervisory Board	(€)	Observations
Vasco Jorge Valdez Ferreira Matias	50,000	
João Filipe Gonçalves Pinto	50,000	
Pedro Nunes de Almeida	50,000	
Anabela de Jesus Nunes Prates	0	Alternate
TOTAL	150,000	

- 40.** INDICATION OF THE REMUNERATION IN THE YEAR IN QUESTION OF THE PRESIDENT OF THE PRESIDING BOARD OF THE GENERAL MEETING

The President of the Presiding Board of the General Meeting receives gross annual remuneration of € 7,000.

V. Agreements with remuneration implications

- 41.** REFERENCE TO THE EXISTENCE AND DESCRIPTION, WITH AN INDICATION OF THE SUMS INVOLVED, OF AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE MANAGEMENT BODY, WHICH PROVIDE FOR COMPENSATION IN THE EVENT OF RESIGNATION OR UNFAIR DISMISSAL OR TERMINATION OF THE EMPLOYMENT FOLLOWING A CHANGE IN THE CONTROL OF THE COMPANY (ARTICLE 245-A, (1) L)

There are no agreements between the Company and the members of the management body which provide for compensation in the event of resignation, unfair dismissal or termination of the employment relationship following a change in the control of the Company.

VI. Share allocation or stock option plans

- 42.** IDENTIFICATION OF THE PLAN AND ITS RECIPIENTS

There are no plans with these characteristics.

- 43.** STOCK OPTIONS FOR EMPLOYEES AND COMPANY STAFF

There are no stock options for employees and staff.

E. RELATED PARTY TRANSACTIONS

I. Control mechanisms and procedures

- 44.** MECHANISMS IMPLEMENTED BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES

Fidelidade has adopted a set of transparent and objective rules which are applicable to transactions with related parties, which are subject to specific approval mechanisms.

- 45.** INDICATION OF THE TRANSACTIONS WHICH WERE SUBJECT TO CONTROL IN THE YEAR IN QUESTION

All transactions with related parties were subject to control.

- 46.** DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSES OF PRIOR ASSESSMENT OF THE BUSINESS TO BE CONDUCTED BETWEEN THE COMPANY AND HOLDERS OF QUALIFYING HOLDINGS OR ENTITIES WHICH ARE IN ANY KIND OF RELATIONSHIP WITH THEM, PURSUANT TO ARTICLE 20 OF THE SECURITIES CODE.

Operations to be performed between the Company and holders of qualifying holdings or entities which are in any kind of relationship with them are subject to assessment and a decision of the Executive Committee, and these operations, like all others performed by the Company, are subject to supervision by the Supervisory Board.

II. Information on transactions

- 47.** INDICATION OF THE LOCATION OF ACCOUNTING INFORMATION INCLUDING INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Information on transactions with related parties is included in the Notes to the Separate Financial Statements (Note 43) and in the Notes to the Consolidated Financial Statements (Note 48).

E Sustainability Report

Translation of a document originally issued in Portuguese. In the event of discrepancies the Portuguese language version prevails.

SUSTAINABILITY 2021

FIDELIDADE GROUP

So that life won't stop

Contents

SO THAT LIFE WON'T STOP

1. OUR CONTRIBUTION

- 1.1. TURNING the page
- 1.2. PREPARING the future

2. OUR PEOPLE

- 2.1. DEVELOPING, acknowledging and empowering
- 2.2. CARING and promoting quality of life
- 2.3. CONSOLIDATING the Fidelidade identity

3. THE RESPONSIBILITY OF OUR BUSINESS

- 3.1. EXTENDING coverages of new risks
- 3.2. INTEGRATING the healthcare offer
- 3.3. ENHANCING the change of behaviors
- 3.4. INNOVATING in products and services
- 3.5. INVESTING in a responsible and sustainable manner

4. ENVIRONMENTAL PROTECTION

- 4.1. MONITORING in order to reduce
- 4.2. INTEGRATING climate factors into the business
- 4.3. PARTICIPATING and involving

5. FIDELIDADE COMMUNITY

- 5.1. FINANCING social economy
- 5.2. CREATING synergies
- 5.3. PROMOTING knowledge
- 5.4. STIMULATING innovation
- 5.5. INCREASING empowerment

OUR INDICATORS

ABOUT THIS DOCUMENT

DECLARAÇÃO DE VERIFICAÇÃO

ANNEX: CRITERIA FOR THE CALCULATION OF INDICATORS

SO THAT LIFE WON'T STOP

The insurance sector by its very nature contributes to people, communities and companies undertaking risks and protecting their assets.

We are committed to reaffirming this aim in every financial year.

We make a point of reaffirming this purpose every time we report our accounts. It is a reinforcement of the legacy of a company with two centuries of history that wants to renew its commitment to future societies, every day of its existence. We strongly believe that what can make an insurance company different is not so much what it does, but how it does it. At the Fidelidade Group, we believe that we make this difference.

In spite of the fact that 2021 was the second year we have been affected by the COVID-19 pandemic, for the Group and its extended family it was a year to organize the return to normality, regain confidence and prepare new growths. We continued to act in line with our pillars: quick reaction to protect our people; priority assistance to customers in difficulty; intervention and help to partners and suppliers in a delicate financial situation; and social support to the communities where we are operating. But we also maintained our focus on a future that we wish will be more inclusive and more ecologically resilient.

The reconciliation of the various dimensions that guide any activity – economic prosperity, environmental protection and social welfare – are nowadays involved in multiple factors that make the companies’ challenge even greater.

- Governments, companies, the financial market and other organizations have started to look more closely at sustainability issues, climate changes, loss of biodiversity and social inequality, among others.
- Citizens and consumers have high expectations concerning the role of companies, namely a more demanding and critical generation of young people, who value the purpose and the societal contribution of organizations.

- The environmental, social and governance (ESG) performance, alongside the financial performance, is nowadays considered in investment decisions.
- The regulatory and societal context creates stress and opportunities in various sectors, and the insurance sector is not an exception.
- The new relationship with society must be open, dynamic, opportunity-generating, able to identify risks and oriented towards positive impacts.
- Integrating social and also environmental challenges in the companies’ strategies, businesses and offers is a condition for the survival of all economic sectors.
- Competitiveness is an accelerator of performance improvement. Finding the purpose of each organization is the factor that will take our society further.

Our responsibility is as great as our ambition. That is why we work in order to accelerate change and lead transformations. We work so that our Value Creation Model is always oriented towards the acknowledgement of our people, customer satisfaction, trusting relationships, the positive impact on the communities and the return to our shareholders.

The Fidelidade Group has long been integrating/incorporating the challenge of contributing to a more successful, sustainable and inclusive society in the management of its business, in the relations with stakeholders and in its day-to-day performance. This commitment is reflected on Wecare – which so distinguishes the way in which the Group looks at creating value for its ecosystem and how it manages its business.

Wecare was created to monitor victims of serious claims...

And throughout the years it spontaneously became a mindset and an attitude.
An inspiration to do more and better.
A commitment to outdo ourselves.
A purpose.
So that life won't stop.

OUR 2021 FIGURES

<p>EUR 2,437 M Amount received from society <i>(+6% compared to 2020)</i></p>	<p>EUR 187.3 M Costs with employees <i>(+8% compared to 2020)</i></p>	<p>EUR 184.3 M Costs with suppliers <i>(+9% compared to 2020)</i></p>	<p>EUR 21.6 M Payments to the State <i>(+27% compared to 2020)</i></p>
--	--	--	---

<p>EUR 338.3 k Investments in infrastructures and offered services <i>(+5,072% compared to 2020)</i></p>	<p>EUR 14.3 M Payments to banking institutions <i>(+595% compared to 2020)</i></p>	<p>Number of Customers' Branches 59 <i>(-3 compared to 2020)</i></p>	<p>Number of Brokers 3,682 <i>(-11% compared to 2020)</i></p>
---	---	---	--

1. OUR CONTRIBUTION

“We care has never been so important. It is an aggregator of the several generations in our own company, the several areas of the Group and even the companies that we have and will continue to have around the world. This is what makes a difference.

Rogério Campos Henriques, CEO Fidelidade

1.1. TURNING the page

In 2020, we experienced a time of deep reflection about our role in society and in the communities where we operate, about our biggest impacts, and on how we can continue to improve our performance and the WeCare experience.

We are aware of the unparalleled context for companies and the rest of the world, so we have revisited the industry trends, understood the challenges of sector associations, studied the political and legislative framework and heard our stakeholders' expectations. For a Group such as Fidelidade, with two centuries of history, we know that our biggest strength is this ability to observe and listen and to integrate what we learn into the preparation of the future, with the humbleness of someone who wants to improve and the ambition of one who wants to achieve.

We want to give the time needed to define commitments for the next few years, so that they may effectively make a difference in the contribution to an ecological and fair transition and ensure that changes will also be made internally, in all areas of all companies. That is why we are defining a new cycle of our Sustainable Development strategy, which will be in force until 2025 and whose founding principles we share in this financial year.

LISTENING TO STAKEHOLDERS

The involvement of our stakeholders has always distinguished the Fidelidade Group's path. Together with our people, our partners and customers and the community, we have identified risks and opportunities and enriched our reflection with all those contributions.

The stakeholders mapping of the Fidelidade Group started from the definition of:

- Criteria of influence and dependence, with a direct connection to the company;
- Criteria related to the context, the risks and the opportunities to maximize positive economic, social and environmental impacts;
- Thematic criteria that led us to listen to specialists on what they think the Group's role may be in the future.

After identifying the stakeholders, a broad consultation has been carried out with the unique purpose of defining our field of action for the next five years.

Many thanks to all the stakeholders that accepted our challenge and shared with us their vision of the Fidelidade Group.

About the consultation to the stakeholders of the Fidelidade Group (2021)

Internal

13 Meetings with the top management and directors of the Group's companies

24 Employees with executive functions in group sessions

26 Employees with heterogeneous profiles in a focus group

46 Focal Points for Sustainability through a survey

External

16 Interviews (customers, brokers, experts, community)

50 brokers and suppliers through a survey

THE VISION OF OUR STAKEHOLDERS IN FIVE TOPICS

1. In general, internal and external stakeholders have high recognition and trust in Fidelidade as a solid and leading Group. With regard to sustainability, the external stakeholders do not present, in general, a deep knowledge of the Group's practices. But they trust that the Fidelidade Group will lead the way in the most important issues.
2. The sectorial challenges include the need to value the role of protection and risk transfer that insurance companies provide to society; and the need to continuously lead innovation in the sector, implementing more agility and disruptive thinking in the approach to risks.
3. Positioning itself as a company with a humanist vision and a technological dimension, the relationships with customers, partners, brokers and suppliers must be periodically assessed so that it obeys a good balance between proximity and digitalization.
4. The most relevant development themes are responsible and sustainable investment, the integration of ESG criteria (environmental, social and governance) in the offer and their role in the promotion of sustainable behaviors, the environmental positioning and the effective contribution to a more inclusive society.
5. There is a capital of awareness and trust inherent to the brand and the company that can be expanded with a more consolidated integration of sustainability in the company's overall strategy. The communication has the potential to grant more visibility to the path that the Group has taken in this field.

In direct speech

"In the pandemic, we were able to perfectly materialize the concept "so that life won't stop" and reinforce our sense of We care."
Focus Group Employee

"The Group has modernized a lot in the last 10 years, because it had a great courage to analyze itself in a critical way and to assume with clarity its greatest weaknesses, quickly devising a modernization plan." Expert

"In external communication, I don't see any connection to the other sustainability issues." Society

"I don't know all the practices and there are always improvements in the level of proximity to be implemented. But I feel that it is a humanist group, people-oriented, that respects its employees and partners."
Suppliers

1.2. PREPARING the future

Fidelidade, as all insurance companies, is responsible for introducing sustainable practices and responding strategically to its stakeholders, to current social changes and to the expectations that are observed in society. And within this scope it is unavoidable not to highlight the threats of climate change, which endanger the way we inhabit the planet. Dedicating ourselves to this agenda not only represents an obligation and a moral duty, but it also makes sense from a business evolution standpoint.

Our priority is to be at the frontline in all dimensions, far beyond the legal requirements, integrating in a critical and relevant way the material aspects of our activity.

We have renewed the **principles** that guide this new cycle:

- To combine economic prosperity with a conscious and sustainable method to develop the business.
- To adapt the offer of products to address societal challenges and opportunities.
- To promote the transition into an inclusive and ecological society from within our ecosystem.
- To build a corporate governance structure that values sustainability, promotes transparency and enables the creation of long-lasting environmental and social benefits for the organization's stakeholders.

ADJUSTING THE STRUCTURE TO THE NEW CHALLENGES

We are creating several working groups to implement the outlined strategy and goals and disseminate them through the Group's units and companies. This work will include the definition of a new vision for the Group - in Portugal and in the several geographies where Fidelidade operates – reinforced by the learning developed throughout these months and inspired by the stakeholders' expectations. Guided by the new vision and by a plan of action drawn up for the development themes, the governance model will be reformulated and adjusted to the new context of challenges.

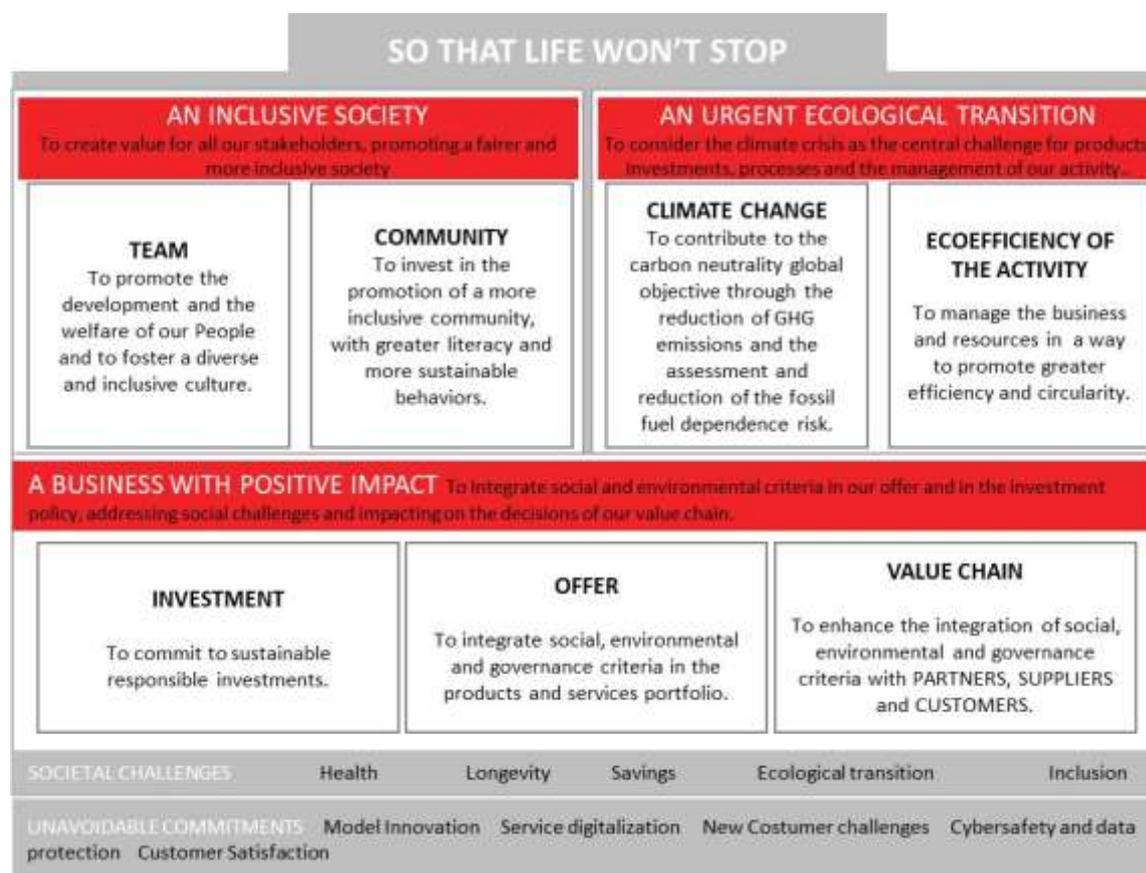
PREPARING THE NEXT CYCLE

We know that the integration of sustainability in the heart of the business is the biggest challenge for companies: ensuring that they are able to build on their capital an even more relevant capital for a more inclusive and more ecological society. A society where life does not stop.

In this moment of reflection in which we find ourselves, we are working on the exact and specific definition of commitments and goals, to be concluded in 2022. These are the areas on which we want to focus our attention and invest our efforts.

This revision of commitments will be reflected on our alignment with the 2030 Agenda for Sustainable Development Goals, but will continue to provide a framework for:

- Continuity issues, on which we have been working for several years;
 - Improvement issues, that require efforts to overcome and to refocus;
 - Investment issues, on which we must invest heavily, with dedication and resources.
- These development issues will be at the center of our strategy for the next five years:



HIGHLIGHTED UNAVOIDABLE COMMITMENTS

We highlight the multi-year commitments that are directly related to the integration of environmental, social and governance aspects into the business. Throughout the document, we will highlight the activities planned for the issues of Team, Community, Climate Change and Ecoefficiency of the Activity.

	2023	2025
Investment	To define the Group's investment policy and framework based on ESG criteria	To reassess 100% of the portfolio based on ESG criteria
Offer	To review the products portfolio according to ESG criteria To release 5 to 10 sustainable Life and Non-Life products	To make sure that the ESG solutions have a 30% to 50% weighting in the total product offer or representativeness in annual premiums
Value chain Customers	To review the code of conduct in line with the best ESG practices To ensure the existence of 3 to 5 Fidelidade programs that promote sustainable experiences for the customer throughout the entire process	To reduce in 25% the exposure to customers from polluting industries
Value chain Partners	To adjust the partners' selection process To adapt the partners' Code of Conduct To review the current partner assessment methodology	To ensure the training of at least 25% of partners (banking sector, agents, brokers, insurance service suppliers, for example, hospitals) To ensure that at least 50% of the Fidelidade agents, the banking sector, brokers and insurance service suppliers follow ESG criteria

INVOLVEMENT, PARTICIPATION AND ADVOCACY

During 2021, the Fidelidade Group has followed up national working groups and engaged in several sustainable development promotion initiatives:

- *Sustainable Finance* Working Group on the role of the financial sector for a green economy, promoted by the BCSO Portugal.
- Signature of the manifesto *Rumo à COP26* (Heading towards the COP26) promoted by the BCSO Portugal: 90 companies committed to a global and collective answer in order to limit global warming to 1.5° C and accelerate the decarbonization process worldwide.
- Signature of the manifesto *“Inovação, desenvolvimento económico e sustentabilidade para Portugal”* (Innovation, economic development and sustainability for Portugal): 40 CEOs of Portuguese companies committed to working in alignment with the 2030 Sustainable Development Goals (SDGs), the globally signed Paris agreement and the European Green Deal.
- First meeting of the members of the Strategic Council of the National Sustainability Award, promoted by the *Jornal de Negócios* (newspaper).
- Subscription of the Principles of the United Nations Global Compact and of the commitments of the CEO’s Call to Action of CSR Europe - Corporate Sustainability and Responsibility.

Fidelidade is also a member of the *GRACE-Grupo de Reflexão e Apoio à Cidadania Empresarial* (Corporate Citizenship Reflection and Support Group).

2. OUR PEOPLE

“The right people, inspired by the right leaders and empowered with a common motivation, for a purpose as strong as ours: “So that life won't stop”.

Joana Queiroz Ribeiro, People and Organization Director of Fidelidade

At the Fidelidade Group, people management results from several dimensions that converge to a single culture. In 2021, we have continued to pursue the measures on which we have been working for the last few years, some of which have gained particular importance due to the context of the pandemic:

- The development, acknowledgement and empowerment of leaders;
- The promotion of the quality of life of teams and each of their members;
- The consolidation of a Fidelidade identity as a common denominator in the several geographies where we operate.

The sum of everything we do results in a single identity with a strong culture:

Be Fidelidade - One Company, Our Culture.

KEY FIGURES

Team Fidelidade in Portugal

Employment Contract		
98.6% of employees work full time <i>(+0.6 compared to 2020)</i>	99.7% of employees are part of the staff <i>(+0.2% compared to 2020)</i>	86% of employees under bargaining agreements (excluding fixed-term) <i>(-8.3% compared to 2020)</i>

Academic Qualifications	58.7% of employees hold a Higher Education degree
--------------------------------	--

Empowerment and career progression opportunities	
103,757 training hours provided ¹ <i>(+19% compared to the previous year)</i>	81.3% of employees are subject to regular career development and performance reviews <i>(-15.2% compared to 2020)</i>

Staff Turnover	
8.2% turnover rate <i>(+21.7% compared to 2020)</i>	4.3% turnover rate, for employees aged under 30 <i>(+18.3% compared to 2020)</i>

¹ This information was consolidated for the Fidelidade Group, solely based on trainings centrally provided by the People Department.

Team Fidelidade in the World

Characterization of the employees' employment contracts		
72.1% of employees are part of the staff <i>(+32% compared to 2020, as Bolivia and Paraguay are now reporting this indicator)</i>	5 years average seniority <i>(the same as in 2020)</i>	36 years old average age <i>(the same as in 2020)</i>

Distribution of the Employees of Fidelidade Portugal by Professional Category	
48% of employees are in sales <i>(+27% compared to 2020)</i>	26% of employees are managers <i>(-38% compared to 2020)</i>

2.1. DEVELOPING, acknowledging and empowering

In 2021, valuing our people and empowering leaders were two central pillars of the development of skills and talent and, ultimately, of the construction of the Group's future. This way, we will be able to assign responsibility and optimize individual and collective development, with results in the attraction, retention and growth of people. For that purpose, it is imperative to adequately allocate people in the company. And this implies changes at decentralization level in order to confer greater agility and an improved ability to place the focus on the Customer. **Empowering and caring internally will always allow a better collective response from the Group.**

EVOLVING AND VALUABLE TEAMS

The Group promotes the training of its employees, throughout their careers, and their professional development. Each employee must be prepared to achieve a suitable professional performance that optimizes the development of the business, which is a determining factor for talent retention and for personal fulfillment and motivation. Regarding the attraction of new talents, the Fidelidade Group has been focusing on the integration of new essential skills for the development of the business.

STRONG AND PREPARED LEADERS

The management of teams is an important challenge for leaders. Within the context of the pandemic, in which it is essential to maintain cohesion, motivation, communication and alignment in order to ensure the performance of activities, this challenge became even more important. That is why making our priority to provide full support to the organization of time, tasks and work execution was crucial over the past two years. The team leaders have played and continue to play a fundamental role: they are agents of change and examples of humanism and trust to their people, materialized in the motivation, cooperation and the creative search for new solutions. This work environment has allowed individual and collective achievement, an indicator that will help us continue to pursue these measures.

WE DON'T STOP

Investment in training

Fidelidade had already invested in the digital training of people before the pandemic context. Working remotely has only stressed the need to improve skills of use of technological tools and to reinforce digital communication support tools in a remote environment.

In this context, we launched the Wevolution Academy, a training program based on six pillars of learning:

- **Onboarding** with trainings about the organization;
- **Leadership**, with tools for support to the development of teams;
- **Know-how**, with retention and sharing of the organization's technical knowledge;
- **Customer focus**, with programs about the service culture;
- **Innovation**, focused on agility and digital transition;
- **Culture and personal development**, for the improvement of personal characteristics.

GENERAL TRAINING

Protecting knowledge

With the purpose of streamlining the process of sharing and retention of technical knowledge, in a segmented way, we launched the program Protectors of Knowledge. Acknowledging employees as holders of this critical knowledge, the goal is to create a knowledge and technical training portfolio in Fidelidade. At the beginning, the project involved 18 employees, from 11 Departments and five different Companies, and 17 technical knowledge contents were developed.

Knowing to better develop

A study was developed — "*O Retrato das nossas Pessoas*" (The Portrait of our People) — which compiled and provided metrics and indicators about the People of the Fidelidade Group, seeking to deepen the knowledge about the team and its characteristics, its diversity and evolution. With this picture we were able to better understand the present and define the future of people and of the organization.

Welcoming and integrating

The new Onboarding Program, transversal to the Fidelidade Group, completed one year of implementation. The results stand out through the experience and satisfaction of all the people involved. This program seeks to provide a transversal experience about the culture and values of the Group, through the sharing of information and the strengthening of the relationship between new employees and those already in the organization.

In addition to transversal approaches, we have designed training programs to address specific needs, by functional areas or organizational groups. We report on some of these initiatives.

SPECIFIC TRAINING

Sustainable finance: The Integration of environmental, social and governance aspects in the offer and investments is becoming more and more present in the companies' agendas, in global policies and in the international community. Following this agenda, trainings were provided in the area of Sustainable Finance (regulated by the Regulation on sustainability-related disclosures in the financial services sector – EU Regulation 2019/2088). Training sessions were also conducted on the application of a responsible, sustainable and inclusive financial investment (EU Regulation 2019/2088).

Training of brokers: In order to grant to the brokers of companies and commercial managers risk analysis certification, Safemode started a specific training that qualifies them to perform simplified risk analysis with customers. At the end, the training platform delivers a risk analysis report and a recommendation report for the customer, to enable them to apply risk mitigation measures. In 2021, the first 50 brokers were trained and certified with theoretical and practical knowledge, including 255 visits to companies.

Expert assessment of claims: Through a protocol between GEP and the Coimbra Business School - ISCAC, a postgraduation in risk management and expert assessment of claims was created with the purpose of strengthening the knowledge of the professionals that carry out these duties. GEP has offered this postgraduation to some employees and in the first edition all the course vacancies were filled.

Coaching for employees: Fidelidade Car Service started the 1st edition of the International Leadership Management Coaching Project, focused on Effective Personal Productivity. The 4 trainees that integrated this edition will be part of a 2nd training session to take place next year.

FIDELIDADE IN THE WORLD

Fidelidade Angola Fidelidade Welcome Program 	Fidelidade Mozambique Continuous investment in training 
<p>In order to welcome the new employees of Fidelidade Angola and prepare their integration and learning, the Fidelidade Welcome program was created. Two editions of this program have already taken place, each one with 27 participants. With a duration of 17 hours, the program:</p> <ul style="list-style-type: none"> • Integrates the new employees into the organization and makes them acquainted with the organization; • Assigns a mentor to each employee, who will accompany them during the first year; • Motivates the participants to display an adequate attitude in an organization that wishes to be modern, rational and effective; • Fosters an assertive conduct, which mirrors the company's values; • Presents Fidelidade's services and products to all employees, regardless of the area where they will be integrated. <p>A course has also been provided to expand the knowledge of newly arrived employees about the concepts and the terminology of the insurance world. The first edition of this course included 19 participants and had an overall duration of 12.5 hours.</p>	<p>Within the scope of the implementation of the online training project for insurance promoters, a training session was performed with the team of facilitators/trainers of Fidelidade Mozambique, in order to prepare them for the use of the remote learning platform. Carried out by the <i>ISCED — Instituto Superior de Ciências e de Educação à Distância</i>, the first training is planned for early 2022. This partnership project is innovative in the insurance sector in Mozambique, being presented as a self-employment opportunity.</p> <p>In addition, a strong investment was made in the training of employees in the commercial areas, with modules of development of commercial skills, time management, assertive communication and personal effectiveness. Four sessions were carried out, covering 49 employees, in a total of 40 training hours.</p>

La Positiva Talent attraction and retention through training 
<p>In order to respond to the main challenges of people management, which have increased due to the pandemic, La Positiva carried out the following initiatives to attract and retain specialized talent with innovation capacity for the company (considered as one of the main challenges in the country):</p> <ul style="list-style-type: none"> • It has established strategic alliances with the main local universities, where it holds events such as virtual fairs, webinars, masterclasses and employability consultancy; • It has maintained a strong social media presence in which it communicates the brand positioning and the learning and career opportunities it has to offer. <p>In order to enhance communication between teams in remote environment:</p> <ul style="list-style-type: none"> • It has improved the Workplace channel, the company's social network, with the purpose of being close to employees, interacting with them at a national level and promoting two-way communication; • It has launched a new internal communication channel, <i>Monitores Positivos</i> (Positive Monitors), whose role is to transmit the company's communications to their teams and carry out activities that promote a good working environment. <p>In order to train and update the insurance knowledge of employees:</p> <ul style="list-style-type: none"> • It has developed a virtual training program based on a global approach about the business and its products. Over 400 employees took part in this training during 2021. <p>In order to strengthen the organizational culture:</p> <ul style="list-style-type: none"> • It has created the program Most Positive Citizen at Home, with the purpose of conveying to the employees the following four pillars: responsibility, adaptation, balance and union. It includes a series of webinars and workshops to promote self-management, time management, virtual and remote teams management for leaders, emotional support, communication and cooperation between employees.

Fidelidade France Onboarding handbook 
<p>Fidelidade France has created an onboarding handbook in digital format meant for the new employees of the branch, in order to facilitate their integration. It covers all the information considered to be essential at arrival:</p> <ul style="list-style-type: none"> • The introduction to the Fidelidade Group with its values, history and the cultural diversity that distinguishes it; • The products, the strategy and the distribution networks of Fidelidade France, to make employees aware of the work carried out, regardless of the department to which they belong; • The internal processes that make it possible for them to get acquainted with the structure and its rules. <p>The handbook was issued in digital format as it can be updated more easily and due to the commitment to good environmental practices.</p>

FID Chile Seguros FID Your Talent 	Fidelidade Spain Continuous investment in training 
<p>FID Chile Seguros created its own people management model – FID Your Talent — which assesses the employees' performance through the achievement of key goals, dialogue, constructive feedback and recognition. This method also includes positive reinforcement and the theory of self-determination as a basis to reach the employees' motivation. In addition to the ongoing training of employees, this model has enabled the company to set more challenging goals.</p>	<p>As in previous years, Fidelidade Spain has pursued the training of its employees which, as for the entire Group, is an indispensable tool for the development of a solid and quality work and for the professional development of the team. In 2021, there were 111 training sessions, of which 42% were internal trainings and 51% external trainings.</p>

2.2. CARING and promoting quality of life

The Fidelidade Group's people management policy has long been underlining the importance of humanization of relations and of working conditions. From this guideline emerged the integrated policies that articulate prevention, education, training, employment, reconciliation of work and family life, promotion of equality and diversity and personal enhancement. In times like these, wellbeing and the reconciliation of personal, family and professional life have become pressing given the need to construct hybrid working models. **To create the conditions necessary for Fidelidade's People to always continue making a difference, so that life won't stop.**

Human Resource Policy

The Fidelidade Group follows a human resource policy guided by a set of pillars based on the following principles:

- Humanization of relations and working conditions;
- Non-discrimination based on the promotion of equality, without ignoring diversity;
- Respect for the dignity and promotion of the individual;
- Adoption of integrated policies that articulate measures of prevention, education, training, employment, reconciliation of work and family and equal opportunities;
- Implementation of human resource policies oriented towards valuing the individual, strengthening the motivation and stimulating productivity increase;
- Enforcement of human resource policies oriented towards treating employees with respect and integrity that actively contribute to their professional enhancement.

FLEXIBLE BENEFITS

As a responsible employer, the Group invests in models and practices that contribute to the welfare of its people. From the outset, upon the design of a benefit model based on a global offer that integrates contractual and non-contractual benefits, to add even more value to the remuneration package. Flexible and annually reviewed, in order to meet the needs of employees, this package includes nearly 75 benefits divided into the following typologies: family support, financial support, work organization, social responsibility, health and insurances.

GOING FURTHER IN OUR COMMITMENT TO PEOPLE

Among the several measures of support to employees, we highlight:

- The family support program, within the scope of informal caretakers, which helps employees search for institutions and doctors, apart from providing greater availability in the organization of work;
- The NOS program, which provides assistance through a broad network of partners in the healthcare, financial and legal areas. In 2021, and due to the current context, NOS was particularly present in the lives of our employees, with a total of 175 support requests at various levels: psychological support; the status of the Informal Caretaker; social and family support; legal and financial support and monitoring within the scope of COVID-19.

WE WANT POSITIVE CHANGES

The last two years have marked the lives of us all, at a personal, family and professional level. New working models have emerged, new conditions were created and many processes were revisited so that life won't stop both at the office and at home. Throughout 2021, we adopted a hybrid and flexible model which enabled employees not to return to the office, combining in-person working with remote working. More than ever the

adoption of measures to support the reconciliation was relevant, above all with the certainty that there are changes in work that will last. Our day-to-day now includes:

- The adequacy and flexibility of working hours and conditions;
- The promotion of internal mobility;
- The adjustment of each remote workstation to the physical and psychological conditions of employees;
- The equipment of the workstations according to specific needs.

To turn into positives some of the consequences of the pandemic is what moves Fidelidade: the opportunity of new working methods, valuing teamwork, awareness and promotion of welfare and the balance between family and work.

WE DON'T STOP

Investment in welfare and quality of life

In 2021, we conducted a questionnaire to assess psychosocial risks in the Fidelidade Group, with the purpose of understanding how employees experience and feel work and its impact in their personal lives. With a 68% adherence rate, this questionnaire allowed us to identify the main psychosocial risks of employees and to define a mitigation plan. This plan will be implemented within the next three years and will go through several stages. The first and the most transversal one will consist of a training at several levels to qualify the employees that provide assistance to internal customers to intervene in the risk factors.

What are psychosocial risks?

Psychosocial risks may impact the physical and mental health of the person and result from the interaction between the individual, their living conditions and their working conditions, as well as from the relation between the way work is conceived, organized and managed and the economic and social context of work.

Safety in the buildings

In 2021, the doctors and the professionals of the Occupational Medicine and Safety service of the Fidelidade Group jointly conducted, for each building of the Group, a study on occupational prevention and health and safety. This study analyzed all the improvements made to the buildings throughout the years in order to mitigate risks. In 2022, an assessment report will be issued with individual improvement proposals.

Adequacy of benefits

In the broad set of measures meant to improve the quality of life of its people, Fidelidade decided to update some of the initiatives of support to the education of the employees' children:

- School support, through the annual copayment of school costs for employees with children who attend educational establishments, daycare centers or nurseries;
- Funding for the acquisition of school equipment for children up to the age of 24;
- Accompaniment on the first day of school, for employees with children up to the age of 10;
- Awards of Merit and acknowledgement of academic performance for employees' children who distinguish themselves in the final grades of 9th and 12th grades.

FIDELIDADE IN THE WORLD

<p>Fidelidade Macao Welfare and health of employees and protection of the community</p> 	<p>La Positiva Benefits, occupational health and safety</p> 
<p>Fidelidade Macao launched an incentive plan for its employees to get vaccinated against COVID-19, in compliance with the Vaccination Program provided by the Healthcare Services of the Government of the Macau Special Administrative Region. The company intended to show its ongoing commitment to the best efforts of the Government of Macao for the protection of the community.</p> <p>The program included the provision of extra vacation days, offer coupons and the right to a prize through lottery to all those who got vaccinated during the period set by the company.</p>	<p>In the context of the prolonged health crisis, the La Positiva Group undertook to promote the safety and health of employees through the implementation of rigorous COVID-19 prevention and control protocols and additional measures apart from those determined by the government. This commitment enabled La Positiva to obtain the certification of these protocols, the so-called COVID-19 Control Certification, granted by the SGS. This instrument recognized the implementation of and the compliance with the highest prevention and control standards during the health emergency in the country.</p>
<p>Alianza and Alianza Garantia Welfare and health</p>  	
<p>In the Alianza Group, the support to healthcare in the context of the pandemic has led to the adoption of measures to protect the physical integrity of employees:</p> <ul style="list-style-type: none"> • Implementation of a hybrid system of shift and continuous work; • Compliance with the mandatory use of masks and alcohol gel dispensers in all common areas; distribution of masks and alcohol gel to all employees and installation of table partitions in customer support; • New process of delivery of medical and pharmaceutical invoices, in order to avoid delivery in person; • Increase of reimbursement requests via WhatsApp. <p>In order to keep all employees informed, a continuous communication was carried out through the internal channels. In addition, a vaccination campaign was implemented for Alianza’s employees, and 95% of employees were vaccinated. Training was provided on the third wave of the pandemic, including new aspects to be considered regarding the evolution of the different strains and the precautions to take inside and outside the office.</p> <p>The company provided medical monitoring to all employees that have displayed symptoms compatible with COVID-19, medical care and referral to healthcare centers in order to mitigate the impact of the disease with a quick response. As in 2020, telemedicine was also provided both to employees and customers so they could have medical consultations without leaving their homes.</p>	

2.3. CONSOLIDATING the Fidelidade identity

Supporting the development and the construction of a sustainable society is Fidelidade's mission. And no matter how the reality has changed in 200 years, Fidelidade's values have remained unchanged and based on great principles: experience, protection, credibility, innovation, competitiveness, efficiency, leadership, loyalty, trust, stability. The driver of our strong and great identity is renewed on a daily basis by all our employees, wherever they are. It is in moments where rules are changed, whether due to growth or contingency, that the challenges of consolidating a culture aligned with the business, ensuring proximity, promoting diversity and renewing the essence of this brand make the most sense. It strengthens the single purpose that moves us. **One Company, our Culture.**

IT HAPPENED

Resilience culture for the customers' benefit: Wecare Program

The Wecare Program was created within the scope of support to victims of accidents and their families, seeking their social, family and professional reintegration. It is a humanist vision that emerged naturally within our business in which we have excelled in caring for our customers. Fidelidade believes that this attitude has the potential to be understood by everyone and to become part of the Fidelidade Group's culture. It was in this context and with the ambition of expanding our Wecare attitude that the Wecare Program was created.

From an initial diagnosis conducted by a multidisciplinary team in 2020, we designed a program to promote a culture where everyone believes in the Group's purpose and reflects its values into attitudes, behaviors and daily actions. To provide good service, whether to a coworker, a supplier or a customer, comes from empathy, resilience and the ability to create innovative and more agile responses, which are characteristics that distinguish the Wecare attitude. Although the main targets of this program are customers, the first targets are employees, as agents of this change of behaviors.

The first step was implemented during 2021 to ensure that all employees have understood what it means to be Wecare, in line with their responsibilities and roles.

Culture of inclusion: integrating diversity

After a working group was created in 2020 to discuss the diversity and inclusion issues within the Group, in 2021 a diagnosis was carried out about Fidelidade's perception as a diverse and inclusive Group. Based on the results, we are structuring a plan to increase diversity and promote inclusion in the Group. We highlight the evolution of work in this area by FID Chile Seguros which has already submitted for approval an equality and equity policy, after in 2020 setting the goal of gender balance and the monitoring of the ratio between women and men's average remunerations.

Culture of proximity: several tools with a single purpose

If it is true that the challenges of managing people and the organization are still the same, although with different formats, the need to promote proximity and to be together has become greater. In the first phase of the pandemic, we have ensured remote contact with the transversal program We are in Touch. In a second phase in 2021, we have added a set of webinars in order to, on the one hand, support the teams in reconciling their professional and family lives in the same space and, on the other hand, help leaders with programs and contents for the management of teams, in a remote environment. Despite the ongoing effort that this context has required of us, the learning and the experience we have gathered are enabling us to improve and conceive new practices around working conditions and team management.

Agile culture: an agile journey into agility

In the Fidelidade Group, we seek to identify and disseminate new ways of working, training people, contributing to the change of the organizational culture, which must be more agile and prepared for new challenges. In 2021, we have continued to pursue the implementation and dissemination of these practices:

- 63% of the Group's departments and companies in Portugal and in average 10% of the employees of said departments and companies have already been covered by the Agile Program;
- 4.3 is the degree of satisfaction towards the new ways of working in projects, in a scale of 0 to 5;
- 4.5 is the degree of satisfaction towards the teams' day-to-day good practices.

Culture of transparency: a path in constant progress

Fidelidade has started a multidisciplinary project to design a complaints management model that best serves the interests of the Group.

The creation of appropriate complaints channels enables to mitigate risks linked to unethical or illegal behaviors, including those that constitute moral and sexual harassment which, left uncontrolled or unanswered, may lead to loss of value for the company. Effective complaints channels may also help detect and solve systemic issues, such as bribery or corruption and bring to light issues of tax evasion or money laundering.

In Portugal, the implementation of this project is planned to be concluded until the end of the first semester of 2022 and afterwards it will be extended to the other countries.

A medium-term communication and training plan has also been created to raise the awareness of and train the Group's universe of employees on the different compliance issues. These initiatives have already covered about 100 employees and as success indicators we expect greater commitment and better performance results in the future. For the coming years we have planned training sessions focused on ethical behaviors.

Exchange of good practices between geographies

The systematic exchange of good practices started to be encouraged in 2021 through working sessions to present and deepen the application of several programs and tools available in the Group. In this way, apart from consolidating the culture, we created the conditions for a better use of synergies and, consequently, greater capital wealth. We highlight the training models Fyouture and Wevolution that started being introduced in different international operations and the development of an international mobility policy in the area of management of human resources, skills and opportunities.

FIDTALK 2021

FIDTALKs are an initiative that gathers a select group of employees and top management as an opportunity to become acquainted with management, as well as to raise questions about some of the challenges of the organization. Adapted to the online format, in 2020 it was relaunched as FIDTALK2021 with a new approach: FIDTALK Portugal, dedicated to employees in Portugal, and FIDTALK Across Borders, dedicated to employees in other geographies where the Fidelidade Group operates. Due to its success, this initiative was integrated into the Group's global culture.

Global culture: several operations with a single identity

Due to the growing international expansion of the Fidelidade Group, in 2020 we began the implementation of the Corporate Governance Model for international operations. During 2021, work plans were presented and the resulting processes and activities started to be introduced, which will be continued and consolidated over the next few years.

3. THE RESPONSIBILITY OF OUR BUSINESS

“If we want a society aligned with sustainable practices, as we are a strategic sector in our country, we must provide innovative solutions that anticipate and adjust to the social welfare needs and future sustainability.”

Sérgio Carvalho, Fidelidade’s Marketing Director

The insurance activity enables interventions in several areas, encouraging changes of behaviors of individuals and companies. Aware of that purpose and the responsibility it entails, the Fidelidade Group intends to keep delivering relevant value propositions with a quality service, that facilitate the access to savings and healthcare and promote prevention, entrepreneurship and the new economies, which is particularly important in a context of pandemic recovery. The strategies include to extend the coverage of risks, to innovate in products and solutions and to systematize the integration of social, environmental and governance criteria whether into the design of the offer, whether into the insurance company's investment policy. Throughout this transformation process, digitalization has leveraged the operational aspect of automation and digitalization of processes and the business aspect, with an increasingly larger investment in digital channels for customers.

KEY FIGURES

Assessment of the customer satisfaction index	11% increase in the assessment of the brand OK! Teleseguros through Net Promoter Score	8.9 (out of 10) overall satisfaction index of Fidelidade Assistance (the same as in 2020)
9.29 (out of 10) customer satisfaction index in Real Time Survey	4% increase in the customer score regarding the innovation of GEP	40% increase in the customer satisfaction index of Cares

Training of the brokers' network		
3,109 participants (-43% compared to 2020)	11,291 training hours (+11% compared to 2020)	302 training sessions (-43% compared to 2020)

(Monetary) volume of products and services with social benefit and environmental benefit	EUR 601.1 k Volume of Fidelidade's products and services with social benefit (+4% compared to 2020)	EUR 1,1 M Fidelidade's Environmental Liability Insurance (+10% compared to 2020)
EUR 17.4 k Gross Premiums Written generated by OK! Bike (+14% compared to 2020)	EUR 575.3 k Gross Premiums Written generated by OK! Auto Elétricos (+33% compared to 2020)	EUR 8,3 k Gross Premiums Written generated by the OK! Gestual service (-19% compared to 2020)

3.1. EXTENDING coverages of new risks

In a society in constant change, it is necessary to inject agility into the approach to current risks by improving coverages but also including new risks arising from new lifestyles and concerns of customers. This permanent extension is expected from a Group such as Fidelidade, due to the areas of activity where we intervene, the commitments we have made and the extensive value chain where we operate.

WE DON'T STOP

<p>Prevention of cyber risks</p> <p>Due to the high use of Internet, Fidelidade has continued to enhance the protection of customers in order to ensure greater safety:</p> <ul style="list-style-type: none"> • For families, the insurance Fidelidade Cyber Famílias which offers legal protection and protection against several threats, technological and psychological assistance. • For companies, the Cyber Safety insurance which assesses the degree of exposure of companies (SMEs) to cyber risks and offers services and coverages to protect businesses. 	<p>Offer for pets</p> <p>Due to the significant role that pets play within Portuguese families, by the company and emotional support they provide, in particular during the pandemic, we decided to extend TELEPET, a telephone monitoring service performed by veterinary nurses, to all Fidelidade customers, until 31 December 2021. We also kept the preventive medicine service (check-up), vaccines, surgeries and sterilization.</p>
<p>Integration of the COVID-19 (pandemics) coverage into travel insurance</p> <p>In order to mitigate the risks people are facing within the scope of the pandemic while they travel, we have introduced new coverages in travel assistance abroad that reduce the financial impact for customers, in case they become infected with COVID-19 and are unable to travel.</p>	<p>Offer for Companies</p> <p>In 2021, we launched a pilot of the Business Multi-Risk insurance, to strengthen our support to the SME segment, thereby bridging the gaps detected in the degree of protection offered to these companies.</p>

FIDELIDADE IN THE WORLD

<p>Fidelidade Mozambique Climate Indexes Agricultural Insurance</p> 
<p>The Indexed Agricultural Insurance was a pilot project which covered 15 agricultural holdings in the region of Cuamba, Mozambique, in 2021, whose purpose was to develop an insurance in a strategic sector for the country and help reduce extreme poverty, through the support to vulnerable families.</p> <p>Given the high number of producers and their dispersed locations in the territory, the indexation of an agricultural insurance to climate indexes is an ideal solution in this context, as it avoids the insurance company having to visit the agricultural holding to assess damages and negotiate compensation amounts, this survey being then automated.</p> <p>The implementation of the agricultural insurance in the system was finished in 2021 and the product was introduced to a reference partner.</p>

3.2. INTEGRATING the health offer

The integration of the health offer has been consolidated over time. Health is a central segment for the Fidelidade Group and has become even more relevant in the context of the pandemic over the past two years. The focus on the innovation of the entire offer and on the creation of a better and more adjusted service has enabled Fidelidade, and particularly Multicare, to respond in a more and more global and specific manner to people’s needs.

WE DON'T STOP

Health in the time of a pandemic

<p>Post-COVID-19 Check-Up Provided free of charge to all customers with the Preventive Medicine coverage out of the grace period, that were infected with COVID-19. The growing concern regarding the sequelae caused by COVID-19, that have manifested whether in patients with more serious clinical situations, whether in patients with light symptoms or even asymptomatic, has led us to continue to protect the population affected by the pandemic.</p>	<p>Health multi-services Fidelidade and Multicare have continued to ensure:</p> <ul style="list-style-type: none"> • Medicina Online Consultations, 24/7; • Home delivery of medication free of charge; • Psychology Consultations, on business days; • Home assistance services to those in isolation, tested positive for COVID-19; • Service of transport for vaccination against COVID-19 for customers aged over 70 or with a disability rate equal to or higher than 60%. 	<p>Inclusion of the pandemic risk Although the international practice excludes the pandemic risk from health insurances, we have decided to ensure:</p> <ul style="list-style-type: none"> • Also to customers with the Outpatient Care coverage PCR tests within the Multicare Network of providers (provided they display symptoms and hold a medical prescription for the purpose); • The full payment of hospitalization for treatment of COVID-19 for customers with the Hospitalization coverage.
--	--	---

Extension of coverages and service innovation

<p>Mental Health Coverage As Portugal is the 5th EU country with greater incidence of mental illnesses (nearly 20% of the Portuguese population suffers from mental illness and 50% have already suffered or will suffer from mental illness during life), Multicare has decided to create an innovative coverage in a sector that, in Portugal, excludes, as a general rule, mental illnesses, providing:</p> <ul style="list-style-type: none"> • Psychiatry and psychology consultations and psychotherapy sessions; • Psychiatric hospitalization; • Complement to the Psychology consultations of the Medicina Online coverage with other services provided by psychologists, at no additional cost; • The Vitality Program, aiming at the promotion of health and wellbeing, combining a reward system with the adoption of a healthy lifestyle; • A mental health assessment included in the free check-up. 	<p>New services of Medicina Online Apart from the mental health services, three new specialties were included: Endocrinology, Orthopedics and Urology, in addition to the ones already available (Family General Medicine, Pediatrics, Gynecology, Allergology and Dermatology and the Traveler’s consultation). Multicare customers have access to a team of specialist doctors available to provide clinical counseling in prevention and primary healthcare in these specialties.</p> <p>Launch of the MyMulticare app The new app makes it easier for customers to digitally manage their Multicare insurance, in terms of video consultations, reimbursement requests and the Multicare digital card.</p>	<p>Symptom Assessor for all citizens As of January, in the middle of the third wave of the COVID-19 pandemic, Multicare provided free of charge and without the need for registration or identification, its Symptom Assessor to all citizens residing in Portugal. This tool uses the artificial intelligence of the Multicare telemedicine platform to identify the most probable pathologies associated to health symptoms (including COVID-19), recommending the type of clinical monitoring necessary.</p>
--	--	---

Increase in the segment of domestic pets

<p>Increase and rejuvenation of the customer portfolio</p> <p>In the segment of domestic pets, the Fidelidade Pets product has once more proved to be a gateway for new business, having been responsible for 46% new customers for Fidelidade. This channel has simultaneously favored the rejuvenation of the portfolio, 25% of the customers being under 34 years old.</p>	<p>Increase of the network of partners and synergies</p> <p>In 2021 there was a 215% increase in the offer of partners at a national level, leveraged by the Group’s Location Intelligence tool, which enables to see in real time the specific location of Fidelidade Pets customers and providers. Partnerships were also formed with other entities for insurance distribution, granting of discounts and other advantages for Fidelidade Pets customers. The Pets ecosystem has also included:</p> <ul style="list-style-type: none"> • Provision of a tracker for the customers’ pets, through special campaigns; • Pets 2.0 (update of the Product, coverages, capitals and response to other needs identified in the market); • Implementation of a copayment system, according to which customers pay only 30% of the total amount upfront.
--	---

FIDELIDADE IN THE WORLD

<p>Fidelidade Angola</p> <p>Opening of a Multiuse space with a Medical Center</p> 	<p>Fidelidade Macao</p> <p>Responding to societal challenges</p> 
<p>Fidelidade Angola has opened a multiuse space in the Kifika area, in the urban district of Benfica, which combines several services:</p> <ul style="list-style-type: none"> • A doctor's office that provides primary healthcare services and video consultations, with the permanent presence of a nurse; • Analysis and grant of microcredit; • Provision of insurances at accessible prices, such as the “popular micro health insurance”. <p>This was the first time that an insurance company in Angola has opened a multiservice space within a district.</p> <p>The doctor's office installed in said multiuse space counts on the permanent presence of a nurse, who provides support to the video consultations carried out at the office. The nurse also monitors the collection of samples for clinical tests and explains to the users the advantages of the “popular micro health insurance”, which includes several healthcare services at an economically controlled cost.</p>	<p>Fidelidade Macao has launched two new products in the healthcare area to help people protect themselves against financial risks in case of illness:</p> <ul style="list-style-type: none"> • An insurance for the “COVID-19 Vaccination Program” that protects against possible adverse reactions/side effects arising from this type of vaccines. With coverages that include death or total permanent disability, the insurance covers all people from 3 to 85 years old that receive COVID-19 vaccines within the scope of the vaccination program of the health services of the Macao region. • The insurance supplement “Hospital 102 Premium Reimbursement Plan”, that protects customers against loss of income and additional expenses, in case of hospitalization due to illness or accident. The target audience of this insurance are all the inhabitants of Macao and all the people that legally reside in Macao, aged between 30 and 60 years old, who have other health insurances and intend to get additional protection.
<p>Fidelidade Mozambique</p> <p>Supporting service providers during the pandemic</p> 	
<p>In order to address the lack of COVID-19 vaccines in the Ministry of Health, Fidelidade Mozambique has joined a private initiative to purchase vaccines. This initiative covered all the permanent contact service providers, namely the call center, surveillance and cleaning services.</p>	

3.3. ENHANCING the change of behaviors

We are currently witnessing a profound change of society, of the expectations of consumers and employees. This is why we work together with customers and business partners towards a more balanced and healthier way of life, that our planet may be able to sustain. With a field of action, a value chain and a universe of stakeholders as extended as ours, Fidelidade starts off from a privileged position and equivalent responsibility to induce more sustainable behaviors in the areas of savings, prevention and sustainable and environmental mobility. We are also ready to move to the next level and integrate, in a more systematic way, social, environmental and governance criteria into our investment portfolio. An important signal not only due to direct impact on our contribution to society, but also due to the indirect impact on the promotion of these issues with its stakeholders, namely customers and partners.

WE DON'T STOP

Encouraging savings

The savings levels of the Portuguese are low, due to a complex set of factors, marked by the families' income generation capacity and their level of education. Given this evidence, we have decided to start contributing in a positive manner to the savings decisions of our customers through our products.

MySavings App

Fidelidade Savings is an individual life insurance that includes savings solutions, to which we have linked the MySavings App, where customers may set savings goals or perform investments in a completely digital way.

New product - PPR 40+ESG

With the purpose of associating retirement savings to the promotion of good social, environmental and governance practices, Fidelidade developed a financial solution where asset indexes are aligned with the United Nations Sustainable Development Goals (2030 SGDs) and with the Principles for Responsible Investment, dedicated to the conscious creation of positive social and environmental impacts. As such, they exclude from their portfolio controversial sectors or those with a negative environmental impact or also those that do not comply with the international procedures related to human rights, work, environment and corruption – according to the United Nations Global Compact Principles, of which Fidelidade is a signatory.

This product fits into Fidelidade's strategy to integrate more and more into the design of its portfolio environmental or social criteria. The PPR 40+ ESG index invests over 50% in shares of companies integrated into ESG indexes, being identified as companies that comply with good governance practices.

Promotion of healthy lifestyles

Health being a central segment of our business, we keep a watchful eye over the scientific work and the evolution of society in this field, being aware that we play the part of promoter of healthy habits. As sports have proven to be fundamental for a high-quality and longer healthy life, we have created products that meet these goals.

Multicare Vitality — Already introduced in 2020 as a program that rewards health insurance customers as they adopt healthier lifestyles and behaviors, has now been improved and consolidated.

Multicare Vitality Race — Event launched on the World Mental Health Day, to remind what physical exercise does for wellbeing and for the prevention of chronic and mental illnesses.

Proteção Vital Pessoas (PVP), extension AP1 - Sports — Sports protection insurance, that enables to cover costs arising from sports activities.

Promotion of sustainable mobility

Sustainable mobility is contributing to the reduction of claims, with positive impacts on the business. In Fidelidade, the work in this area is being carried out, namely through OK! teleseguros and other operations outside Portugal, with offers, partnerships or customer incentive programs. Nevertheless, we want to play an even more active role in the promotion of safe behaviors, reaching audiences that use public transports or other types of transports, such as bicycles and scooters.

<p>Pay As You Drive — free app for motor insurance customers that enables the real time location of the vehicle in case of accident or robbery and offers a benefit upon the renewal of the insurance, granting a discount up to 20%, calculated according to the driving profile of each customer.</p>
<p>Fidelidade Drive App — free app for motor insurance customers, with customized tips about driving and information on fuel consumption or risk events during the trip. In exchange for completing the challenges, customers accumulate points that may be exchanged in a network of partners.</p>
<p>New Mobility insurance with coverages in case of mobility accidents, to protect customers during their trips in public transports, scooters, bicycles or others.</p>
<p>OK!Auto Elétricos — launched in 2017, with an exclusive discount upon the subscription of the insurance for electric vehicles, it currently provides partnerships and guarantees such as towage of the vehicle up to the nearest charging station, if necessary, protection for charging cables, special prices for rental of vehicles and discounts in products and services related to sustainable mobility.</p>
<p>OK!Bike — since 2018, we have been providing a personal accident and third-party liability insurance for those who travel by bicycle, covering the customers’ treatment costs and assistance and legal protection services.</p>

FIDELIDADE IN THE WORLD

La Positiva Influencing the value chain through business 	FID Chile Seguros Coverages for a more sustainable mobility 
<p>With the concern of ensuring sustainability also in its value chain, La Positiva selects its suppliers based on social criteria - refusing to work with companies that are related to cases of child labor - and environmental criteria, calling for non-contamination and for the replacement of cleaning and personal hygiene products with more sustainable ones.</p>	<p>Bicycles, scooters and motorcycles, both conventional and electric, have become more and more present on the streets of Chile, used by thousands of residents who seek to improve their travel time or protect themselves against the risk of COVID-19 infection. With the purpose of responding to these new life habits, FID Seguros launched FID ECORUEDAS, an insurance which, apart from motor protection, also covers trips in these means of transport with personal accidents and third-party liability coverages.</p>

3.4. INNOVATING in products and services

The Fidelidade Group favors the provision of services that follow up people in the several stages of their lives, far beyond the traditional insurance products. In order for that to happen, we must be able to meet new needs, which by definition requires innovative solutions. The Group’s strategy is based on this equation, combined with a strong component of digitalization and automation, that has proven to be a crucial innovation tool, both in the processes and in the final delivery and customer experience.

WE DON'T STOP

New business segments with innovative solutions

HOME SEGMENT

Fixo — on-demand platform, providing access to a broad range of services for the home, such as remodeling and decoration, cleaning and waterproofing or installations and repairs. After a trial period, the Fixo service is already being marketed.

SENIOR SEGMENT

Alô — a service that has also evolved from a pilot stage into marketing, consisting of a solution to combat the social isolation of senior citizens and facilitate the connection to a support network. It links a tablet to an app for caretakers, family and friends, providing medical and personal home assistance services and also support to caretakers.

CARE SERVICE AUTOMATION

MARIA Assistant — equipped with artificial intelligence, speech bot MARIA performs assistance duties in the helpline of Fidelidade Assistance, and has proven to respond with greater efficiency and swiftness to the common needs of customers. This virtual assistant has earned Fidelidade the award in the category “Effectiveness/Efficiency of Organizations” at the first edition of the Digital Transformation Awards of the APDSI - *Associação para a Promoção e Desenvolvimento da Sociedade da Informação* (Association for the Promotion and Development of the Information Society).

Essential data: 3,026 cases processed | 7.7% total autonomy rate (cases it opens and closes) | 9 (out of 10) customer satisfaction index, result equivalent to human assistance.

Trusty Chatbot — We also provide an SMS automated assistance service launched in partnership with Visor.ai, winning company of the 2017 Protechting.

Essential data: 258 daily active sessions | 88% automation rate

Digitalization across the line — The increasing digitalization of motor claims processes has enabled to reduce opening times in nearly 67%, and it is now possible to do it through digital reporting in 12 hours in the commercial platform. In 2021, we developed a new motor simulator for a better organization of information, with efficiency and result accuracy gains for users.

FIDELIDADE IN THE WORLD

Alianza and Alianza Garantia Online policy delivery system	
A safe digital system for the delivery of insurance policies to customers has been implemented, giving rise to a customer receipt certification.	
La Positiva, Fidelidade Mozambique and Alianza Internal efficiency projects with impact on customer service	
Several companies of the international context are experiencing greater project efficiency through the following measures:	
La Positiva: <ul style="list-style-type: none"> Automation of processes and simple and repetitive activities, through the use of robots (RPA), which has resulted in the issue of nearly 2,112 policies per month; Implementation of internal processes that have improved efficiency in some areas such as the complaints service and profit-sharing payments to the insured. 	

Fidelidade Mozambique:

- The creation and management of digital-based document processes, to reduce paper printing, brought the following results in 2021: over 150,000 documents in the areas of collections, claims and marketing sent by email; over 30,000 text messages for the communication of events related to their contracts and Collection or Payment receipts.

Alianza and Alianza Garantia:

- General development of document processing systems, also including automated sales processes and the hiring of services.

<p>Fidelidade Spain Investment in customer experience through digitalization </p>	<p>La Positiva Implementation of digital signature </p>
<p>Fidelidade Spain has improved the digital experience in the process of subscribing to new products, through:</p> <ul style="list-style-type: none"> • Online insurance price simulators for a more informed decision making by customers; • Electronic submission of precontractual and contractual documentation; • MyFidelidade customer portal for information, contact and document consultation; • Streamlining of the authorization flow and payment by customers. <p>In the remaining customer contact channels, there was an increase in efficiency of communications, with the combination of the telephone circuit options of the assistance helpline.</p>	<p>Launched in 2020, the digital signature has enabled the company to improve the process and the waiting time for the acceptance of legal documents, which can now be done from any mobile device. Now consolidated, this measure has already processed 25,000 documents which were digitally signed, making for a 67% increase compared to 2020. Other measures have also strengthened the digitalization of the company:</p> <ul style="list-style-type: none"> • Installation of tablets to enable self-service in the sales process; • Payment of insurance premiums through a digital platform; • Implementation of the WhatsApp line, as an agile means of contact for information requests or the interaction with the call center and as a digital support of claims. In the last quarter of 2021, the utilization rate in the total contacts of report and emergency lines was 10.2%; • Virtual assistance in case of an accident.

3.5. INVESTING in a responsible and sustainable way

In 2016, the then UN Secretary-General Ban Ki-moon wrote the following message *“(...) an increasingly larger number of institutional investors – from all the regions in the world – are incorporating environmental, social and governance factors into investment decision making and applying asset ownership practices in order to reduce risks, increase financial return and meet the expectations of their beneficiaries and customers (...)”*. The insurance sector is currently going through a new paradigm: the understanding of the environmental, social and governance (ESG) profile of risk – one of its multiple dimensions – and its practical application. It is the duty of Fidelidade, as an institutional investor and marketer of financial insurances, to act in the long-term best interests of its customers. Carrying out that fiduciary role, it believes that environmental, social and corporate governance issues affect the performance of the portfolio beyond the simple risk-return ratio, improving the resilience and ability to generate long-term results, unlike other alternatives that deny this reality.

WE DON'T STOP

ESG principles in investment management

During 2021, Fidelidade continued to strengthen its strategy with investment evaluations where ESG factors had a decisive impact. Until the present, this scrutiny has obeyed to targets aligned with the Paris Agreements, but we intend to go further. The evaluations are performed by a multidisciplinary team, composed of specialists in the areas of Investments, Risk, Legal and Compliance, in order to ensure the production of a sound collective knowledge that covers all the perspectives.

This work requires an assessment of the general sustainability level of a business and the identification of the ESG policy of the targeted companies for investment, in order to prevent financial or reputational risks, in the present and in the future, which implies the permanent monitoring of the investment portfolio. We also conduct an analysis on the relevant ESG opportunities in order to identify new investment goals, whether for the portfolio itself, whether for new products to be developed.

ESG activity in the management of investments of the Fidelidade Group

In 2021, the Group went through an introspective phase, during which it performed an exhaustive research on the assets and internal practices and policies from a sustainability standpoint. The results, for now, are encouraging in terms of the ESG quality of our securities portfolio, but they also draw our attention to the existence of gaps that must be filled, such as the external certification and a holistic approach of the Group, which globally integrates the ESG issue into the insurance business and not only into investments.

Currently, the marketing of products with ESG criteria has broken world records. Fidelidade marketed its first investment product – PPR 40+ESG — within the scope of the Delegated Regulation (EU) 2021/1253 SFDR (Sustainable Finance Disclosure Regulation) which determines the harmonized disclosure of risks and sustainability preferences to investment firms.

4. ENVIRONMENTAL PROTECTION

“At Fidelidade, it has been long since we decided that climate change should be at the top of our concerns, namely natural disasters and their impact on populations. Thus, we should contribute to prevent them and improve the way we act when they occur.”

Rogério Campos Henriques, CEO Fidelidade

As leader in the national market, the Fidelidade Group also intends to stand out by adopting an environmentally responsible behavior, owning its role in the prevention and minimization of its environmental impacts. However, the threats we face due to climate change require a systemic and cooperative strategic decision-making capacity from the sector. The consequences of climate change that are already being felt and will drastically increase, are severely impacting the sector, which in turn affects the way it invests, how it protects customers and the way it markets products and services. Aware of the fact that ecological transition is urgent, this was a year for reflection about the Group’s environmental impacts and for the definition of the path to take in the coming years. We will provide further information on this plan in this chapter.

Being a partner of ecological transition

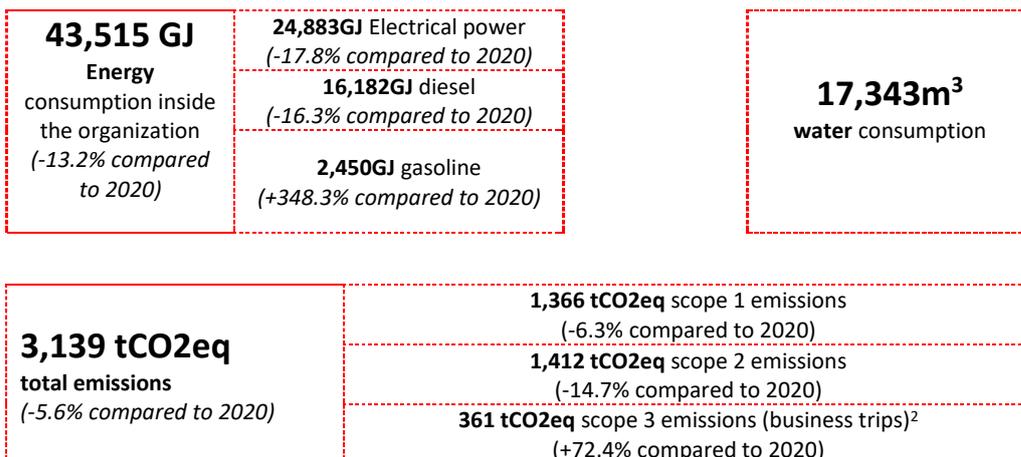
ACTIVITIES: monitoring and reducing the company’s direct impacts

BUSINESS: assessing and integrating the risk of climate phenomena into the existing products and investments

SOCIETY: cooperating and participating with partner organizations and entities in the sector’s reflection and in raising the society and the employees’ awareness

The environmental responsibility plan includes the reduction of resources and materials inherent to our direct activities, for a greater ecoefficiency: the alignment of investment policies and integration of environmental, social and governance (ESG) criteria into a responsible and sustainable portfolio; and finally the contribution to the literacy of the value chain and of society in general around these matters.

KEY FIGURES



² This information was consolidated for the Fidelidade Group, solely based on trainings centrally provided by the People Department.

4.1. MONITORING to reduce

Monitoring and reducing the company's direct impacts is one of the axis of the work plan now being systematically initiated. Aware of the fact that in order to reduce we must know and define the starting point, and that our reality today includes a broad set of operations dispersed throughout various locations with several types of management in terms of buildings, to perform a survey of the current status is one of the priorities of our work.

We have selected as fields of action the continuous improvement of the efficiency level in the consumption of energy and water, mobility and circular economy. In the near future, we also plan to increase the use of renewable energy sources, aiming at the reduction of greenhouse gas emissions, and to promote best practices in the procurement area.

WE DON'T STOP

Efficiency of buildings

Calculating to improve

Reducing energy and water consumption and increasing the energy efficiency of buildings are still two of our work goals for the next few years. While we are preparing the transition to the new registered office of the Fidelidade Group, we consider that there is still an important work to be done in the collection, monitoring and analysis of indicators for all the Group's companies and operations regarding energy, water, materials, waste and the calculation of the carbon footprint.

Dematerializing to reduce

Transversally, and as we are able to observe throughout this report, we have been following, and will continue to follow, an extended strategy of implementation of dematerialization projects, in which the Group has been consistently investing in recent years, which have as main consequences the efficiency and reduction of the use of resources.

New facilities with the best practices

The Group's future registered office will be a new-generation building, environmentally sustainable, with high air quality, green and cultural spaces, having a balanced social and community dimension, where employees will be able to combine several activities and even keep some day-to-day routines. Being guided by the best practices of the property sector, the construction project has already obtained several energy efficiency certifications:

- Nearly Zero Energy Building (NZEB);
- LEED, Gold level (Gold/Platinum);
- WELL, Gold level (Gold/Platinum).

The next steps of the works will enable to comply with the measures the Group has implemented with the Lisbon European Green Capital Commitment, according to which Lisbon will become carbon neutral until 2050. We highlight some of them:

- Energy: photovoltaic panels for energy production, solar panels for gas heating and geothermal energy for the control of the ambient temperature of the building;
- Water: reuse solutions and installation of efficient reducing devices;
- Quality of life: air purification and creation of leisure and work common areas;
- Circular economy: incentive to recycling, elimination of single-use plastics and acquisition of low-carbon certified sustainable materials and products in the production chain.

Sustainable mobility

More ecological fleet

Sustainable mobility has started internally, in recent years, with the replacement of our car fleet with electric vehicles, conventional or hybrid, and with the gradual extension of this practice to all our affiliate companies.

Less travels, more agility

We have reviewed our travel routines in the provision of services to customers and we have taken measures to reduce work trips, replacing them with online meetings. This way, we also streamline and accelerate processes. In the companies of the Group with assistance services, we performed a work of route optimization which resulted in the increase of the number of providers per locality and in the consequent reduction in the kilometers travelled by each one.

Circular economy

Goal: To reduce

Contributing to a circular economy through our activity, adopting the best practices of materials and waste management throughout the value chain, has been one of the axis of our business for quite a few years, that will continue in a newly-defined improvement plan. We highlight the following examples:

- Reuse of furniture and of existing materials in storage in the new Cares facilities;
- Reduction of single-use plastics, replacing them with other materials;
- Increasing sending of waste for recycling;
- Partnerships for the repurposing of electrical and electronic components;
- Partnerships for the treatment of waste from our construction works, making it possible to create new materials from waste.

Circular economy with a social connection

Given the strong culture of Fidelidade Community, we have been introducing a social link in our circular economy initiatives, ensuring the purchase of products and services with social businesses from the Fidelidade community and third-sector partners and establishing synergies to forward salvaged materials, computer equipment and others. We highlight as examples:

- The partnership with the Hospital da Luz, which allowed to donate several pieces of hospital equipment and furniture (ex.: stretchers, armchairs, articulated beds, disposable materials);
- The adhesion of Cares to the *Quartel Electrão* Initiative, by Electrão, whose purpose is to involve voluntary firefighter departments in raising the population’s awareness for the recycling of used electronic devices, rewarding the one that collected more devices in one fire truck. Cares contributed to this collection with the delivery of a few tons of materials contained in its storage facilities.

FIDELIDADE IN THE WORLD

<p>Alianza and Alianza Garantia Optimization in the use of resources</p> 		
<p>To lower the energy consumption, the following measures were taken:</p> <ul style="list-style-type: none"> • Proximity sensor switches were installed for automatic switch-off and reduction of electricity consumption; • Change to an LED lighting system; • Programming of the ignition system for air-conditioning systems. 		
<p>La Positiva</p> 		
<p>Recycling</p> <p>It was decided to recover the paper sent to recycling from the main offices and agencies in its equivalent to recycled paper and donate it to the NGO <i>Aldeas Infantiles</i>. 5.5 tons of paper and over 160 Kg of cardboard were delivered.</p>	<p>Carbon footprint</p> <p>A new calculation of the company’s carbon footprint earned the company the “Carbon Footprint” distinction from the Ministry of Environment.</p>	<p>Consumption reduction</p> <p>Following the 2020 project carried out by the employees to raise awareness for the importance of the 4 Rs (reducing, reusing, recycling and recovering), in 2021 we have verified a greater control in the use of paper and in printing by the departments, and the standardization of formats, thus avoiding the excessive consumption of paper and ink.</p>

4.2. INTEGRATING climate factors into the business

During 2021 and as already mentioned above, in the accelerated and demanding legislative context, and in the context of the review of Fidelidade's plans, within the scope of climate change, we developed and consolidated the integration of ESG criteria into investments³ and the offer⁴, both in product design, as is the case of the new product PPR 40+ESG Index, and in the extension of coverages⁵.

The consequences of climate change make this integration inevitable, as the insurance business is faced with different levels of risks: physical risks, which directly affect the portfolio and people's lives; transition risks, which emerge from the transition into a low-carbon society; and emerging financial risks, linked to carbon trading. Due to the losses and damages caused to customers, insurances are in the frontline of these impacts. Giving greater importance to the management of climate issues is an inevitable step on which the Group is currently working, designed along the following lines: converging the attention of the entire organization towards the risks involved, allocating the appropriate resources and establishing a clear governance structure that includes the creation of functions and enables to assess climate impacts and risks.

In parallel, it is fundamental to accelerate the development of predictive models to, on the one hand, anticipate the seriousness of the damages and, on the other hand, streamline the management of support and proximity to customers.

WE DON'T STOP

Disaster prevention

Within the scope of the work carried out on natural disasters, Fidelidade conducted a study on the modeling of impacts of tropical cyclones on residential buildings in Portugal. This work contributed to improve the criteria used to define an insurance: the risk assessment process, underwriting, pricing and the impact prediction of future events. It also gave rise to an internship report entitled *Building a risk map for hurricane-force tropical cyclones in continental Portugal* and to an article, submitted for publication in a scientific journal, entitled *Building a hurricane risk map for continental Portugal based on loss data from hurricane Leslie*.

³ Integration in line with Article 3 (Integration of sustainability risks/ESG in the investment decision-making process) of Regulation (EU) 2019/2088 of the European Parliament of 27 November 2019.

⁴ Integration in line with Article 8 (Information on how financial products promote, among others, environmental or social characteristics, or a combination of those characteristics, and how they are met) of Regulation (EU) 2019/2088 of the European Parliament of 27 November 2019.

⁵ Consult additional information in the chapter "The responsibility of our business" of this report.

4.3. PARTICIPATING and involving

A pivot in an extended value chain, Fidelidade intends to play a more and more active role in raising the awareness of its ecosystem and society in general for environmental issues. This attitude is expressed in the participation and cooperation with partner organizations and bodies in a reflection within the sector and in raising the awareness of employees and society to this issue.

WE DON'T STOP

Raising awareness, training and mobilizing internally for environmental issues

For nearly a decade, we have internally developed countless initiatives meant to create a culture of environmental sustainability. This is a path of continuity, strengthened with information about the impact individual behaviors have on collective results, such as the use of working space and daily practices.

Climate Fresk

One of the initiatives carried out in 2021 was Climate Fresk, a scientific workshop based on the work of the United Nations' Intergovernmental Panel on Climate Change, to increase knowledge about the causes and consequences of climate change and to reflect on the measures to be taken. 12 employees took part in this session and Fidelidade is considering to extend the workshops and initiatives to other formats in order to encourage internal mobilization in this area.

FIDELIDADE IN THE WORLD

Fidelidade Spain 
Ambassadors for a more sustainable world and raising the awareness of employees
<p>Several initiatives were carried out to raise the awareness of employees, customers and partners for environmental issues:</p> <ul style="list-style-type: none"> • Creation of the team of volunteers of Fidelidade Spain, called <i>What's Next</i>, to carry out social and environmental actions, internally and externally. In 2021, this group of volunteers worked together with the municipality of Madrid in an initiative to collect trash from fields, woods and mountains, with the coordination of the LIBERA PROJECT which promotes circular economy; • Provision of parking spots for bicycles in the indoor parking of the facilities, encouraging employees and customers to choose more sustainable means of transport; • All paper was sent to recycling: in 2021, the volume of paper sent (330 Kg) prevented the destruction of 43 trees, the emission of 297 kg of CO₂, the consumption of 16.5m³ of water and the occupation of 0.66m³ of landfill; • Continuation of the <i>Vamos continuar a reciclar</i> (Let's keep recycling) project, of collection of batteries, in partnership with the <i>Fundación Ecopilas</i>; • Continuation of the digitalization plan of the several work processes, seeking the total elimination of paper.

Participating and contributing to literacy and advocacy

The influence of Fidelidade may be very relevant with its external stakeholders through its processes, products, investment and initiatives. Making public commitments is also a way of advocating for the issue, contributing to collective movements of change.

Commitment to a more ecological city

In 2020, with the signature of the 2020 Lisbon European Green Capital Commitment, Fidelidade took on the challenge of taking climate action measures in all the defined areas of intervention, such as energy, mobility, water, air quality, noise pollution, circular economy, citizenship and participation.

Seismic risk: cooperative work

We are still part of the "Seismic Risk" Working Group, of the Catastrophic Risk Technical Committee of the Associação Portuguesa de Seguradores (APS – Portuguese Insurers' Association), whose purpose is to create a proposal for a "Seismic Risk Coverage Model" for residential buildings in Portugal. We intend to create a more comprehensive, sustainable, solid and financially independent method, that can guarantee greater resilience and recovery amidst an extreme seismic scenario.

An interventional financial sector

Fidelidade also continued taking part in the Sustainable Finance working group, on the role of financial sector in the creation of a green economic, within the scope of BCSD Portugal.

In 2021, new steps were taken in order to strengthen our involvement and make a commitment to ecological transition.

Rumo à COP26 Manifesto

Fidelidade joined nearly 90 companies in signing the *Rumo à COP26 Manifesto* promoted by BCSD Portugal. The document corroborates the importance of this conference and underlines the main expected results, through eleven points that reflect the aspects of a global and collective response intended to be more ambitious, in order to limit global warming at 1.5° C. One of the most necessary measures requires the decarbonization process worldwide.

Official insurance company of the Global Exploration Summit (GLEX)

In its capacity as Sustainable Partner, Fidelidade was the official insurance company of the Global Exploration Summit (GLEX). With the presence of important researchers from around the world, this conference approached issues such as the exploration of space and oceans and polar exploration. Climate change and the extreme climate phenomena associated therewith, as well as the preservation of natural sanctuaries, were some of the other issues discussed.

FIDELIDADE IN THE WORLD

<p>Fidelidade Spain Commitments to the environment</p>	
<p>Fidelidade Spain joined the #PorElClima Community, created to raise the awareness of society for the current climate crisis and for the individual and collective role in cooperating in an urgent action to address this global issue.</p>	

5. FIDELIDADE COMMUNITY

“Awarding and contributing to the sustainability of social economy organizations is our great goal. These organizations are miracle workers and Fidelidade wishes to support those miracles. We identified needs that we can meet with the help of Fidelidade itself, companies of the Fidelidade Group and also Customers, Business Partners, Suppliers and Employees. This is what we call Fidelidade Community.”

Ana Fontoura, Social Responsibility Director Fidelidade

The Fidelidade Community reflects the maturity of Fidelidade’s Social Responsibility program: from a program almost exclusively focused on employees, it developed outwards with the Fidelidade Community Award, whose mission is to strengthen the social sector through an investment in institutions acting within the scope of social inclusion of people with disabilities and senior citizens and prevention in health. These dimensions correspond to the essence of the impacts of the insurance activity: to protect people, property and economic activity in the present and in the future.

In a transversal way, the Fidelidade Community also intends to become the stage for many of the partner organizations, whether through the Award, which acknowledges their work and their projects, whether through the sharing among peers in training actions, but also through the multiple synergies created between the several intervening parties in the Community.

Throughout 2021, the Fidelidade Group has consolidated this concept of Community through several lines of action with initiatives that also involve employees and companies of the group, brokers, business partners and institutional stakeholders. With different stages of maturity, these lines of action demonstrate Fidelidade’s presence and contribution in various fields.



KEY FIGURES

<p>EUR 1.2M Investments in the community <i>(-31% compared to 2020)</i></p>	<p>1,265 Hours of volunteering <i>(+205% compared to 2020)</i></p>	<p>1,650 000 € awarded to the 64 winners <i>(4 editions of the Fidelidade Community Award⁶)</i></p>
<p>167 Social organizations supported <i>(-9% compared to 2020)</i></p>	<p>145 Employees involved in volunteer activities <i>(+58% compared to 2020)</i></p>	<p>591 applications received 4th edition of the Fidelidade Community Award</p>

⁶ The winners of the 2nd stage of the 4th edition of the Fidelidade Community Award will only be known in 2022, so we included in these figures only the winners of the 1st stage.

5.1. FINANCING social economy

In 2021, we launched the 4th edition of the Fidelidade Community Award with a new biennial implementation model, based on two distinct stages with independent appropriations and regulations. We have introduced these two new criteria in order to support, on the one hand, responses to urgent problems arising from the pandemic or not, which may constitute solutions to immediate issues and, on the other hand, keeping the support to projects of strengthening of the sustainability of social organizations, from a social investor standpoint, with higher values, and a follow-up up to two years by the team.

Due to the differentiating nature of this edition, an assessment of this strategy will be performed in order to determine the course of the next edition. By continuing to pursue the work of assessment of the impact of the Fidelidade Community Award as a whole (three previous editions), we have started analyzing the results of the 12 winning projects of the 2nd edition (2018). The direct consultation and the development of possible changes will continue to be assessed within next year.

An Award, a long-lasting bond

The Fidelidade Community Award represents the structured financial contribution of the Fidelidade Group to organizations of the third sector and has been a pillar in the relation of proximity we have developed with the social sector institutions. It often represents only the first moment of a long-lasting relationship, where mutual assistance is always present.

WE DON'T STOP

4th Edition of the Fidelidade Community Award

First Stage

The purpose of this stage of the Fidelidade Community Award was to respond to urgent or emerging projects, given the scenario the country and the world are facing. With a total of EUR 150,000 in appropriations, it was meant for projects with values ranging from EUR 5,000 to EUR 20,000.

We received 263 applications and nine awards were handed out in the following areas:

- Ageing: 137 applications, 5 winning entities;
- Inclusion of people with disabilities: 77 applications, 3 winners;
- Prevention in health: 49 applications, 1 winner.

Second Stage

The second stage of this award was oriented towards a positioning as business partner and of strategic philanthropy, with a EUR 600,000 support to robust projects that promote the sustainability of organizations. From the 328 applications received, which have requested between EUR 50,000 and EUR 100,000, 20 are still under assessment and will be submitted to a jury in early 2022. The most representative axis in this stage is also ageing, followed by social inclusion of people with disabilities and finally prevention in health.

UpStart Entrepreneurship Project

Fidelidade has become a social investor in projects funded by Portugal Inovação Social, as in previous years with the projects that won the Fidelidade Community Award. Within this scope, we partnered with the AgaKhan Foundation for the UpStart project, of inclusive micro-entrepreneurship, which values Portuguese and migrant craft practices and the creation of self-employment. The project will be supported by the Program of Partnerships for Impact in 67% and by Fidelidade and the AgaKhan Foundation (social investors) in the remaining 33%.

Support to more social projects

Always in line with the areas of activity of our Social Responsibility Program, we ensure support to other organizations and projects, such as:

- Pilot project Café JOYEUX of the VilacomVida Association, which employs people with disabilities;
- Beira Agueira Association which supports the visually impaired, ensuring with the sponsorship of Fidelidade Pets the training costs of two service dogs to accompany blind people.

FIDELIDADE IN THE WORLD

Garantia Seguros 1 st Edition of the Garantia Community Award 	Fidelidade Spain Donation of goods 	La Positiva Donations 
<p>In compliance with the sustainability strategy of the Fidelidade Group, Garantia has held the first edition of the Garantia Community Award.</p> <p>With an award estimated in the amount of CVE 2,500,000 (EUR 22,595), the program adapted the concept and addressed the most pressing issues of the Cape Verdean society, being meant for social organizations that act in the areas of social inclusion of people with disabilities and prevention in health, with emphasis on childhood.</p> <p>The Garantia Community Award received applications from 23 organizations, of which four earned the award for their projects – three in the area of social inclusion of people with disabilities and one in prevention in health. This award validates the commitment of Garantia to the development of society through the strengthening of the social sector and of Cape Verdean society.</p>	<p>In 2021, Fidelidade Spain continued its contribution to the community, having donated the following goods to social solidarity institutions:</p> <ul style="list-style-type: none"> • 450 kg of food to the Food Bank of Madrid, • Collection of toys at Christmas in favor of the Parish of Santíssimo Cristo de la Guía and San Juan de Sahagún (Vicalvaro), in a total of 200 toys and books collected, for children that were not able to receive presents in this season; • Nearly 500 kg of clothing for second-hand Caritas stores and for international projects in developing countries; • Collection of plastic caps by the Almar Foundation, that supports research of Friedreich's ataxia, a hereditary disease that causes damages to the nervous system. The plastic caps are then bought from the Foundation by companies that reuse them, generating, on the one hand, an environmental contribution to circular economy and, on the other hand, a social contribution that exchanges plastic for money. 	<p>La Positiva has contributed with the following initiatives for emergency situations in the community:</p> <ul style="list-style-type: none"> • Delivery of food to more than 400 vulnerable families in Lima and Arequipa, in partnership with the NGO Techo Peru. Employees have taken part in this campaign through individual donations, which resulted in an amount equivalent to 15 thousand meals; • Donation of 700 coats for seniors, women and children to the NGO Casa de Todos and to the Association Bienaventuranzas; • Delivery of food baskets and prevention and hygiene kits to over 140 children of the Coporaque School, in the city of Arequipa, within the scope of the initiative "Natal Positivo" (Positive Christmas), in partnership with the NGO Intiwawa.

5.2. CREATING synergies

After the isolation arising from the pandemic, our people have shown that their solidarity spirit was eager to share. With the help of 145 volunteers, we decided to resume the Volunteering Program of the Fidelidade Group, with a greater focus on continuity projects, with volunteering of skills, volunteering of talents, based on personal abilities, and on common projects such as the Banco Alimentar contra a Fome (Portuguese Food Bank).

WE DON'T STOP

<p>Banco Alimentar contra a Fome (Portuguese Food Bank)</p> <p>Within the scope of punctual volunteering actions and after one year of interruption due to the pandemic, the main initiative of food raising could once again dispatch teams of volunteers to supermarkets throughout the country, including 61 Fidelidade employees.</p>	<p>Make a Wish Mission</p> <p>During Christmas 2021, more than 70 employees from all over the country turned into Wish Ambassadors and joined the Make-A-Wish! Association to help make the wishes of 33 seriously ill children come true.</p> <p>Also in support to this foundation, some departments of Fidelidade made the wishes of 30 children come true through the action “Desejos em vez de Jantar” (Wishes instead of Dinner), exchanging the total amount of nearly EUR 60,000 of the team dinner for the fulfilment of wishes.</p>
--	--

FIDELIDADE IN THE WORLD

<p align="center">Fidelidade Group B2Run with global impact</p>
<p>Since 2016, the Fidelidade Group has supported the B2run initiative, which uses sports to make positive changes of mindset in the business world. In 2021, the solidarity race took place almost exclusively in a digital format, as a consequence of the COVID-19 prevention measures. The participants could run or walk the five-Km course in a route of their choice on the EMEX digital platform. Taking advantage of the digital format of the 2021 B2RUN edition, Fidelidade extended the initiative within the international context. 357 employees from Angola, Mozambique, Cabo Verde, France, Spain, Macao, Bolivia and Paraguay participated.</p> <p>In Portugal, the amount of the 341 entries was donated to the Food Bank, to help overcome the emergency situation as a consequence of the pandemic. The remaining geographies supported local entities, such as the Associação/Centro Acolhimento Pequena Semente (Association and Shelter Pequena Semente), the Association Cap Magellan, the ACNUR – “Emergência no Afeganistão” (Emergency in Afghanistan), Cáritas Macao or the Movement Humanizate. This initiative represents a good example of the strategy of dissemination of the culture and of projects that may become transversal. For the second consecutive year, Fidelidade was one of the winners of the Social Responsibility Week of the Fosun CSR Week’ 21, with this initiative, an award that can only be won with the involvement of all geographies.</p>

<p align="center">Fidelidade France Partnership of the “Best Young Entrepreneur” Award </p>	<p align="center">Fidelidade Mozambique Renewal of the Protocol with the Girl Move Academy </p>
<p>In 2021, Fidelidade France once again partnered with the “Best Young Entrepreneur” Award of the Associação Lusófona Cap Magellan, which has been promoting the Lusophone culture in France for 25 years. The winner of the award was Christophe Paredes, founder of the Elétrico Lisboa Urban Food, the first food-truck that serves and promotes the Portuguese gastronomy in France. This partnership illustrates the involvement of Fidelidade France in the Portuguese community.</p>	<p>Girl Move is a development NGO, present in Portugal and Mozambique, whose mission is to empower young Mozambican women as the main development agents of their country.</p> <p>The one-year training in entrepreneurship and empowerment for the socioeconomic development of the local community is provided by the CHANGE Program of the Girl Move Leadership Academy.</p> <p>Fidelidade Mozambique strengthened its partnership with the NGO through the offer of a grant to attend the CHANGE Program in Nampula, which enables a Girl Mover with a high leadership potential to participate in the 2,000-hour training of the CHANGE Program.</p>

La Positiva Prevention 	FID Chile Seguros Volunteering 
<p>La Positiva carried out the following prevention campaigns, to help raise awareness for and reduce risks:</p> <ul style="list-style-type: none"> • The campaign “Prevenir é Simples” (Preventing is Simple), within the scope of the Natural Disaster Prevention Day, which raised awareness for the importance of prevention and the use of the emergency backpack in case of natural disasters, has joined more than 9,000 customers; • The drawing of 50 fully equipped emergency backpacks, with essential items for the protection and wellbeing of its customers in case of earthquakes; • Involvement in a campaign of breast cancer prevention, in partnership with the Peruvian Cancer Foundation, including the performance of two awareness-raising seminars for employees and customers. 	<p>In 2021, Fid Chile Seguros supported Teletón, an organization of support to children and young people with disabilities. During two weeks, all employees took part in activities with its users, such as gym classes and talks. In addition, they raised a total donation of \$1,358,000 (nearly EUR 1,400), which the company also joined in order to reach the total amount of \$5,000,000 (nearly EUR 5,300).</p>

5.3. PROMOTING knowledge

The production of knowledge, research and discussion has guided partnerships such as the signature of the agreement with the Algarve Biomedical Center and other public and private bodies, around the subject of active ageing, the support to several initiatives of promotion of healthy lifestyles for health prevention and the sponsorship of events that foster inclusive participation and the literacy of the community.

WE DON'T STOP

National Ageing Observatory

Fidelidade has signed an agreement for the takeoff of the National Ageing Observatory, a project coordinated by the Algarve Biomedical Center (ABC) in partnership with 14 public and private bodies, which will produce scientific knowledge and seek to effectively meet the needs of the Portuguese population, concerning active and healthy ageing. This project will provide the country with reliable tools that enable us to obtain indicators in order to develop solutions that meet people's actual needs, thereby promoting active and healthy ageing.

FIDELIDADE ART — Chain reaction

Fidelidade Art, our space and project of cultural education and literacy, has continued our partnership with Culturgest for the innovative project Chain Reaction. For 3 years, several artists created works or exhibits to be displayed at the Fidelidade Art Space and, afterwards, at the Culturgest Porto space. The Chain Reaction concept is materialized with the invitation of one invited artist to the next, who, in coordination with the curator, generates unexpected and surprising connections. The generational and cultural diversity, as well as of types of work, was the cornerstone of this project. In 2021, it received 3,886 visitors.

5.4. STIMULATING innovation

Until an innovative idea is found, several moments of inspiration, observation and comparison come to be. Until the moment of materialization of that idea - to plan and transform it into an activity or a business - the support in terms of skills, partnerships and financial resources may be crucial. As innovation is the center of our future strategy, Fidelidade knows these steps and acknowledges the support it may provide to all those who can contribute to innovate and create relevant solutions for the progress of society. In 2021, we provided platforms for inspiring conversations on innovation and we support training programs that offer new solutions in the areas of influence of Fidelidade.

WE DON'T STOP

Inspiration for innovation

In 2021, Fidelidade Studio released the podcasts “Desafiar o talento” (Challenging talent) which brought conversations with inspiring people who challenged themselves and took their talents further and their success stories, such as:

- Diogo Amorim, founder of the artisan bakery Gleba and creator of the Matéria Project which promotes the importance of the provenance and seasonality of ingredients;
- Célia Rodrigues, head of Neptunpearl, which recovered the production of oysters in Portugal;
- João Raimundo, entrepreneur and founder of the LACS - Community of Creators, who spoke about the catalyzing role of art in transformation processes, helping reflect on how industries challenge and drive talent in the organizations.

Closer to the academy

<p>42 Lisboa Program</p> <p>The Fidelidade Group has joined the launch of 42 Lisboa, an innovative programming training initiative for people over the age of 17, founded in Paris. Admission is free and it explores a flexible learning format, of development of projects among peers, with no need for academic background or experience in programming.</p> <p>Due to the importance digital transformation has gained within the Group, we support this project of development of new talents in an area which is also strategic for our business and where it is important to strengthen the supply and the quality of the labor market.</p> <p>In February 2021, the first 42 Lisboa program started with 150 students.</p>	<p>everis Academy & Fidelidade</p> <p>Fidelidade started the everis Academy & Fidelidade initiative, whose purpose is to change the lives of 30 young graduates in non-technological areas, helping them to become experts in the OutSystems technology and be integrated into OutSystems projects in Fidelidade. By taking part in this requalification initiative, these young people may contribute to the digital transformation of organizations, starting a career in a full employment area and with a high growth potential.</p>	<p>Técnico Innovation Center</p> <p>Fidelidade has become a partner of the Técnico Innovation Center, being the only private partner in the creation of this new cutting-edge center. Budgeted in EUR 12 million and to be inaugurated in 2023, the space that will be called Técnico Innovation Center, Powered by Fidelidade, will be “the new centrality of innovation and technology in Lisbon.”</p> <p>The insurance company will keep deepening its connection with the <i>Instituto Superior Técnico</i> through:</p> <ul style="list-style-type: none"> • Recruitment of future employees; • Development of joint R&D projects.
--	---	--

5.5. STRENGTHENING empowerment

The commitment undertaken by the Fidelidade Group within the Community as a facilitator and driver of knowledge with social organizations was translated, throughout 2021, into several moments of sharing with experts, with unique opportunities to discuss ideas, exchanging experiences, presenting success cases and proposing useful work tools.

In the webinars directed to social organizations we address topics previously identified as relevant by the organizations in question. All the events present a value proposal from Fidelidade which includes, among others, the deepening of knowledge through Training Labs that provide customized support to organizations, always from an empowerment or development standpoint.

WE DON'T STOP

Empowerment in various formats

The Fidelidade Group organized two webinars directed to social economy organizations and to the community in general, on:

- Volunteering, entitled *Uma ajuda ou um problema?* (A Help or a Problem?), with the participation of Isabel Jonet, chairwoman of the Food Banks and founder of ENTRAJUDA;
- Networking, about the power of the network of relationships, which raised the awareness of the social sector for the importance of thinking and working in a network as an essential condition for success.

Empowerment in a concentrated format

Training Labs are a new empowerment format consisting of half-day sessions with small groups, enabling the participation of everyone and a customized approach to the discussion and proposal for resolution. In 2021, we tested its interest with the participants who appreciated the format due to its high practical component, the customization of cases, and the sharing of tools and the exercises performed.

5 Impact Assessment Training Labs (beginner and advanced levels) and 1 Networking were carried out throughout the year.

- Training Lab — Impact Assessment
44 participants from 37 social organizations
Total of 15 training hours;

- Training Lab — Networking
8 participants from 6 social organizations
Total of 6 training hours;

- 3 newsletters sent to the entities of the Fidelidade Community.

OUR INDICATORS

Methodological notes: The scope of the Sustainability report covers ten companies of the Group at a national level that are divided into three groups, according to their typology and the sector they operate in:

- Insurance – includes Fidelidade, OK! teleseguros, Multicare and Fidelidade Assistance
- Other sectors - includes GEP, Car Service, Cares and Safemode
- Property - includes Fidelidade Property and Fidelidade SGOIC

GENERAL CONTENTS

ORGANIZATIONAL PROFILE

102-7	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Total Employees by Gender	2 489	2 595	2 658	2%	75	74	70	-5%	267	259	275	6%	178	173	185	7%
Male	1 032	1 063	1 077	1%	25	26	25	-4%	77	73	82	12%	77	77	85	10%
% Male	41.5%	41.0%	41%		33.3%	35.1%	35.7%		28.8%	28.2%	29.8%		43.3%	44.5%	45.9%	
Female	1 457	1 532	1 581	3%	50	48	45	-6%	190	186	193	4%	101	96	100	4%
% Female	58.5%	59.0%	59.5%		66.7%	64.9%	64.3%		71.2%	71.8%	70.2%		56.7%	55.5%	54.1%	

102-7 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Total Employees by Gender	57	58	56	-3%	28	26	25	-4%	51	53	53	0%	47	48	51	6%
Male	45	48	46	-4%	18	16	16	0%	27	24	24	0%	24	23	24	4%
% Male	78.9%	82.8%	82.1%		64.3%	61.5%	64.0%		52.9%	45.3%	45.3%		51.1%	47.9%	47.1%	
Female	12	10	10	0%	10	10	9	-10%	24	29	29	0%	23	25	27	8%
% Female	21.1%	17.2%	17.9%		35.7%	38.5%	36.0%		47.1%	54.7%	54.7%		48.9%	52.1%	52.9%	

102-7 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Total Employees by Gender	36	41	45	10%	9	11	11	0%
Male	19	21	23	10%	2	3	3	0%
% Male	52.8%	51.2%	51.1%		22.2%	27.3%	27.3%	
Female	17	20	22	10%	7	8	8	0%
% Female	47.2%	48.8%	48.9%		77.8%	72.7%	72.7%	

GENERAL CONTENTS

ORGANIZATIONAL PROFILE

102-8	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Full Time	2 482	2 587	2 650		74	72	69		266	258	273		123	121	151	
% Full Time	99.7%	99.7%	99.7%	2%	98.7%	97.3%	98.6%	-4%	99.6%	99.6%	99.3%	6%	69.1%	69.9%	81.6%	25%
Male	1 029	1 059	1 073	1%	25	25	24	-4%	77	73	82	12%	53	54	69	28%
Female	1 453	1 528	1 577	3%	49	47	45	-4%	189	185	191	3%	70	67	82	22%
Part Time	7	8	8		1	2	1		1	1	2		55	52	34	
% Part Time	0.3%	0.3%	0.3%	0%	1.3%	2.7%	1.4%	-50%	0.4%	0.4%	0.7%	100%	30.9%	30.1%	18.4%	-35%
Male	3	4	4	0%	0	1	1	0%	0	0	0	NA	24	23	16	-30%
Female	4	4	4	0%	1	1	0	-100%	1	1	2	100%	31	29	18	-38%
Permanent staff	2 419	2 586	2 654		69	72	70		252	258	273		173	171	182	
% Permanent staff	97.2%	99.7%	99.8%	3%	92.0%	97.3%	100.0%	-3%	94.4%	99.6%	99.3%	6%	97.2%	98.8%	98.4%	6%
Male	1 009	1 060	1 074	1%	23	26	25	-4%	71	72	82	14%	77	77	85	10%
Female	1 410	1 526	1 580	4%	46	46	45	-2%	181	186	191	3%	96	94	97	3%
Fixed-term contract	70	9	4		6	2	0		15	1	0		5	2	3	
% Fixed-term contract	2.8%	0.3%	0.2%	-56%	8.0%	2.7%	0.0%	-100%	5.6%	0.4%	0.0%	-100%	2.8%	1.2%	1.6%	NA
Male	23	3	3	0%	2	0	0	NA	6	1	0	-100%	0	0	0	NA
Female	47	6	1	-83%	4	2	0	-100%	9	0	0	NA	5	2	3	50%
Temporary	1	0	0		0	0	0		0	0	0		0	0	0	
% Temporary	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA
Male	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	1	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA

102-8 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Full Time	56	58	56		28	26	25		51	53	53		46	47	49	
% Full Time	98.2%	100.0%	100.0%	-3%	100.0%	100.0%	100.0%	-4%	100.0%	100.0%	100.0%	0%	97.9%	97.9%	96.1%	4%
Male	44	48	46	-4%	18	16	16	0%	27	24	24	0%	23	22	22	0%
Female	12	10	10	0%	10	10	9	-10%	24	29	29	0%	23	25	27	8%
Part Time	1	0	0		0	0	0		0	0	0		1	1	2	
% Part Time	1.8%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	2.1%	2.1%	3.9%	100%
Male	1	0	0	NA	0	0	0	NA	0	0	0	NA	1	1	2	100%
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Permanent staff	56	58	56		24	24	24		51	53	53		43	48	51	
% Permanent staff	98.2%	100.0%	100.0%	-3%	85.7%	92.3%	96.0%	0%	100.0%	100.0%	100.0%	0%	91.5%	100.0%	100.0%	6%
Male	44	48	46	-4%	17	16	15	-6%	27	24	24	0%	22	23	24	4%
Female	12	10	10	0%	7	8	9	13%	24	29	29	0%	21	25	27	8%
Fixed-term contract	1	0	0		4	2	1		0	0	0		4	0	0	
% Fixed-term contract	1.8%	0.0%	0.0%	NA	14.3%	7.7%	4.0%	-50%	0.0%	0.0%	0.0%	NA	8.5%	0.0%	0.0%	NA
Male	1	0	0	NA	1	0	1	NA	0	0	0	NA	2	0	0	NA
Female	0	0	0	NA	3	2	0	-100%	0	0	0	NA	2	0	0	NA
Temporary	0	0	0		0	0	0		0	0	0		0	0	0	
% Temporary	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA	0.0%	0.0%	0.0%	NA
Male	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA

GENERAL CONTENTS

ORGANIZATIONAL PROFILE

102-8 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Full Time	36	41	45	10%	9	11	11	0%
% Full Time	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	
Male	19	21	23	10%	2	3	3	0%
Female	17	20	22	10%	7	8	8	0%
Part Time	0	0	0	NA	0	0	0	NA
% Part Time	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA
Permanent staff	36	41	45	10%	9	11	11	0%
% Permanent staff	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	
Male	19	21	23	10%	2	3	3	0%
Female	17	20	22	10%	7	8	8	0%
Fixed-term contract	0	0	0	NA	0	0	0	NA
% Fixed-term contract	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA
Temporary	0	0	0	NA	0	0	0	NA
% Temporary	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA

Seniority	FIDELIDADE
	2021
Less than 5 years	641
From 5 to 10 years	144
From 11 to 20 years	457
From 21 to 30 years	1 049
More than 31 years	367

	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC
	2021	2021	2021	2021	2021	2021	2021	2021	2021
Seniority									
Less than 2 years	9	32	21	3	2	6	5	13	2
From 2 to 5 years	12	81	55	10	10	13	19	4	7
From 6 to 8 years	1	12	17	8	6	12	0	8	2
From 9 to 10 years	2	6	4	0	0	3	0	0	0
More than 10 years	46	144	88	35	7	19	27	20	0

GENERAL CONTENTS

APPROACH TO THE INVOLVEMENT OF STAKEHOLDERS

102-41	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Collective bargaining agreements																
Under Bargaining Agreement (except fixed-term)	2 417	2 584	2 654		69	72	70		252	258	NA		173	171	182	
% Under Bargaining Agreement	100%	99.92%	99.85%	3%	100%	100%	100%	-3%	100%	100%	NA	NA	100%	100%	100%	6%
Hiring Building Caretakers	0	NA	NA		0	NA	NA		0	NA	NA		0	NA	NA	
% Hiring Building Caretakers	0%	NA	NA	NA	0%	NA	NA	NA	0%	NA	NA	NA	0%	0	NA	NA

102-41 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Collective bargaining agreements																
Under Bargaining Agreement (except fixed-term)	3	4	NR		24	24	24		0	0	0		4	5	6	
% Under Bargaining Agreement	5%	7%	NR	NA	100%	100%	100%	0%	0%	0%	0%	NA	9%	10%	12%	20%
Hiring Building Caretakers	0	NA	NA		0	NA	NA		0	0	0		0	NA	NR	
% Hiring Building Caretakers	0%	NA	NA	NA	0%	NA	NA	NA	0%	0%	0%	NA	0%	NA	NR	NA

102-41 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Collective bargaining agreements								
Under Bargaining Agreement (except fixed-term)	13	14	14		0	NA	NR	
% Under Bargaining Agreement	36%	34%	31%	0%	0%	NA	NA	NA
Hiring Building Caretakers	10	10	NR		0	NA	NA	
% Hiring Building Caretakers	28%	24%	NA	NA	0%	NA	NA	NA

GENERAL CONTENTS

APPROACH TO THE INVOLVEMENT OF STAKEHOLDERS

102-43	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
Customer satisfaction survey results	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Customer satisfaction	NA	NA	NA	NA	NA	NA	NA	NA	8.00	8.29	8.29	0%	NA	NA	NA	NA
Settlement of Motor Claims with Material Damages	8.50	8.70	8.50	-2%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Settlement of Motor Claims with Personal Injuries	7.00	7.30	7.30	0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Settlement of Home Multi-Risk Claims	8.40	8.40	8.00	-5%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Multicare	8.00	8.29	8.29	0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Customer Satisfaction Assessment/Net Promoter Score – Brand Ok	NA	NA	NA	NA	47.00	45.00	50.00	11%	NA	NA	NA	NA	NA	NA	NA	NA
Customer Satisfaction Assessment/Net Promoter Score – Brand SC	NA	NA	NA	NA	48.00	55.00	60.00	9%	NA	NA	NA	NA	NA	NA	NA	NA
Customer Satisfaction Index Overall Satisfaction Index (ISG)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	8.90	8.94	8.90	0%
Customer Satisfaction Index Net Promoter Score (NPS)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	69.00	70.00	69.00	-1%
Customer Satisfaction Index Real Time Survey (RTS)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.24	9.28	9.29	0%

102-43 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
Customer satisfaction survey results	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Customer satisfaction	NA	NA	NA	NA	80.0%	87.7%	88.0%	0%	NA	45.00	63.00	40%	4.16	3.45	3.36	-3%
Usefulness/relevance	8.87	9.08	9.09	0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Innovation	6.88	6.99	7.25	4%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Agility in service provision	7.40	7.69	7.75	1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Service provided by GEP in the Investigation of Claims	7.05	7.66	7.75	1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Service provided by Motor Expert Assessment	8.02	8.39	8.24	-2%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Service provided by Property Expert Assessment	6.52	7.04	7.09	1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

102-43 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
Customer satisfaction survey results	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Customer satisfaction	NA	NA	NA	NA	80.0%	87.7%	NR	NA
Usefulness/relevance	8.87	9.08	NA	NA	NA	NA	NA	NA
Innovation	6.88	6.99	NA	NA	NA	NA	NA	NA
Agility in service provision	7.40	7.69	NA	NA	NA	NA	NA	NA
Service provided by GEP in the Investigation of Claims	7.05	7.66	NA	NA	NA	NA	NA	NA
Service provided by Motor Expert Assessment	8.02	8.39	NA	NA	NA	NA	NA	NA
Service provided by Property Expert Assessment	6.52	7.04	NA	NA	NA	NA	NA	NA

ECONOMIC INDICATORS

ECONOMIC PERFORMANCE

201 - 1	INSURANCE				OTHER SECTORS				PROPERTY			
	Units: €		2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2020	2021
Direct economic value generated (revenues)		2 681 880 992	2 260 589 379	2 381 462 145	5%	40 858 119	39 087 531	43 870 735	12%	5 647 418	12 088 152	114%
Direct economic value distributed		459 694 978	462 801 916	510 970 250	10%	37 477 839	35 521 562	39 890 753	12%	5 937 913	7 249 714	22%
Suppliers (FSE)		134 296 239	136 976 825	148 393 660	8%	31 057 964	29 141 765	33 302 336	14%	2 178 023	2 604 242	20%
Brokers (commissions)		136 260 052	142 294 959 ¹	149 304 182 ¹	5%	NA	NA	NA	NA	NA	NA	NA
Employees (staff costs)		171 333 628	163 017 751	176 783 634	8%	6 189 425	6 200 870	6 402 720	3%	3 333 557	4 130 983 ⁷	24%
State (taxes)		14 369 271	16 631 651	20 957 817	26%	202 336	148 434	140 041	-6%	424 833	514 489	21%
Financial institutions (loan interests)		1 704 829 ²	2 024 429 ²	14 250 383	604%	28 114 ³	30 493 ³	31 095 ³	2%	NA	NA	NA
Shareholders (dividends)		0	0	0	0%	0	0	0	NA	NA	NA	NA
Community (donations, patronage)		1 730 959 ³	1 856 301 ⁴	1 280 575	-31%	0	0	205 ⁵	NA	1 500	NA	-33%
Economic value retained		2 222 186 015	1 797 787 463	1 870 491 893	4%	3 380 280	3 565 969	3 979 982	12%	-290 496	4 838 438	-1766%

¹ Amount concerning Fidelidade, Ok! telesseguros and Multicare

² Amount concerning Fidelidade only

³ Amount concerning Fidelidade, Ok! telesseguros and Fidelidade Assistance

⁴ Amount concerning Fidelidade, Multicare and Fidelidade Assistance

⁵ Amount concerning Car Service and Safemode

⁶ Amount concerning Car Service only

⁷ Amount concerning Fidelidade Property

201 - 2	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021	2021	2021
Financial implications, risks and opportunities for the organization's activities, due to climate change	NR	NA	Multicare has not carried out an analysis of the financial implications and other risks and opportunities for its activities due to climate change.	Fidelidade Assistance has not carried out an analysis of the financial implications and other risks and opportunities for its activities due to climate change.

201 - 2 (Continuation)	GEP	CAR SERVICE	CARES	SAFEMODE
	2021	2021	2021	2021
Financial implications, risks and opportunities for the organization's activities, due to climate change	Climate changes, namely storms, are an opportunity for GEP to increase its service provision. + storms + claims	NR	Climate changes have an impact on the organization in terms of abnormal work flows (arising from storms or other bad weather conditions) giving rise to financial costs which are relevant at staff level, as more people are needed in certain periods of the year.	SAFEMODE considers the impact of climate change on the development of its business to have little relevance

201 - 2 (Continuation)	FIDELIDADE PROPERTY	FIDELIDADE SGOIC
	2021	2021
Financial implications, risks and opportunities for the organization's activities, due to climate change	NR	NA

201 - 3	ALL COMPANIES
	2021
Coverage of the obligations provided for in the organization's benefit plan and other retirement plans	NR

ECONOMIC INDICATORS

PRESENCE IN THE MARKET

202 – 1 and 202 -2	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021	2021	2021
Ratio between the lowest salary and the local minimum salary by gender	NR	NR	NR	NR
Proportion of top management positions filled by individuals coming from the local community.	Not applicable, as most of the top managers are Portuguese, the concept of "local" being considered as the country, Portugal, and the top management positions include the members of the Executive Committee of Fidelidade and the managers of the units reporting to the committee.			100%

202 – 1 and 202 -2 (Continuation)	GEP	CAR SERVICE	CARES	SAFEMODE
	2021	2021	2021	2021
Ratio between the lowest salary and the local minimum salary by gender	NR	NR	NR	NR
Proportion of top management positions filled by individuals coming from the local community.	NR	NR	NR	NR

202 – 1 and 202 -2 (Continuation)	FIDELIDADE PROPERTY	FIDELIDADE SGOIC
	2021	2021
Ratio between the lowest salary and the local minimum salary by gender	NR	NR
Proportion of top management positions filled by individuals coming from the local community.	NR	NR

ECONOMIC INDICATORS

INDIRECT ECONOMIC IMPACTS

203 - 1	INSURANCE				OTHER SECTORS				PROPERTY		
	Units: €	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2020	2021
Investment in infrastructures and provided services	88 462,21 €	6 540,23 € ²	338 289,22 €	5072 %	0	0	0	NA	0	0	0
Insurance Offer	3 386,96 € ¹	4 437,23 € ³	237 619,86 € ⁴	5255 %	NA	NA	NA	NA	NA	NA	NA
Ex-gratia Payments	84 606,25 € ¹	0,00 €	97 474,90 € ⁵	NA	0	0	0	NA	0	0	0

¹ Amount concerning Ok! teleseguros and Multicare

² Amount concerning Multicare and Fidelidade Assistance

³ Amount concerning Multicare only

⁴ Amount concerning Fidelidade, Ok! teleseguros and Multicare

⁵ Amount concerning Fidelidade and Ok! teleseguros

203 - 2	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021	2021	2021
Significant indirect economic impacts	<p>PPR 40+ ESG and the Mobility App are products that by nature are in keeping with the Principles of Responsible Investment and Use, dedicated to the conscious creation of a positive social and environmental impact.</p> <p>In general, all the products marketed by Fidelidade for the senior segment, such as Alô and Activecare 60+, and some financial products as is the case of PPR Evoluir, whose monthly minimum deposit was reduced to EUR 25, could make a difference regarding products and services for low-income people. Due to their characteristics, they could meet certain healthcare needs and, on the other hand, leverage the possibility of making some savings.</p> <p>Generally speaking, all the products and services we provide have a very positive economic impact, given the nature of the concept of insurance. Covering the expenses of the insured persons (individuals or companies) following a claim that fits into the scope of the insurance they have underwritten.</p>	NR	No significant indirect economic impacts were identified	NR

203 - 2 (Continuation)	GEP	CAR SERVICE	CARES	SAFEMODE
	2021	2021	2021	2021
Significant indirect economic impacts	NA	<p>(1) Hiring Fidelidade Assistance for the referral, appointment and scheduling of Fidelidade Car Service's expert assessments.</p> <p>(2) Costs linked to the protection of our People against Covid-19.</p> <p>(3) Sharp decline of productivity/Person, given the reduction of the activity (-18%), due to the pandemic crisis.</p>	None	NR

203 - 2 (Continuation)	FIDELIDADE PROPERTY	FIDELIDADE SGOIC
	2021	2021
Significant indirect economic impacts	NR	NA

ECONOMIC INDICATORS

PROCUREMENT PRACTICES

204-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Proportion of costs incurred with local suppliers	75,8%	74,4%	NR	NA	98,5%	97,2%	99,1%	2,0%	99,8%	99,7%	99,5%	-0,2%	99,1%	99,4%	99,4%	0,0%
Direct (of the company) %	47,9%	61,4%	NR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DOP (negotiation at the DOP) %	27,89%	38,6%	NR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

204-1 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Proportion of costs incurred with local suppliers	NR	NR	NR	NA	NR	NR	99,96%	NA	100,0%	100,0%	91,0%	-9,0%	98,6%	99,9%	99,9%	0,0%

204-1 (Continuation)	FIDELIDADE PROPERTY				SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Proportion of costs incurred with local suppliers	NR	NR	NR	NA	NR	NR	NR	NA

ECONOMIC INDICATORS

FIGHT AGAINST CORRUPTION

205 - 1, 2 and 3	FIDELIDADE 2021	OK! TELESEGUROS 2021	MULTICARE 2021	FIDELIDADE ASSISTANCE 2021
Assessment of corruption risk operations	0	No assessments of this nature were conducted.	No assessments of this nature were conducted.	In 2021, no actions of this nature were performed. Risk associated to the Accounting/Financial and Legal departments, in risk matrixes (DGR - Risk Management Department) - "Fraudulent or negligent actions carried out by internal persons against the institution".
Communication and training on policies and procedures to combat corruption	NR	NR	NR	No training sessions were held on the organization's anticorruption policies and practices.
Confirmed cases of corruption and measures taken	0 (zero cases)	NR	0	NA

205 - 1, 2 and 3 (Continuation)	GEP 2021	CAR SERVICE 2021	CARES 2021	SAFEMODE 2021
Assessment of corruption risk operations	Annual Financial Auditing +annual quality auditing- help in the detection of these cases	No assessments of this nature were conducted.	No situations of corruption were identified. However, compliance measures were taken in order to create additional controls for the activity.	In 2021, no operations corruption risk assessments were conducted. However, the organization is committed to combat corruption and attempts of bribery, scrupulously complying with the rules in force in those matters.
Communication and training on policies and procedures to combat corruption	None	No assessments of this nature were conducted.	None	In 2021, no training sessions were held on the organization's anticorruption policies and practices.
Confirmed cases of corruption and measures taken	None	0 Cases	None	NR

205 - 1, 2 and 3 (Continuation)	FIDELIDADE PROPERTY 2021	SGOIC 2021
Assessment of corruption risk operations	NR	All the entities that have business relationships with the Managing Company and the Funds managed by it go through an assessment process entitled "KYC", Know Your Customer/Client in order to scrutinize the origin of the funds and contribute to the fight against money laundering and terrorism financing.
Communication and training on policies and procedures to combat corruption	NR	a. All employees receive training in policies and procedures as they enter the company and update training sessions are conducted every year. b. Training in the fight against money laundering and terrorism financing are provided to all employees and to all organic units, including the Management of the Managing Company. c. All the partners that have business relationships with the Managing Company must go through the Know Your Customer/Client assessment process, which the partners themselves request to the SGOIC, thus maintaining a transparent relationship. d. & e. 100% of the management bodies and employees.
Confirmed cases of corruption and measures taken	NR	There were no confirmed cases of corruption during 2021.

ECONOMIC INDICATORS

UNFAIR COMPETITION

206 - 1	ALL COMPANIES	2021
Legal proceedings for unfair competition, anti-trust and monopoly practices.	No lawsuits were brought for unfair competition, anti-trust and monopoly practices or for the results thereof.	

ECONOMIC INDICATORS

TAX APPROACH

207-1 to 207-3	FIDELIDADE
	2021
Tax approach	NR
Governance, control and management of tax risk	NR
Involvement of Stakeholders and management of their concerns about taxes	NR

ENVIRONMENTAL INDICATORS

MATERIALS

301 - 1 and 301 - 2	INSURANCE	OTHER SECTORS	PROPERTY
	2021	2021	2021
Materials used by weight or volume (ton)	103.94 ¹	0,9 ²	0
Recycled materials used (%)	NR	NR	NR

¹ Amount concerning Fidelidade, OK! teleseguros and Multicare

² Amount concerning Car Service only

ENVIRONMENTAL INDICATORS

ENERGY

302 - 1	INSURANCE				OTHER SECTORS				PROPERTY			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Total Energy Consumption	47 755	38 580	33 217	-14%	15 357	10 867	9 658	-11%	452	698	639	-8%
Electricity (GJ)	31 089	26 691	21 472	-20%	3 589	3 374	3 241	-4%	335	195	170	-13%
Diesel (GJ)	16 513	11 361	9 377	-17%	11 768	7 482	6 390 ¹	-15%	116	495	414	-16%
Gasoline (GJ)	152 ¹	528 ²	2 368	348%	0	11 ³	27 ⁴	152%	0	8 ⁵	55 ⁵	615%

¹ Amount concerning Fidelidade, Multicare and Fidelidade Assistance

² Amount concerning Fidelidade and Multicare

³ Amount concerning GEP, Car Service and Cares

⁴ Amount concerning GEP and Cares

⁵ Amount concerning Fidelidade Property

ENVIRONMENTAL INDICATORS

WATER AND WASTEWATER

303 - 1 and 303-2	ALL COMPANIES
2021	
Interactions with water as a shared resource	The water consumed in the operations of the Fidelidade Group comes from the public supply network, complying with all legal requirements for abstraction, quality control and distribution mandated by law. The Fidelidade Group monitors every month the water consumptions of its activity, in the different buildings, and seeks to manage the impact of its activity through the control of internal operational processes, the implementation of efficient water consumption measures and raising the awareness of its employees. The Fidelidade Group has not identified in its direct operations water stress issues for this report.
Management of the impacts related to water discharge	The domestic wastewater arising from the activity in the several buildings of the Fidelidade Group is directed into the public sanitation network and then subject to appropriate treatment, monitored by the responsible entities, which comply with all the requirements of collection and treatment of wastewater mandated by the law.

303 - 5	INSURANCE	OTHER SECTORS	PROPERTY
	2021	2021	2021
Water Consumption (m³)	12 024	4 425 ¹	895

¹ Amount concerning GEP, Car Service and Safemode

ENVIRONMENTAL INDICATORS

EMISSIONS

305 -1 to 3	INSURANCE				OTHER SECTORS				PROPERTY			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Total emissions	4 659	2 506	2 209	-12%	1 151	751	884	18%	48	66	46	-31%
Scope 1 (tCO ₂ eq)	1 223	872	861	-1%	863	550	471 ³	-14%	9	37	34	-7%
Scope 2 (tCO ₂ eq)	2 167	1 461	1 224	-16%	250	185	179	-3%	23	11	9	-12%
Scope 3 (tCO ₂ eq)*	1 270	174 ¹	124 ¹	-29%	37 ²	17 ²	234 ³	1276%	16	18 ⁴	2 ⁴	-90%

¹ Amount concerning Fidelidade and Multicare

² Amount concerning GEP, Car Service and Safemode

³ Amount concerning GEP, Cares and Safemode

⁴ Amount concerning Fidelidade Property

*The reporting scope regarding plane and train travels concerns the People Department of the Fidelidade Group only

ENVIRONMENTAL INDICATORS

WASTE

306-1 and 306-2	ALL COMPANIES 2021
<p>Waste generation and waste-related significant impacts</p>	<p>The management of waste and its impact is a concern for the Fidelidade Group in all the activities it conducts. Waste produced is mostly a mixture of urban-equivalent waste, paper and cardboard, metals and plastic. The nature of the Fidelidade Group's business requires communication and legal documentation for customers and paper consumption is a material use of natural resources. The Fidelidade Group has been implementing processes in order to reduce paper consumption, underpinning this shift to digital communication and paper reduction in the office. The Group's purpose is to minimize the waste produced and continuously improve its approach to the efficient and responsible use of resources, namely the reduction of plastic and paper consumption and the adoption of more efficient waste management measures. We have raised the employees' awareness for this global issue of waste pollution.</p>
<p>Management of waste-related significant impacts</p>	<p>The Fidelidade Group manages the impact of waste production, mainly through the minimization of its consumption of materials and the prioritization of their reuse and/or recovery near their end of life. Based on the principles of circular economy, Fidelidade has been investing in the implementation of measures to reduce waste production, namely to eliminate single-use plastic (for example, replacement of all the plastic cups with glass ones, plastic coffee stirrers with wood stirrers), and in the promotion of the purchase of sustainable and certified materials and products. The management of waste and its impacts also includes the implementation of measures to raise awareness among employees, so that they may contribute to this effort, as in the case of the elimination of litter bins near all the desks.</p>

306 - 3 to 306-5	INSURANCE	OTHER SECTORS	PROPERTY
	2021	2021	2021
<i>Units: Tons</i>			
Total weight of waste produced	139,61 ¹	4,66 ²	0,00
Waste not intended for final disposal	139,38 ¹	4,66 ²	0,00
Preparation for reuse	NR	NR	NR
Recycled	139,38 ¹	4,66 ²	NR
Other recovery operations	NR	NR	NR
Waste intended for final disposal	0,23 ²	0,00	0,00
Incineration	NR	NR	NR
Landfill	0,23 ²	NR	NR
Other disposal operations	NR	NR	NR

¹ Amount concerning Fidelidade, Ok! teleseguros and Fidelidade Assistance

² Amount concerning Fidelidade and Fidelidade Assistance

³ Amount concerning GEP and Safemode

ENVIRONMENTAL INDICATORS

ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

308-1	ALL COMPANIES
	2021
Environmental assessment of suppliers	NR

SOCIAL INDICATORS

EMPLOYMENT

401 - 1	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Number of admissions per age range	173	174	207	19%	7	4	8	100%	21	12	25	108%	64	69	68	-1%
18-29	120	111	114	3%	6	3	4	33%	14	6	17	183%	33	41	46	12%
30-39	30	37	55	49%	1	1	4	300%	5	3	4	33%	20	16	17	6%
40-49	20	23	34	48%	0	0	0	NA	2	3	3	0%	9	9	3	-67%
50 or older	3	3	4	33%	0	0	0	NA	0	0	1	NA	2	3	2	-33%
Rate of new admissions per age range	7%	7%	8%	16%	9%	5%	11%	111%	8%	5%	9%	96%	36%	40%	37%	-8%
18-29	5%	4%	4%	0%	8%	4%	6%	41%	5%	2%	6%	167%	19%	24%	25%	5%
30-39	1%	1%	2%	45%	1%	1%	6%	323%	2%	1%	1%	26%	11%	9%	9%	-1%
40-49	1%	1%	1%	44%	0%	0%	0%	NA	1%	1%	1%	-6%	5%	5%	2%	-69%
50 or older	0%	0%	0%	30%	0%	0%	0%	NA	0%	0%	0%	NA	1%	2%	1%	-38%
Number of admissions by gender	173	174	207	19%	7	4	8	100%	21	12	25	108%	64	69	68	-1%
Male	63	72	102	42%	2	2	3	50%	6	3	11	267%	22	32	36	13%
Female	110	102	105	3%	5	2	5	150%	15	9	14	56%	42	37	32	-14%
Rate of admissions by gender	7%	7%	8%	16%	9%	5%	11%	111%	8%	5%	9%	96%	36%	40%	37%	-8%
Male	3%	3%	4%	38%	3%	3%	4%	59%	2%	1%	4%	245%	12%	18%	19%	5%
Female	4%	4%	4%	1%	7%	3%	7%	164%	6%	3%	5%	47%	24%	21%	17%	-19%
Number of departures per age range	145	87	152	75%	4	4	5	25%	6	7	13	86%	52	73	51	-30%
18-29	27	26	55	112%	2	2	2	0%	3	3	9	200%	25	44	33	-25%
30-39	16	18	25	39%	1	1	3	200%	2	3	2	-33%	18	16	12	-25%
40-49	9	5	7	40%	0	0	0	NA	0	1	2	100%	6	9	6	-33%
50 or older	93	38	65	71%	1	1	0	-100%	1	0	0	NA	3	4	0	-100%
Rate of departures per age range	6%	3%	6%	71%	5%	5%	7%	32%	2%	3%	5%	75%	29%	42%	28%	-35%
18-29	1%	1%	2%	107%	3%	3%	3%	6%	1%	1%	3%	183%	14%	25%	18%	-30%
30-39	1%	1%	1%	36%	1%	1%	4%	217%	1%	1%	1%	-37%	10%	9%	6%	-30%
40-49	0%	0%	0%	37%	0%	0%	0%	NA	0%	0%	1%	88%	3%	5%	3%	-38%
50 or older	4%	1%	2%	67%	1%	1%	0%	-100%	0%	0%	0%	NA	2%	2%	0%	-100%
Number of departures by gender	145	87	152	75%	4	4	5	25%	6	7	13	86%	52	73	51	-30%
Male	80	47	83	77%	4	2	2	0%	1	5	7	40%	15	33	27	-18%
Female	65	40	69	73%	0	2	3	50%	5	2	6	200%	37	40	24	-40%
Rate of departures by gender	6%	3%	6%	71%	5%	5%	7%	32%	2%	3%	5%	75%	29%	42%	28%	-35%
Male	3%	2%	3%	72%	5%	3%	3%	6%	0%	2%	3%	32%	8%	19%	15%	-23%
Female	3%	2%	3%	68%	0%	3%	4%	59%	2%	1%	2%	183%	21%	23%	13%	-44%
Turnover rate by age range*	13%	10%	7%	-33%	15%	11%	9%	-14%	10%	7%	7%	-6%	65%	82%	32%	-61%
18-29	6%	5%	3%	-40%	11%	7%	4%	-37%	6%	3%	5%	36%	33%	49%	21%	-57%
30-39	2%	2%	2%	-29%	3%	3%	5%	85%	3%	2%	1%	-53%	21%	18%	8%	-58%
40-49	1%	1%	1%	-29%	0%	0%	0%	NA	1%	2%	1%	-41%	8%	10%	2%	-77%
50 or older	4%	2%	1%	-18%	1%	1%	0%	-100%	0%	0%	0%	NA	3%	4%	1%	-87%
Turnover rate by gender*	13%	10%	7%	-33%	15%	11%	9%	-14%	10%	7%	7%	-6%	65%	82%	32%	-61%
Male	6%	5%	3%	-24%	8%	5%	4%	-34%	3%	3%	3%	6%	21%	38%	17%	-55%
Female	7%	5%	3%	-40%	7%	5%	6%	6%	7%	4%	4%	-14%	44%	45%	15%	-66%

*The formula used to calculate the turnover rate was changed in 2021, which justifies the fact that the variations are extremely low.

SOCIAL INDICATORS

EMPLOYMENT

401 – 1 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Number of admissions per age range	5	3	0	-100%	3	1	2	100%	0	5	3	-40%	7	2	4	100%
18-29	2	0	0	NA	2	1	1	0%	0	4	2	-50%	5	0	1	NA
30-39	1	1	0	-100%	1	0	1	NA	0	0	0	NA	2	2	3	50%
40-49	1	2	0	-100%	0	0	0	NA	0	0	1	NA	0	0	0	NA
50 or older	1	0	0	NA	0	0	0	NA	0	1	0	-100%	0	0	0	NA
Rate of new admissions per age range	9%	5%	0%	-100%	11%	4%	8%	108%	0%	9%	6%	-40%	15%	4%	8%	88%
18-29	4%	0%	0%	NA	7%	4%	4%	4%	0%	8%	4%	-50%	11%	0%	2%	NA
30-39	2%	2%	0%	-100%	4%	0%	4%	NA	0%	0%	0%	NA	4%	4%	6%	41%
40-49	2%	3%	0%	-100%	0%	0%	0%	NA	0%	0%	2%	NA	0%	0%	0%	NA
50 or older	2%	0%	0%	NA	0%	0%	0%	NA	0%	2%	0%	-100%	0%	0%	0%	NA
Number of admissions by gender	5	3	0	-100%	3	1	2	100%	0	5	3	-40%	7	2	4	100%
Male	4	3	0	-100%	0	0	2	NA	0	1	1	0%	4	1	2	100%
Female	1	0	0	NA	3	1	0	-100%	0	4	2	-50%	3	1	2	100%
Rate of admissions by gender	9%	5%	0%	-100%	11%	4%	8%	108%	0%	9%	6%	-40%	15%	4%	8%	88%
Male	7%	5%	0%	-100%	0%	0%	8%	NA	0%	2%	2%	0%	9%	2%	4%	88%
Female	2%	0%	0%	NA	11%	4%	0%	-100%	0%	8%	4%	-50%	6%	2%	4%	88%
Number of departures per age range	3	1	2	100%	1	3	2	-33%	3	3	2	-33%	2	0	2	NA
18-29	0	0	0	NA	1	0	1	NA	1	1	2	100%	1	0	0	NA
30-39	0	0	0	NA	0	1	0	-100%	0	1	0	-100%	1	0	2	NA
40-49	1	0	0	NA	0	1	0	-100%	2	0	0	NA	0	0	0	NA
50 or older	2	1	2	100%	0	1	1	0%	0	1	0	-100%	0	0	0	NA
Rate of departures per age range	5%	2%	4%	107%	4%	12%	8%	-31%	6%	6%	4%	-33%	4%	0%	4%	NA
18-29	0%	0%	0%	NA	4%	0%	4%	NA	2%	2%	4%	100%	2%	0%	0%	NA
30-39	0%	0%	0%	NA	0%	4%	0%	-100%	0%	2%	0%	-100%	2%	0%	4%	NA
40-49	2%	0%	0%	NA	0%	4%	0%	-100%	4%	0%	0%	NA	0%	0%	0%	NA
50 or older	4%	2%	4%	107%	0%	4%	4%	4%	0%	2%	0%	-100%	0%	0%	0%	NA
Number of departures by gender	3	1	2	100%	1	3	2	-33%	3	3	2	-33%	2	0	2	NA
Male	2	1	0	-100%	0	2	1	-50%	0	3	1	-67%	1	0	2	NA
Female	1	0	2	NA	1	1	1	0%	3	0	1	NA	1	0	0	NA
Rate of departures by gender	5%	2%	4%	107%	4%	12%	8%	-31%	6%	6%	4%	-33%	4%	0%	4%	NA
Male	4%	2%	0%	-100%	0%	8%	4%	-48%	0%	6%	2%	-67%	2%	0%	4%	NA
Female	2%	0%	4%	NA	4%	4%	4%	4%	6%	0%	2%	NA	2%	0%	0%	NA
Turnover rate by age range*	14%	7%	2%	-74%	14%	15%	8%	-48%	6%	15%	5%	-69%	19%	4%	6%	41%
18-29	4%	0%	0%	NA	11%	4%	4%	4%	2%	9%	4%	-60%	13%	0%	1%	NA
30-39	2%	2%	0%	-100%	4%	4%	2%	-48%	0%	2%	0%	-100%	6%	4%	5%	18%
40-49	4%	3%	0%	-100%	0%	4%	0%	-100%	4%	0%	1%	NA	0%	0%	0%	NA
50 or older	5%	2%	2%	4%	0%	4%	2%	-48%	0%	4%	0%	-100%	0%	0%	0%	NA
Turnover rate by gender*	14%	7%	2%	-74%	14%	15%	8%	-48%	6%	15%	5%	-69%	19%	4%	6%	41%
Male	11%	7%	0%	-100%	0%	8%	6%	-22%	0%	8%	2%	-75%	11%	2%	4%	88%
Female	4%	0%	2%	NA	14%	8%	2%	-74%	6%	8%	3%	-63%	9%	2%	2%	-6%

* The formula used to calculate the turnover rate was changed in 2021, which justifies the fact that the variations are extremely low.

SOCIAL INDICATORS

EMPLOYMENT

401 – 1 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE - SGOIC			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Number of admissions per age range	4	6	8	33%	6	3	1	-67%
18-29	2	4	6	50%	2	2	1	-50%
30-39	2	1	1	0%	3	0	0	NA
40-49	0	1	0	-100%	1	1	0	-100%
50 or older	0	0	1	NA	0	0	0	NA
Rate of new admissions per age range	11%	15%	18%	21%	67%	27%	9%	-67%
18-29	6%	10%	13%	37%	22%	18%	9%	-50%
30-39	6%	2%	2%	-9%	33%	0%	0%	NA
40-49	0%	2%	0%	-100%	11%	9%	0%	-100%
50 or older	0%	0%	2%	NA	0%	0%	0%	NA
Number of admissions by gender	4	6	8	33%	6	3	1	-67%
Male	2	3	5	67%	1	1	1	0%
Female	2	3	3	0%	5	2	0	-100%
Rate of admissions by gender	11%	15%	18%	21%	67%	27%	9%	-67%
Male	6%	7%	11%	52%	11%	9%	9%	0%
Female	6%	7%	7%	-9%	56%	18%	0%	-100%
Number of departures per age range	7	2	3	50%	4	1	2	100%
18-29	1	2	1	-50%	3	1	2	100%
30-39	3	0	2	NA	1	0	0	NA
40-49	1	0	0	NA	0	0	0	NA
50 or older	2	0	0	NA	0	0	0	NA
Rate of departures per age range	19%	5%	7%	37%	44%	9%	18%	100%
18-29	3%	5%	2%	-54%	33%	9%	18%	100%
30-39	8%	0%	4%	NA	11%	0%	0%	NA
40-49	3%	0%	0%	NA	0%	0%	0%	NA
50 or older	6%	0%	0%	NA	0%	0%	0%	NA
Number of departures by gender	7	2	3	50%	4	1	2	100%
Male	4	1	2	100%	3	0	2	NA
Female	3	1	1	0%	1	1	0	-100%
Rate of departures by gender	19%	5%	7%	37%	44%	9%	18%	100%
Male	11%	2%	4%	82%	33%	0%	18%	NA
Female	8%	2%	2%	-9%	11%	9%	0%	-100%
Turnover rate by age range*	31%	20%	12%	-37%	111%	36%	14%	-63%
18-29	8%	15%	8%	-47%	56%	27%	14%	-50%
30-39	14%	2%	3%	37%	44%	0%	0%	NA
40-49	3%	2%	0%	-100%	11%	9%	0%	-100%
50 or older	6%	0%	1%	NA	0%	0%	0%	NA
Turnover rate by gender*	31%	20%	12%	-37%	111%	36%	14%	-63%
Male	17%	10%	8%	-20%	44%	9%	14%	50%
Female	14%	10%	4%	-54%	67%	27%	0%	-100%

* The formula used to calculate the turnover rate was changed in 2021, which justifies the fact that the variations are extremely low.

SOCIAL INDICATORS

OCCUPATIONAL HEALTH AND SAFETY

403 -1	ALL COMPANIES	
		2021
Occupational health and safety management system	Within the scope of safety, a management system is in place which, not following any formal rule, is based on the obligations stemming from the Portuguese legal framework and on quality good practices (Ex.: ISO 9001), which the internal OHS services apply to safety activities in the Fidelidade universe.	
403 -1 (Continuation)	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021
Occupational health and safety management system	<p>In 2021, Multicare obtained the "Healthy Organization" certification, granted by Bureau Veritas, which distinguishes organizations that implement practices for the promotion of the health, wellbeing, development and happiness of their workers, that go beyond the legal requirements. It was the first company in Portugal to obtain this certification.</p> <p>The certification audit was mainly focused on the verification of compliance with the legal OHS requirements and the existing good practices, Multicare having reached the highest level: Excellence.</p> <p>This certification fits into the Sustainable Development Goals (SDG SCORING) launched and promoted by the United Nations.</p>	<p>Fidelidade Assistance has been certified since 2015 by the EFR 100 (Family Responsible Company) standard, promoted by the <i>Fundación Más Familia</i>.</p> <p>The purpose of this certification is to create a management model that provides solutions in matters of responsibility concerning the reconciliation of personal, family and professional life, supporting equal opportunities and quality in employment. Although this system is not a standard focused only on occupational health and safety, it covers many of the aspects that reflect on working conditions.</p> <p>Fidelidade Assistance complies with 122 requirements of this standard, which may be divided into 5 distinct groups, namely:</p> <ul style="list-style-type: none"> - Quality at work: Integration of permanent workers; Occupational gymnastic program; Health insurance for workers and co-participation for their families; Payment of food allowance every month of the year. - Flexibility of space and time: Leaving the workstation due to a family emergency; Increase of the workload for part-time workers in seasonality periods. - Support to Family: Parking space reserved for pregnant women; Maternity incentive and offer of the baby basket; Justified and paid absence for accompanying the children in their 1st day of school. - Personal and Professional Development: Volunteering grant; Language and IT training; Monthly workshops and activities. - Equal Opportunities: Respect for the different religions, according to the requests made by workers; Facilities prepared for access of workers with physical disabilities. - Leadership and Management Styles: Code of Conduct and Professional Ethics; Anti-Mobbing Policy.
403 -1 (Continuation)	CAR SERVICE	SAFEMODE
	2021	2021
Occupational health and safety management system	<p>Fidelidade CAR Service is certified by the Centro de Saragoça, which includes in the process of awarding the certification a set of mandatory requirements of Occupational Safety to be observed by the organization, namely:</p> <ul style="list-style-type: none"> - Compliance with the legal requirements applicable to this matter; - Performance of risk assessments; - Existence of an emergency plan and of an intervention team; - Information/training for workers within this scope. 	<p>In terms of safety, a quality management system has been implemented according to the ISO 9001:2015 standard, which has certified EAPS's processes in the performance of external services of Occupational health and safety since 2006.</p> <p>Also in 2006, EAPS was certified by the DGERT as a training entity within the scope of these matters.</p> <p>It is authorized by the ACT to provide external service within the scope of Occupational health and safety, including some high-risk activities.</p>

SOCIAL INDICATORS

OCCUPATIONAL HEALTH AND SAFETY

403 -2	ALL COMPANIES	2021
<p>Identification of hazards, risk assessment and investigation of incidents</p>	<p>The activity carried out in the field of Occupational Health and Safety aims at preventing professional risks and the promotion of people's safety and wellbeing. Fidelidade identifies hazards and assesses risks, in the course of which it makes the most adequate recommendations, which it ranks in order to carry out the planning for their implementation in function of their relevance and urgency.</p> <p>Assessments are performed by senior occupational safety technicians, with valid professional aptitude certificates, issued by the ACT. The know-how of these technicians is complemented with specialized training within the scope of Occupational Safety, in view of their appropriate technical and scientific updating. These elements integrate Fidelidade's Internal Occupational Safety Services team.</p> <p>The scope of the work carried out includes the risk assessment of workstations and general work spaces, which include the assessment of indoor air quality, thermal environment, illuminance and, where applicable, the assessment of exposure to microbiological agents and of radon gas concentration levels.</p> <p>Risk assessment is carried out in all spaces where the Fidelidade Group's employees conduct their professional activities, every two years, seeking to eradicate risks at their source or to minimize them. Priority is given to the implementation of measures that have an impact on collective protection.</p> <p>Following the risk assessments, action plans are prepared, which define priorities for action, those responsible for carrying out the defined recommendations and implementation deadlines, resorting to specialized technicians in certain fields, such as lighting and HVAC, whenever necessary.</p> <p>Apart from regular assessments, punctual and follow-up assessments are carried out whenever there are changes in workspaces/equipment/working conditions, by indication of occupational medicine and/or by complaints from employees.</p> <p>In 2021 we kept the measures adopted to prevent the contagion and spread of the SARS-CoV-2 virus, of which we highlight the following: update of the contingency plan in function of the evolution of the pandemic / recommendations of the health authorities; definition of isolation rooms in all facilities of the Fidelidade Group; adoption of the teleworking regime, whenever possible, for most workers; placement of polycarbonate partitions between workstations; teleworking/in-person working shifts of teams, during the gradual return of workers; signs with the rules of circulation and use of spaces and equipment shared in all facilities; availability of collective hand sanitizer dispensers and individual sanitization kits; availability of individual protection masks and antigen self-test kits. The implementation of the aforementioned measures was duly and timely communicated to workers by e-mail and/or through the Intranet, with the clear involvement of the hierarchies. At the assistance counters, polycarbonate partitions were installed between the customer and the worker, and workstations and equipment are sanitized after each assistance; assistance was provided upon previous appointment or by order of arrival.</p> <p>During 2021, taking advantage of the fact that workers were not at the facilities (most of them were in teleworking), various interventions were carried out in several facilities of the Fidelidade Group, in order to improve working conditions and spaces for workers, making the work spaces safe(r) and healthy(ier).</p> <p>We highlight namely the following interventions: replacement of the lighting system (gradual replacement of fluorescent lighting fixtures with LED ones, optimizing the reduction of the risk of eye fatigue and vision problems, through the improvement of the quality and quantity of lighting in the work area); changes in furniture (namely at the intervened facilities, within the scope of image renewal or at the facilities with new physical space; removal of screens (barriers to the natural diffusion of light and fall risk spots); adoption of lockers and the consequent removal of individual closets (making the spaces wider, larger, more open); adoption of the clean-desk policy and ban on keeping food inside lockers (in order to avoid the spread of microorganisms, ants, cockroaches, etc.).</p>	
<p>403 -2 (Continuation)</p>	<p>FIDELIDADE</p>	2021
<p>Identification of hazards, risk assessment and investigation of incidents</p>	<p>Despite the heavy restrictions arising from the pandemic, namely concerning the gathering of people, in 2021 we performed two drills at the Central Offices in Porto. On 21 September 2021, one of the drills took place at the Brasília Building, with the involvement of Fidelidade's workers - who at the time were working at the office - shopkeepers and also customers that, at that time, were inside the shopping center.</p> <p>On 30 November, the other drill took place at the Scala Building with the involvement of the workers of the several companies that operate in said building, as in previous drills. Taking into account the small number of workers at the office, in both situations we have had to redefine/accumulate roles within the Intervention Teams, which was a clear and challenging indication of the inevitable paradigm shift concerning the composition - even in numbers - of said teams.</p>	
<p>403 -2 (Continuation)</p>	<p>SAFEMODE</p>	2021
<p>Identification of hazards, risk assessment and investigation of incidents</p>	<p>During 2021, EAPS changed facilities, the spaces of the new registered office and the Lisbon clinic moved to the building of Avenida José Malhoa, which meets all the occupational health and safety conditions for the good performance of all the business activities.</p>	

SOCIAL INDICATORS

OCCUPATIONAL HEALTH AND SAFETY

403 -3 to 403-8	ALL COMPANIES
	2021
<p>Healthcare services at work</p>	<p>The activity developed in the area of Occupational Health and Safety aims at preventing occupational risks and promoting the health of all workers, by integrating professionals with appropriate training, namely doctors specialized in occupational medicine, senior occupational health and safety technicians and nursing professionals.</p> <p>In this context, the activity incorporates an integrated and sequential involvement of the following aspects:</p> <ol style="list-style-type: none"> 1) Identification of occupational risks; 2) Planning and organization of occupational risk prevention; 3) Elimination of risk factors and accidents; 4) Assessment and monitoring of occupational risks; 5) Information, training, consultation and involvement of workers and their representatives; 6) Performance of periodic clinical assessments, going far beyond the legislation in force and ensuring the necessary fitness of the professional to carry out their duties, complemented by regular visits to workplaces and by continuous interaction between healthcare professionals and occupational health and safety technicians. <p>This activity implies a cross-sectional and vertical intervention, from the technical processes to the organization of work and the conditions in which it is carried out, including the hierarchical component of the company and all levels of the company. This implies the attribution and acceptance by those responsible at each hierarchical level of the obligation to include risk prevention in any activity they carry out or request to be carried out and in all decisions to be adopted. Access to personal data regarding workers' health is restricted to the occupational doctor, which is ensured by the clinical profile of computer access to the occupational healthcare services management platform.</p> <p>The clinical data provided by occupational medicine to the occupational safety team and/or to the People and Organization Department is expressed always in aggregated and anonymized values, thus ensuring the confidentiality of workers, and always with the purpose of promoting the health and wellbeing of the workers in the organization.</p>
<p>Workers' participation, consultation and communication to workers regarding occupational health and safety</p>	<p>For the Organization/Group, the health and wellbeing of its employees is a "Greater Good". Therefore, it endeavors to promote and facilitate it. Thus, in the context of Occupational Medicine, and only as an example, we can mention:</p> <ul style="list-style-type: none"> • The concern to ensure, at the workplaces with the highest number of workers, the existence of Medical Offices, where as regularly as possible a doctor and a nurse are present (in 2021, we opened the Safemode Clinic at the Malhoa Building, where a doctor and a nurse are also present on a regular basis); • The coordination between Occupational Doctors and Occupational Injuries Doctors in order to ensure the best follow-up to workers and their return to work in case of a claim; • The regular dissemination of the Online Occupational Medicine Portal - My Safemode, through Be Fidelidade to remind/encourage workers to sign up and gain access to their healthcare data. <p>The available features include:</p> <ul style="list-style-type: none"> - Access to their Advice Letter; - Consultation of their Aptitude Record; - Consultation of the detailed history of the medical acts they have performed within the scope of Occupational Medicine; - Consultation of their biometric data and other useful information to manage their health; - View, or share with the treating doctor, the results of clinical analyses, imaging tests or those of other specialties included in the tests record; - Track the appointments and dates of tests and consultations within the scope of Occupational Medicine.
<p>Training of workers in occupational health and safety</p>	<p>The information within the scope of COVID-19 was transmitted to workers through email and the intranet. Updates on the Contingency Plan were published on the Intranet, including information on the implemented measures, namely the ones focused on the return of the workers to the office, not only through the aforementioned digital platform, but also by e-mail.</p> <p>As in 2020, we also conducted a consultation/survey to the workers, in order to assess their experience in teleworking and regarding their return to the facilities.</p> <p>In March, we conducted the psychosocial risk assessment survey and compiled/analyzed the answers obtained.</p> <p>Following the analysis of the results, Fidelidade put in place a new set of awareness-raising and training initiatives - workshops on mental health, enhancement of the referral channels and the support to initiatives: NÓS, WECARE, etc. - aiming at mitigating the main identified risks.</p> <p>Other surveys were also conducted covering the remaining companies of the Fidelidade Group on issues of vital importance such as: benefits, diversity and inclusion, the project of the new registered office building and wellbeing.</p>
<p>Promotion of workers' health</p>	<p>Apart from admission, periodic and occasional tests, workers are also regularly invited to take part in several surveys that seek to provide an exact and detailed knowledge of their reality, in terms of physical and mental health, and of the trends that may be emerging, in order to outline prompt and effective interventions in the prevention of possible dangers and risks and possible health conditions.</p> <p>We also promote the performance of the annual oncologic check-ups of the health insurance, coordinating the performance of these exams with the Occupational Medicine exams.</p> <p>We also provide free of charge to all workers who wish to receive it the seasonal flu vaccine through the pharmacies' national network.</p> <p>Simultaneously, and in coordination with the DGS national health plans arising from the periodical "Health Portraits" of the Portuguese promoted by said General-Directorate, initiatives are also promoted directed at specific health issues (high blood pressure, diabetes, obesity, smoking, etc.) which, although not constituting specific risks of the company's activity, constitute a general public health problem, and its approach is essential for the promotion of the best possible physical and psychological wellbeing of Fidelidade's working population.</p> <p>The approach to these subjects is made through regular awareness-raising campaigns, informative leaflets addressing specific subjects, tutorial films, the newsletter "Be Fidelidade Para que a Vida Não Pare", dissemination of safetips, preparation and dissemination of contents on multiple health situations, and has also included multiple support and contact initiatives (for example, the COVID-19 assistance), the creation of the Multicare Medicina Online service and the symptom assessor, the creation of a psychological support program within the scope of Fidelidade's social responsibility program NÓS (a program which supports employees' personal life and the new reality that confinement has imposed on people and their families) or the Multicare health insurance.</p> <p>Access to personal data regarding workers' health is restricted to the occupational doctor, which is ensured by the clinical profile of computer access to the occupational healthcare services management platform.</p> <p>The clinical data provided by occupational medicine to the occupational safety team and/or to the People and Organization Department is expressed always in aggregated and anonymized values, thus ensuring the confidentiality of workers, and always with the purpose of promoting the health and wellbeing of the workers in the organization.</p>
<p>Prevention and mitigation of occupational health and safety impacts directly linked to business relationships</p>	<p>In 2021, the Fidelidade Group kept its business relationships with customers and suppliers, applying the criteria defined by the DGS and in the Internal Contingency Plan regarding the pandemic caused by the SARS-CoV-2 virus.</p> <p>Within this scope, we highlight the recommendation to privilege meetings with customers and suppliers through IT tools (Microsoft Teams). In-person meetings were authorized/conducted only when the importance to the activity/business so justified or when it was not possible to ensure the intended quality and results through videoconference means, being a mandatory condition to practice social distancing and to wear a mask; limited access to shared spaces (meeting rooms, canteens, pantries, auditoriums, etc.); limited access to customer care spaces.</p> <p>These measures also include the procedures adopted in 2020 and still in force: the placement of hand sanitizer dispensers, signs regarding the general rules of protection and hand sanitization, sanitization of workstations between each assistance and the placement of acrylic partitions in customer care areas, teleworking/in-person working shifts for teams providing customer service, for their own and the customers' protection.</p>
<p>Workers covered by an occupational health and safety management system</p>	<p>The occupational health management system covers all employees under an employment contract.</p>

SOCIAL INDICATORS

OCCUPATIONAL HEALTH AND SAFETY

403 - 9	ALL COMPANIES	2021
OCCUPATIONAL ACCIDENTS	<p>The Fidelidade Group analyzes all the occupational accidents occurred within its facilities. After receiving and analyzing an occupational accident report, the accident is investigated through personal and/or telephone contact to the claimant and to the witnesses (if any / if deemed necessary). Whenever justified, a visit is made to the place where the claim occurred.</p> <p>Following the analysis of the report, the statements obtained and the analysis of the place / circumstances of the reported accident, an Occupational Accident analysis report is prepared, which includes the indication of the dangers, the analysis of risks at the origin of the occurrence and the recommendations meant to prevent further similar accidents.</p> <p>In 2021, the large majority of occupational accidents occurred <i>in itinere</i> or in the context of teleworking.</p>	

403 - 9 (Continuation)	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
OCCUPATIONAL ACCIDENTS																
Total occupational accidents	64	6	28	367%	0	0	1	NA	8	0	2	NA	10	0	1	NA
Male	19	3	14	367%	0	0	1	NA	1	0	1	NA	3	0	1	NA
Female	45	3	14	367%	0	0	0	NA	7	0	1	NA	7	0	0	NA
Rate of occupational accidents	4%	0%	1%	356%	0%	0%	2%	NA	4%	0%	1%	NA	10%	0%	1%	NA
Male	2%	0%	2%	355%	0%	0%	5%	NA	2%	0%	2%	NA	6%	0%	1%	NA
Female	4%	0%	1%	357%	0%	0%	0%	NA	5%	0%	1%	NA	13%	0%	0%	NA
Occupational accidents with serious consequences	NA	2	2	0%	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Male	NA	1	0	-100%	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Female	NA	1	2	100%	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Rate of occupational accidents with serious consequences	NA	0%	0,10%	-2%	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Male	NA	0%	0%	-100%	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Female	NA	0%	0,17%	96%	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Number of deaths caused by occupational accidents	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Rate of deaths caused by occupational accidents	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA
Male	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA
Female	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA

SOCIAL INDICATORS

OCCUPATIONAL ACCIDENTS

403 - 9 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
OCCUPATIONAL ACCIDENTS																
Total occupational accidents	3	0	0	NA	5	1	4	300%	5	1	1	0%	2	0	1	NA
Male	2	0	0	NA	3	1	2	100%	3	1	1	0%	0	0	0	NA
Female	1	0	0	NA	2	0	2	NA	2	0	0	NA	2	0	1	NA
Rate of occupational accidents	6%	0%	0%	NA	22%	5%	16%	247%	11%	2%	2%	-21%	5%	0%	2%	NA
Male	5%	0%	0%	NA	22%	7%	11%	57%	12%	5%	4%	-22%	0%	0%	0%	NA
Female	10%	0%	0%	NA	23%	0%	27%	NA	10%	0%	0%	NA	11%	0%	5%	NA
Occupational accidents with serious consequences	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Male	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Female	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA	NA	0	0	NA
Rate of occupational accidents with serious consequences	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Male	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Female	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA	NA	0%	0%	NA
Number of deaths caused by occupational accidents	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Rate of deaths caused by occupational accidents	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA
Male	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA
Female	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA	0%	0%	0%	NA

403 - 9 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE - SGOIC			
OCCUPATIONAL ACCIDENTS	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Total occupational accidents	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA
Rate of occupational accidents	0%	0%	0%	NA	0%	0%	0%	NA
Male	0%	0%	0%	NA	0%	0%	0%	NA
Female	0%	0%	0%	NA	0%	0%	0%	NA
Occupational accidents with serious consequences	NA	0	0	NA	NA	0	0	NA
Male	NA	0	0	NA	NA	0	0	NA
Female	NA	0	0	NA	NA	0	0	NA
Rate of occupational accidents with serious consequences	NA	0%	0%	NA	NA	0%	0%	NA
Male	NA	0%	0%	NA	NA	0%	0%	NA
Female	NA	0%	0%	NA	NA	0%	0%	NA
Number of deaths caused by occupational accidents	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA
Rate of deaths caused by occupational accidents	0%	0%	0%	NA	0%	0%	0%	NA
Male	0%	0%	0%	NA	0%	0%	0%	NA
Female	0%	0%	0%	NA	0%	0%	0%	NA

SOCIAL INDICATORS

OCCUPATIONAL HEALTH AND SAFETY

403 - 10	ALL COMPANIES			
				2021
OCCUPATIONAL ILLNESSES	<p>The occupational risks within Fidelidade involve, essentially, musculoskeletal pathologies resulting from inadequate postures and, currently, the psychological risks that the context of confinement is inflicting on the entire population in general. The intervention in the sense of providing the best ergonomic measures in the workplaces and also within the scope of work at home (teleworking), involving namely the provision of laptops, screens, furniture and headsets, has prevented the appearance of occupational illnesses. Fidelidade is thrilled by the almost non-existence of occupational illnesses or accidents among its workers, whose health problems are restricted to aspects not related to the work activity, but regarding which the occupational health area does not fail to pay particular attention.</p>			
	2019	2020	2021	Var. 20-21
Number of occupational illnesses	0	0	0	NA
Male	0	0	0	NA
Female	0	0	0	NA
Rate of occupational illnesses	0%	0%	0%	NA
Male	0%	0%	0%	NA
Female	0%	0%	0%	NA
Number of deaths caused by occupational accidents	0	0	0	NA
Male	0	0	0	NA
Female	0	0	0	NA

SOCIAL INDICATORS

EMPOWERMENT AND TRAINING

404 – 1*	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Average training hours by gender	24,06	27,30	30,76	13%	35,35	32,56	38,59	19%	20,76	23,63	37,57	59%	45,78	37,63	22,26	-41%
Male	25,22	29,09	29,82	3%	40,80	26,15	24,40	-7%	21,58	26,35	31,48	19%	39,32	38,84	24,33	-37%
Female	23,25	26,06	31,41	21%	32,63	36,03	46,47	29%	20,42	22,56	40,16	78%	51,47	36,66	20,50	-44%

404 – 1 (Continuation)*	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Average training hours by gender	5,65	5,03	17,62	250%	5,46	2,62	17,80	580%	5,26	1,95	20,60	959%	8,20	5,59	22,78	307%
Male	5,30	5,38	16,85	213%	3,81	2,81	14,79	426%	4,87	1,75	14,12	707%	4,85	3,91	18,55	374%
Female	6,98	3,35	21,15	531%	8,45	2,30	23,15	906%	5,71	2,11	25,99	1132%	11,68	7,14	26,53	272%

404 – 1 (Continuation) *	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Average training hours by gender	57,31	15,39	25,17	64%	1,78	1,91	1,27	-33%
Male	67,77	19,94	25,03	26%	0,00	1,50	2,31	54%
Female	45,62	10,61	25,32	139%	2,29	2,06	0,88	-58%

404 – 1*	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE				
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	
Average training hours by professional category	13,08	9,71	1,70	-83%	43,50	NA	15,40	NA	45,75	25,50	20,14	-21%	NA	20,00	28,59	43%	
Management	13,08	9,71	1,70	-83%	43,50	NA	15,40	NA	NA	NA	NA	NA	NA	20,00	28,59	43%	
Male	NA	NA	NA	NA	NA	NA	NA	NA	45,75	25,50	20,14	-21%	NA	NA	NA	NA	
Female	29,69	28,84	46,63	62%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Executive	32,02	24,77	36,41	47%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Male	33,29	35,74	60,94	71%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Female	48,69	47,40	54,11	14%	45,58	55,05	22,85	-58%	35,02	39,00	57,17	47%	NA	NA	NA	NA	
Manager / Expert	30,21	49,02	52,12	6%	52,50	47,20	28,25	-40%	28,00	34,35	47,77	39%	NA	NA	NA	NA	
Male	51,71	44,91	57,01	27%	31,75	70,75	15,65	-78%	36,30	39,93	59,05	48%	NA	NA	NA	NA	
Female	29,28	26,79	31,08	16%	28,77	31,34	43,10	38%	24,32	24,15	36,68	52%	13,50	0,00	6,43	NA	
Team Leader / Professional	30,11	27,28	28,30	4%	27,15	15,71	22,98	46%	24,88	30,46	31,37	3%	13,50	0,00	0,00	NA	
Male	30,46	26,43	33,08	25%	29,47	39,42	53,50	36%	24,12	22,00	38,85	77%	NA	0,00	9,65	NA	
Female	20,25	21,14	20,36	-4%	42,21	29,17	33,12	14%	14,85	21,05	35,66	69%	NA	NA	NA	NA	
Assistant	9,64	20,57	18,85	-8%	51,69	36,50	22,79	-38%	18,38	21,92	29,88	36%	NA	NA	NA	NA	
Male	9,10	21,40	21,04	-2%	38,00	26,15	37,89	45%	13,09	20,62	38,47	87%	NA	NA	NA	NA	
Female	265,03	308,37	278,83	-10%	NA	NA	NA	NA	NA	NA	NA	NA	46,22	38,18	22,36	-41%	
Not Applicable	17,80	380,83	203,48	-47%	NA	NA	NA	NA	NA	NA	NA	NA	NA	39,32	39,09	24,28	-38%
Male	0,00	235,90	429,53	82%	NA	NA	NA	NA	NA	NA	NA	NA	51,47	37,44	20,72	-45%	
Female																	

*The scope of reporting on the average training hours concerns only the People Department of the Fidelidade Group

SOCIAL INDICATORS

EMPOWERMENT AND TRAINING

404 – 1 (Continuation) *	GEP				CAR SERVICE				CARES				SAFEMODE			
Average training hours by professional category	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Management	0,00	57,50	63,68	11%	1,00	11,00	36,81	235%	0,00	10,50	32,60	210%	0,00	3,85	57,53	1394%
Male	0,00	57,50	63,68	11%	1,00	11,00	36,81	235%	0,00	10,50	32,60	210%	0,00	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	0,00	NA	NA	NA	NA	3,85	57,53	1394%
Executive	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Manager / Expert	10,88	6,80	33,26	389%	21,00	6,50	91,67	1310%	NA	NA	NA	NA	24,75	13,75	51,89	277%
Male	10,88	7,75	29,11	276%	21,00	6,50	91,67	1310%	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	3,00	49,84	1561%	NA	NA	NA	NA	NA	NA	NA	NA	24,75	13,75	51,89	277%
Team Leader / Professional	5,42	3,89	13,87	257%	19,00	9,67	27,53	185%	NA	NA	NA	NA	5,62	5,42	20,80	284%
Male	4,88	3,95	14,51	267%	5,25	10,50	14,53	38%	NA	NA	NA	NA	3,90	4,21	19,57	365%
Female	8,13	3,40	8,66	155%	46,50	8,00	53,52	569%	NA	NA	NA	NA	7,76	6,76	22,08	226%
Assistant	3,74	2,70	23,67	777%	2,30	0,71	9,38	1214%	NA	NA	NA	NA	14,83	4,25	18,44	334%
Male	0,00	0,00	0,00	NA	1,07	0,00	3,25	NA	NA	NA	NA	NA	9,63	2,50	11,36	354%
Female	4,68	3,38	29,59	777%	4,22	1,67	19,35	1061%	NA	NA	NA	NA	19,00	5,42	22,69	319%
Not Applicable	NA	NA	NA	NA	NA	NA	NA	NA	5,26	1,75	20,00	1045%	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	4,87	1,31	12,80	879%	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	5,71	2,11	26,00	1132%	NA	NA	NA	NA

404 – 1 (Continuation)*	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
Average training hours by professional category	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Management	38,75	19,50	28,03	44%	0,00	0,00	1,73	NA
Male	38,75	19,50	28,03	44%	0,00	0,00	1,73	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA
Executive	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA
Manager / Expert	14,50	8,75	19,63	124%	NA	NA	NA	NA
Male	18,50	0,00	10,69	NA	NA	NA	NA	NA
Female	10,50	17,50	33,06	89%	NA	NA	NA	NA
Team Leader / Professional	56,05	6,15	27,18	342%	NA	NA	NA	NA
Male	60,94	5,98	28,28	373%	NA	NA	NA	NA
Female	48,44	6,37	25,73	304%	NA	NA	NA	NA
Assistant	60,68	36,09	16,33	-55%	NA	NA	NA	NA
Male	84,63	72,50	2,27	-97%	NA	NA	NA	NA
Female	47,00	15,29	22,35	46%	NA	NA	NA	NA
Not Applicable	NA	NA	NA	NA	1,78	1,91	0,64	-67%
Male	NA	NA	NA	NA	0,00	1,50	0,01	-100%
Female	NA	NA	NA	NA	2,29	2,06	0,88	-58%

* The scope of reporting on the average training hours concerns only the People Department of the Fidelidade Group

SOCIAL INDICATORS

EMPOWERMENT AND TRAINING

404 - 2	FIDELIDADE	OKI TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021	2021	2021
Skills management and continuous learning programs	Fyouture FIDME	Fyouture FIDME	Fyouture FIDME	Fidelidade Assistance promotes the training of its employees as a form of professional valuation, and employees are encouraged to seek permanent ongoing training during the course of their professional lives.

404 - 2 (Continuation)	GEP	Car Service	Cares	Safemode
	2021	2021	2021	2021
Skills management and continuous learning programs	Fyouture FIDME	Executive Coaching Project – Effective Personal Productivity - LMI Leadership Management International	NR	Fyouture FIDME

404 - 2 (Continuation)	Fidelidade Property	Fidelidade SGOIC
	2021	2021
Skills management and continuous learning programs	NR	NR

SOCIAL INDICATORS

EMPOWERMENT AND TRAINING

404 - 3	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Percentage of employees receiving regular career development and performance reviews, by gender.																
Male	94%	97%	89%	-8%	96%	96%	84%	-13%	96%	99%	89%	-10%	94%	99%	NR	NA
Female	96%	96%	86%	-10%	94%	96%	89%	-7%	98%	96%	88%	-8%	89%	100%	NR	NA

404 - 3 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Percentage of employees receiving regular career development and performance reviews, by gender.																
Male	91%	98%	96%	-2%	94%	100%	85%	-15%	44%	71%	NR	NA	95%	96%	92%	-4%
Female	92%	100%	100%	0%	100%	90%	100%	11%	86%	66%	NR	NA	95%	96%	89%	-7%

404 - 3 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Percentage of employees receiving regular career development and performance reviews, by gender.								
Male	100%	95%	78%	-18%	NA	33%	33%	0%
Female	94%	95%	77%	-19%	NA	38%	0%	-100%

SOCIAL INDICATORS

DIVERSITY AND EQUAL OPPORTUNITIES

405 - 1	FIDELIDADE				OKI TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Diversity in management and among employees																
Total Employees	2489	2595	2658	2%	75	74	70	-5%	267	259	275	6%	177	173	185	7%
People with disabilities	63	59	67	14%	0	0	0	NA	5	6	7	17%	8	7	8	14%
Age range																
18-29	262	308	327	6%	15	14	10	-29%	37	31	36	16%	45	42	51	21%
30-39	297	320	349	9%	26	22	20	-9%	82	73	73	0%	41	37	36	-3%
40-49	977	935	905	-3%	31	34	34	0%	111	110	113	3%	71	71	73	3%
50 or older	953	1 032	1 077	4%	3	4	6	50%	37	45	53	18%	20	23	25	9%
Level of education																
Basic Education	NA	NA	125	NA	NA	NA	0	NA	NA	NA	6	NA	NA	NA	12	NA
Secondary Education	NA	NA	887	NA	NA	NA	21	NA	NA	NA	111	NA	NA	NA	124	NA
Higher Education	NA	NA	1 646	NA	NA	NA	49	NA	NA	NA	158	NA	NA	NA	49	NA
MANAGEMENT																
Total	6	7	6	-14%	1	1	1	100%	1	1	2	100%	0	1	1	0%
Male	6	7	6	-14%	1	1	1	100%	0	0	0	NA	0	1	1	0%
Female	0	0	0	NA	0	0	0	NA	1	1	2	100%	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																
18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	1	1	1	0%	0	0	0	NA	0	0	0	NA	0	0	0	NA
40-49	1	2	1	-50%	0	1	1	0%	0	0	1	NA	0	0	0	NA
50 or older	4	4	4	0%	1	0	0	NA	1	1	1	0%	0	1	1	0%
Level of education																
Basic Education	NA	NA	NR	NA	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA
Secondary Education	NA	NA	NR	NA	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA
Higher Education	NA	NA	NR	NA	NA	NA	1	NA	NA	NA	2	NA	NA	NA	1	NA
EXECUTIVE																
Total	34	35	36	3%	0	0	0	NA	0	0	0	NA	0	0	0	NA
Male	22	22	21	-5%	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	12	13	15	15%	0	0	0	NA	0	0	0	NA	0	0	0	NA
People with disabilities	2	2	2	0%	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																
18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	2	1	3	200%	0	0	0	NA	0	0	0	NA	0	0	0	NA
40-49	10	9	8	-11%	0	0	0	NA	0	0	0	NA	0	0	0	NA
50 or older	22	25	25	0%	0	0	0	NA	0	0	0	NA	0	0	0	NA
Level of education																
Basic Education	NA	NA	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Secondary Education	NA	NA	5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Higher Education	NA	NA	31	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MANAGER/ EXPERT																
Total	183	188	199	6%	6	6	7	17%	13	12	12	0%	0	0	0	NA
Male	114	114	118	4%	4	4	4	0%	2	2	2	0%	0	0	0	NA
Female	69	74	81	9%	2	2	3	50%	11	10	10	0%	0	0	0	NA
People with disabilities	3	4	6	50%	0	0	0	NA	1	1	1	0%	0	0	0	NA
By age range																

2021 SUSTAINABILITY REPORT

18-29	0	1	3	200%	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	11	12	10	-17%	2	1	3	200%	2	0	1	NA	0	0	0	NA
40-49	71	65	65	0%	4	4	3	-25%	6	6	4	-33%	0	0	0	NA
50 or older	101	110	121	10%	0	1	1	0%	5	6	7	17%	0	0	0	NA
Level of education																
Basic Education	NA	NA	5	NA	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA
Secondary Education	NA	NA	28	NA	NA	NA	1	NA	NA	NA	0	NA	NA	NA	0	NA
Higher Education	NA	NA	166	NA	NA	NA	6	NA	NA	NA	12	NA	NA	NA	0	NA
TEAM LEADER/ PROFESSIONAL																
Total	1456	1591	1720	8%	43	44	44	0%	134	138	162	17%	1	3	3	0%
Male	641	682	718	5%	13	15	15	0%	35	35	47	34%	1	1	1	0%
Female	815	909	1002	10%	30	29	29	0%	99	103	115	12%	0	2	2	0%
People with disabilities	28	24	33	38%	0	0	0	NA	3	4	5	25%	0	0	0	NA
By age range																
18-29	139	212	259	22%	5	6	7	17%	15	13	24	85%	0	0	0	NA
30-39	203	232	278	20%	18	14	11	-21%	27	30	32	7%	0	0	0	NA
40-49	619	608	600	-1%	19	23	23	0%	70	66	71	8%	0	1	1	0%
50 or older	495	539	583	8%	1	1	3	200%	22	29	35	21%	1	2	2	0%
Level of education																
Basic Education	NA	NA	35	NA	NA	NA	0	NA	NA	NA	2	NA	NA	NA	1	NA
Secondary Education	NA	NA	496	NA	NA	NA	12	NA	NA	NA	58	NA	NA	NA	0	NA
Higher Education	NA	NA	1189	NA	NA	NA	32	NA	NA	NA	102	NA	NA	NA	2	NA
ASSISTANT																
Total	809	775	697	-10%	26	24	19	-21%	120	109	101	-7%	0	0	0	NA
Male	250	242	216	-11%	8	7	6	-14%	40	36	33	-8%	0	0	0	NA
Female	559	533	481	-10%	18	17	13	-24%	80	73	68	-7%	0	0	0	NA
People with disabilities	29	28	25	-11%	0	0	0	NA	1	1	1	0%	0	0	0	NA
By age range																
18-29	123	95	65	-32%	10	8	3	-63%	22	18	12	-33%	0	0	0	NA
30-39	81	75	58	-23%	6	7	6	-14%	53	43	40	-7%	0	0	0	NA
40-49	276	252	232	-8%	8	7	8	14%	35	38	38	0%	0	0	0	NA
50 or older	329	353	342	-3%	2	2	2	0%	10	10	11	10%	0	0	0	NA
Level of education																
Basic Education	NA	NA	84	NA	NA	NA	0	NA	NA	NA	4	NA	NA	NA	NA	NA
Secondary Education	NA	NA	356	NA	NA	NA	8	NA	NA	NA	53	NA	NA	NA	NA	NA
Higher Education	NA	NA	257	NA	NA	NA	11	NA	NA	NA	44	NA	NA	NA	NA	NA
NOT APPLICABLE																
Total	7	6	6	0%	0	0	0	NA	0	0	0	NA	176	170	182	7%
Male	5	3	4	33%	0	0	0	NA	0	0	0	NA	76	76	84	11%
Female	2	3	2	-33%	0	0	0	NA	0	0	0	NA	100	94	98	4%
People with disabilities	1	1	1	0%	0	0	0	NA	0	0	0	NA	8	7	8	14%
By age range																
18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	45	42	51	21%
30-39	0	0	0	NA	0	0	0	NA	0	0	0	NA	41	37	36	-3%
40-49	1	1	0	-100%	0	0	0	NA	0	0	0	NA	71	70	72	3%
50 or older	6	5	6	20%	0	0	0	NA	0	0	0	NA	19	21	23	10%
Level of education																
Basic Education	NA	NA	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	11	NA
Secondary Education	NA	NA	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	124	NA
Higher Education	NA	NA	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	47	NA

SOCIAL INDICATORS

DIVERSITY AND EQUAL OPPORTUNITIES

405 – 1 (Continuation)	GEP				CAR SERVICE				CARES				SAFEMODE			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Diversity in management and among employees																
Total Employees	57	58	56	-3%	28	26	25	-4%	51	53	53	0%	47	48	51	6%
People with disabilities	3	3	3	0%	1	1	1	0%	1	1	0	-100%	0	0	0	NA
By age range																
18-29	4	3	3	0%	4	4	4	0%	3	6	6	0%	7	3	4	33%
30-39	4	5	4	-20%	7	5	6	20%	15	11	10	-9%	17	18	16	-11%
40-49	20	22	20	-9%	7	7	5	-29%	21	23	23	0%	19	23	25	9%
50 or older	29	28	29	4%	10	10	10	0%	12	13	14	8%	4	4	6	50%
Level of education																
Basic Education	NA	NA	9	NA	NA	NA	2	NA	NA	NA	12	NA	NA	NA	2	NA
Secondary Education	NA	NA	27	NA	NA	NA	22	NA	NA	NA	36	NA	NA	NA	12	NA
Higher Education	NA	NA	20	NA	NA	NA	1	NA	NA	NA	5	NA	NA	NA	37	NA
MANAGEMENT																
Total	1	1	1	0%	1	1	2	100%	0	1	1	0%	1	1	1	0%
Male	1	1	1	0%	1	1	2	100%	0	1	1	0%	1	0	0	NA
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	1	1	0%
People with disabilities	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																
18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA	0	1	1	0%	0	0	0	NA
40-49	1	0	0	NA	0	0	1	NA	0	0	0	NA	0	0	0	NA
50 or older	0	1	1	0%	1	1	1	0%	0	0	0	NA	1	1	1	0%
Level of education																
Basic Education	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA
Secondary Education	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	NA	0	NA
Higher Education	NA	NA	1	NA	NA	NA	2	NA	NA	NA	1	NA	NA	NA	1	NA
EXECUTIVE																
Total	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																
18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
40-49	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
50 or older	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
Level of education																
Basic Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Secondary Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Higher Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MANAGER/ EXPERT																
Total	4	5	5	0%	2	2	1	-50%	0	0	0	NA	2	2	2	0%
Male	4	4	4	0%	2	2	1	-50%	0	0	0	NA	0	0	0	NA
Female	0	1	1	0%	0	0	0	NA	0	0	0	NA	2	2	2	0%
People with disabilities	0	0	1	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																

2021 SUSTAINABILITY REPORT

18-29	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA	0	0	0	NA	0	0	0	NA
40-49	1	2	2	0%	1	1	0	-100%	0	0	0	NA	1	1	0	-100%
50 or older	3	3	3	0%	1	1	1	0%	0	0	0	NA	1	1	2	100%
Level of education																
Basic Education	NA	NA	0	NA	NA	NA	0	NA	0	NA						
Secondary Education	NA	NA	1	NA	NA	NA	1	NA	0	NA						
Higher Education	NA	NA	4	NA	NA	NA	0	NA	2	NA						
TEAM LEADER/ PROFESSIONAL																
Total	48	48	46	-4%	3	3	3	0%	0	0	0	NA	36	36	41	14%
Male	40	43	41	-5%	2	2	2	0%	0	0	0	NA	20	19	21	11%
Female	8	5	5	0%	1	1	1	0%	0	0	0	NA	16	17	20	18%
People with disabilities	3	3	2	-33%	0	0	0	NA	0	0	0	NA	0	0	0	NA
By age range																
18-29	3	2	2	0%	0	0	0	NA	0	0	0	NA	6	2	3	50%
30-39	2	4	3	-25%	0	0	0	NA	0	0	0	NA	14	16	16	0%
40-49	18	18	16	-11%	1	1	1	0%	0	0	0	NA	15	17	20	18%
50 or older	25	24	25	4%	2	2	2	0%	0	0	0	NA	1	1	2	100%
Level of education																
Basic Education	NA	NA	9	NA	NA	NA	0	NA	1	NA						
Secondary Education	NA	NA	21	NA	NA	NA	3	NA	8	NA						
Higher Education	NA	NA	16	NA	NA	NA	0	NA	32	NA						
ASSISTANT																
Total	5	5	5	0%	23	21	21	0%	0	0	0	NA	9	10	8	-20%
Male	1	1	1	0%	14	12	13	8%	0	0	0	NA	4	4	3	-25%
Female	4	4	4	0%	9	9	8	-11%	0	0	0	NA	5	6	5	-17%
People with disabilities	0	0	0	NA	1	1	1	0%	0	0	0	NA	0	0	0	NA
By age range																
18-29	1	1	1	0%	4	4	4	0%	0	0	0	NA	1	1	1	0%
30-39	2	1	1	0%	7	5	6	20%	0	0	0	NA	3	2	0	-100%
40-49	1	2	2	0%	5	5	4	-20%	0	0	0	NA	3	5	5	0%
50 or older	1	1	1	0%	7	7	7	0%	0	0	0	NA	2	2	2	0%
Level of education																
Basic Education	NA	NA	0	NA	NA	NA	2	NA	1	NA						
Secondary Education	NA	NA	5	NA	NA	NA	18	NA	4	NA						
Higher Education	NA	NA	0	NA	NA	NA	1	NA	3	NA						
NOT APPLICABLE																
Total	0	0	0	NA	0	0	0	NA	51	53	53	0%	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA	27	24	24	0%	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA	24	29	29	0%	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA	1	1	0	-100%	0	0	0	NA
By age range																
18-29	0	0	0	NA	0	0	0	NA	3	6	6	0%	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA	15	11	10	-9%	0	0	0	NA
40-49	0	0	0	NA	0	0	0	NA	21	23	23	0%	0	0	0	NA
50 or older	0	0	0	NA	0	0	0	NA	12	13	14	8%	0	0	0	NA
Level of education																
Basic Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12	NA	NA	NA	NA	NA
Secondary Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	36	NA	NA	NA	NA	NA
Higher Education	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5	NA	NA	NA	NA	NA

SOCIAL INDICATORS

DIVERSITY AND EQUAL OPPORTUNITIES

405 – 1 (Continuation)	FIDELIDADE PROPERTY				FIDELIDADE SGOIC			
	2019	2020	2021	Var. 20-21	2019	2020	2021	Var. 20-21
Diversity in management and among employees								
Total Employees	36	41	45	10%	9	11	11	0%
People with disabilities	0	0	1	NA	0	0	0	NA
Age range								
18-29	3	5	9	80%	2	3	1	-67%
30-39	6	7	7	0%	4	3	3	0%
40-49	15	16	12	-25%	3	5	7	40%
50 or older	12	13	17	31%	0	0	0	NA
Level of education								
Basic Education	NA	NA	2	NA	NA	NA	0	NA
Secondary Education	NA	NA	6	NA	NA	NA	0	NA
Higher Education	NA	NA	37	NA	NA	NA	11	NA
MANAGEMENT								
Total	2	2	2	0%	2	2	4	100%
Male	2	2	2	0%	2	2	4	100%
Female	0	0	0	NA	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA
By age range								
18-29	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	1	1	0	-100%
40-49	1	1	1	0%	0	0	1	NA
50 or older	1	1	1	0%	1	1	3	200%
Level of education								
Basic Education	NA	NA	0	NA	NA	NA	0	NA
Secondary Education	NA	NA	0	NA	NA	NA	0	NA
Higher Education	NA	NA	2	NA	NA	NA	4	NA
EXECUTIVE								
Total	0	0	0	NA	0	0	0	NA
Male	0	0	0	NA	0	0	0	NA
Female	0	0	0	NA	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA
By age range								
18-29	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA
40-49	0	0	0	NA	0	0	0	NA
50 or older	0	0	0	NA	0	0	0	NA
Level of education								
Basic Education	NA	NA	NA	NA	NA	NA	NA	NA
Secondary Education	NA	NA	NA	NA	NA	NA	NA	NA
Higher Education	NA	NA	NA	NA	NA	NA	NA	NA
MANAGER/ EXPERT								
Total	2	4	5	25%	0	0	0	NA
Male	1	2	3	50%	0	0	0	NA
Female	1	2	2	0%	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA

By age range								
18-29	0	0	0	NA	0	0	0	NA
30-39	0	0	1	NA	0	0	0	NA
40-49	0	2	1	-50%	0	0	0	NA
50 or older	2	2	3	50%	0	0	0	NA
Level of education								
Basic Education	NA	NA	0	NA	NA	NA	NA	NA
Secondary Education	NA	NA	0	NA	NA	NA	NA	NA
Higher Education	NA	NA	5	NA	NA	NA	NA	NA
TEAM LEADER/ PROFESSIONAL								
Total	23	26	30	15%	0	0	0	NA
Male	14	15	17	13%	0	0	0	NA
Female	9	11	13	18%	0	0	0	NA
People with disabilities	0	0	0	NA	0	0	0	NA
By age range								
18-29	3	5	9	80%	0	0	0	NA
30-39	6	7	6	-14%	0	0	0	NA
40-49	10	10	8	-20%	0	0	0	NA
50 or older	4	4	7	75%	0	0	0	NA
Level of education								
Basic Education	NA	NA	0	NA	NA	NA	NA	NA
Secondary Education	NA	NA	1	NA	NA	NA	NA	NA
Higher Education	NA	NA	29	NA	NA	NA	NA	NA
ASSISTANT								
Total	11	11	10	-9%	0	0	0	NA
Male	4	4	3	-25%	0	0	0	NA
Female	7	7	7	0%	0	0	0	NA
People with disabilities	0	0	1	NA	0	0	0	NA
By age range								
18-29	0	0	0	NA	0	0	0	NA
30-39	0	0	0	NA	0	0	0	NA
40-49	5	4	3	-25%	0	0	0	NA
50 or older	6	7	7	0%	0	0	0	NA
Level of education								
Basic Education	NA	NA	2	NA	NA	NA	NA	NA
Secondary Education	NA	NA	5	NA	NA	NA	NA	NA
Higher Education	NA	NA	3	NA	NA	NA	NA	NA
NOT APPLICABLE								
Total	0	0	0	NA	9	11	11	0%
Male	0	0	0	NA	2	3	3	0%
Female	0	0	0	NA	7	8	8	0%
People with disabilities	0	0	0	NA	0	0	0	NA
By age range								
18-29	0	0	0	NA	2	3	1	-67%
30-39	0	0	0	NA	4	3	3	0%
40-49	0	0	0	NA	3	5	7	40%
50 or older	0	0	0	NA	0	0	0	NA
Level of education								
Basic Education	NA	NA	NA	NA	NA	NA	0	NA
Secondary Education	NA	NA	NA	NA	NA	NA	0	NA
Higher Education	NA	NA	NA	NA	NA	NA	11	NA

SOCIAL INDICATORS

DIVERSITY AND EQUAL OPPORTUNITIES

405-2	ALL COMPANIES
	2021
Ratio of the base salary and remuneration of women to men's	NR

SOCIAL INDICATORS

NON-DISCRIMINATION

406-1	ALL COMPANIES
	2021
Cases of discrimination and corrective measures taken	NR

SOCIAL INDICATORS

HUMAN RIGHTS ASSESSMENT

412-1 to 412-3	ALL COMPANIES 2021
Operations subject to impact assessment concerning human rights	NR
Training of employees in human rights policies and procedures	NR
Significant investment agreements and contracts that include clauses regarding human rights or that have undergone human rights assessments	NR

SOCIAL INDICATORS

LOCAL COMMUNITIES

413-1 to 413-2	FIDELIDADE ¹	OKI TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
	2021	2021	2021	2021
Operations with local community involvement programs, impact assessment and development programs	<p>External – support to the Third Sector of the Fidelidade Community:</p> <p>> Operations with local community involvement programs:</p> <ul style="list-style-type: none"> - Fidelidade Community Award: 4th edition – new format (biennial, to note 2 stages due to COVID-19, application process, ceiling up to EUR 100,000); Winners 1st stage; close follow-up of the winning institutions of the 4 editions, through the monitoring of their projects, and establishment of various synergies (donations, offers, volunteering, webinars, training labs); - Donations: PPE, Salvage, Computer rollout equipment and stationary, Hospital equipment (in partnership with the Hospital da Luz); - Offer of insurances, miscellaneous new equipment and Christmas baskets; - Corporate volunteering; - Purchase of social economy products. <p>> Impact assessment</p> <ul style="list-style-type: none"> - Training labs <p>> Development programs</p> <p>Webinars on the subject Deconstructing anxiety – Fears and concerns, how to manage?; Networking; the power of the network of relationships; Volunteering: a help or a problem?; Mental Health and Social Impact Assessment: positioning Fidelidade Community as an ecosystem for sharing of knowledge, experiences, good practices and innovation, through events and the sharing of innovative projects; the Community as a center of knowledge (repository of shareable resources) and networking.</p>	NR	Support to the 20 th Edition of the <i>Hospital da Bonexada</i> , seeking to demystify the fear of hospital environment among younger patients.	NR
Operations with potential or actual negative impact on local communities	0	NR	NR	NR

¹ Operations with local community involvement programs, impact assessment and development programs regarding Fidelidade extend to the entire Group

413-1 to 413-2 (Continuation)	GEP	CAR SERVICE	CARES	SAFEMODE
	2021	2021	2021	2021
Operations with local community involvement programs, impact assessment and development programs	None	Construction of a public park for community use	<p><i>Quartel Eletrão</i> – Forward of equipment considered as salvage to the electronic waste drop-off point through the partnership with the fire station so that it may take part in the “<i>Quartel Eletrão</i>” initiative and win an ambulance;</p> <p>Change of Facilities – We promoted contacts with GRS in order to identify institutions that need furniture. This way, we have donated several types of furniture and equipment to those facilities;</p> <p>Property Reusing – equipment that was no longer in use was given to employees;</p> <p>Circulation of many vehicles (72 vehicles), which is necessary</p> <p>Use of disposable materials due to COVID-19</p>	NR
Operations with potential or actual negative impact on local communities	None	None		NR

413-1 to 413-2 (Continuation)	FIDELIDADE PROPERTY	FIDELIDADE SGOIC
	2021	2021
Operations with local community involvement programs, impact assessment and development programs		NR
Operations with potential or actual negative impact on local communities	In respect of 2021, there is nothing relevant to be mentioned. For 2022, we expect some disturbances near Avenida 5 de Outubro and Avenida Álvaro Pais due to the ongoing projects of Entrecampos and the “New Head Office”. Until now, there were no repairs to be performed. However, we are aware that the development of these works will cause some discomfort to the residents and the regular users of these streets.	NR

SOCIAL INDICATORS

NEW SUPPLIERS

414-1	ALL COMPANIES
	2021
New suppliers selected based on social criteria	NR

SOCIAL INDICATORS

POLITICAL CONTRIBUTIONS

415 - 1	ALL COMPANIES
	2021
<p>Total contributions for political parties and politicians, by country and recipient / beneficiary</p>	<p>In 2021, no financial contributions or contributions in kind were made to political parties, politicians or related institutions</p>

SOCIAL INDICATORS

MARKETING AND LABELLING

417-3	ALL COMPANIES
	2021
Cases of non-compliance concerning marketing communication	NR

SOCIAL INDICATORS

CUSTOMERS' PRIVACY

418 - 1	FIDELIDADE		OK! TELESEGUROS		MULTICARE		FIDELIDADE ASSISTANCE	
	2020	2021	2020	2021	2020	2021	2020	2021
Substantiated complaints regarding breaches of privacy and loss of customers' data	14	12	There were no complaints regarding breaches of customers' privacy	There were no complaints regarding breaches of customers' privacy	NA	4	There were no complaints regarding breaches of customers' privacy	There were no complaints regarding breaches of customers' privacy

418 - 1 (Continuation)	GEP		CAR SERVICE		CARES		SAFEMODE	
	2020	2021	2020	2021	2020	2021	2020	2021
Substantiated complaints regarding breaches of privacy and loss of customers' data	None	None	There were no complaints regarding breaches of customers' privacy	There were no complaints regarding breaches of customers' privacy	NR	There were no complaints regarding breaches of customers' privacy	There were no complaints regarding breaches of customers' privacy	There were no complaints regarding breaches of customers' privacy

418 - 1 (Continuation)	FIDELIDADE PROPERTY		FIDELIDADE SGOIC	
	2020	2021	2020	2021
Substantiated complaints regarding breaches of privacy and loss of customers' data	NA	There were no complaints regarding breaches of customers' privacy.	NA	There were no complaints regarding breaches of customers' privacy.

SOCIAL INDICATORS

LAWS AND REGULATIONS

419 - 1	ALL COMPANIES	2021
Non-compliance with laws and regulations in the economic and social areas	No fines or non-pecuniary sanctions were registered regarding non-compliance with laws and regulations	

SECTORIAL SUPPLEMENT

FINANCIAL SERVICES

FS1	FIDELIDADE	OKI TELESEGUROS	MULTICARE
	2021	2021	2021
<p>Approach and management: Policies with specific environmental and social components applied to the lines of business</p>	NR	Via Directa is governed by the guidelines of the Fidelidade Group, carrying out its activities in strict compliance with the Law and respecting business ethics, the dignity of citizens and human rights.	<p>CUSTOMERS' PROTECTION AGAINST COVID-19 As early as January 2021, in the middle of the 3rd wave of the COVID-19 pandemic, MULTICARE provided, free of charge and without the need for sign-up or identification, to all citizens residing in Portugal its Symptom Assessor. The Symptom Assessor is an artificial-intelligence based tool of MULTICARE's telemedicine platform (Medicina Online), which identifies the most probable pathologies linked to certain health symptoms (including COVID-19) and recommends the type of clinical follow-up necessary. In addition, in March, MULTICARE provided, in partnership with Luz Saúde, a post-Covid follow-up check-up in order to promote the identification and early treatment of possible sequelae of the infection. This check-up, at no additional cost, was provided to customers who underwrote the Preventive Medicine coverage. To the remaining Multicare customers, access to the check-up was provided at agreed prices. The check-up varies according to the person's age (child vs adult) and the seriousness of the COVID-19 infection.</p> <p>These initiatives complemented the additional protection measures taken by Multicare in 2020 and maintained throughout 2021, despite the international practice of exclusion of the pandemic risk from health insurances. Apart from having been the first health insurance company to cover the payment of hospitalization costs for COVID-19 treatment for customers who underwrote the Hospitalization coverage, Multicare provided its telemedicine platform (Medicina Online) for the prescription of (PCR) diagnostic tests and for the clarification of doubts related to COVID-19, in a moment where the SNS 24 helpline was unable to respond to all the requests of the Portuguese. In addition, Multicare streamlined the launch of new Medicina Online services, with emphasis on new medical specialties, the Online Attending Physician and the Psychology consultation. Multicare also negotiated and ensured the reimbursement of (PCR) diagnostic tests as well as of Personal Protective Equipment to customers who underwrote the Outpatient Care coverage.</p> <p>MENTAL HEALTH Being an issue ever more present in our society and Portugal being the 5th EU country with the greatest prevalence of mental illnesses (~20%), MULTICARE was a pioneer in the Portuguese market and launched the Mental Health coverage. This coverage includes copayment of Psychiatric Hospitalization (sub-ceiling of the Hospitalization coverage) and of Psychology and Psychiatry Consultations and Psychotherapy Sessions (sub-ceiling of the Outpatient Care coverage). This coverage is available for the M123 and MPV offers with the Outpatient Care coverage. In addition, MULTICARE launched Mental Health services in Medicina Online, which are available in the entire portfolio, at no additional cost.</p> <p>MEDICINA ONLINE – ANTICIPATED INNOVATION MULTICARE was a pioneer in telemedicine, with the launch of Medicina Online in 2016. Since then, MULTICARE has been continuously increasing the value proposition of Medicina Online. 2021 was no exception. The specialties launched were Endocrinology, Urology and Orthopedics. Within the scope of health and wellbeing with the purpose of improving its customers' quality of life, MULTICARE has extended the Smoking Cessation program to its entire portfolio (it was available only for Tailor-Made customers and is now also available for Individual and SME customers), and improved its value proposal in Mental Health with the launch of the Sleep Better program, Stress and Anxiety Management and also Parenting consultations.</p> <p>All the Medicina Online Services are still provided at no additional cost for Customers and have no impact on the health insurance capitals. Simple, without waiting time and convenient, these services enable customers to take better care of their health and adopt healthier lifestyles.</p>

FS2	FIDELIDADE	OKI TELESEGUROS	MULTICARE
	2021	2021	2021
<p>Approach and management: Procedures to assess environmental and social risks in the different lines of business</p>	NR	The risk assessment performed does not include environmental and social risks.	<p>PROTECTION OF PAYMENT OF PREMIUMS Coverage available in MULTICARE 1 and MULTICARE 2 insurances, which ensures the payment of the insurance premium up to 6 months in case of involuntary unemployment of the Policyholder. This coverage is a unique social risk assessment (and mitigation) tool.</p> <p>PRO-ACTIVE RETENTION MULTICARE has a Loyalty Team that monitors every month the non-payment of insurance policies. Thus, upon prior analysis and following the defined criteria, this team contacts the customers with unpaid policies in order to understand the motives for non-payment and to provide a solution, thus preventing Customers from being left without protection.</p>

SECTORIAL SUPPLEMENT

FINANCIAL SERVICES

FS3	FIDELIDADE	OK! TELESEGUROS	MULTICARE
	2021	2021	2021
<p>Approach and management: Processes to monitor compliance by customers with the several requirements included in the agreements/contracts</p>	NR	NA	<p>TELEUNDERWRITING We have maintained the goal of extending teleunderwriting, which is considered to be more effective than the response to the Individual Health Questionnaire in assessing risk upon the underwriting of insurance.</p> <p>ANTI-FRAUD OFFICE MULTICARE has a structure body, the Anti-Fraud Office, which analyzes the use of the MULTICARE Insurances, in order to detect situations of abuse in the use of the insurance by providers and customers. In parallel, the Anti-Fraud Office has been developing automatic fraud prevention mechanisms (ex. definition of incompatible medical acts, requirement of previous authorization for the performance of certain medical acts).</p> <p>INSURANCE PREMIUM PAYMENT The MULTICARE Loyalty Team performs the monthly control of unpaid policies. In these situations, a telephone contact is made with the Policyholders in order to understand the motives for the non-payment of the insurance and to provide alternative solutions, thus avoiding insurance cancellation.</p>

FS4	FIDELIDADE	OK! TELESEGUROS	MULTICARE
	2021	2021	2021
<p>Approach and management: Processes to develop employees' skills towards the implementation of environmental and social policies and procedures applicable to the lines of business.</p>	NR	<p>There are no processes for the development of skills within this scope.</p>	<p>MULTICARE adopts and implements the processes developed by the Fidelidade Group.</p>

FS5	FIDELIDADE	OK! TELESEGUROS	MULTICARE
	2021	2021	2021
<p>Approach and management: Interaction with customers/investors/partners concerning social and environmental risks and opportunities</p>	NR	<p>The risk assessment performed does not include environmental and social risks.</p>	<p>COMMUNICATION WITH CUSTOMERS MULTICARE has continued to invest in the communication with customers, using different means/media according to the type of information to be provided to customers (SMS, e-mail, the MULTICARE and Fidelidade websites, newsletters for Customers and Companies). Themes covered: - Communication in the COVID-19 context, additional protection measures - Launch of new Medicina Online services: Smoking Cessation Program, specialties such as Endocrinology, Urology and Orthopedics and mental health services (Sleep Better Program, Stress and Anxiety Management and Parenting Consultations) - Dissemination of the launch of the Mental Health coverage - Dissemination of MULTICARE Vitality: Multicare Vitality events, benefits and advantages and the smartwatch acquisition campaign.</p> <p>TELADOC MULTICARE has continued to promote the Medicina Online service as a means to clarify doubts related to COVID-19. There was a growing demand for this helpline in the most complicated times of the waves of the pandemic.</p> <p>FIDELIDADE ASSISTANCE The pandemic has also affected the house calls service, with a decrease in the number of available doctors, due to fear of contagion. Thus, MULTICARE has strengthened its work with Fidelidade Assistance to mitigate the effect of this reduction.</p> <p>SPONSORSHIP OF EVENTS MULTICARE prioritizes the support to events focused on the study and/or support of social risks and opportunities as well as topics related to research and scientific advancements in the healthcare area. 2021 was also an atypical year in terms of sponsorships, but even so, we would like to highlight some of the support provided: 20th Edition of the <i>Hospital da Bonecada</i>, seeking to demystify the fear of hospital environment among younger patients, and the IMed Conference 13.0 which promotes the sharing of the most recent innovations in the world scientific landscape.</p>

SECTORIAL SUPPLEMENT

FINANCIAL SERVICES

FS6	FIDELIDADE				OKI TELESEGUROS				MULTICARE			
	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21	2019	2020	2021	Var 20-21
Percentage of specific lines/segments of business, in total turnover, by region and dimension (€k)												
Life	54,3%	44,5%	59,7%	34%	NA	NA	NA	NA	NA	NA	NA	NA
Insurance contracts	19,8%	8,1%	5,6%	-31%	NA	NA	NA	NA	NA	NA	NA	NA
Investment contracts	34,5%	36,4%	54,1%	49%	NA	NA	NA	NA	NA	NA	NA	NA
Non-Life	45,7%	55,5%	40,3%	-27%	NA	NA	NA	NA	NA	NA	NA	NA
Accidents and illness	19,2%	23,8%	17,3%	-27%	1,0%	1,0%	0,9%	-11%	327M	360M	381M	6%
Workers' Compensation	7,8%	9,4%	6,7%	-28%	NA	NA	NA	NA	NA	NA	NA	NA
Personal Injuries	0,9%	1,0%	0,7%	-23%	NA	NA	NA	NA	NA	NA	NA	NA
Illness	10,5%	13,4%	9,8%	-27%	NA	NA	NA	NA	NA	NA	NA	NA
Fire and other damages	7,8%	9,5%	7,1%	-25%				NA				NA
Motor	16,7%	19,6%	13,7%	-30%	83,0%	82,0%	82,8%	1%	NA	NA	NA	NA
Direct Insurance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Third-Party Liability	NA	NA	NA	NA	54,0%	53,0%	54,2%	2%	NA	NA	NA	NA
Other coverages	NA	NA	NA	NA	29,0%	29,0%	28,7%	-1%	NA	NA	NA	NA
Transports	0,6%	0,9%	0,7%	-23%	NA	NA	NA	NA	NA	NA	NA	NA
Third-Party Liability	1,2%	1,5%	1,3%	-15%	NA	NA	NA	NA	NA	NA	NA	NA
Sundry	0,2%	0,3%	0,2%	-15%	13,0%	13,0%	12,8%	-2%	NA	NA	NA	NA
Legal protection	NA	NA	NA	NA	1,0%	1,0%	1,1%	14%	NA	NA	NA	NA
Assistance	NA	NA	NA	NA	12,0%	12,0%	11,7%	-3%	NA	NA	NA	NA
Home Multi-Risk	NA	NA	NA	NA	3,0%	3,0%	3,5%	15%	NA	NA	NA	NA
Overall Total	NA	NA	NA	NA	55 229 761,00 €	57 926 610,00 €	58 330 464,76 €	1%	NA	NA	NA	NA

FS 7 and 8	FIDELIDADE			OKI TELESEGUROS			MULTICARE		
	2020	2021	Var 20-21	2020	2021	Var 20-21	2020	2021	Var 20-21
(Monetary) volume of products and services with social benefit, by line of business	578 667,26 €	601 114,55 €	4%			NA	Multicare Proteção Vital: 2,55% 60+ Offer: 4,67%	MULTICARE Proteção Vital: 2,7% 60+ Offer: 9,7%	NA
Total of accounting Gross Premiums Written generated by the OKI Gestual service				10 215,03 €	8 250,47 €	-19%			NA
(Monetary) volume of products and services with environmental benefit, by line of business	NA	NA	NA			NA	NA	NR	NA
Environmental liability insurance - Corporate Customers Premiums + Sole Proprietorships	1 005 918,00 €	1 106 562,13 €	10%						
Total of accounting Gross Premiums Written generated by the OKI Bike product	NA	NA	NA	15 226,96 €	17 370,92 €	14%			NA
Total of accounting Gross Premiums Written generated by the OKI Auto Eléctricos product	NA	NA	NA	433 989,51 €	575 344,99 €	33%			NA

FS9	FIDELIDADE	OKI TELESEGUROS	MULTICARE
	2021	2021	2021
Approach and management: Scope and frequency of audits to assess the implementation of environmental and social policies and the risk assessment procedures.	Fidelidade complies with all requirements and regulations issued by regulatory authorities concerning the design and marketing of goods and services. In addition, it has a Code of Conduct, Principles of Sound Governance and other standards seeking to ensure that the company's interests are in line with the Customers' expectations.	NA	Within the scope of a proactive risk management and in the context of the certification of the quality management system (ISO 9001:2015), every year MULTICARE ensures the identification of risks and opportunities. This identification of strategic risks and opportunities can be translated into corporate objectives which are annually assessed within the scope of Internal Quality Audits as well as by the External Certification Audit carried out by the Bureau Veritas. In parallel, Fidelidade's Risk Management team performs the follow-up of processes involving financial and reputational risks, in order to adjust the measures of monitoring and mitigation of these risks.

SECTORIAL SUPPLEMENT

FINANCIAL SERVICES

FS 11	FIDELIDADE	OK! TELESEGUROS	MULTICARE
		2021	2021
Percentage of assets subject to environmental and social evaluation	There are no assets subject to environmental and social evaluation	NA	NA

FS12	FIDELIDADE	OK! TELESEGUROS	MULTICARE
		2021	2021
Approach and management: Voting policies about social and environmental aspects applied to shares over which the organization holds voting rights or supports the voting decision	NR	NA	NA

FS 14	FIDELIDADE	OK! TELESEGUROS	MULTICARE
		2021	2021
Initiatives in order to improve access to financial services by disadvantaged persons	PPR Evoluir reduced the monthly deposit to EUR 25	NA	NA

FS15	FIDELIDADE	OK! TELESEGUROS	MULTICARE
	2021	2021	2021
Management and approach: Policies on the design and marketing of financial products and services.	NR	There is no specific procedure.	<p>Product Design The launch of new health insurances or changes to insurances in the market assumes a careful analysis of consumers' needs, of market context and of MULTICARE'S experience. Product design includes 4 phases:</p> <ol style="list-style-type: none"> 1. Product Idea: the idea for new products/coverages may arise from any MULTICARE/FIDELIDADE department, the draft being submitted by the GMK of Multicare to the Fidelidade Products Committee (after the idea has been analyzed); 2. Pre-Design of the Product: after approval by the Products Committee, MULTICARE defines the main product requirements and preliminary tariff, and prepares a summary sheet for the opinion of Fidelidade Informação e Tecnologia (Fidelidade Information and Technology) regarding the computer feasibility of the product and a product sheet for presentation to the marketing channels; 3. Proof of Concept: assessment of the suitability to the needs identified in the target market and estimate of the commercial potential of the product based on market surveys; 4. Product Approval: presentation of the market survey results as well as of any adjustments to the product/coverage at the Product Committee. <p>Marketing For an effective marketing of its products, MULTICARE has been investing in the support to the Sales Network, including:</p> <ul style="list-style-type: none"> • Training sessions (280 in 2021); • Development of sales support materials (product sheets, sales pitches, among others); • Competitive benchmarking; • Ongoing improvement of contractual documents in terms of language simplification and clarification; • Provision of information and sales follow-up and other strategic indicators. <p>Specifically within the scope of training, besides the active participation in Commercial Cycles where new launches are announced and commercial goals are communicated, MULTICARE performs throughout the year a set of training sessions directed to the Sales Network (Mediation, Agencies, Direction of Personal Products and Banking Channel).</p> <p>In addition, MULTICARE performs a customized follow-up in visits to customers in order to provide detailed explanations about MULTICARE insurances and to identify the most adequate protection option.</p>

FS16	FIDELIDADE	OK! TELESEGUROS	MULTICARE
	2021	2021	2021
Approach and management: Initiatives to improve financial literacy, by type of beneficiary.	NR	Within this scope, Via Directa follows all the initiatives ensured by the Fidelidade Insurance Group, namely by the Fidelidade Community.	277 training sessions 146 follow-up meetings (with the sales departments) 130 visits to customers

SPECIFIC INDICATORS

OVERALL PROFILE

	FIDELIDADE			
	2019	2020	2021	Var 20-21
Number of Customers' Branches	60	60	59	-2%
Number of Mediation Areas	40	39	39	0%
Number of brokers	4 669	4 125	3 682	-11%
Exclusive brokers	2 574	2 194	2 012	-8%
Number of WECARE interventions	584	497	546	10%
Processes with intervention in the area of professional reintegration	444	362	430	19%

SPECIFIC INDICATORS

ENHANCING THE GROWTH OF BUSINESS PARTNERS

FIDELIDADE				
TRAINING OF THE BROKERS' NETWORK	2019	2020	2021	Var 20-21
Number of participants	4 987	5 437	3 109	-43%
Total number of hours	23 577	10 184	11 291	11%
Total number of sessions	555	529	302	-43%

SPECIFIC INDICATORS

CERTIFICATION OF WORKSHOPS

	FIDELIDADE			
Certification of workshops	2019	2020	2021	<i>Var 20-21</i>
Total number of workshops	105	108	109	1%
Number of 3-star workshops certified by Centro de Zaragoza	74	76	77	1%
% Number of 3-star workshops certified by Centro de Zaragoza	70%	70%	71%	
Number of 4-star workshops certified by Centro de Zaragoza	13	14	14	0%
% Number of 4-star workshops certified by Centro de Zaragoza	12%	13%	13%	
Number of 5-star workshops certified by Centro de Zaragoza	18	18	18	0%
% Number of 5-star workshops certified by Centro de Zaragoza	17%	17%	17%	

SPECIFIC INDICATORS

ENSURING TRANSPARENCY OF ACTIVITIES

	FIDELIDADE			
	2019	2020	2021	Var 20-21
Compliance in Products and Advertising				
Compliance analysis of products and services	N/A	38	73	92%
Communication and training on Compliance in the design and marketing of products and services (total employees)	N/A	N/A	40	NA
Compliance analysis of advertising media	N/A	176	384	118%
Compliance in Investments and Third-Party Relationships				
Know Your Counterparty (KYC) analysis	N/A	N/A	1 551	NA
Know Your Customer (KYC) analysis	N/A	N/A	0	NA
Privacy and Personal Data Protection				
Operations assessed in terms of data protection risk	N/A	N/A	28	NA
Identified mitigation measures for the data protection risk	N/A	N/A	172	NA
Data Protection Impact Assessments	N/A	N/A	4	NA
Projects of incorporation of privacy good practices in the design specifications of technologies, services, products or commercial practices (Privacy by Design)	N/A	N/A	30	NA
Communication and training on data protection procedures and policies (total employees)	N/A	N/A	170	NA
Substantiated complaints regarding data privacy, made by external parties and confirmed by the organization	N/A	N/A	48	NA
Money laundering prevention				
Customer analyses	N/A	1 323 818	22 665	-98%
Monitored transactions	N/A	22 379	16 407	-27%
Cash receipts	N/A	4	1	-75%
Processing of redemptions	N/A	6 677	1 219	-82%
Processing of renunciations	N/A	408	36	-91%
Processing of Frequent deposits	N/A	12 507	1 560	-88%
Regulatory communication of Transactions	N/A	3 008	3 878	29%
Communication and training on Money laundering prevention (total employees)	N/A	N/A	0	NA
CIMPAS (Insurance Information, Mediation, Ombudsman and Arbitration Centre)				
Number of settled arbitrations (Department: DNA*/CONT AUT)	302	217	246	13%
Number of settled arbitrations (Department: DNA*/CONT DIV)	1	3	5	67%
Number of new arbitrations (Department: DNA*/CONT AUT)	273	279	221	-21%
Number of new arbitrations (Department: DNA*/CONT DIV)	2	6	3	-50%
Average processing time (Department: DNA*/CONT AUT)	99	150	200	33%
Average processing time (Department: DNA*/CONT DIV)	61	263	290	10%
Courts				
Number of decided proceedings (Department: DNA*/CONT AUT)	857	670	675	1%
Number of decided proceedings (Department: DNA*/CONT DIV)	91	77	66	-14%
Number of new proceedings (Department: DNA*/CONT AUT)	860	721	670	-7%
Number of new proceedings (Department: DNA*/CONT DIV)	76	53	38	-28%
Average litigation time (Department: DNA*/CONT AUT)	523	507	593	17%
Average litigation time (Department: DNA*/CONT DIV)	804	982	1 029	5%
Specific indicators (CAUCP + CIMPAS + Courts)				
Judicial litigation rate (Department: DNA*/CONT AUT)	N/A	0,43%	0,36%	-16%
Judicial effectiveness rate (Department: DNA*/CONT AUT)	N/A	28,77%	28,56%	-1%
Judicial effectiveness rate (Department: DNA*/CONT DIV)	N/A	27,31%	31,00%	14%

SPECIFIC INDICATORS

IMPROVING SERVICE QUALITY

Complaints	FIDELIDADE			
	2019	2020	2021	Var 20-21
Total number of closed complaints	4689	4 529	4 538	0%
Total number of entered complaints	4895	4 594	4 843	5%
Total number of reopen complaints	272	408	556	36%
Overall average response time	5,62	9,72	7,84	-19%
Average response time of the Complaints Management Center	1,91	1,36	0,55	-59%
Average response time of technical areas and complaints	3,71	7,26	6,76	-7%
Number of complaints regarding motor insurance	1487	1 236	1 049	-15%
Number of complaints regarding the Life branch	260	284	304	7%
Number of complaints regarding health insurance	880	844	892	6%
Number of financial complaints	67	95	107	13%
Number of complaints settled in favor of the complainant	1208	1 272	1 413	11%

SPECIFIC INDICATORS

STRUCTURING COMMUNITY INVESTMENT

	FIDELIDADE			
	2019	2020	2021	Var 20-21
No. of employees involved in volunteering initiatives	319	92	145	58%
Total volunteering hours	1 041	412	1 256	205%
Support to non-profit organizations	57	183	167	-9%

GRI TABLE FOR THE “CORE” OPTION

GENERAL CONTENTS		LOCATION EVALUATION	PAGES
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	2021 Management Report	Page 12
102-2	Main brands, products and/or services	2021 Management Report 2.5 Shareholder and corporate structure	Pages 12-15
102-3	Location of the registered office	Largo do Calhariz, 30, 1249-001 Lisbon	
102-4	Location of operations	2021 Management Report 2.6 Our international presence	Page 16
102-5	Nature of ownership and legal form	2021 Management Report 2.5 Shareholder and corporate structure	Pages 12-13
102-6	Markets where it operates (geographical location, covered sectors and types of customers and beneficiaries)	2021 Management Report 2.5 Shareholder and corporate structure 3.2. Products and Services	Pages 12-15 Pages 28- 29
102-7	Dimension of the organization	2021 Management Report 2.1 Main indicators 2.5 Shareholder and corporate structure 2021 Sustainability Report Our indicators: General contents Organizational Profile <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Page 7 Pages 12-15 Page 52
102-8	Total number of employees, by employment contract and gender	2021 Sustainability Report Our indicators: General contents Organizational Profile <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Pages 53-54
102-9	Supply chain	2021 Sustainability Report: 1.2. Preparing the future 3. The responsibility of our business	Pages 9-11 Page 25-34
102-10	Significant changes regarding the dimension, structure, shareholding interests or the supply chain of the organization	2021 Management Report 2.5 Shareholder and corporate structure	Pages 12-13
102-11	Approach to the precautionary principle	2021 Management Report 4.2 How we manage the risk	Pages 45-47
102-12	Letters, principles or other initiatives externally developed	2021 Sustainability Report: 1.2 Preparing the future 4.3. Participating and involving	Page 20-22 Page 40-41
102-13	Participation in associations	2021 Sustainability Report: 1.2 Preparing the future 4.3. Participating and involving	Page 20-22 Page 40-41
STRATEGY			
102-14	Statement of the Chairman of the Board of Directors	2021 Management Report Message from the Board of Directors	Pages 3-5

ETHICS AND INTEGRITY			
102-16	Values, principles, standards and behavioral rules	Code of Conduct equal to all the companies of the Group https://www.fidelidade.pt/PT/a-fidelidade/QuemSomos/QuemSomos/Paginas/codigoconduta.aspx	
GOVERNANCE			
102-18	Governance structure	2021 Management Report 2.5 Shareholder and corporate structure	Pages 12-13
APPROACH TO THE INVOLVEMENT OF STAKEHOLDERS			
102-40	List of groups of stakeholders	2021 Management Report 2.5 Shareholder and corporate structure 2021 Sustainability Report: 1.1 Turning the page 3.3 Enhancing the change of behaviors	Pages 12-13 Pages 7-8 Pages 30-31
102-41	Collective bargaining agreements	2021 Sustainability Report: Our indicators: General contents Approach to the involvement of stakeholders <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare – Not applicable ✓ Fidelidade Assistance ✓ GEP – Not reported ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade – SGOIC – Not reported 	Page 55
102-42	Identification and selection of stakeholders	2021 Sustainability Report: 1.1 Turning the page 3.3 Enhancing the change of behaviors	Pages 6-7 Page 27
102-43	Approach to the involvement of stakeholders	2021 Sustainability Report: 1.1 Turning the page 3.3 Enhancing the change of behaviors 2021 Sustainability Report Our indicators: General contents Approach to the involvement of stakeholders <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported 	Pages 6-7 Page 27 Page 56
102-44	Main topics and concerns raised by stakeholders	2021 Sustainability Report: 1.1 Turning the page 3.3 Enhancing the change of behaviors	Pages 7-8 Pages 30-31
SUSTAINABILITY REPORTING			
102-45	Entities included in the consolidated financial statements	2021 Management Report 2.5 Shareholder and corporate structure	Pages 12-15
102-46	Definition of the contents of the report and the limits of the topics	2021 Sustainability Report: 1.1 Turning the page 1.2 Preparing the future	Pages 7-11
102-47	Material aspects	2021 Sustainability Report: 1.2 Preparing the future	Pages 9-11
102-48	Reformulation of information provided in previous reports and motives for said reformulation	2020 Sustainability Report About this report 2021 Sustainability Report About this report	Pages 362-363 Pages 120-121
102-50	Period covered by the report	1 January 2021 to 31 December 2021	
102-51	Date of the most recent previous report	2020 Sustainability Report	
102-52	Reporting cycle	Annual report with annual provision of accounts	

102-53	Contact for any questions about the report	Social Responsibility Bureau fidelidade@fidelidadecomunidade.pt	
102-54	Option selected by the organization, if the report has been prepared according to the GRI Standards	2021 Sustainability Report Our indicators	Page 108
102-55	GRI Index	2021 Sustainability Report Our indicators	Pages 108-119
102-56	External verification	2021 Sustainability Report About this report	Page 122
SPECIFIC CONTENTS			
ECONOMIC INDICATORS			
103-2	Management approach	2021 Sustainability Report: 1.1 Turning the page 3.3 Enhancing the change of behaviors	Pages 7-8 Pages 30-31
201-1	Direct economic value generated and distributed	2021 Sustainability Report: Our indicators Economic indicators Economic performance ✓ Insurance ✓ Other sectors ✓ Property	Page 55
201-2	Financial implications, risks and opportunities due to climate changes.	2021 Sustainability Report: Our indicators Economic indicators Economic performance ✓ Fidelidade – Not reported ✓ OK! teleseguros – Not applicable ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service – Not reported ✓ Cares ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not applicable	Page 55
201-3	Coverage of the obligations provided for in the organization's benefit plan and other retirement plans	2021 Sustainability Report: Our indicators Economic indicators Economic performance ✓ All companies – Not reported	Page 55
202-1	Ratio between the lowest salary and the local minimum salary by gender	2021 Sustainability Report: Our indicators Economic indicators Presence in the market ✓ Fidelidade – Not reported ✓ OK! teleseguros – Not reported ✓ Multicare – Not reported ✓ Fidelidade Assistance – Not reported ✓ GEP – Not reported ✓ Fidelidade Car Service – Not reported ✓ Cares – Not reported ✓ Safemode – Not reported ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported	Page 56
202-2	Proportion of top management positions occupied by individuals coming from the local community	2021 Sustainability Report: Our indicators Economic indicators Presence in the market ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare – Not reported ✓ Fidelidade Assistance ✓ GEP – Not reported ✓ Fidelidade Car Service – Not reported ✓ Cares – Not reported ✓ Safemode – Not reported ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported	Page 56
203-1	Investments in infrastructures and services provided	2021 Sustainability Report: Our indicators Economic indicators Indirect economic impacts ✓ Insurance ✓ Other sectors ✓ Property	Page 57
203-2	Significant indirect economic impacts	2021 Sustainability Report: Our indicators Economic indicators Indirect economic impacts ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare	Page 57

		<ul style="list-style-type: none"> ✓ Fidelidade Assistance – Not reported ✓ GEP – Not applicable ✓ Fidelidade Car Service ✓ Cares ✓ Safemode – Not reported ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not applicable 	
204-1	Proportion of costs incurred with local suppliers	2021 Sustainability Report: Our indicators Economic indicators Procurement practices <ul style="list-style-type: none"> ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP – Not reported ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported 	Page 58
205-1	Assessment of corruption risk operations	2021 Sustainability Report: Our indicators Economic indicators Fight against corruption <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade - SGOIC 	Page 59
205-2	Communication and training in policies and procedures on fighting corruption	2021 Sustainability Report: Our indicators Economic indicators Fight against corruption <ul style="list-style-type: none"> ✓ Fidelidade – Not reported ✓ OK! teleseguros – Not reported ✓ Multicare – Not reported ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade - SGOIC 	Page 59
205-3	Confirmed cases of corruption and measures taken	2021 Sustainability Report: Our indicators Economic indicators Fight against corruption <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode – Not reported ✓ Fidelidade Property – Not reported ✓ Fidelidade - SGOIC 	Page 59
206-1	Legal proceedings for unfair competition, anti-trust and monopoly practices	2021 Sustainability Report: Our indicators Economic indicators Unfair competition <ul style="list-style-type: none"> ✓ All companies 	Page 60
207-1	Tax approach	2021 Sustainability Report: Our indicators Economic indicators Tax approach <ul style="list-style-type: none"> ✓ Fidelidade – Not reported 	Page 61
207-2	Governance, control and management of tax risk	2021 Sustainability Report: Our indicators Economic indicators Tax approach <ul style="list-style-type: none"> ✓ Fidelidade - Not reported 	Page 61
207-3	Involvement of Stakeholders and management of their concerns about taxes	2021 Sustainability Report: Our indicators Economic indicators Tax approach <ul style="list-style-type: none"> ✓ Fidelidade - Not reported 	Page 61
ENVIRONMENTAL INDICATORS			

103-2	Management approach	2021 Sustainability Report 4. Environmental protection	Pages 35-41
301-1	Materials used by weight or volume	2021 Sustainability Report: Our indicators Environmental indicators Materials ✓ Insurance ✓ Other sectors ✓ Property	Page 62
301-2	Recycled materials used	2021 Sustainability Report: Our indicators Environmental indicators Materials ✓ Insurance – Not reported ✓ Other sectors – Not reported ✓ Property – Not reported	Page 62
302-1	Energy consumption within the organization	2021 Sustainability Report: Our indicators Environmental indicators Energy ✓ Insurance ✓ Other sectors ✓ Property	Page 63
303-1	Interactions with water as a shared resource	2021 Sustainability Report: Our indicators Environmental indicators Water and wastewater ✓ All companies	Page 64
303-2	Management of the impacts related to water discharge	2021 Sustainability Report: Our indicators Environmental indicators Water and wastewater ✓ All companies	Page 64
303-5	Water Consumption	2021 Sustainability Report: Our indicators Environmental indicators Water and wastewater ✓ Insurance ✓ Other sectors ✓ Property	Page 64
305-1	Greenhouse gas (GHG) direct emissions (Scope 1)	2021 Sustainability Report: Our indicators Environmental indicators Emissions ✓ Insurance ✓ Other sectors ✓ Property	Page 65
305-2	Greenhouse gas (GHG) direct emissions (Scope 2)	2021 Sustainability Report: Our indicators Environmental indicators Emissions ✓ Insurance ✓ Other sectors ✓ Property	Page 65
305-3	Other greenhouse gas (GHG) indirect emissions (Scope 3).	2021 Sustainability Report: Our indicators Environmental indicators Emissions ✓ Insurance ✓ Other sectors ✓ Property	Page 67
306-1	Waste generation and waste-related significant impacts	2021 Sustainability Report: Our indicators Environmental indicators Waste ✓ All companies	Page 66
306-2	Management of waste-related significant impacts	2021 Sustainability Report: Our indicators Environmental indicators Waste ✓ All companies	Page 66
306-3	Total weight of waste produced	2021 Sustainability Report: Our indicators Environmental indicators Waste ✓ Insurance ✓ Other sectors ✓ Property – Not reported	Page 66
306-4	Waste not intended for final disposal	2021 Sustainability Report: Our indicators Environmental indicators Waste ✓ Insurance ✓ Other sectors ✓ Property – Not reported	Page 66
306-5	Waste intended for final disposal	2021 Sustainability Report: Our indicators Environmental indicators Waste ✓ Insurance ✓ Other sectors ✓ Property – Not reported	Page 66
308-1	Environmental assessment of suppliers	2021 Sustainability Report: Our indicators Environmental indicators Environmental assessment of suppliers ✓ Insurance - Not reported ✓ Other sectors - Not reported	Page 67

		✓ Property - Not reported	
SOCIAL INDICATORS			
103-2	Management approach	2021 Sustainability Report 2. Our people	Pages 12-24
401-1	New admissions and turnover rate of employees, by age range, gender and region	2021 Sustainability Report: Our indicators Social indicators Employment <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Pages 68-70
403-1	Occupational health and safety management system	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Page 71
403-2	Identification of hazards, risk assessment and investigation of incidents	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Page 72
403-3	Healthcare services at work	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-4	Workers' participation, consultation and communication to workers regarding occupational health and safety	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-5	Training of workers in occupational health and safety	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-6	Promotion of workers' health	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-8	Workers covered by an occupational health and safety management system	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 73
403-9	Occupational accidents	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode 	Pages 74-75

		<ul style="list-style-type: none"> ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	
403-10	Occupational illnesses	2021 Sustainability Report: Our indicators Social indicators Occupational health and safety <ul style="list-style-type: none"> ✓ All companies 	Page 76
404-1	Average training hours per year, per employee, by gender and functional category	2021 Sustainability Report: Our indicators Social indicators Empowerment and training <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Pages 77-78
404-2	Skills management and continuous learning programs	2021 Sustainability Report: Our indicators Social indicators Empowerment and training <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares – Not reported ✓ Safemode ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported 	Page 79
404-3	Percentage of employees receiving regular career development and performance reviews, by gender	2021 Sustainability Report: Our indicators Social indicators Empowerment and training <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Page 80
405-1	Diversity in management and among employees	2021 Sustainability Report: Our indicators Social indicators Diversity and equal opportunities <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode ✓ Fidelidade Property ✓ Fidelidade - SGOIC 	Pages 81-86
405-2	Ratio of base salary and remuneration between men and women	2021 Sustainability Report: Our indicators Social indicators Diversity and equal opportunities <ul style="list-style-type: none"> ✓ All companies – Not reported 	Page 87
406-1	Cases of discrimination and corrective measures taken	2021 Sustainability Report: Our indicators Social indicators Non-discrimination <ul style="list-style-type: none"> ✓ All companies: not reported 	Page 88
412-1	Operations subject to impact assessment concerning human rights	2021 Sustainability Report: Our indicators Social indicators Human rights assessment <ul style="list-style-type: none"> ✓ All companies: not reported 	Page 89
412-2	Training of employees in human rights policies and procedures	2021 Sustainability Report: Our indicators Social indicators Human rights assessment <ul style="list-style-type: none"> ✓ All companies: not reported 	Page 89
412-3	Significant investment agreements and contracts that include clauses regarding human rights or that have undergone human rights assessments	2021 Sustainability Report: Our indicators Social indicators Human rights assessment <ul style="list-style-type: none"> ✓ All companies: not reported 	Page 89

413-1	Operations with local community involvement programs, impact assessment and development programs	2021 Sustainability Report: Our indicators Social indicators Local communities ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare ✓ Fidelidade Assistance – Not reported ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode – Not reported ✓ Fidelidade Property – Not reported ✓ Fidelidade – SGOIC – Not reported	Page 90
413-2	Operations with potential or actual negative impact on local communities	2021 Sustainability Report: Our indicators Social indicators Local communities ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare – Not reported ✓ Fidelidade Assistance – Not reported ✓ GEP ✓ Fidelidade Car Service ✓ Cares ✓ Safemode – Not reported ✓ Fidelidade Property ✓ Fidelidade – SGOIC – Not reported	Page 90
414-1	New suppliers selected based on social criteria	2021 Sustainability Report: Our indicators Social indicators New suppliers ✓ All companies: not reported	Page 91
415-1	Total contributions for political parties and politicians, by country and recipient / beneficiary	2021 Sustainability Report: Our indicators Social indicators Political contributions ✓ All companies	Page 92
417-3	Cases of non-compliance concerning marketing communication	2021 Sustainability Report: Our indicators Social indicators Marketing and labeling ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare – Not reported ✓ Fidelidade Assistance – Not reported ✓ GEP – Not reported ✓ Fidelidade Car Service – Not reported ✓ Cares – Not reported ✓ Safemode – Not reported ✓ Fidelidade Property - Not reported ✓ Fidelidade – SGOIC – Not reported	Page 93
418-1	Substantiated complaints regarding breaches of privacy and loss of customers' data	2021 Sustainability Report: Our indicators Social indicators Customers' privacy ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare ✓ Fidelidade Assistance ✓ Safemode ✓ GEP ✓ Fidelidade Car Service ✓ Fidelidade Property ✓ Cares ✓ Fidelidade - SGOIC	Page 94
419-1	Non-compliance with laws and regulations in the economic and social areas	2021 Sustainability Report: Our indicators Social indicators Laws and regulations ✓ All companies	Page 94

SECTORIAL SUPPLEMENT FINANCIAL SERVICES		LOCATION EVALUATION	PAGES
FS1	Approach and management: Policies with specific environmental and social components applied to the lines of business.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare	Page 96
FS2	Approach and management: Procedures to assess environmental and social risks in the different lines of business.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare	Page 96
FS3	Approach and management: Processes to monitor compliance by customers with the several requirements included in the agreements/contracts.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade – Not reported ✓ OK! teleseguros – Not applicable ✓ Multicare	Page 97
FS4	Approach and management: Processes to develop employees' skills towards the implementation of environmental and social policies and procedures applicable to the lines of business.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare	Page 97
FS5	Approach and management: Interaction with customers/investors/partners concerning social and environmental risks and opportunities.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare	Page 97
FS6	Percentage of specific lines/segments of business, in total turnover, by region and dimension.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare	Page 98
FS7	Monetary volume of products and services with social benefit, by line of business, and detailed by objective.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare	Page 98
FS8	Monetary volume of products and services with environmental benefit, by line of business, and detailed by objective.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros ✓ Multicare – Not reported	Page 98
FS9	Approach and management: Scope and frequency of audits to assess the implementation of environmental and social policies and the risk assessment procedures.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros – Not applicable ✓ Multicare	Page 98
FS11	Percentage of assets subject to environmental and social evaluation.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros – Not applicable ✓ Multicare – Not applicable	Page 99
FS12	Voting policies about social and environmental aspects applied to shares over which the organization holds voting rights or supports the voting decision.	2021 Sustainability Report: Our indicators Sectorial supplement ✓ Fidelidade ✓ OK! teleseguros – Not reported ✓ Multicare – Not applicable	Page 99

FS14	Initiatives in order to improve access to financial services by disadvantaged persons.	2021 Sustainability Report: Our indicators Sectorial supplement <ul style="list-style-type: none"> ✓ Fidelidade ✓ OK! teleseguros – Not applicable ✓ Multicare – Not applicable 	Page 99
FS15	Approach and management: Policies on the design and marketing of financial products and services.	2021 Sustainability Report: Our indicators Sectorial supplement <ul style="list-style-type: none"> ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare 	Page 99
FS16	Approach and management: Initiatives to improve financial literacy, by type of beneficiary.	2021 Sustainability Report: Our indicators Sectorial supplement <ul style="list-style-type: none"> ✓ Fidelidade – Not reported ✓ OK! teleseguros ✓ Multicare 	Page 99

SPECIFIC INDICATORS	LOCATION EVALUATION	PAGES
Overall profile	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 100
Enhancing the growth of business partners	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 101
Certification of workshops	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 102
Ensuring transparency of activities	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 103
Improving service quality	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 104
Structuring community investment	2021 Sustainability Report: Our indicators Specific indicators ✓ Fidelidade	Page 105

ABOUT THIS REPORT

With the purpose of integrating social, environmental and economic issues in a single document, the Fidelidade Group presents, for the first time, its performance concerning the activity carried out in 2021 included in the management report.

The companies covered by the scope of this sustainability report are the following:

- Fidelidade - Companhia de Seguros, S.A.
- Multicare - Seguros de Saúde, S.A.
- OK! teleseguros (Via Directa - Companhia de Seguros, S.A.)
- Fidelidade Assistance (Fidelidade Assistência - Companhia de Seguros, S.A.)
- Safemode (EAPS - Empresa de Análise, Prevenção e Segurança, S.A.)
- GEP - Gestão de Peritagens, S.A.
- Fidelidade Car Service (CETRA - Centro Técnico de Reparação Automóvel, S.A.)
- CARES - Assistência e Reparações, S.A.
- Fidelidade Property (Fidelidade Property Europe, S.A.)
- Fidelidade - SGOIC, S.A. - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.

STRUCTURE

The structure of the report reflects the axes of the Fidelidade Group's new vision for sustainable development, whose works are underway, but already enables to integrate materials topics resulting from this ongoing reflection.

This report follows the guidelines for the preparation of Sustainability Reports developed by Global Reporting Initiative (GRI), in its Standards version, according to the "Core" option, and the sectorial supplement defined by this organization for the Financial Sector has also been considered.

ALIGNMENT WITH THE TAXONOMY

In 2021, the Fidelidade Group began developing a project to address the sustainability risks linked to its investments, products and stakeholders, with regard to the European regulations on this matter, namely Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the Taxonomy Regulation), as well as other regulatory provisions within this scope that have been approved.

The main purposes of this project are to redefine the strategic positioning, carry out a gap analysis and establish the corresponding workplan. It also aims at approving a sustainability policy and the governance model for sustainability. Regarding the reporting and disclosure obligations, in matters related to sustainability, it intends to ensure compliance with the applicable regulations, also defining the framework for the conception and design of new products and for the investment processes.

This will enable us to adopt the best practices for the disclosure of information, process efficiency, legal compliance, as well as to help the Fidelidade Group anticipate the challenges and impacts of future legislation/regulations.

The first milestone of this project is the application of the mandatory disclosure requirements of the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation to be published in periodic reports by Fidelidade.

EXTERNAL VERIFICATION

In order to analyze the compliance and reliability of the information provided, this report was subject to verification by an independent external entity.

This verification applies to the Fidelidade Group's operations in Portugal within this fiscal year, not including for the time being information related to operations outside the country.

DOUBTS AND CLARIFICATIONS

Requests for further information, additional clarifications or suggestions on this report may be sent to fidelidadecomunidade@fidelidade.pt.

VERIFICATION STATEMENT



Independent Limited Assurance Report (Free translation from the original in Portuguese)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of Fidelidade – Companhia de Seguros, S.A. ("Fidelidade" or "Company") to perform a limited assurance engagement on the indicators identified below in the section "Responsibilities of the auditor" which integrate the sustainability information included in the Sustainability Report 2021, for the year ended in December 31, 2021, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the indicators identified below in the section "Responsibilities of the auditor" included in the Sustainability Report 2021, in accordance with the sustainability reporting guidelines Global Reporting Initiative, GRI Standards version and with the instructions and criteria disclosed in the Sustainability Report 2021, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work in order to obtain limited assurance about whether the GRI Standards indicators and specific indicators are free from material misstatement.

Our limited assurance work also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied the GRI guidelines in the sustainability information included in the Sustainability Report 2021, for the option "In Accordance - Core".

For this purpose the above mentioned work included:

- i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3ª, 1069-216 Lisboa, Portugal
Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

- iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- vi) Comparison of financial and economic data included in the sustainability information with the audited by the external auditor, in the scope of the legal review of Fidelidade's financial statements for the year ended in December 31, 2021;
- vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- viii) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards, for the option "In Accordance – Core".

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in the section "Responsibilities of the auditor" included in the Sustainability Report 2021, for the year ended in December 31, 2021, were not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Reports and that Fidelidade has not applied, in the sustainability information included in the Sustainability Report 2021, the GRI Standards guidelines, for the option "In Accordance – Core".

Restriction on use

This report is issued solely for information and use of the Board of Directors of the Company for communicating its annual sustainability performance in the Sustainability Report 2021 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Fidelidade by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2021.

March 28, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

(This is a translation, not to be signed)

Ana Maria Ávila de Oliveira Lopes Bertão, ROC no. 902
Registered with the Portuguese Securities Market Commission under no. 20160521

ANNEX: CRITERIA FOR THE CALCULATION OF INDICATORS

202-1: Ratio between the lowest salary and the local minimum salary by gender.

We considered as local scope the national perimeter. Thus, for the calculations we considered the national minimum salary.

202-2: Proportion of top management positions occupied by individuals coming from the local community.

We considered as local scope the national perimeter.

204-1: Proportion of costs incurred with local suppliers.

We considered as local scope the national perimeter.

302-1: Energy consumption within the organization.

Direct energy consumptions (gasoline and diesel) were converted into energy units (GJ) considering the emission factors indicated in the table below.

Conversion factors by type of energy source			
Type of energy consumption	Density (kg/l)	Lower Heating Value (GJ/t)	Source
Gasoline	0,7475	44	PSI: Portuguese Environment Agency (2013-2020) Density: Executive Law no. 152-C/2017 of 11 December 2017
Diesel	0,8325	43,07	

Note: The Lower Heating Value (GJ/t) was changed in 2016. In previous years, the following values were used: gasoline 44.8 and diesel 43.3.

The indirect energy consumptions resulting from the electricity consumed in the buildings of the Fidelidade Group's companies, in kWh, were converted into energy units (GJ).

Conversion factors by type of energy source		
Type of energy consumption	Conversion factor	Source
Electricity	1 kWh – 0,0036 GJ	GRI

305-1, 305-2 and 305-3: Direct, indirect and other greenhouse gas emissions, by weight.

The GHG emissions were determined taking into account the methodology defined by the GHG Protocol, which enabled us to consider two emission scopes:

- **SCOPE 1** – Direct emissions stemming from the activity essentially linked to the liquid fuel consumption of the motor vehicle fleet;
- **SCOPE 2** – Indirect emissions linked to the production of electricity consumed in the central buildings and the branch network;
- **SCOPE 3** – Other indirect emissions related to employees' travels by plane and train.

Emission factors by scope			
Scope	Sources	Emission factor	Source
SCOPE 1	Gasoline	73,7 kg CO ₂ eq/GJ	Portuguese Environment Agency (2013-2020)
	Diesel	74,10 kg CO ₂ eq/GJ	Portuguese Environment Agency (2013-2020)
SCOPE 2	Electricity (EDP Empresas)	0,197 kg CO ₂ eq	EDP - 2019
		0,205 kg CO ₂ eq	EDP - 2021
	Electricity (ENDESA)	0,250	Endesa - 2019
		0,399 kg CO ₂ eq	Endesa – 2021
SCOPE 3	Train	0,0157 kg CO ₂ eq	CP – 2019 Sustainability Report
	Plane – Domestic (<463 km)	0,246 kg CO ₂ eq	DEFRA 2021
	Plane – Short Haul (<3.700km)	0,154 kg CO ₂ eq	
	Plane – Long Haul (>= 3.700km)	0,193 kg CO ₂ eq	

401-1: Admissions, departures and turnover rates

Rate of new admissions = (No. of admissions) / Total staff as at 31 December

Rate of departures in 2021 = (No. of departures) / Total staff as at 31 December

The turnover rate was calculated based on the following formula:

Turnover rate in 2021 = [(Number of admissions in the period under analysis) + (Number of departures in the period under analysis)] / 2/Number of employees at the end of the period under analysis.

Turnover rate in 2019 and 2020 = [(Number of admissions in the period under analysis) + (Number of departures in the period under analysis)] / Number of employees at the end of the period under analysis.