LONGRUN PORTUGAL, SGPS, S.A.

ANNUAL REPORT
2023

2023

SINGLE MANAGEMENT REPORT

1. CORPORATE BODIES

1.1. CORPORATE BODIES

At 31 December 2023, the members of the corporate bodies of Longrun Portugal, SGPS, S.A., are:

Board of Directors

Chairman
Lingjiang XU
Members
Wai Lam William MAK
Hui CHEN

Supervisory Board

Chairman
Jorge Manuel de Sousa Marrão
Members
Teófilo César Ferreira da Fonseca
Pedro Antunes de Almeida
Alternate
Carla Alexandra de Almeida Viana Gomes[1]

Statutory Auditors

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

[1] Registering process with ASF ongoing

2. LONGRUN GROUP

2.1. KEY FIGURES 2023

PREMIUMS[1]

5,207 M€
+1.7% YoY

MARKET SHARE

29.6 %
PORTUGAL (#1)
30.4% LIFE (#1)
29.0% NON-LIFE (#1)

13.2 %
PERU (#4)

18.5 %
BOLIVIA (#1)

12.4 %
ANGOLA (#3)

15.1 %
MOZAMBIQUE (#3)

COMBINED RATIO

93.8%
-5.0 p.p. YoY

ASSETS UNDER MANAGEMENT

17,365 M€
+1.7% YoY

NET PROFIT

152.8 M€
+6.2% YoY

FITCH RATING LTD (FIDELIDADE)

A
IFS – INSURER FINANCIAL STRENGTH

A-
IDR – LONG TERM ISSUER DEFAULT RATING

SUSTAINALYTICS ESG RATING (FIDELIDADE)

11.7
LOW RISK

BUSINESS MIX

NON-LIFE	LIFE
56%	44%
2,902 M€	2,305 M€

FOOTPRINT

INTERNATIONAL	PORTUGAL
33%	67%
1,703 M€	3,504 M€

EMPLOYEES[2]

8,713

PORTUGAL	INTERNATIONAL
41.4%	58.6%

[1] Gross written premiums. Includes sums related to investment contracts.
[2] Longrun Group, excluding employees of Luz Saúde

2.2. SHAREHOLDER AND CORPORATE STRUCTURE

SHAREHOLDER STRUCTURE

Longrun is 100% owned by Millennium Gain Ltd (Hong Kong), of the Fosun Group. The Fosun Group is one of the largest private Chinese conglomerates with an international presence that is listed (Fosun International Limited) on the Hong Kong stock exchange (00656.HK). The Fosun Group has shareholdings in several sectors including insurance, banking, the pharmaceutical industry and tourism, among others.

Longrun's principal asset is its 84.9892% stake in Fidelidade - Companhia de Seguros, S.A. ("Fidelidade"), which is the company that heads the Fidelidade Group.

GROUP COMPANIES

Through its participation in the Fidelidade Group, Longrun 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), SIM (Mozambique), Fidelidade Macau, La Positiva (Peru), Alianza (Bolivia), Alianza Garantia (Paraguay), Fid Chile Chile and The Prosperity Company (Liechtenstein). The Fidelidade 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 Group to position itself as a global service provider of people protection.

The main companies in Longrun's consolidation (hereinafter "Group") perimeter are:

EUROPE

FIDELIDADE SEGUROS DESDE 1808	**Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group, based in Lisbon, is market leader in the Portuguese insurance market, provides a wide range of Life and Non-Life products and has operations in several geographies.**
via directa COMPANHIA DE SEGUROS, S.A.	Via Directa – Companhia de Seguros S.A. is the insurance company designed to sell insurance policies through remote channels (telephone and internet), and operates through several brands, among them the ok! seguros brand. It is a pioneer in online sales of insurance in Portugal and leader in the direct insurers segment.
MULTICARE FIDELIDADE	Multicare – Seguros de Saúde, S.A. is the insurance company dedicated to health insurance, managing the market leader in that business line in Portugal, with over one million customers. It stands out for its pioneering spirit, focus on prevention and robust capital, as well as its network of about 5,000 private health providers, including the best healthcare facilities. It is the only health insurer with ISO 9001 Quality Management System certification since 2011.
FIDELIDADE ASSISTANCE	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.
COMPANHIA PORTUGUESA DE RESSEGUROS SA	Companhia Portuguesa de Resseguros, S.A. operates in reinsurance in the Non-Life segment, essentially underwriting risks under the Non-Proportional Treaties with Fidelidade..
the prosperity company	The Prosperity Company leads the TPC Group. Its head office is in Liechtenstein, and it provides savings solutions, based on unit-linked pension products, for individual customers of Liechtenstein Life Assurance AG (a life insurer). The group has other companies that operate other aspects of its value proposal, for both customers and intermediaries. Its activity is carried out mainly in Switzerland and Germany.

Fidelidade - Property Europe, S.A. and Fidelidade - Property International, S.A. are responsible for managing the Fidelidade Group's real estate investments.

Tenax Capital Limited is an asset management company, with its headquarters in London, specialising in the management of funds for insurers and banks, with a focus on building low-capital-intensive products in these financial institutions.

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.

Luz Saúde, S.A. is the head of the Luz Saúde Group and one of the leading private healthcare providers in Portugal. It manages 30 private hospitals and clinics, and one retirement home. In 2023, it had 1,126 beds and performed 2.3 million medical consultations, 421 thousand urgent consultations and 68 thousand surgeries and births.

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 occupational medicine, among others.

GEP – Gestão de Peritagens, S.A. is the company responsible for providing loss adjusting expert reports and claims inquiries for the insurers in the Fidelidade Group, and is present in Portugal, Angola, Mozambique, and Cape Verde.

Cares – Assistência e Reparações, S.A. is a company that specialises in repairs, maintenance, and assistance for property. It works in the insurance, retail and corporate markets, and is certified by ISO 9001 for Quality since 2013.

CETRA – Centro Técnico de Reparação Automóvel, S.A. is a company that provides car repair services. It operates under the Fidelidade Car Service brand.

Clínica Fisiátrica das Antas, Unipessoal, Lda. is a physical medicine and rehabilitation unit in Porto, which has a specialised clinical and therapeutic team. Its mission is the comprehensive functional rehabilitation of users, by promoting functionality, the reduction of sequelae, the improvement of quality of life, and independent living at work in social life and day-to-day.

FID R&D, S.A. provides consultancy and development services for new digital solutions and platforms, analytical models, new solutions based on Artificial Intelligence models and Machine Learning,

Veterinários Sobre Rodas, Lda. provides medical and veterinary care at home, and has a clinic in Sintra, a washing and grooming van, an online shop, and a space for dogs, which provides daycare and training services.

ASIA-PACIFIC

Fidelidade has been present in Macao since 1999, 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. and Fidelidade Macau Vida - Companhia de Seguros, S.A. that sell Non-Life and Life insurance through an agents' network and Banco Nacional Ultramarino ("BNU"), with which they have a bancassurance agreement.

AFRICA

Fidelidade Angola - Companhia de Seguros, S.A., (formerly Universal Seguros, S.A.), was founded in 2011 and currently ranks third in the Angolan market. It trades in the Non-Life and Life segments, where it offers a diversified range of products, particularly its comprehensive offer in the corporate segment.

Garantia - Companhia de Seguros de Cabo Verde, S.A., is the primary insurer in the Cape Verde market, and trades in the Life and Non-Life insurance segments with a wide range of products, including health insurance, of which it is a pioneer in this market. These products are distributed by its branches, brokers and via banking channel strategic partnerships, i.e. Banco Comercial do Atlântico, which is also its shareholder.

Fidelidade Moçambique - Companhia de Seguros, S.A. (formerly Seguradora Internacional de Moçambique, S.A.), is one of the largest and most experienced insurance companies in Mozambique and offers a wide range of products in the Life and Non-Life segments. It ranks third in the Mozambican insurance market, and its presence throughout the country is ensured by a network of branches in the provincial capitals, under the Fidelidade Ímpar brand, and via exclusive access to the Millennium BIM network, which is one of the largest banks in Mozambique.

LATIN AMERICA

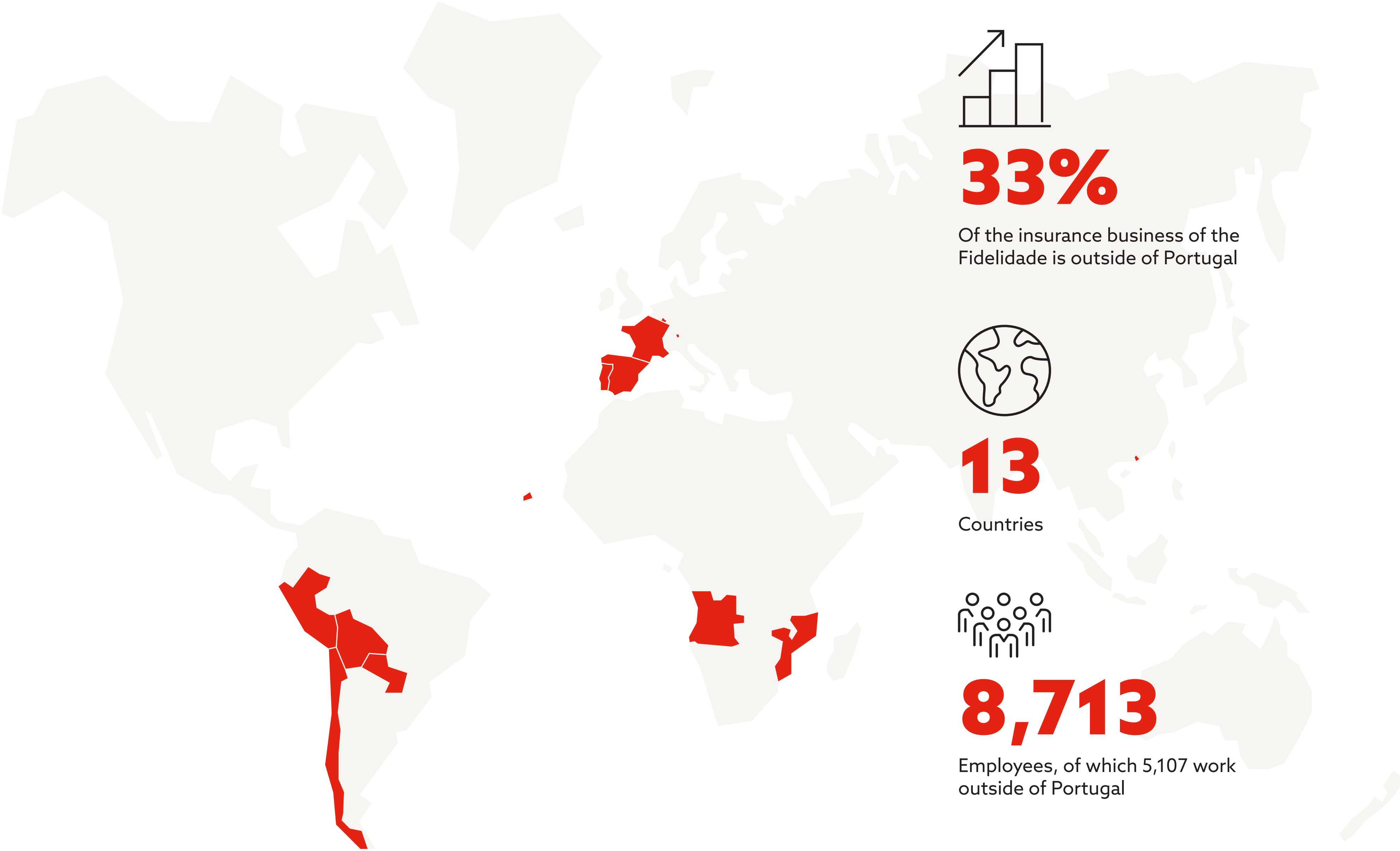
La Positiva Seguros y Reaseguros S.A., was founded in 1937, and leads the La Positiva Group, which has been one of the main players in the Peruvian insurance market for over 80 years. It currently ranks third in the market and has more than three million customers in the country. La Positiva's mission involves continuous improvement, risk management expertise, and a growing presence in the insurance market, in which it focuses on the development and launching of innovative products. This strategy is reinforced by collaboration with strategic partners and the effective use of distribution channels, which not only strengthen the company's market position, but also increase its standards of excellence and agility in customer service.

In addition to its strong presence in Peru, Grupo La Positiva has expanded its operations to:

• Bolivia via its holdings in the Alianza Compañía de Seguros y Reaseguros S.A. E.M.A. and Alianza Vida Seguros y Reaseguros, S.A.

• Paraguay via its holding in Alianza Garantia Seguros y Reaseguros S.A.

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.



33%

Of the insurance business of the Fidelidade is outside of Portugal

13

Countries

8,713

Employees, of which 5,107 work outside of Portugal

2.4. INTERNATIONAL EXPANSION

International expansion plays an extremely important role in the Group's growth strategy, via the geographical diversification of the business and greater resilience to adverse events. Initially, this strategy targeted markets with which Portugal had the greatest economic, cultural, and linguistic affinities, following its natural banking channel distribution partner (CGD) and by concentrating on markets where the bank was already present (Spain, France, and Macau). In 2011, the Group expanded into the Angolan market, which was followed by the Cape Verde and Mozambique markets, three years later.

Subsequently, in 2019, with the acquisition of a majority stake in the La Positiva Insurance Group in Peru and the start of operations in Chile in 2020, the Group began a new phase of international expansion, which continued with acquisitions of a majority stake in Seguradora Internacional de Moçambique (now Fidelidade Moçambique) and a majority stake in The Prosperity Group AG, which focuses on the German and Swiss markets.

The Group aims to balance the consolidation of the various international operations with the selective search of expansion opportunities in complementary markets where it can offer competitive advantages, while always ensuring compliance with all the criteria of financial and operational sustainability.

The Group's strategy for international expansion is based on innovation, proximity, and the establishment of synergies, in order to create a cohesive and efficient organization in all geographies. Its vision for the future focuses on four main objectives:

- **Continued growth and increased international business, to contribute to the profitability of the Group**
- **Optimisation of the Group's operations, boosted efficiency, growth, profitability, and value creation**
- **Achievement of a new level of performance by consolidating the governance model**
- **To seek to establish more synergies between the head office and international operations, namely through international mobility, the development of commercial projects with bilateral teams and the continuous sharing of best practices and know-how.**

The Group has adopted a strategic model that seeks to optimise the assimilation of know-how and the implementation of best practices at local level. The results of this effort, which has generated significant synergies for the development and implementation of comprehensive projects, have been boosted by the creation of follow-up forums. These forums seek to cover differing but complementary areas, and needs. Their fundamental principles are the strengthening of internal collaboration, the promotion of a disruptive and innovative dynamic in working models and projects, and the proactive driving of the development of international operations, with a commitment to constant support and monitoring of actions.

In order to consolidate support for the various geographies and ensure that internal know-how is put to good use, the Group, through Fidelidade, has launched centres of excellence specialising in areas such as Advanced Analytics, Artificial Intelligence, pricing and innovation. These exchange platforms have made it possible for companies to share best practices and are a key to increasing their solidity and competitiveness in their markets, which has consequently, strengthened the Group worldwide.

With the aim of achieving a more robust basis for participation, transparency, accountability and consensus as a Group, control bodies and mechanisms have been put in place, at both local level and Group level by International Committees. At the same time, there is a commitment to creating efficient operating practices and a consistent customer experience throughout the organisation. The Group is accordingly redefining its internal processes in the various geographies, in order to achieve a more solid and comprehensive vision that contributes to the implementation of effective strategies and consistency in the internal practices of its international operations.

The Group has also defined a strategy to strengthen its offer to families and other customers looking to invest in long-term products, via unit-linked insurance. The acquisition of TPC, which specialises in the sale of savings solutions without a guaranteed capital, which occurred in 2022 as part of this strategy, has accelerated the introduction of savings insurance in the various geographies in which the Group is present, by strengthening skills, via improved offer and by providing more flexible solutions to its distribution business partners.

This year, Fidelidade has reiterated its commitment to being the insurance partner of benchmark Chinese companies with international business in the geographies in which the Group is present. It has therefore created strategic alliances with some of China's top 100 companies, to which it has allocated significant specialist team efforts, working across geographies to develop a commercial approach aimed at China's communities and companies.

This milestone was celebrated at the end of 2023 with an event that highlighted the scope of the Group's commitment and ambition, i.e. the Chinese Business Society. At the same time, the second Fidelidade Roadshow in China took place, which is a strategic initiative that seeks to strengthen commercial ties and to identify business opportunities, in order to build a global network of solid and lasting partnerships between the Group, and Chinese partners and customers.

2.5. HIGHLIGHTS OF THE YEAR

Longevity occupies a central place in Longrun's global strategy. In 2023, and as a result of this positioning, Longrun, through the Fidelidade Group, invested in innovative solutions that help foster health and healthy lifestyles, financial autonomy and resilience, and reinforce its commitment to society and the planet. This commitment has been recognized in many ways, further increasing our commitment to "Longevity for all ages".

Some relevant milestones:

ESG Rating
A rating of 11.7 was obtained from Morningstar Sustainalytics, which placed Fidelidade as the fourth most sustainable insurer in the world. It is the best positioned company in the banking and insurance sector in Portugal and the second most sustainable Portuguese company.

FITCH
Reaffirmation of Fidelidade's A rating in Insurer Financial Strength (IFS) and A- in Long-Term Issuer Default Rating (IDR) by the financial rating agency Fitch.

Fidelidade considered the "Best Insurance Company in Portugal"
Chosen for the second year running by DECO PROTeste as the best insurance company operating in Portugal. It has the highest levels of customer satisfaction for the evaluated products: car, health and multi-risk home insurance.

Great Place to Work
Fidelidade has been recognized for the second consecutive year as "Best Workplace" by Great Place to Work Portugal, being in the Top 10 of companies with more than 500 employees.

Financial Literacy
Carrying out several financial literacy initiatives aimed at employees, brokers, clients, and partners, through physical and digital channels.

Center for Climate Change
Development of this skills and knowledge centre for the Fidelidade Group, which is open to the public. It will integrate initiatives linked to climate change and Net-Zero targets, based on partnerships with external skill centres.

Sustainability Week
Organisation in Portugal of the Fidelidade Group's first international sustainability event, with the aim of forming a community of sustainability focal points, by boosting training and holding a boot-camp to align the sustainability strategies between the Group's various geographies.

App Fidelidade DRIVE
Over 100,000 users of the Fidelidade Drive app, focussed on preventing and promoting safe and responsible driving.

COP28
Participation in COP28, leveraging the Group's capacity to proactively contribute to the ecological transition in line with the Group's environmental, social, and business strategy.

World Youth Day
Support for WYD Lisbon 2023, providing the necessary insurance for the event and the participation of Group employees as volunteers.

Fidelity Pets Ecosystem
The Fidelidade Pets Ecosystem project won the Best Insurance Project award at the Portugal Digital Awards and was also honoured with the gold award in the "Connected Ecosystems & Marketplaces" category of the Qorus Insurance Innovation Awards.

Técnico Innovation Centre Powered by Fidelidade
Inauguration of the Técnico Innovation Centre, a multipurpose space with a study room open 24 hours a day, which will be a point of contact between the Instituto Superior Técnico and the community, via the dissemination of knowledge and innovation.

Fidelidade Community Award
Promotion of the 5th edition of the Fidelidade Community Award, which aims to strengthen the social sector by reinforcing Fidelidade's commitment to the sustainable development of society.

XLAB
Launch of the first edition of the Fidelidade Group's internal innovation programme, which seeks to stimulate change and entrepreneurial spirit among teams.

Prevention Ecosystem
Strengthening and expanding the prevention value proposition by focusing on check-ups, the Multicare Vitality programme, and online medical services.

App MySavings
The marked growth in users of the MySavings app, which offers Fidelidade customers financial products with different risk profiles, has become a mechanism for raising awareness, financial autonomy, and savings/investment.

SOFIA
Launch, in pilot mode, of the SOFIA digital platform, aimed at the senior, family and caregivers segment, which provides access to home support services.

Personal Accidents 65+
Launch of Personal Accident Insurance for the over-65s, which reinforces Fidelidade's ongoing commitment to the protection of customers at all stages of life.

Vitality Run
The 3rd Multicare Vitality Run was held under the slogan "Running for all ages", to promote the adoption of healthy habits from an early age, with a view to a sustainable, longer, and healthier life. It had 2,500 participants.

2.6. EMPLOYEES

THE LONGRUN GROUP TEAM

At Longrun, we look at the world through the humanistic and creative lens of people. They are the ones who put the values into practice with colleagues, customers, and partners. They have the empathy, and the will to act and do good. Above all, it is in people that we find the maximum potential for innovation and the agile talent that enables us to continue working collaboratively.

At the Group, people have space to do things, to make mistakes, to try out, and to make decisions. They have the opportunity to watch and participate in the ongoing process of adaptation to change. For us, change starts with each person. It is people, who unhesitatingly implement new ways of working on a daily basis, who take the initiative to redefine career objectives, to change their point of arrival, to engage in internal mobility. It is the people, who make the Longrun Group a great place to work, and who give the Group the strength to continue improving all aspects of its operations. They are, in essence, our "driving force".

For all these reasons, Longrun wants to continue to promote lifelong learning, to invest in more hours of training, knowledge acquisition, and to strengthen skills and collaboration between everyone. To do this, our people can rely on mechanisms such as a knowledge centre, made of people for people. The Group has tailor-made programmes focused on our people's well-being, to ensure they feel good, valued, and continue to distinguish themselves and fascinate Longrun with their work and commitment.

At the end of 2023, the Longrun Group's insurance area, excluding Luz Saúde, had 8,713 employees, representing an increase of 9% compared to the previous year.

KEY FIGURES

8,713
EMPLOYEES
(+9% compared to 2022)[3]

MEN	WOMEN
44%	56%

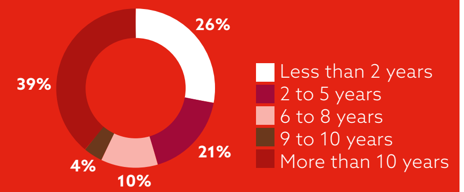
8,357
FULL-TIME EMPLOYEES[4]
(+9% compared to 2022)

16.4%
TURNOVER RATE[5]
(+17% compared to 2022)

296,200
HOURS OF TRAINING GIVEN[6]
(+34% compared to 2022)

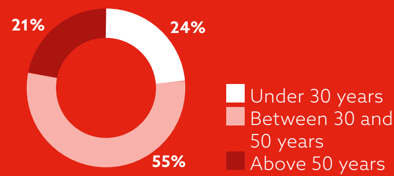
93%
EMPLOYEES WITH PERFORMANCE AND CAREER DEVELOPMENT ANALYSIS[7]
(+5% compared to 2022)

SENIORITY



6,821
EMPLOYEES ON PERMANENT CONTRACTS[8]
(+5% compared to 2022)

EMPLOYEES BY AGE GROUP



[3] The comparison with 2022 includes all the companies included in the 2023 report, with the exception of the Luz Saúde Group.
[4] Does not include Alianza Paraguai.
[5] Does not include Fidelidade Angola, Garantia, Tenax and the Fidelidade branches in Beijing and France.
[6] Does not include VET, Alianza Paraguay, Garantia, Fidelidade Moçambique, Tenax, TPC and the Fidelidade branches in Beijing and France.
[7] Does not include Cares, CCR, CFA, FID I&D, Fidelidade Assistance, FSA, SGOIC, VET, Alianza Paraguai, Fidelidade Angola, Garantia, Fidelidade Moçambique, Tenax and the Fidelidade branch in Beijing
[8] Does not include Alianza Paraguai.
Seniority | Does not include VET, Fidelidade Angola, Garantia, Tenax, TPC and the Fidelidade branch in Beijing
Age Group | Does not include Alianza Paraguay, Fidelidade Moçambique, Tenax and the Fidelidade branch in Beijing

HUMAN RESOURCES POLICY

Recognising that talent is one of its most important assets, the Group continued, in 2023, to invest in its people using a holistic approach, acting to enhance their well-being, but also from a more professional point of view, namely in terms of developing new skills and improving the way of working.

3. STRATEGY AND RISK MANAGEMENT

3.1. LONGRUN GROUP STRATEGY

The Longrun Group's strategy is based on the four pillars described in detail on the following pages: Boost Growth; Optimise Profitability; Focus on the Customer; Mobilise the Organisation. The Group integrates these four pillars, permanently respecting its commitment to society, always with a view to creating value for all stakeholders.

PROPEL GROWTH	STEP CHANGE PROFITABILITY	PUT CUSTOMERS AT THE CENTRE	MOBILISE THE ORGANISATION
Ensure **commercial proactiveness** via omnichannel approach	Improve **operational efficiency**	Ensure a suitable and **differentiating offer**	Develop and retain **talent**
Capture SME segment potential	Transform **Life Savings** business	Boost **customer experience** through **digitalisation**	Foster an **Agile organisation**
Boost overall **customer's loyalty**	Protect **business margin** optimising **capital**	Scale-up **ecosystems** by entering business beyond insurance	Boost **analytics** with clear **data strategy**

BOOST GROWTH

Ensure commercial proactiveness via omnichannel approach

The Group relies on the strength of its brands, its presence in various distribution channels, its recognised technical capabilities, and its culture of innovation, in order to strengthen its presence in the markets in which it operates and reach more and more customers. The continuous work to improve commercial dynamics and strengthen interaction between the various sales channels also enhances the offer of an omnichannel experience and the adaptation of products to customer expectations. This action plan supports an increase in market share and greater resilience in the face of external adversity. At the same time, the potential identified in the Life segment in European markets, strengthened by Group's position in the savings ecosystem in Portugal, has been one of the drivers of growth.

Capture SME segment potential

The Group aims to grow in the SME segment, by increasing its customer portfolio percentage, via a modular offer, new tools, and a commitment to the streamlining of points of sale. It also aims to attract new customers in priority segments via a more targeted sectoral approach.

The Group has therefore been working on renewing its integrated value propositions for SMEs in terms of segmentation, offer, tools, market approach and operating model.

Boost overall customer's loyalty

The Group has been developing value propositions centred on the launch of programmes such as Fidelidade Drive and Multicare Vitality, which promote safe and responsible driving and healthy habits, respectively, in order to promote customer loyalty. By signing up to these programmes, customers are challenged to meet a set of goals for safe driving and healthy habits which, once achieved, allow them to accumulate points, which they can redeem at a wide variety of shops and services.

STEP CHANGE PROFITABILITY

Improve operational efficiency

Automation and technologies enable continuous improvement of the efficiency of the business, by driving digitalisation of the relationship with customers and distribution partners. As a result, the Group has redirected its people to higher value-added activities, due to the automation and improvement of internal processes that do not require human intervention and increased efficiency in various aspects of the business, namely underwriting and claims management.

Transform Life Savings business

In order to consolidate its prominent position in the savings area in Portugal and being aware of its importance as an economic agent, the Group has been transforming its Financial Life business over the last few years.

Therefore, in order to promote savings and encourage responsible financial behaviour, the Group has carried out a series of financial literacy initiatives with training measures and the provision of training content, in both face-to-face and digital formats, with a view to increasing the acquisition of financial products adjusted to individual needs and the financial and sustainable planning of the entire population.

The structuring of Fidelidade's entire product offering is based on simplicity and accessibility, which allows it to be adjusted to the life cycle and objectives of each stage of people's lives, with a medium/long-term risk/return balance.

At the same time, the Group is making progress towards incorporating ESG criteria into its offer and its investment, procurement, underwriting and operating processes, and is seeking to make a difference by assessing impacts and making decisions that impact environmental and social factors in a way that is aligned with the Group's purpose, values, and corporate strategy.

Protect business margin optimising capital

Adaptation to the market and regulatory context in which the Group operates, together with the integration of ESG issues into its investment decisions, optimises the management of the investment portfolio, by acting as a responsible investor. The Group seeks to maximise the return/risk factor, while ensuring the prudence that has always characterised its operations. This optimisation also focuses on diversifying investments, either geographically or in terms of asset classes, to mitigate risks and ensure protection against adverse market contexts.

PUT CUSTOMERS AT THE CENTRE

Ensure a suitable and differentiating offer

The Group's ambition is not only to offer insurance and mutualise the customer's risk, but to actively support them in managing their risks. That requires the development of new integrated product ranges in the ecosystems in which it operates, offering products and services outside its primary activity and increasingly focused on preventing and solving the customer's holistic needs. The Group has taken this path in areas such as Mobility, Heritage, Health, and Assistance through the internalisation of various services relevant to the activity and also through forging strategic partnerships.

In view of the increasing complexity of the market and the increasing demand of consumers, the Group continuously aim to leverage its presence along the value chain, in order to offer a differentiated value proposition and continue to introduce sustainability criteria that foster ecological transition and social well-being.

Boost customer experience through digitalisation

The best solutions result from processes that connect improving the customer experience with process operational efficiency. To this end, the Group invests in solutions that involve the digitalisation and automation of processes, through the development of various business initiatives aimed at implementing and developing innovative products and service models.

Scale-up ecosystems by entering businesses beyond insurance

With its strategy of the creation of differentiated value propositions, the Group has built five ecosystems by leveraging digital, where it offers products other than insurance: Health Ecosystem, Home/Family Ecosystem, Mobility Ecosystem, Savings Ecosystem and Pets Ecosystem.

MOBILISE THE ORGANISATION

Develop and retain talent

In order to achieve its strategic objectives of growth, profitability and customer focus, the Group is attentive to change and to trends in the sector in order to ensure that it has the talent needed today for the challenges of the future, in line with its ambition to become a benchmark employer. To that end, it has developed an action plan that allows it to respond to challenges and fill potential gaps identified, from the talent available in the market, in a structured way.

The Group continues to focus on measures that promote its values, purpose, and identity among its employees and that create a community spirit, namely via social responsibility initiatives, such as the WeCare programme.

Foster an Agile organisation

The Group recognises the urgent need to adapt to a new way of working that is more centred on employee engagement and well-being and focuses on the maximisation of the impact on customers.

To this end, we continued to invest in employee training and internal mobility, fostering experience sharing and knowledge generation. Alongside this, we continued to focus on reformulating working methods and organisational processes based on Agile methodologies.

Boost analytics with a clear data strategy

The Group believes that Analytics and Artificial Intelligence are crucial to offering a better experience and increasing efficiency. It is therefore promoting measures such as:

- The implementation of tools to generate recommendations and leads for improvement/cross-selling and activation of digital properties, based on customer information;
- The development of retention and propensity models, predictive models based on Machine Learning functionalities, which make it possible to anticipate customer behaviour and adopt the best position in relation to them;
- Automation using Artificial Intelligence as the basis of new functionalities and redesign processes, to facilitate claims management and interaction with customers;
- The implementation of intelligent localisation systems to monitor forest fires and potential damage to insured units.

The Group sees data strategy as a key enabler for achieving the established objective, from data collection to data security and data quality, to the making available of the data.

3.2. RISK MANAGEMENT

For the Group, risk management is an essential component of business development, enabling it to anticipate, assess and address challenges that, if neglected, could jeopardize its performance, both financially and in terms of sustainability.

Effective and systematic risk management corresponds to informed decision-making for the Group, which weighs up different factors to ensure organizational stability and the pursuit of its strategic objectives.

To this end, a risk management model has been defined in line with the requirements of the Solvency II regime, which allows the Group's risk profile to be defined and immediate measures to be taken whenever necessary in response to material changes.

Risk and Solvency Self-Assessment Exercise ("ORSA"), which means a qualitative and quantitative assessment of all the risks to which the Group is, or may be, exposed, and a projection of its solvency position in the short to medium term, allows us to relate, in a prospective vision, both the Group's risk profile and the adequacy of capital to regulatory requirements and internal capital needs.

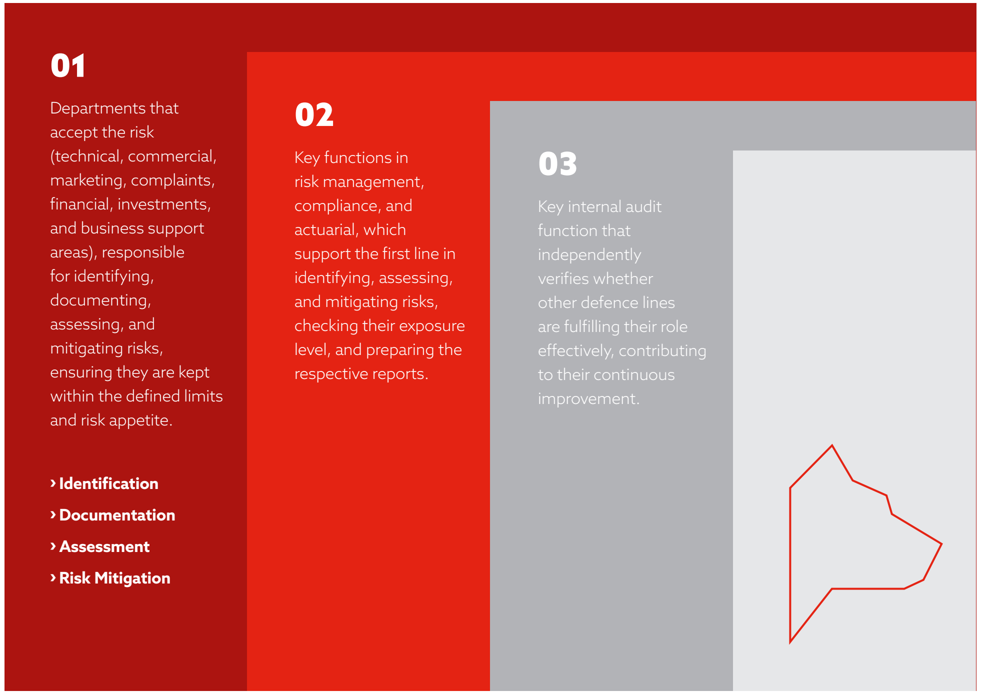
Risk assessment process

The Group has policies, processes, and procedures suitable to its operations and business strategies, in order to ensure prudent management practices. The Audit, Risk Management and Compliance Departments, along with four committees, are responsible for ensuring compliance with these mechanisms via the performance of key functions that ensure the management and internal control of risk assessment.

- **Audit Department** – Audit Function
- **Risk Management Department** – Actuarial and Risk Management Function
- **Compliance Department** – Compliance Function

- Risk Committee
- Life and Non-Life Products Committee
- Asset and Liability Management Committee
- Subscription Policy Acceptance and Monitoring Committee

The effectiveness of the risk management process is ensured by the Executive Committee, which establishes the Group's appetite for risk, as well as the overall limits of tolerance for it. The model adopted by the Group has three defence lines, which report to the Executive Committee and aim to adequately measure, monitor, and control risks.



Specific insurance risk
Risk of loss, or unfavourable evolution of the company's financial situation, resulting from unexpected growth in claims or adverse changes in the value of liabilities related to insurance contracts.

Market risk
Risk of loss, or unfavourable evolution of the company's financial situation, due to market price volatility of investments, including exposure to currency fluctuations and interest rates.

Credit risk
Risk of loss, or unfavourable evolution of the company's financial situation, resulting from fluctuations in the credit quality of securities issuers, counterparties, and debtors to which it is exposed.

Concentration risk
High exposure to certain sources of risk, such as asset categories, business lines or customers.

Strategic risk
The potential current and future impact on revenues or capital resulting from inadequate business decisions, improper implementation of decisions, or failure to respond to market changes.

Business continuity risk
It reflects the potential impacts that threaten the operations, resilience, and effective response capacity to the value chain by the Group.

Liquidity risk
Reflects the possibility of not holding assets with sufficient liquidity to meet the cash flow requirements necessary to fulfil obligations to policyholders or creditors.

Operational risk
Translates into losses resulting from failures or inadequacy of internal procedures of people or systems.

Sustainability risk
An environmental, social, or governance event or condition that, if it occurs, may cause or enhance a material negative impact on the value of the investment.

The Group has been strengthening the process of identifying, assessing, and mitigating the risks associated with its activity, increasingly incorporating sustainability criteria to mitigate negative impacts and improve its environmental, social and governance performance.

In this context, mechanisms such as policies are crucial to minimizing risks and improving the Group's financial performance from a long-term perspective. The use of ESG-compliant factors in investments is a clear example of this, allowing for a qualitative assessment of sustainability risks in investments, prioritizing those that may generate positive impacts on society and the environment, in line with the Sustainable Development Goals In this regard, the Group is attentive to issues such as human rights violations or encouragement of armed conflicts, sectors of activity with negative impacts and without mitigation plans, and entities consider ESG factors in their scrutiny process for potential investments.

The Group also monitors its subsidiaries through the monitoring and analysis of information related to strategy, capital structure, risk, corporate governance, financial and non-financial performance, and their social and environmental impact. Taking into account the risk factors of each investee company, the analysis is carried out considering the Group's risk profile, the expected return on investment and the ESG principles weighted in this investment decision.

Risk assessment axes in the investment principles and processes
ESG compliant Factor

Responsibility and composition of the Board of Directors

Stability of Human Resources

Sound and environmentally responsible practices that signal operational excellence and management quality

In turn, verification of compliance with the ESG principles by the investment portfolio in externally managed funds (third-party managed investments) is carried out by the respective management entities, with the Group previously checking whether they have adequate ESG policies for this purpose. This verification also occurs in the most liquid funds (ETFs) through the classification carried out by entities such as Sustainalytics, MSCI, and S&P. The process of using ESG policies is quite advanced at an international level, with almost all asset managers used by the Group presenting their reports and policies according to ESG factors and the UN PRI - Principles for Responsible Investment.

While it is certain that the impacts of climate change on the insurance sector will be considerable, translated into physical and transition risks in regulatory terms, particularly in terms of calculating capital requirement, the potential risks are not yet fully explicit To address this gap, the European Supervisory Authority (EIOPA - European Insurance and Occupational Pensions Authority) issued an opinion regarding the use of scenarios related to climate change within the scope of the Own Risk and Solvency Assessment (ORSA) exercise conducted by insurance companies from 2023 onwards.

The Group, as part of its ORSA exercise, has begun to incorporate the analysis of the potential impacts of climate change. An analysis that includes a qualitative assessment of the materiality of the various risks to which the Group may be exposed as a result of climate change - physical risks and transition risks (reputational, legal [litigation] and related, among others, to the asset portfolio).

The Group remains attentive to the evolution of prudential treatment in this area, intensifying its work in response to different needs.

ESG RISKS

Governance

Compliance
An unclear definition of roles and operational and management responsibilities may give rise to situations of legal and regulatory non-compliance at the environmental, social and governance levels.

Reputational
An inadequate governance model can lead to damaging situations for the organization's credibility and reputation.

Loss of sensitive information
The inappropriate use of data can harm the organisation and its stakeholders.

Weak stakeholder engagement
The lack of a trust relationship between the organization and its stakeholders may lead to an inadequate response to their needs and expectations, hindering partnerships, investments, and consequently, profitability.

Social

Psychosocial
Inadequate work factors can affect the physical and mental well-being of employees, with direct implications for productivity and value creation.

Organizational climate
A negative perception of the work environment by employees has implications for productivity and talent retention.

Environmental

Financial, physical and transition
Issues such as climate change can generate financial risks, due to carbon trading and potentially unsuccessful investments; physical risks arising from extreme weather events with direct implications for business results and people's lives; and transition risks, given the necessary transition to a low-carbon economy with compliance challenges, given an increasingly demanding legal and regulatory framework and the need to adapt products and services to a market increasingly aligned with the decarbonization of the economy.

DERIVATIVES AND HEDGE ACCOUNTING

The Group carries out operations with derivative products within the scope of its activity, with the objective of reducing its exposure to exchange rate fluctuations and interest rates.

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

Subsequently, derivatives are measured at their 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

Embedded derivatives in non-derivative contracts or in contracts based on financial liabilities are separated and treated as stand-alone derivatives whenever:

- **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 with the aim of hedging its exposure to risks inherent to its activity, namely hedging the fair value of assets in foreign currency (exchange rate fluctuation risk), which it applies to cover equity instruments for which the Group has chosen to present changes in fair value in other comprehensive income.

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

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

Hedge derivatives of fair value in equity instruments are recorded at fair value, and the resulting gains or losses are recognized daily in other comprehensive income, provided that it is demonstrated that the hedge is effective. In this case, the ineffectiveness of the hedge recognized is shown in other comprehensive income.

In the case of fair value hedging derivatives on equity instruments, provided that the hedge is determined to be effective, they are recorded at fair value, with the results recognized in equity.

Positive and negative revaluations of hedging derivatives are recorded in assets and liabilities, respectively, in specific headings.

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

CYBERSECURITY: STRATEGIC PRIORITY
For the Group, cybersecurity is a strategic priority. Employee, customer, and partner data is one of your most important assets. It is therefore essential to ensure their protection and privacy. In addition, the management of internal operations and commercial interaction, based on digital platforms and structures, requires cybersecurity to be a strategic priority.

As such, the Group has been intensifying the identification, assessment, and mitigation of cyber risks, taking into account its critical assets and vulnerability factors, the type of threats and the impact of potential attacks in order to develop mitigation strategies, policies and procedures and incident response planning.

The definition and development of preparedness mechanisms, such as the implementation of technologies, testing reaction scenarios, or studying attacks carried out on other entities, have been complemented by asset protection both within and outside the organization (buildings, data centres, and cloud). Concepts such as zero trust, based on the identity and verification of all traffic flows and access to services and information, have been strengthened. For the Group, the observation of large volumes of information, the analysis of behavioural models, the correlation of events and the automation of actions, which integrate Artificial Intelligence in the detection and management of risk, are areas in which it is important to invest, prioritizing prevention over reaction.

In terms of personal data protection and security, the Group adheres to the General Data Protection Regulation and the legislation that implements it, which establishes rules for the processing of personal data in the European Union. A Personal Data Protection and Privacy Policy has been adopted, published on the websites of the Group companies, which sets out and guides the correct collection, processing and communication of data.

At the Group, cybersecurity follows a cross-functional approach, from ideation to implementation, with a focus on continuous improvement of operations, business, and IT.

4. FINANCIAL PERFORMANCE

4.1. MARKET CONTEXT

Macroeconomic Framework

GEOPOLITICAL CONTEXT

The global picture is undergoing profound change. According to the World Economic Forum's "Global Risks Report 2023", the main risks in today's society are related to economic and environmental challenges, geopolitical dynamics, technology and cybersecurity, public health, socio-demographic trends and ESG issues.

If 2022 was marked by the war in Ukraine, 2023 was marked by tensions between major powers such as the US, China and Russia and the conflict in Gaza, and Ukraine, which have further accentuated global fragmentation and the dangers and challenges that come with it. Instead of the expected post-Covid-19 recovery period, we are living in a climate of geopolitical uncertainty and economic, financial, and social impacts on nations, companies, and people.

In this context, and given the major impacts of climate change, which are increasingly evident in various parts of the world, increasing inequality, particularly as a result of migration and refugee flows, is a challenge that must be addressed.

There is an urgent need to move towards a more sustainable economy, focussed on energy transition, the reduction of greenhouse gas emissions, and the promotion of human rights. This need involves both new risks, and new opportunities in the management of financial, material, and human resources.

MACROECONOMIC FRAMEWORK[9]

World Market

The year 2023 was marked by a slowdown in global economic activity, and by a gradual reduction of inflation due to tighter monetary policies and the normalisation of raw material prices. This slow-down has been fuelled by the long-term effects of the covid-19 pandemic, the continuing conflict between Russia and Ukraine, rising interest rates and growing geo-economic fragmentation.

Global growth in 2023 was therefore 3%, a decrease of 0.5 percentage points (p.p.) compared to 2022 and below the historical average.

After the sharp rise in inflation in 2022, it slowed down in 2023 and is expected to fall further in the coming years, as a result of monetary policies geared towards the restoration of price stability. However, climate and geopolitical shocks could affect food and energy prices, and fuel the said geo-economic fragmentation, which could restrict the flow of raw materials in the markets.

Portugal

In Portugal, economic growth slowed down during 2023, as the cumulative effects of inflation, the slowdown in the activity of the main trading partners and the tightening of monetary policies worsened financial conditions within the Euro area and Portugal.

In this context, the Portuguese GDP grew by only 2.1% in 2023, below the 6.8% level recorded in 2022. Inflation, meanwhile, fell from 8.1% in 2022 to 5.3% cent in 2023, as a result of the reduced demand caused by increased interest rates. In 2023, the unemployment rate increased by 0.5 p.p. compared to 2022, reaching 6.5%.

[9] Source: IMF Economic Outlook (Oct-2023), BdP Economic Bulletin (Dec-2023)

Latin America

The Latin American region recorded a growth of 2.3% in 2023, down from 4.1% in the previous year, reflecting the impact of more restrictive policies, a weaker external environment and lower raw material prices. As a result, inflation stood on average at 13.8%, below the 14.0% recorded in 2022.

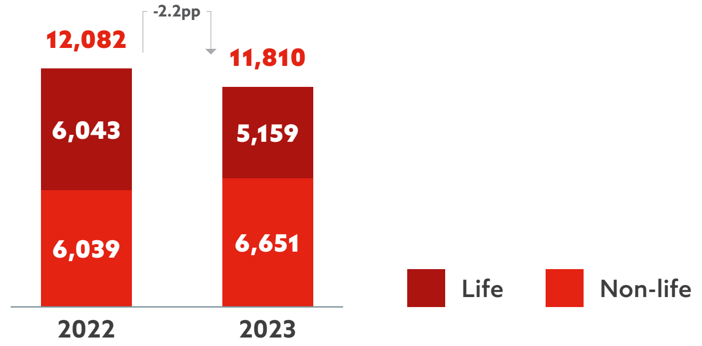
Sub-Saharan Africa

The Sub-Saharan Africa region recorded growth of 3.3%, down from 4.0% in 2022, due to a worsening of climate shocks, a slowdown in the global economy and domestic supply problems, particularly in the electricity sector. The intensification of geo-economic fragmentation also limited the flow of goods and energy between regions, which led to a rise in prices, particularly in low-income countries. In this case, the sub-Saharan Africa region was particularly affected, since food represents on average around 40% of the consumption basket in this region. As a result, inflation stood at 15.8%, above the 14.5% recorded in 2022.

Insurance sector framework

EVOLUTION OF THE PORTUGUESE INSURANCE MARKET

In 2023, the Portuguese insurance market recorded total gross premiums of 11.8 billion Euros, a decrease of 2.2% compared to 2022, reflecting the evolution of the Life segment (-14.6% to 5.2 billion Euros) due to the economic context referred to above. On the other hand, the Non-Life segment continued its growth trajectory, recording premiums of 6.7 billion Euros, i.e. 10.1% more than in 2022.



Unit: million euros; Source: ASF

The decrease in premiums in the Life segment was mainly due to the Life Financial component, in particular in terms of unit-linked products. In fact, despite rising interest rates, the loss of income caused by inflation and instability in financial markets had a negative impact on this type of financial product, as was the case in 2022.

For their part, premiums in the Non-Life segment maintained their growth trend, generating greater traction when compared to the previous year, mainly as a result of real economic growth and the inflationary context.

In this segment, it is important to highlight the positive evolution registered in the Health business line (+16.7%), at a time when the population is increasingly aware of the need to complement the services of the National Health System. This growth allowed the Health line of business to consolidate its position as the second largest business line in the Non-Life segment, with direct insurance premiums rising to 1,349 million euros.

Non-Life: Gross premiums

	Gross Premiums 2022	2023	Change
Non-Life	**6,039**	**6,651**	**10.1%**
Car	1,966	2,098	6.7%
Health	1,156	1,349	16.7%
Fire and Other Damage	1,074	1,181	9.9%
Workers' Compensation	1,027	1,140	11.0%
Others	816	882	8.1%

Unit: million euros; **Source:** ASF

EVOLUTION OF THE INTERNATIONAL INSURANCE MARKET

Latin America

In the Latin American markets where the Group is present - especially Peru, Bolivia, and Chile - the Non-Life segment maintained its production growth trend, with growth accelerating in the Peruvian market, in 2023.

Non-Life: Gross premiums

	Gross Premiums	
	2022	2023
Country		
Peru	0.4%	7.6%
Chile	22.0%	4.4%
Bolivia	11.7%	5.6%

Unit: % change rate
Source: Local regulatory entities with information updated to November and December 2023 (Peru and Bolivia); Chile with figures projected by AACH (Asociación de Aseguradores de Chile A.G.)

In 2023, premiums in the Life segment also maintained a very high level of growth, reflecting the strong commercial dynamics of annuity products (survival and old age).

Life: Gross premiums

	Gross Premiums	
	2022	2023
Country		
Peru	5.7%	7.4%
Chile	35.3%	21.9%
Bolivia	17.6%	5.4%

Unit: % change rate
Source: Local regulatory entities with information updated to November and December 2023 (Peru and Bolivia); Chile with figures projected by AACH

Africa

In the African market, Angola continued its upward production trend, with an increase of around 17%[10] in 2023 compared to 2022, mainly due to growth in the Life segment, which increased by 101%. The Non-Life segment also grew 9% compared to 2022.

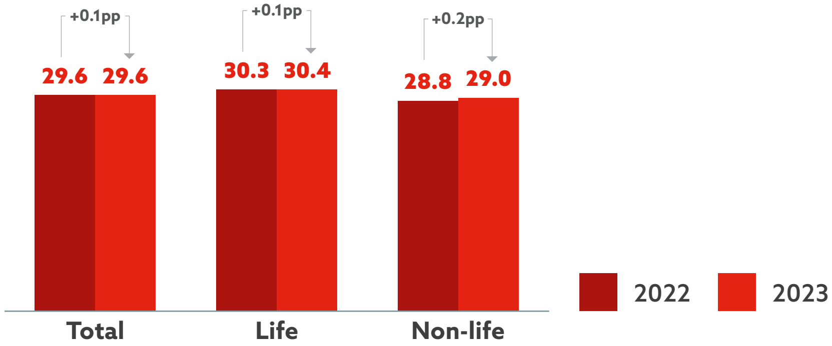
On the other hand, Mozambique saw a decrease in production in 2023 (-2% compared to 2022) because of a production decrease in the Non-Life business of around -2%.[11] The Life segment increased by around 1% compared to 2022.

[10] Source: ASAN (Association of Angolan Insurers), November 2023
[11] Source: Main Quarterly Indicators Report (II Quarter 2023) and Main Quarterly Indicators Report (IV Quarter 2022) - ISSM (Mozambique Insurance Supervision Institute

POSITION OF THE LONGRUN GROUP IN THE PORTUGUESE MARKET

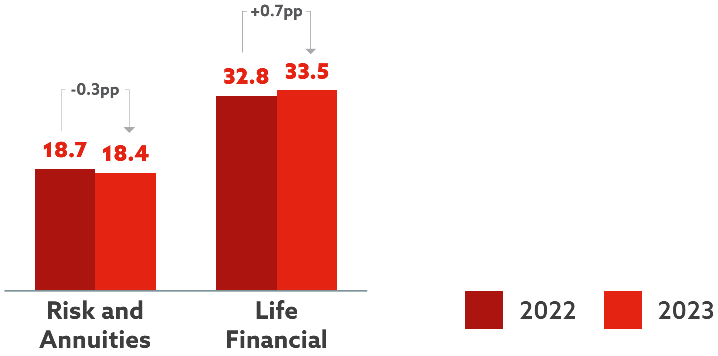
In 2023, the Longrun Group maintained its leading position in the Portuguese market. It recorded a global market share of 29.6%, which corresponded to an increase of +0.1 p.p. compared to the previous year, mainly reflecting the performance of the Non-Life segment.

Total market share - Life and Non-Life segments



Unit: %; Source: ASF

In the Life segment, and despite the decrease in the amount of premiums, the Longrun Group increased its market share by 0.1 p.p. compared to 2022, reflecting the commercial performance of financial products, especially the growth of guaranteed capital products, which grew by 88.8% compared to 2022, as a result of the new interest rate context.



Unit: %; Source: ASF

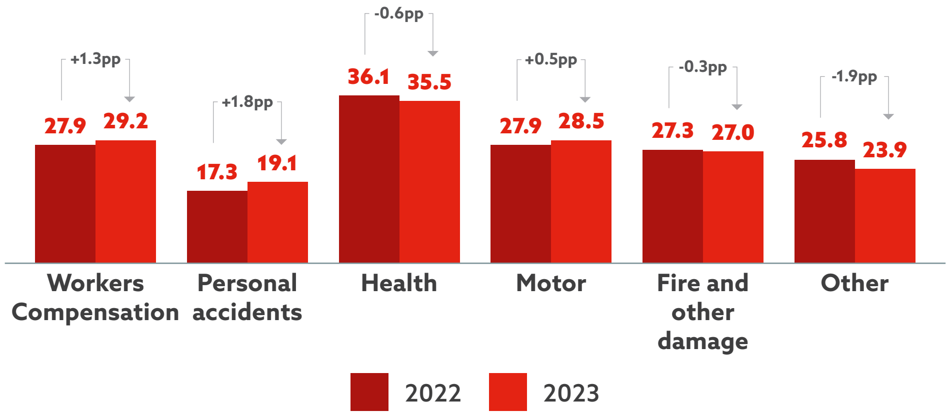
In the Non-Life segment, the Group increased its market share by 0.2 p.p. compared to 2022, reflecting its improved position in the Workmen's Compensation, Motor Vehicle and Personal Accident products:

- In the Workmen's Compensation and Motor segments, market share increased by 1.3 p.p. and 0.5 p.p., respectively, reflecting strong commercial dynamics.

- The Personal Accidents branch also increased its market share by 1.8 p.p., reflecting a strong increase in premiums compared to the previous year, which was above the market average.

- The Health and Fire and Other Damage lines of business saw a decrease in market share compared to 2022, essentially reflecting the reinforcement of the cautious risk underwriting policy, with a greater focus on the profitability of these lines of business.

Market share - Non-Life segment



Unit: %; Source: ASF

POSITION OF THE LONGRUN GROUP IN THE INTERNATIONAL MARKET

Latin America

In 2023, the Group consolidated its position in the insurance market in Latin America[12]:

- **Peru:** 4th place, with the La Positiva Group achieving a market share of 13.2%[13], which is higher than the previous year. In the Non-Life segment, La Positiva Seguros also holds the 4th place, with a market share of 14.5%. In the Life segment, La Positiva Vida holds the 3rd place, with a market share of 12.1%.

- **Bolivia:** 1st place, with a market share of 19.2%, in the Non-Life segment and 2nd place in the Life segment, with a market share of 18.7%.

- **Chile:** 13th place with a market share of 2.4%.

- **Paraguay:** 8th place with a market share of 4.1%.

Africa

The Group also consolidated its position in **Africa**. In Mozambique, the Group holds the 3rd place in the insurance market ranking, with a market share of 15.1%[14]. In Angola, the Group reached a market share of 12.4%, thus holding the 3rd place in the ranking[15].

[12] Source: Peru: SBS November 2023; Bolivia: APS December 2023; Chile: CMF September 2023; Paraguay: BCP, Central Bank of Paraguay, September 2023
[13] Including La Positiva Seguros and La Positiva Vida.
[14] Source: Main Quarterly Indicators Report (II Quarter 2023) - ISSM (Mozambique Insurance Supervision Institute)
[15] Source: Association of Angolan Insurers, November 2023.

4.2. CONSOLIDATED FINANCIAL PERFORMANCE

Gains & Losses – Key Indicators

	2023	2022	Change 23/22
Summary of Results			
Written Premiums	5,206.9	5,118.1	1.7%
Life	2,305.4	2,492.0	-7.5%
Non-Life	2,901.5	2,626.1	10.5%
Combined Non-Life ratio	93.8%	98.8%	-5.0 p.p.
Investment yield[1]	2.7%	2.0%	0.7 p.p.
Insurance contracts earnings	261.6	181.3	44.3%
Commissions from investment contracts	143.7	114.4	25.6%
Investment earnings[2]	217.7	218.0	-0.1%
Non-operating earnings & non-attributable expenses	-345.4	-244.9	41.0%
Income before taxes and minority interests	**277.6**	**268.8**	**3.3%**
Taxes and minority interests	-124.8	-124.9	-0.1%
NET PROFIT	**152.8**	**143.9**	**6.2%**

Unit: million euros

1. Excludes unit-linked products and properties for own use;
2. Includes earnings from the financial component of insurance contracts.

Despite a challenging context, the Longrun Group achieved a consolidated volume of written premiums totalling 5,206.9 million Euros, in 2023, an increase of 1.7% on the previous year.

The combined ratio in 2023 was 93.8%, a decrease of -5.0 p.p. compared to the previous year, reflecting reduced claims in some Non-Life business lines, namely in Workmen's Compensation and Fire and Other Damage, and increased efficiency levels, as reflected in the costs allocated to the various segments.

Insurance contract results grew to 261.6 million Euros, an increase of 44% compared to 2022, because of increased insurance contract revenues and a reduction in the combined ratio.

Investment contract management commissions totalled 143.7 million Euros, an increase of 26% compared to 2022, in line with the strategy defined for Financial Life products.

Investment income totalled 217.7 million Euros, similar to the level in the previous year as the effect of the increase in guaranteed rates for Life product customers, in line with interest rate trends, was offset by increased investment income.

Non-operating results and non-attributable expenses worsened to -345.4 million Euros, which reflects the fact that the corresponding 2022 result was boosted by non-recurring events.

As a result of the above-mentioned developments, particularly the insurance contract results, the net profit increased by 6.2% compared to 2022, to 152.8 million Euros.

Consolidated premiums

	2023	% Mix	2022	% Mix	Change 23/22
Written Premiums					
Life[1]	**2,305.4**	**44.3%**	**2,492.0**	**48.7%**	**-7.5%**
Risk and Annuities	527.6	22.9%	522.8	21.0%	0.9%
Financial - Life	1,777.8	77.1%	1,969.1	79.0%	-9.7%
Non-Life	**2,901.5**	**55.7%**	**2,626.1**	**51.3%**	**10.5%**
Car	812.9	28.0%	747.7	28.5%	8.7%
Health	609.2	21.0%	541.7	20.6%	12.5%
Fire and Other Damage	632.5	21.8%	560.2	21.3%	12.9%
Workers' Compensation	441.9	15.2%	375.5	14.3%	17.7%
Others - Non-Life	405.1	14.0%	401.0	15.3%	1.0%
TOTAL	**5,206.9**	**100.0%**	**5,118.1**	**100.0%**	**1.7%**

Unit: million euros

	2023	% Mix	2022	% Mix	Change 23/22
Geographic breakdown					
Life[1]	**2,305.4**	**100.0%**	**2,492.0**	**100.0%**	**-7.5%**
Portugal	1,567.8	68.0%	1,831.5	73.5%	-14.4%
International	737.6	32.0%	660.5	26.5%	11.7%
Non-Life	**2,901.5**	**100.0%**	**2,626.1**	**100.0%**	**10.5%**
Portugal	1,936.4	66.7%	1,746.4	66.5%	10.9%
International	965.2	33.3%	879.7	33.5%	9.7%
TOTAL	**5,206.9**	**100.0%**	**5,118.1**	**100.0%**	**1.7%**
Portugal	3,504.2	67.3%	3,577.9	69.9%	-2.1%
International	1,702.8	32.7%	1,540.2	30.1%	10.6%

Unit: million euros

1. Includes sums related to investment contracts

Life business fell by 7.5% on the previous year to 2,305.4 million Euros, reflecting the evolution of Financial Life premiums in Portugal, which was negatively impacted by the new interest rate environment, which made lower risk products (such as bank deposits or savings certificates) more appealing as an alternative to insurance-related financial products.

In contrast, the Life business at an international level recorded a growth of 11.7% compared to the previous year, benefiting from the performance of international operations, in particular from The Prosperity Company group, which performs its activity in several European markets.

In the Non-Life segment, the Group grew 10.5% in 2023 to 2,901.5 million euros, with a positive performance in all business lines and in most geographies. It should also be noted that in 2023, the international business represented about a third (33.3%) of the total volume of Non-Life written premiums.

Premiums in Portugal

	2023	% Mix	2022	% Mix	Change 23/22
Life	**1,567.8**	**44.7%**	**1,831.5**	**51.2%**	**-14.4%**
Risk and Annuities	195.6	12.5%	197.6	10.8%	-1.0%
Financial - Life	1,372.2	87.5%	1,633.9	89.2%	-16.0%
Non-Life	**1,936.4**	**55.3%**	**1,746.4**	**48.8%**	**10.9%**
Car	597.6	30.9%	549.1	31.4%	8.8%
Health	479.1	24.7%	417.9	23.9%	14.6%
Fire and Other Damage	324.1	16.7%	298.1	17.1%	8.7%
Workers' Compensation	333.2	17.2%	286.6	16.4%	16.3%
Others - Non-Life	202.2	10.4%	194.6	11.1%	3.9%
TOTAL	**3,504.2**	**100.0%**	**3,577.9**	**100.0%**	**-2.1%**

Unit: million euros

In Portugal, the Group performed well in Non-Life segment premiums, growing 10.9% compared to the previous year and above the market average (10.1%), growth to which most business lines contributed. This evolution allowed its Non-Life market share to increase by 0.2 p.p. to 29.0%.

In terms of Non-Life activity, the Workers' Compensation and Health lines of business recorded the highest growth, with total premiums reaching 333.2 and 479.1 million euros, respectively. It should also be noted that the Group market share in Portugal for Workers' Compensation increased to 1.3 p.p. to 29.2%.

In the Life business in Portugal, the Group registered a premiums' decrease of 14.4%, compared to the previous year, influenced by the unfavourable evolution of Life Financial products.

International business premiums

	2023	% Mix	2022	% Mix	Change 23/22
Life Premiums	**737.6**	**43.3%**	**660.5**	**42.9%**	**11.7%**
Risk and Annuities	332.0	45.0%	325.2	49.2%	2.1%
Financial - Life	405.6	55.0%	335.3	50.8%	21.0%
Non-Life	**965.2**	**56.7%**	**879.7**	**57.1%**	**9.7%**
Car	215.2	22.3%	198.6	22.6%	8.4%
Health	130.1	13.5%	123.8	14.1%	5.1%
Fire and Other Damage	308.4	31.9%	262.1	29.8%	17.6%
Workers' Compensation	108.6	11.3%	88.8	10.1%	22.3%
Others	202.9	21.0%	206.4	23.5%	-1.7%
TOTAL	**1,702.8**	**100.0%**	**1,540.2**	**100.0%**	**10.6%**

Unit: million euros

The amount of premiums from the international business reached 1,702.8 million euros in 2023, recording a growth of 10.6% compared to the previous year, reflecting the contribution of Life and Non-Life segments.

Non-Life activity grew 9.7%, with Peru, Chile and Spain being the geographies that contributed most to the increase of 85.4 million euros in international Non-Life premiums.

The Workers' Compensation business line grew very positively (22.3%), driven by the Group's business in Peru, Cape Verde, and Macao. On the other hand, the Fire and Other Damage line grew by 17.6%, influenced by the Group's business in Peru and Chile.

The Life Risk and Annuities line, which holds a significant weight in the Latin American business, recorded a growth of 2.1%, reflecting mainly an increase in operations in Bolivia and Peru.

For its part, the Financial Life branch grew by 21.0%, largely driven by the activity of The Prosperity Company group.

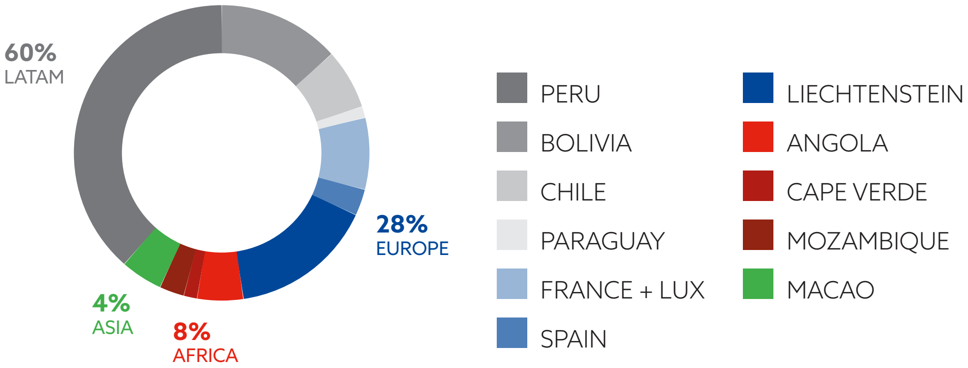
International business premiums

	2023			2022			Change 23/22
	%Life	%Non-Life	Total	%Life	%Non-Life	Total	%
Peru	35%	65%	691.8	34%	66%	597.6	15.8%
Liechtenstein	100%	0%	319.6	100%	0%	237.6	34.5%
Bolivia	46%	54%	181.7	49%	51%	214.1	-15.1%
Chile	0%	100%	130.4	0%	100%	101.6	28.4%
France + Luxembourg	25%	75%	102.8	39%	61%	121.0	-15.1%
Macao	71%	29%	76.5	73%	27%	66.1	15.7%
Angola	5%	95%	61.4	6%	94%	77.2	-20.5%
Spain	6%	94%	49.4	7%	93%	45.5	8.6%
Mozambique	10%	90%	47.9	12%	88%	44.3	8.1%
Cape Verde	16%	84%	22.0	15%	85%	19.8	11.4%
Paraguay	3%	97%	19.2	4%	96%	15.5	23.7%
TOTAL	**43%**	**57%**	**1,702.8**	**43%**	**57%**	**1,540.2**	**10.6%**

Unit: million euros

In 2023, Latin America accounted for 60% of the Group's international business, with the remainder being distributed between Europe (28%), Africa (8%) and Asia (4%).

International Business: Geographic Distribution



Balance Sheet - Key Indicators

	2023	2022	Change 23/22
Balance Sheet Summary			
Total assets	20,342.7	20,049.7	1.5%
Assets under management	17,364.7	17,081.3	1.7%
Insurance contract liabilities and investment contracts[2]	14,247.5	14,262.9	-0.1%
Margin of contractual services	428.2	442.1	-3.1%
Equity[3]	2,327.7	2,218.0	4.9%
ROE	6.7%	6.3%	0.4 p.p.

Unit: million euros

1. Includes properties for own use; 2. It includes financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts; 3. Does not include minority interests

At the end of 2023 the Group had assets under management amounting to 17.4 billion euros, an increase of 1.7% compared to 2022, 22% of which related to unit-linked contracts. The investment portfolio not connected to unit-linked products amounted to 13.6 billion euros, generating an average annual return of 2.7%.

Still in this context, in 2023, we continued the policy of diversification by asset class and geography as a way of maximising profitability with an adequate level of risk in view of the environment of rising interest rates, taking into account the optimisation of the capital structure under the Solvency II regime.

In turn, liabilities from insurance contracts and investment contracts amounted to 14.2 billion euros in 2023, showing a reduction of 0.1% compared to 2022, reflecting the evolution of the Life insurance.

In addition, the contractual services margin reached 428.6 million euros in 2023, a decrease of 3.1% compared to the previous year.

Equity, excluding minority interests, totalled 2.3 billion Euros, up on the previous year, mainly reflecting the effect of the increased value of financial assets, as reflected in the revaluation reserve and the net annual profit. The average return on shareholder equity ("ROE") was 6.7%.

It should also be noted that in 2021, Fidelidade issued, for the first time, subordinated debt in the financial markets, allowing the optimisation of its capital structure. At the end of 2023, subordinated debt totalled 503.3 million euros and the debt to total assets ratio was 2.5%.

4.3. INDIVIDUAL FINANCIAL PERFORMANCE

Gains & Losses - Key Indicators

	2023	2022	Change 23/22
Summary INCOME STATEMENT			
Investment Income/Costs	186.318	0	n.a.
Other Non-Technical Income/Costs	-500	-938	-46,6%
Income before Tax	185.818	-938	-19919,4%
Income Tax	110	196	-43,9%
NET PROFIT	**185.928**	**-741**	**-25187,2%**

Unit: thousand €

In individual terms, Longrun recorded total income of 185.9 million Euros, in 2023, a positive evolution compared to the previous year, mainly reflecting the increase in the investment income resulting from dividends.

Balance Sheet - Key Indicators

	2023	2022	Change 23/22
Summary BALANCE SHEET			
Total Assets	1,401,634	1,459,061	-3.9%
Total Liabilities	23,657	81,012	-70.8%
Shareholders' Equity	1,377,978	1,378,050	0.0%

Unit: thousand €

In 2023 individual Shareholders' Equity totalled 1.4 billion Euros, in line with 2022, reflecting the return of supplementary payments to the shareholder, offset by the positive evolution of the net annual profit.

4.4. OUTLOOK FOR 2024

A period of economic slowdown is expected in 2024, although a reduction in interest rates - which rose significantly in 2023 - is anticipated. A slowdown in national economic activity is expected, due to a number of factors, from less dynamism in primary trading partners to the impact of inflation. The Portuguese economy is also expected to show growth based mostly on investments and exports.

Economic projections for 2024 point to a slowdown in growth levels. The world economy is expected to grow at a rate of 2.8%[16]. Portugal and Latin America are expected to grow by around 1.2%[16] and 2.3%[17], respectively. As for inflation, the trend towards increased prices is expected to slow down, with an inflation estimate of 5.8%[17] for the world economy and 2.9%[16] in Portugal.

Insurance premiums, in particular in the Non-Life segment, are expected to follow a moderate growth trend, in line with previous years. With regard to the Life segment, the current context of interest rates will create a number of opportunities, but also challenges for the competitiveness of the Group's financial product offer.

The Longrun Group will maintain its strategic commitment to accelerating digital transformation as a fundamental pillar of its operations. The focus will be on consolidating online channels and strengthening the various distribution channels by giving them the necessary tools for distance selling.

The Group will continue to strengthen its commitment to Sustainability, seeking to develop initiatives that make it a benchmark in the sector. The alignment of our activity and mission with ESG values is something we have invested a lot in and we shall continue to deepen our commitment.

Although uncertainty about the future continues to mark the agenda, the Group should remain focused on its strategic initiatives, driving 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, the Group will continue to launch, through its banking partner and other distribution channels, innovative savings and investment solutions that give customers not only an attractive risk/return binomial in the current macroeconomic context, but also differentiated investment options with a focus on sustainability. To this end, it shall continue to leverage the internal asset management skills acquired over several decades managing customer savings, as well as the partnerships in place with globally important asset management institutions.

In addition, the set of innovative solutions available in the Fidelidade ecosystem will continue to be strongly promoted in 2024. Naturally, we highlight the Vitality programme, which promotes healthy habits, the Fidelidade Drive app, encouraging safe driving, and the Fixo platform, for domestic services and repairs, which reinforced the Group's proximity to its customers. We shall also expand our offer of innovative products like Fidelidade Pets, an insurance for domestic animals with health coverage.

Finally, developing our international activity will continue to have a key place on our agenda, as the Group intends to position itself as a benchmark player in the international markets in which it is present and build a path to growth outside its domestic market. Maintaining this ambition, in 2024, the Group will continue to consolidate and enhance existing operations, but also to analyse potential opportunities to enter complementary markets where it could have a competitive advantage.

[16] Economic Bulletin – Boletim Económico – December 2023 (bportugal.pt)
[17] IMF – World Economic Outlook, October 2023: Navigating Global Divergences (imf.org)

5. SUBSEQUENT EVENTS

5.1. SUBSEQUENT EVENTS

On May 2, 2024, a request for authorization was submitted to the ASF for the direct acquisition by Millennium Gain of the qualified holding in the share capital of Fidelidade that it already held indirectly through Longrun.

6. NON-FINANCIAL STATEMENT

6.1. COMPLIANCE WITH LEGISLATION AND REGULATIONS

All of the Group's activity is guided by strict compliance with legal, regulatory, ethical, deontological and good practice standards.
In this context, and in compliance with the provisions of Article 508-G (2) of the Commercial Companies Code, we hereby inform you that:

i. Application of environmental standards
The Group is committed to preserving the environment, not only from the perspective of complying with environmental standards, but also promoting environmentally appropriate behaviour.

ii. Application of labour standards
The Group bases its labour relations on criteria of rigour and high ethical standards, always seeking to avoid conflict through enlightening and constructive dialogue with its employees.

iii. Application of standards on corruption prevention
The Group is committed to combating corruption and attempts at bribery; it scrupulously complies with the rules in force on these matters.

iv. Application of standards relating to equality gender equality, non-
discrimination and respect for human rights
The Group's activities are guided by respect and the promotion of gender equality, non-discrimination and human rights, and it scrupulously complies with the rules in force in these matters.

DESCRIPTION OF THE BUSINESS MODEL
The elements relating to the business model are described, particularly in the following chapters of this document:

- Chapter 3 – Strategy and Risk Management | Longrun Group Strategy

- Chapter 4 – Financial Performance | Consolidated Financial Performance and Individual Financial Performance

IMPLEMENTATION OF HUMAN RESOURCES POLICIES
Elements relating to human resources policies are described, particularly in Chapter 2 – Longrun Group | Employees.

MAIN RISKS AND RESPECTIVE MITIGATION ACTIONS
The Group's policies in the area of risk management are described in Chapter 3 – Strategy and Risk Management | Risk Management.

7. APLICATION OF INCOME

7.1. PROPOSAL FOR THE APPLICATION OF INCOME

Longrun closed 2023 with a net profit of € 185,928,079.59, 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:

Retained earnings	€ 185,928,079.59

Lisbon, 2 April 2024

The Board of Directors,

Lingjiang XU
Wai Lam William MAK
Hui CHEN

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018

(amounts in euros)

		2023				
ASSETS	Notes	Gross amount	Impairment, depreciation/ amortisation and adjustments	Net amount	31/12/2022 (Restated)	01/01/2022 (Restated)
Cash and cash equivalents and sight deposits	4	540,704,513	-	540,704,513	637,771,322	951,977,506
Investments in associates and joint ventures	5	9,226,367	-	9,226,367	9,169,287	30,083,777
Financial assets at fair value through profit or loss	6	5,062,483,705	-	5,062,483,705	4,499,777,781	3,625,757,053
Hedge derivatives	7	10,626,173	-	10,626,173	18,319,872	2,674,924
Financial assets at fair value through other comprehensive income	8	7,955,771,102	-	7,955,771,102	7,932,574,565	9,550,115,081
Financial assets at amortised cost	9	774,542,896	-	774,542,896	1,000,653,706	1,229,466,917
Properties		3,106,063,845	(214,338,704)	2,891,725,141	2,943,753,022	2,710,590,630
Properties for own use	10	763,691,451	(214,338,704)	549,352,747	496,921,830	533,021,515
Investment properties	11	2,342,372,395	-	2,342,372,395	2,446,831,192	2,177,569,116
Other tangible assets	12	477,350,330	(339,322,102)	138,028,228	141,745,023	130,111,417
Inventories	13	16,223,291	-	16,223,291	15,596,828	19,763,287
Goodwill	14	537,120,720	-	537,120,720	532,133,183	527,593,030
Other intangible assets	15	434,940,301	(130,963,995)	303,976,306	279,850,104	154,557,401
Life reinsurance contract assets		110,900,529	-	110,900,529	109,207,461	93,731,902
Remaining coverage	16	33,195,828	-	33,195,828	32,338,694	31,796,432
Incurred Claims	16	77,704,701	-	77,704,701	76,868,767	61,935,470
Non-life reinsurance contract assets		613,320,487	-	613,320,487	537,573,452	475,193,411
Remaining coverage	16	196,106,281	-	196,106,281	193,079,952	151,831,507
Incurred Claims	16	417,214,206	-	417,214,206	344,493,500	323,361,904
Assets for post-employment and long-term benefits	33	22,777,790	-	22,777,790	25,375,258	12,319,459
Other debtors for insurance operations and other operations		673,636,346	(60,936,120)	612,700,226	596,821,723	305,431,286
Accounts receivable for direct insurance operations	17	125,217,153	(18,456,085)	106,761,068	122,135,119	116,005,834
Accounts receivable for other reinsurance operations	17	107,756,711	(10,452,822)	97,303,889	124,470,183	84,517,840
Accounts receivable for other operations	17	440,662,482	(32,027,213)	408,635,269	350,216,421	104,907,612
Tax assets		517,461,500	-	517,461,500	635,819,623	362,456,180
Recoverable tax assets	18	39,196,220	-	39,196,220	73,145,323	78,834
Deferred tax assets	18	478,265,281	-	478,265,281	562,674,299	362,377,345
Accruals and deferrals	19	105,482,025	-	105,482,025	94,268,472	104,470,633
Non-current assets held for sale	20	119,598,930	-	119,598,930	39,283,044	7,105,976
TOTAL ASSETS		**21,088,230,850**	**(745,560,922)**	**20,342,669,929**	**20,049,693,727**	**20,293,399,869**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018 (amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2023	31/12/2022 (Restated)	01/01/2022 (Restated)
LIABILITIES				
Life insurance contract liabilities		2,788,786,506	2,948,513,783	3,352,904,467
Remaining coverage	16	2,506,496,421	2,703,879,150	3,112,182,350
Incurred Claims	16	282,290,085	244,634,633	240,722,117
Non-life insurance contract liabilities		2,930,303,144	2,686,266,766	2,769,737,154
Remaining coverage	16	394,556,042	413,380,130	388,996,670
Incurred Claims	16	2,535,747,102	2,272,886,636	2,380,740,484
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	21	8,528,362,091	8,628,086,559	8,294,703,688
Financial liabilities at fair value through profit or loss	22	304,635,435	154,516,306	299,670,115
Other financial liabilities		1,188,726,424	1,197,897,883	1,201,941,420
Hedge derivatives	7	1,523,582	4,949,949	23,581,767
Subordinated debt	22	503,325,647	502,164,558	501,053,722
Deposits received from reinsurers	22	57,551,076	54,602,705	81,278,508
Loans	22	423,291,245	489,450,376	398,049,531
Others	22	203,034,874	146,730,295	197,977,892
Liabilities for post-employment and other long-term benefits	33	8,564,360	7,066,965	356,106
Other creditors for insurance operations and other operations		827,408,652	811,157,764	454,985,349
Accounts payable for direct insurance operations	23	152,202,438	136,441,999	111,490,126
Accounts payable for other reinsurance operations	23	297,451,381	332,451,288	208,167,427
Accounts payable for other operations	23	377,754,833	342,264,477	135,327,796
Tax liabilities		332,528,852	336,149,026	225,606,170
Tax payable liabilities	18	63,369,893	48,037,512	106,035,218
Deferred tax liabilities	18	269,158,959	288,111,514	119,570,952
Accruals and deferrals	24	292,372,715	278,414,949	276,421,716
Other provisions	25	78,342,254	77,232,983	107,104,549
Liabilities from a group for disposal classified as held for sale	20	10,074,518	15,824,973	3,760,697
TOTAL LIABILITIES		**17,290,104,950**	**17,141,127,956**	**16,987,191,430**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

(continuation) (amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2023	31/12/2022 (Restated)	01/01/2022 (Restated)
SHAREHOLDERS' EQUITY				
Paid-in Capital	26	50,000	50,000	50,000
Other Capital Instruments	26	1,099,696,601	1,285,696,601	1,450,673,902
Revaluation reserves		(386,791,771)	(710,892,863)	(5,729,810)
From adjustments in fair value of debt instruments at fair value through other comprehensive income	27	(306,196,430)	(631,529,656)	64,171,435
Revaluation of properties for own use	27	377,692	868,613	209,289
Adjustments in fair value of hedging instruments in cash flow hedging	27	(350,670)	1,012,524	(2,863,104)
Adjustments in fair value of hedging instruments in a hedge of a net investment in a foreign currency	27	13,059,446	26,051,307	6,927,662
Exchange differences	27	(14,710,303)	(41,807,786)	(52,786,582)
From changes in fair value of hedging instruments in fair value hedging	27	1,147,454	-	-
From adjustments in fair value of equity instruments at fair value through other comprehensive income	27	(93,130,974)	(73,809,708)	(45,882,869)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	27	13,012,012	8,321,842	24,494,359
Reserve for the financial component of insurance contracts	27	312,814,662	455,887,930	-
Reserve for the financial component of reinsurance contracts	27	(7,285,032)	(12,994,935)	-
Deferred tax reserve	27	20,763,386	68,275,173	2,725,845
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	27	(4,079,528)	(681,655)	(1,185,141)
Other reserves	27	1,062,283,332	1,023,516,799	898,658,441
Retained earnings	27	77,467,859	(34,725,427)	16,253,027
Net income for the year	27	152,804,258	143,874,712	-
TOTAL SHAREHOLDERS' EQUITY		**2,327,723,767**	**2,218,006,335**	**2,361,446,263**
Non-controlling interests	28	724,841,211	690,559,436	944,762,176
TOTAL SHAREHOLDERS' EQUITY AND NON-CONTROLLING INTERESTS		**3,052,564,979**	**2,908,565,772**	**3,306,208,439**
TOTAL LIABILITIES, NON-CONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		**20,342,669,929**	**20,049,693,727**	**20,293,399,869**

Lisbon, 2 April 2024

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Wai Lam William MAK
Member

Hui CHEN
Member

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018 (amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2023				2022
		Life	Non-Life	Non-technical	Total	(Restated)
Insurance contract revenues		649,494,583	2,779,108,884	-	3,428,603,467	3,186,392,752
Measured using the premium allocation approach	29	431,094,852	2,779,108,884	-	3,210,203,735	2,975,401,446
Non-measured using the premium allocation approach		218,399,731	-	-	218,399,731	210,991,306
Release of the expected value of claims incurred and expenses attributable to insurance contracts	29	141,969,135	-	-	141,969,135	137,994,255
Change in risk adjustment (non-financial risk) to expired risk	29	5,438,402	-	-	5,438,402	5,498,312
Release of contractual service margin for transferred services	29	70,992,195	-	-	70,992,195	67,498,739
Insurance service expenses		(493,060,577)	(2,434,382,068)	-	(2,927,442,645)	(2,756,990,932)
Claims ocurred and other expenses attributable to insurance contracts	31	(399,272,136)	(1,868,834,857)	-	(2,268,106,993)	(2,009,099,128)
Acquisition costs attributable to insurance contracts	31	(95,949,378)	(505,392,990)	-	(601,342,368)	(566,793,898)
Changes that relate to incurred claims	31	15,661,753	(60,154,220)	-	(44,492,467)	(176,492,387)
Changes that relate to remaining coverage	31	(13,500,817)	-	-	(13,500,817)	(4,605,519)
Reinsurance contract revenues		71,718,847	235,950,738	-	307,669,586	323,063,112
Claims ocurred and other expenses attributable to insurance contracts - part of reinsurers	16	114,286,601	224,064,799	-	338,351,400	366,505,792
Changes that relate to incurred claims - part of reinsurers	16	(42,567,693)	9,336,895	-	(33,230,798)	(44,543,112)
Effect of changes in the reinsurer's default risk	16	(60)	2,549,044	-	2,548,984	1,100,433
Reinsurance service expenses		(112,809,482)	(434,398,260)	-	(547,207,742)	(571,132,451)
Measured using the premium allocation approach - part of reinsurers	16	(112,809,482)	(434,398,260)	-	(547,207,742)	(571,132,451)
INSURANCE CONTRACTS RESULT		**115,343,371**	**146,279,295**	**-**	**261,622,666**	**181,332,480**
Insurance finance income from insurance contracts	34	(3,466,355)	84,411	-	(3,381,944)	6,952,217
Reinsurance finance income from reinsurance contracts	34	2,865,831	9,427,638	-	12,293,469	7,797,692
Insurance finance expenses from insurance contracts	34	(65,803,047)	(30,050,665)	-	(95,853,712)	(55,414,360)
Reinsurance finance expenses from reinsurance contracts	34	(6,172)	(43,646)	-	(49,818)	(932,491)
INSURANCE CONTRACTS FINANCIAL COMPONENT RESULT		**(66,409,743)**	**(20,582,262)**	**-**	**(86,992,005)**	**(41,596,942)**
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	30	143,703,430	-	-	143,703,430	114,415,652
Financial income		301,376,916	148,924,620	40,565,478	490,867,013	434,574,295
From Interest on financial assets not recognised at fair value through profit or loss	35	196,714,076	77,148,566	18,899,408	292,762,050	278,699,517
Other	35	104,662,840	71,776,054	21,666,069	198,104,963	155,874,778
Financial expenses		(472,892)	(139,016)	(3,639,955)	(4,251,862)	(8,505,037)
Other	31	(472,892)	(139,016)	(3,639,955)	(4,251,862)	(8,505,037)
Net income on financial assets and liabilities not recognised at fair value through profit or loss		(119,787,399)	(6,044,682)	(258,132)	(126,090,213)	(15,842,735)
Financial assets at fair value through other comprehensive income	36	(27,596,921)	(6,016,060)	(3,139,252)	(36,752,233)	(2,095,086)
Financial assets at amortised cost	36	6,944	(28,622)	(63,098)	(84,776)	151,113
Financial liabilities at amortised cost	36	(92,197,422)	-	-	(92,197,422)	(13,898,959)
Other	36	-	-	2,944,217	2,944,217	198

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

(continuation)

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2023 Life	2023 Non-Life	2023 Non-technical	2023 Total	2022 (Restated)
Net income on financial assets and liabilities recognised at fair value through profit or loss	37	36,963,720	10,302,478	(2,354,310)	44,911,889	(257,651,654)
Exchange differences	38	(39,585,023)	(5,937,280)	(5,957,731)	(51,480,034)	54,096,721
Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations	39	12,474,704	16,380,581	(64,845,796)	(35,990,512)	56,294,311
Impairment losses (net of reversals)		13,123,457	(2,635,932)	(33,618,550)	(23,131,025)	(294,693)
Financial assets at fair value through other comprehensive income	40	2,182,387	(4,172,483)	(10,602,920)	(12,593,016)	(2,314,794)
Financial assets at amortised cost	40	(178,680)	(35,299)	(486,021)	(700,000)	(1,096,932)
Other	40	11,119,750	1,571,850	(22,529,609)	(9,838,009)	3,117,033
Non attributable expenses	31	(214,638,407)	(78,903,817)	(75,902,668)	(369,444,892)	(344,782,105)
Other technical income/expenses, net of reinsurance	41	1,382,684	1,634,825	-	3,017,509	466,654
Other Non-technical income/expenses	42	-	-	30,637,348	30,637,348	53,821,954
Negative Goodwill recognised in profit and loss	14	-	-	-	-	42,972,526
Gains and losses of associates and joint ventures (equity method)	43	-	-	225,296	225,296	896,249
Gains and losses from non-current assets (or groups for disposal) classified as held for sale	20	-	-	17,170	17,170	(1,441,931)
NET INCOME BEFORE TAX		**183,474,819**	**209,278,810**	**(115,131,850)**	**277,621,779**	**268,755,744**
Current income tax - current taxes	44	(725)	(1,881)	(18,017,320)	(18,019,926)	(61,980,215)
Current income tax - deferred taxes	44	-	-	(24,492,879)	(24,492,879)	9,490,350
NET INCOME AFTER TAX AND BEFORE NON-CONTROLLING INTERESTS		**183,474,094**	**209,276,929**	**(157,642,049)**	**235,108,974**	**216,265,879**
Non-controlling interests	28	-	-	(82,304,716)	(82,304,716)	(72,391,167)
NET INCOME FOR THE YEAR		**183,474,094**	**209,276,929**	**(239,946,765)**	**152,804,258**	**143,874,712**

Lisbon, 2 April 2024

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Wai Lam William MAK
Member

Hui CHEN
Member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2023 AND 2022 FINANCIAL YEARS

Tax no: 510 999 018

(amounts in euros)

	Paid-in capital, and other capital instruments	Revaluation reserves	Insurance finance reserve	Resinsurance finance reserve	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Other reserves		Retained earnings	Net income for the year	Sub-total	Non-controlling interests	Total
								Legal reserve	Other reserves					
Balance at 31 December 2021 as previously reported	**1,450,723,902**	**62,329,551**	**-**	**-**	**(39,804,712)**	**(1,185,141)**	**54,117,731**	**132,774,151**	**765,196,378**	**39,422,186**	**229,260,711**	**2,692,834,757**	**989,785,249**	**3,682,620,006**
Net income allocation	-	-	-	-	-	-	-	-	-	229,260,711	(229,260,711)	-	-	-
Change in accounting policy	-	(68,059,361)	-	-	42,530,557	-	(54,117,731)	-	687,912	(252,429,870)	-	(331,388,493)	(45,023,073)	(376,411,566)
Balance at 1 January 2022 restated	**1,450,723,902**	**(5,729,810)**	**-**	**-**	**2,725,845**	**(1,185,141)**	**-**	**132,774,151**	**765,884,290**	**16,253,027**	**-**	**2,361,446,263**	**944,762,176**	**3,306,208,438**
Appropriation of net income	-	-	-	-	(412,888)	1,394,347	-	32,898,533	22,303,288	(56,183,280)	-	-	-	-
Redemption of capital supplementary contributions	(164,977,301)	-	-	-	-	-	-	-	-	-	-	(164,977,301)	-	(164,977,301)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	(857,427,785)	-	-	216,337,210	-	-	-	-	-	-	(641,090,575)	-	(641,090,575)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(18,594,701)	-	-	5,932,380	-	-	-	-	-	-	(12,662,321)	-	(12,662,321)
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	(32,423,234)	-	-	5,420,616	-	-	-	-	-	-	(27,002,618)	-	(27,002,618)
Net gains through adjustments in fair value of hedging instruments in cash flow hedging	-	8,219,169	-	-	(1,194,354)	-	-	-	-	-	-	7,024,815	-	7,024,815
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency	-	22,499,416	-	-	(5,235,789)	-	-	-	-	-	-	17,263,627	-	17,263,627
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	168,417	(801,983)	-	-	-	-	-	(633,567)	-	(633,567)
Exchange differences	-	9,844,659	-	-	(1,282,569)	-	-	-	-	-	-	8,562,089	-	8,562,089
Financial component of insurance contracts adjustments	-	-	584,188,775	-	(149,323,086)	-	-	-	-	-	-	434,865,689	-	434,865,689
Financial component of reinsurance contracts adjustments	-	-	-	(15,860,273)	4,053,923	-	-	-	-	-	-	(11,806,350)	-	(11,806,350)
Revaluation of properties for own use	-	1,198,373	-	-	(76,449)	-	-	-	-	-	-	1,121,924	-	1,121,924
Actuarial gains and losses	-	-	-	-	(2,222,356)	-	-	-	21,318,040	-	-	19,095,685	-	19,095,685
Recognition of non-controlling interests	-	161,521,050	(128,300,845)	2,865,338	(6,600,792)	(88,877)	-	3,356,369	45,219,022	5,299,293	-	83,270,558	(326,593,907)	(243,323,349)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	587,854	-	-	587,854	-	587,854
Others	-	-	-	-	(14,934)	-	-	36,713	(861,460)	(94,466)	-	(934,148)	-	(934,148)
Net income for the year	-	-	-	-	-	-	-	-	-	-	143,874,712	143,874,712	72,391,167	216,265,879
Balance at 31 December 2022 restated	**1,285,746,601**	**(710,892,863)**	**455,887,930**	**(12,994,935)**	**68,275,173**	**(681,655)**	**-**	**169,065,766**	**854,451,034**	**(34,725,426)**	**143,874,712**	**2,218,006,335**	**690,559,436**	**2,908,565,772**
Appropriation of net income	-	-	-	-	(168,417)	801,983	-	17,720,542	20,477,040	105,043,562	(143,874,712)	-	-	-
Reembolso de prestações suplementares	(186,000,000)	-	-	-	-	-	-	-	-	-	-	(186,000,000)	-	(186,000,000)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	415,852,669	-	-	(104,545,279)	-	-	-	-	-	-	311,307,390	-	311,307,390

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2023 AND 2022 FINANCIAL YEARS

(continuation) (amounts in euros)

	Paid-in capital, and other capital instruments	Revaluation reserves	Insurance finance reserve	Resinsurance finance reserve	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Other reserves: Legal reserve	Other reserves: Other reserves	Retained earnings	Net income for the year	Sub-total	Non-controlling interests	Total
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	10,022,049	-	-	(1,709,460)	-	-	-	-	-	-	8,312,590	-	8,312,590
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	(23,165,206)	-	-	9,690,050	-	-	-	-	-	-	(13,475,157)	-	(13,475,157)
Net gains through adjustments in fair value of hedging instruments in cash flow hedging	-	(1,181,440)	-	-	459,712	-	-	-	-	-	-	(721,728)	-	(721,728)
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency	-	(15,285,228)	-	-	3,505,631	-	-	-	-	-	-	(11,779,597)	-	(11,779,597)
Net gains from fair value adjustments of fair value hedging instruments	-	1,350,007	-	-	(425,252)	-	-	-	-	-	-	924,755	-	924,755
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	606,322	(4,799,661)	-	-	-	-	-	(4,193,339)	-	(4,193,339)
Exchange differences	-	31,896,889	-	-	317,492	-	-	-	-	-	-	32,214,380	-	32,214,380
Financial component of insurance contracts adjustments	-	-	(207,755,726)	-	38,545,997	-	-	-	-	-	-	(169,209,729)	-	(169,209,729)
Financial component of reinsurance contracts adjustments	-	-	-	7,901,523	(2,651,174)	-	-	-	-	-	-	5,250,349	-	5,250,349
Revaluation of properties for own use	-	(817,739)	-	-	(2,213,932)	-	-	-	-	-	-	(3,031,671)	-	(3,031,671)
Actuarial gains and losses	-	-	-	-	(223,420)	-	-	-	709,270	-	-	485,850	-	485,850
Recognition of non-controlling interests	-	(94,788,409)	64,682,458	(2,191,620)	11,299,943	599,804	-	3,128,091	(3,128,091)	7,149,723	-	(13,248,103)	(48,022,941)	(61,271,043)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	(57,882)	-	-	(57,882)	-	(57,882)
Others	-	217,500	-	-	-	-	-	-	(82,439)	-	-	135,061	-	135,061
Net income for the year	-	-	-	-	-	-	-	-	-	-	152,804,258	152,804,258	82,304,716	235,108,974
Balance at 31 December 2023	**1,099,746,601**	**(386,791,771)**	**312,814,662**	**(7,285,032)**	**20,763,386**	**(4,079,528)**	**-**	**189,914,399**	**872,368,932**	**77,467,859**	**152,804,258**	**2,327,723,768**	**724,841,211**	**3,052,564,979**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED AS AT 31 DECEMBER 2023 AND 2022

Tax no: 510 999 018

(amounts in euros)

	2023	2022 (Restated)
NET INCOME FOR THE YEAR	**152,804,258**	**143,874,712**
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	450,579,951	(838,914,700)
Impairment	(1,135,394)	(20,540,386)
Disposal	(33,591,888)	2,027,301
Deferred Tax	(104,545,279)	216,337,210
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income		
Gross amount	10,022,049	(18,594,701)
Deferred Tax	(1,709,460)	5,932,380
Net gains through adjustments in fair value of hedging instruments in cash flow hedging		
Gross amount	(1,181,440)	8,219,169
Deferred Tax	459,712	(1,194,354)
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency		
Gross amount	(15,285,228)	22,499,416
Deferred Tax	3,505,631	(5,235,789)
Change in potential gains due to exchange differences		
Gross amount	31,896,889	9,844,659
Deferred Tax	317,492	(1,282,569)
Financial component of insurance contracts adjustments		
Gross amount	(207,755,726)	584,188,775
Tax	38,545,997	(149,323,086)
Financial component of reinsurance contracts adjustments		
Gross amount	7,901,523	(15,860,273)
Tax	(2,651,174)	4,053,923
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	(23,165,206)	(32,423,234)
Deferred Tax	9,690,050	5,420,616
Gains and losses from disposal of equity instruments at fair value through other comprehensive income		
Gross amount	(4,799,661)	(801,983)
Current Tax	606,322	168,417

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED AS AT 31 DECEMBER 2023 AND 2022

(continuation) (amounts in euros)

	2023	2022 (Restated)
Gains and losses from fair value adjustments of fair value hedging instruments		
Gross amount	1,350,007	-
Tax	(425,252)	-
Change in potential gains on properties for own use		
Gross amount	(817,739)	1,198,373
Deferred Tax	(2,213,932)	(76,449)
Share of other comprehensive income of associates	(57,882)	587,854
Actuarial deviations		
Post-employment benefits	(83,863)	14,342,644
Health benefits	793,133	6,975,396
Current tax	26,417	(25,106)
Deferred tax	(249,837)	(2,197,250)
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	**156,026,212**	**(204,673,746)**
Attributable to Non-controlling interests	(20,397,824)	29,395,874
Attributable to Owners of the Company	135,628,388	(175,277,872)
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	**288,432,646**	**(31,403,160)**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2023 AND 2022 (RESTATED) FINANCIAL YEARS

Tax no: 510 999 018 (amounts in euros)

	2023	2022 (Restated)
1. Cash flows generated by operating activities		
Net income for the year	152,804,258	143,874,712
Adjustments for:		
Properties for own use amortisation	10,587,409	11,634,226
Tangible assets amortisation	17,229,509	16,647,681
Right of use assets depreciation	41,677,565	34,825,806
Intangible assets amortisation	17,699,366	13,114,535
Gains and losses in associates and joint ventures (equity method)	4,249,652	(4,301,614)
Negative goodwill recognised in income	-	(42,972,526)
Impairment losses (net of reversal)	22,481,468	8,439,527
Income from investment assets/liabilities	(318,523,152)	1,580,171,634
Lease interest payments	7,936,104	4,458,815
Interest paid	48,811,460	38,939,474
Interest received	(27,421)	(22,703)
Short-term leasing payment	136,775	202,698
Income tax - current tax	18,019,926	61,980,215
Income tax - deferred tax	24,492,879	(9,490,350)
Non-controlling interests	82,304,716	72,391,168
Changes:		
Assets and liabilities of insurance and reinsurance contracts	(154,742,218)	(44,642,685)
Change in accruals and deferrals assets/liabilities	(99,724,468)	(284,176,609)
Change in financial liabilities on investment contracts	2,996,914	(26,614,745)
Change in other financial liabilities	96,928,391	(440,170,184)
Change in other debtors for insurance and other operations	11,918,498	275,233,696
Change in other creditors for insurance and other operations	2,744,213	12,195,394
Change in inventories	(626,463)	4,166,459
Net cash from operating activities before tax	**(10,624,621)**	**1,425,884,623**
Payment/receipt of taxes	(117,226,947)	(157,551,839)
Net cash from operating activities	**(127,851,568)**	**1,268,332,784**
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	(6,808,062)	(310,760,538)
Change in financial assets at fair value through profit or loss	(366,421,677)	(1,557,684,503)
Change in financial assets at fair value through other comprehensive income	529,168,347	574,101,357

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2023 AND 2022 (RESTATED) FINANCIAL YEARS

(continuation)

(amounts in euros)

	2023	2022 (Restated)
Change in financial assets at amortised cost	146,118,645	203,022,768
Investment properties acquisition	(85,888,747)	(72,884,855)
Properties for own use acquisition	(32,363,622)	(16,240,416)
Other tangible assets acquisition	(14,482,976)	(22,534,350)
Other intangible assets acquisition	(41,825,568)	(43,691,348)
Receipts from disposal or repayment of investment properties	46,526,629	54,084,619
Receipts from disposal or repayment of properties for own use	(19,200,181)	(28,854,275)
Receipts from disposal or repayment of other tangible assets	441,111	743,780
Change in other assets/liabilities classified as held for sale	(86,066,340)	(20,112,793)
Change in other assets	17,170	(1,441,931)
Dividends received	57,516,685	63,108,933
Change in hedging derivative instruments	(17,494,494)	7,875,684
Change in derivatives held for trading	79,414,872	(233,009,717)
Change in financial liabilities at fair value through profit or loss	169,355,760	(72,330,960)
Change in exchange differences from foreign statements conversion	47,284,662	(8,806,254)
Income from demand deposits	2,041,901	10,651,391
Net cash from investing activities	**407,334,115**	**(1,474,763,406)**
3. Cash flows generated by financing activities		
Increase/amortisation of loans obtained	(66,364,465)	108,653,589
Debt issued	1,161,089	1,110,836
Interest paid	(48,811,460)	(38,939,474)
Interest received	27,421	22,703
Lease payments	(41,677,565)	(34,825,806)
Interest lease payments	(1,860,646)	(4,458,815)
Shor-term leasing payment	(136,775)	(202,698)
Distribution of dividends to minority shareholders	(32,886,956)	(3,792,204)
Reimbursement of supplementary contributions	(186,000,000)	(164,977,301)
Net cash from financing activities	**(376,549,357)**	**(137,409,169)**
4. Increase/decrease net of cash and equivalents	**(97,066,809)**	**(343,839,791)**
Cash and equivalents at start of the year	637,771,322	951,977,506
Entry/exit of the consolidation perimeter	-	29,633,606
5. Cash and equivalents at end of the year	**540,704,513**	**637,771,322**

NOTES TO THE CONSOLIDATED FINANCIAL ACCOUNTS

1. INTRODUCTORY NOTE

Longrun Portugal, SGPS, S.A. ("Longrun" or "Company"), with its head office in Lisbon, Portugal, at Largo do Calhariz, nº 30, was incorporated on 13 February 2014 and its corporate purpose is the management of shareholdings in other companies, as an indirect way of carrying out economic activities. Since then, it has been part of the Fosun International Holdings Ltd. Group.

It holds shares in other insurance companies and other subsidiaries, associates and joint ventures which together form the Longrun Group. The Group's insurance companies held by Longrun include Fidelidade - Companhia de Seguros, S.A. ("Fidelidade"), 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 Reasseguros S.A. ("Alianza Garantia"), La Positiva S.A. – Entidad Prestadora de Salud ("EPS"), FID Chile Seguros Generales, S.A. ("Fid Chile"), Fidelidade Moçambique – Companhia de Seguros, S.A. ("Fidelidade Moçambique") and Liechtenstein Life Assurance AG ("LLA").

This report presents consolidated financial information resulting from the consolidation of Longrun and its subsidiaries. It has been prepared from the financial statements of each of the companies in the Group, on 31 December 2023.

Longrun's financial statements on 31 December 2023 were approved by the Board of Directors on 2 April 2024. On the date of issuance of the financial statements, approval by the General Meeting was pending.

2. ACCOUNTING POLICIES

2.1. Basis of preparation and consolidation principles

2.1.1. Basis of preparation

The consolidated financial statements as of 31 December 2023 were prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by ASF Standard 9/2022-R, of November 2, and the remaining regulatory standards issued by this entity.

The regulations enshrined in the PCES generally correspond 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 national law by Decree-Law No. 35/2005 of 17 February, as amended by Law No. 53-A/2006 of 29 December and by Decree-Law No. 237/2008 of 15 December.

In 2023 the Group adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2023. These standards are listed in Note 2.16. In accordance with the transitional provisions of those standards and interpretations, comparative figures are provided for the required new disclosures.

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, referring to 31 December 2023, are consistent with those used in the preparation of the financial statements as of 31 December 2022. The adoption of new accounting standards meant that the 2022 accounts had to be restated in order to ensure consistent comparisons. The accounting policies that have changed are detailed in Note 2.17.

The amounts of the financial statements are expressed in Euros. The totals in the financial statements and in the tables of 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 investment properties. 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 financial statements requires the Group to make judgments and estimates and use assumptions that affect the application of accounting policies and the amounts of income, costs, assets and liabilities. Changes in such assumptions, or their differences from reality, may have impacts on current estimates and judgments. The areas involving a higher level of judgement or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are analysed in Note 2.15.

2.1.2. Consolidation principles

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

The accounting policies have been consistently applied by all Group companies for the periods covered by these consolidated financial statements.

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, where applicable, consolidation adjustments are made to ensure consistency in the application of the Group's accounting principles.

The amount corresponding to third party shares in subsidiaries is presented under the heading "Non-controlling interests", within equity.

The consolidated profit results from the aggregation of the net results of Longrun and the subsidiaries, after harmonisation of their accounting policies, in proportion to their effective participation, after consolidation adjustments, namely the elimination of dividends received, reinsurance operations and capital gains and losses generated in transactions between companies included in the scope of consolidation.

The consolidated financial statements include the accounts of Longrun and those of the entities controlled directly and indirectly by the Group (Note 3).

2.2. Investments in subsidiaries

Subsidiaries are classified as companies over whom the Group exercises effective control. Control is normally assumed when the Group has the power to exercise a majority of the voting rights. Control may still exist when the Group holds, directly or indirectly, the power to manage the financial and operational policy of a given company in order to obtain benefits from its activities, even if the percentage it holds on its shareholder's 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.

Where the accumulated losses of a subsidiary attributable to non-controlling interests exceed the non-controlling interest in the equity of that subsidiary, the accumulated losses are attributed to minority shareholders in the proportions held, which may imply recognition of non-controlling interests that are negative.

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 gains or loss resulting from this revaluation is recognised in the Income Statement.

2.3. Business combination 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 possibility to account for non-controlling interests at fair value or for the proportionate share of the value of the net identifiable assets acquired, which implies that the total value of goodwill can be accounted for in the financial statements, including the portion attributable to non-controlling interests, against non-controlling interests, if the first option is chosen. The Group is recognising non-controlling interests by the proportionate share of the net identifiable assets acquired.

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 and 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 divests an activity of that unit, the goodwill associated with the divested operating unit shall 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 divested business 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 divested business.

2.4. Investments in associates and joint ventures

"Associates" are those in which the Group has the power to exercise significant influence over its financial and operational policies, although it does not have control over them. Significant influence is presumed to exist whenever the Group holding in an investee directly or indirectly comprises between 20% and 50% of the capital or voting rights. The Group may also exert significant influence on an investee through participation in the management of the associate or in the composition of the Board of Directors with executive powers.

There are also situations in which the Group exercises, together with other entities, control over the activity of the company in which it holds the interest (the so-called joint ventures), where it exercises, under IFRS 11 – "Joint Arrangements", a shared control of equivalent voting and decision rights.

These investments are recorded using the equity method, from the moment the significant influence begins, ceasing to be so when it ceases. According to this method, the interests are initially valued at the respective acquisition cost, which is subsequently adjusted based on the Group's effective percentage of changes in equity (including results) of the associates.

If there are divergences with a material impact, adjustments are made to the shareholder's equity of the associates used for the application of the equity method, in order to reflect the application of the Group's accounting principles.

Goodwill, which 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 assets, liabilities and contingent liabilities, continues to be reflected in the value of the investment, to which annual impairment tests are applied.

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 joint venture and attributable to the Group equals or exceeds the book value of the interest and any other medium- and long-term interests in that associate, the equity method is discontinued. If the Group has a legal or constructive obligation to recognise such losses or make payments on behalf of the associate or joint venture, a provision will be recognised.

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, remain recorded at 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 of each Income Statement are converted at the average exchange rate for the period;

- All resulting exchange differences are recognised in the "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) Financial assets

Classification, initial recognition and subsequent measurement

Financial assets are recognised at the trade date at fair value. At the time of their initial recognition, financial assets are classified into 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 made depends on the following aspects, except when the option to measure the financial instrument at 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)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at its initial recognition. "Interest" is defined as the consideration for the time value of money, the credit risk associated with the amount outstanding over a given period, and other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as 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 maturity extension clauses;

- Characteristics that can modify the compensation for the time value of money.

Additionally, 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 value;

- Prepayment substantially represents the nominal amount of the contract plus accrued but unpaid contract interest (it may include reasonable compensation for prepayment);

- The fair value of the prepayment feature is insignificant at initial recognition.

The classification of financial assets follows the following scheme:

Contractual cash flows	**Business Model**	**Classification of financial assets**
Contractual cash flows correspond solely to the payment 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	

On initial recognition, the Group may choose to irrevocably classify investments in equity instruments as financial assets at fair value through other comprehensive income when these meet the definition of equity instruments in IAS 32 and are not held for trading. The classification is determined instrument by instrument.

i. Financial assets at amortised cost

Classification

A financial asset is classified in the category of "Financial assets at amortised cost" if it cumulatively meets 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. Profit or loss derecognition are recorded 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 of "Financial assets at fair value through other comprehensive income" (FVOCI) if it meets all of 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 are essentially composed of debt instruments with the exception of equity securities considered strategic for the Group for which, on initial recognition, the Group may irrevocably choose to present in other comprehensive income the subsequent changes in the fair value of an investment in an equity instrument.

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 profit or loss 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 the heading of "Interest on financial assets not recognised at fair value through profit or loss" based on 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 of "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 flows characteristics do not meet the conditions described above to be measured 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 profit or loss on it on different bases.

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

- Financial assets classified under this heading are acquired for the purpose of sale in the short term; at the time of initial recognition they are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit taking; or they fall within the definition of a derivative (except in the case of a derivative classified as hedging);

- 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 criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to 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, with the costs or income associated with the transactions recognised in profit or loss at the initial moment. Subsequent changes in the fair value of these financial assets are recognised in the Income Statement.

The periodisation of interest and premium/discount (when applicable) is recognised in the heading "Other income" based on the effective interest rate of each transaction, as well as the periodisation of interest on derivatives associated with financial instruments 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. Assets sold with a repurchase agreement (repos) and assets purchased with a resale agreement (reverse 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.

Assets sold with a resale agreement (reverse repos) for a fixed price or for a price that is equal to the purchase price plus interest inherent to the maturity of the operation are not recognised on the balance sheet and the purchase price is recorded under Financial Assets at Amortised Cost. The difference between the purchase amount and the resale amount is treated as interest and is deferred during the life of the agreement, using the effective interest rate method.

v. 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 recognised 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 quotation on the balance sheet date, in the case of instruments traded in active markets.

In the case of currency futures, these are valued based on the same time stamp of the respective covered instruments.

For debt instruments not traded in active markets (including unlisted or low-liquidity securities) valuation methods and techniques are used, which include:

- Prices (bid prices) published by financial information services, namely Bloomberg and Reuters, including market prices available for recent transactions;

- Indicative quotations (bid prices) obtained from financial institutions that function 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.

The remaining unlisted equity instruments are valued based on price to book value and internal discount models of future cash flows.

vi. 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 that it has retained control or not of the transferred financial assets 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 the need to impose additional restrictions on the transfer.

vii. 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 affected financial assets are reclassified.

Reclassification is applied prospectively from the reclassification date, and no previously recognised profit or loss (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.

b) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form. Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance transactions and other liabilities. Financial liabilities are recorded at the trade date at their fair value, less costs directly attributable to the transaction. 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 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 recorded at fair value, and profit or loss resulting from their subsequent valuation are recorded under the heading of "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 repurchase transactions and liabilities incurred to pay for services or purchase assets, recorded under "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.

c) 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 measured 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. 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 contracts based on financial liabilities 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 with the aim of hedging its exposure to risks inherent to its activity, namely hedging the fair value of foreign currency assets (exchange rate fluctuation risk), which it uses to hedge equity instruments for which the Group has opted to present changes in fair value in other comprehensive income.

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 carrying out the hedging operation, in accordance with the defined hedging policies;

- Description of the hedged risk(s);

- Identification and description of hedged and hedging financial instruments;

- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives on equity instruments are recorded at fair value, with the daily results recognised in other comprehensive income if the hedge proves to be effective. In this case, the ineffectiveness of the hedge recognised is shown in other comprehensive income.

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

It includes all derivatives that are not associated with effective hedging relationships, namely:

- 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 hedges, or because the results of the effectiveness assessment demonstrate that the hedge is not effective;

• Derivatives contracted for the purpose of trading.

Derivatives at fair value through profit or loss are recorded at fair value, and the results of the revaluation are calculated daily and recognised in profit or loss for the year, under the heading of "Net income on financial assets and liabilities recognised at fair value through profit or loss", with the exception of the portion related to accrued and settled interest, which is reflected in "Other income". Positive and negative revaluations are recorded under "Financial assets at fair value through profit or loss" and "Other financial liabilities", respectively.

d) 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 the heading "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 the heading "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 provision 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 or not the credit rating has been degraded from the moment of 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.

The provisions for expected credit losses are recognised in two stages. For credit exposures for which there has been no significant increase in risk since initial recognition, the provision for expected credit losses quantitatively reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

In the case of other credit exposures for which there has been a significant increase in risk since initial recognition, a provision for credit losses over the remaining life of the exposure is required, regardless of the time of default, which is qualified as 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.

The Group uses for the credit assessment the ratings of at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA) 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. Ultimately, 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 Group considers a financial asset to be in default when it has been overdue for 90 days, and it is unlikely that the Group will 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 criteria	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 in the recoverable amount under the general approach and are classified in the following stages for measuring the provisions for expected credit losses:

- **Stage 1:** Financial instruments for which there has not been a significant increase in credit risk since initial recognition and for which the provision for losses is measured at an amount equal to a 12-month expected credit loss;

- **Stage 2:** Financial instruments for which credit risk has increased significantly since initial recognition, but which are not financial assets with a reduction in the recoverable amount and for which the provision for losses is valued at an amount equal to the lifetime credit loss;

- **Stage 3:** Financial assets with a reduction in the recoverable amount at the reporting date (but that were not purchased or originated with a reduction in the recoverable amount) and that are impaired (assets in default).

Simplified Approach

The Group assesses the expected credit losses associated with the heading "Other Debtors for Insurance Operations and Other Operations", based on reasonable and sustainable information that is available and that is likely to affect credit risk. The assessment depends on the nature of the asset, and for uncollected receipts an analysis of premiums pending collection is carried out and for intermediaries, reinsurers and other debtors an analysis based on the business and past experience of losses.

2.7. 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 profit or loss 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 established a maximum reference period of 2 years between evaluations carried out by independent experts.

2.8. 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 required to place the assets in the location and condition necessary to operate 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 subject to depreciation, given that it does not have a defined useful life. The Group periodically assesses the adequacy of the estimated useful life of its assets.

Periodically, analyses are carried out in order to identify evidence of impairment in properties for own use. 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 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 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. Real estate under construction is reclassified to firm real estate when it is available for use.

2.9. 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 will be required to separately recognise interest on the lease liability and depreciation on the right-of-use asset.

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 contract, 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 then 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 Group has chosen to use the exemptions applicable to the standard on lease agreements for which the terms of the lease expire within 12 months from the date of initial application (with the exception of leases relating to property leases), and on lease agreements for which the underlying asset is of low value. The Group has leases of certain office equipment (e.g. personal computers) deemed to be of low value. The Group also chose the option of separating leases from non-lease components (service) and considering only the lease component in the application of this standard.

For all lease contracts covered by the exemptions, lease payments associated with those contracts are recognised as expenses.

Lessor

Leases continue to be classified as finance leases or operating leases, not implying significant changes compared to what was 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".

2.10. 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 expenses in the year in which they are incurred.

2.11. Income tax

The companies in the Group with their head office in Portugal are subject to Corporate Income Tax (CIT) and the companies with their head offices abroad are also subject to the same type of tax (Corporate Income Tax), pursuant to the legislation in force in those countries. To the CIT and the Municipal Tax, whose aggregate rate in the years 2022 and 2023 is 22.5%, is added the respective State Tax, which corresponds to the application of an additional rate of 3% on the part of taxable profit greater than 1,500,000 Euros and less than 7,500,000 Euros, 5% on the part of profit greater than 7,500,000 Euros and less than 35,000,000 Euros and 9% on the part of taxable profit that exceeds this amount.

The accounts of the Group's branches are integrated into the accounts of the head office for tax 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 of the Group based in Portugal are taxed in the CIT under the Special Taxation Regime for Corporate Groups (STRCG), in accordance with article 69 of the CIT Code. Under this tax regime, it is Longrun (the controlling company) that submits a single tax return in which the results of the controlled companies included in the STRCG are consolidated. The amount of CIT to be received or paid by the various companies of the Group based in Portugal is recorded in the balance sheet as an amount receivable or payable to Longrun. The tax corresponding to the various companies of the Group is reflected in the Income Statement and/or in 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 temporary deductible tax 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 cause temporary differences at the Group's level correspond to (i) valuation of financial assets at fair value through other comprehensive income, (ii) valuation of financial assets at fair value through profit or loss and (iii) provisions and impairment temporarily not accepted for tax purpose (iv) the time value of money and (v) the transitional regime established in Law no. 82-A/2023, of December 29, resulting from the adoption of accounting standard IFRS 17 - "Insurance Contracts".

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). In these situations, the corresponding tax is also reflected by equity consideration, not affecting the Income Statement for the year.

2.12. Provisions, contingent liabilities and contingent assets

Provisions are made when there is a present obligation (legal or constructive) resulting from past events for which future expenditure of resources is probable, and this can be reliably determined. The amount of the provision corresponds to the best estimate of the amount to be disbursed 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 are disclosed in the notes to the accounts when an influx of future economic benefits is likely.

2.13. Insurance contracts, reinsurance contracts and investment contracts

IFRS 17 - "Insurance contracts", which replaced IFRS 4 - "Insurance contracts", came into force on January 1, 2023 and implied changes to the accounting principles that an entity must apply to the recognition, measurement, presentation and disclosure of insurance contracts, in order to achieve greater consistency and increase comparability between entities.

The accounting principles, policies and measurement bases relating to financial instruments which, following the adoption of IFRS 17, were applied by the Group in the preparation of these financial statements are presented below.

Assets and liabilities covered by insurance and reinsurance contracts

Classification

Insurance contracts

The Group currently issues contracts which include insurance risk, financial risk or both. So, it was assessed whether the contracts held by the Group accept a significant insurance risk from another party, agreeing to compensate the policyholder if an uncertain future event occurs that affects it adversely. The Group also markets contracts with a mainly financial risk (with a non-significant insurance risk) in which there is a discretionary profit share attributed to the policyholders, and which are considered insurance contracts. From this assessment it was concluded that all insurance contracts that were under the scope of IFRS 4 meet the definition of insurance contract, and so the introduction of IFRS 17 does not result in any reclassification, except for a 3-year guaranteed capital product marketed by Fidelidade Macau Vida that was reclassified to IFRS 9.

In the case of contracts in which the risk is essentially financial, without the discretionary participation in the results referred to above, the Group records these contracts as financial instruments and thus measured in accordance with IFRS 9 – "Financial Instruments".

Ceded reinsurance contracts

The Group enters into agreements in order to transfer the insurance risk to one or more reinsurance companies, and these agreements are also measured in accordance with IFRS 17.

Grouping

The Group groups insurance contracts according to:

- whether they are subject to similar risks and are managed jointly;
- their profitability or cost;
- their year of issue or cohort (coinciding with the calendar year).

Generally, the Group classifies the profitability of the contracts into two groups:

- onerous contracts;
- non-onerous contracts or that have no significant probability of becoming onerous.

In accordance with IFRS 17, the Group decided to also apply this methodology to ceded reinsurance contracts.

Recognition

The Group recognises a group of insurance contracts from the first of the following dates:

- start of the period of cover of the contracts;
- the date on which a policyholder's first payment becomes due;
- for a group of onerous contracts, the date on which it becomes onerous.

Insurance contract measurement models

The assessment of insurance contracts is based on a model that uses assumptions updated on each reporting date, and there are various calculation approaches.

i) General model (GMM)

This is the default method for valuing insurance contracts, except if the conditions are met for applying the Premium allocation approach or the Variable fee approach. The general model requires entities to value insurance contracts at the total of:

1. Fulfilment of cash flows, which include:

a. estimates of future cash flows that are within the contractual boundaries;

b. discounted in order to reflect the time value of money, and the financial risks inherent to these flows; and

c. an adjustment of the risk of future cash flows for the uncertainty associated with non-financial assumptions;

2. Contractual Service Margin (CSM): which represents the expected unearned profit of the groups of insurance contracts and will be recognised in "Insurance contract revenues" in the Income Statement as the service is provided.

ii) Premium allocation approach (PAA)

This is a simplified method of the general model, applicable to contracts with a period of cover equal to or less than one year, or for contracts with a longer duration in which the assessment of the remaining coverage liability does not differ significantly from that calculated by the general model.

The liability for incurred claims should be calculated by including all future cash flows arising from the fulfilment of incurred claims that have not been paid, using discount rates and the risk adjustment for non-financial risk.

On initial recognition, the asset/liability of insurance contracts for remaining coverage should consist of:

- premiums received on initial recognition;

- minus the cash flows from the acquisition of insurance on that date; and

- any amount resulting from derecognition on that date of the recognised asset or liability for the cash flows from the acquisition of the insurance.

On initial recognition, as well as throughout the period of cover of the contracts, an assessment is made to determine whether there are facts and circumstances that indicate that the contracts are onerous. A group of contracts is considered onerous in as much as the cash flows arising from their execution exceed their book value.

In these cases, a loss is recorded in "Insurance service expenses" in the Income Statement and "Insurance contract liabilities" is increased by the remaining cover, which is amortised over the term of the contracts.

By product typology, the models adopted for the measurement of insurance and reinsurance contracts of the Group are:

Segment	Type of product	Measurement model
Life insurance	Rents	GMM
	Capitalisation	
	Risk [1]	
	Risk [2]	PAA
	Reinsurance	
Non-life insurance	Reinsurance	PAA
	Direct insurance	

[1] With a contractual limit exceeding one year;
[2] With contractual limit less than or equal to one year.

Estimation of future cash flows

The calculation of estimates of future cash flows takes into account:

- the unbiased incorporation of all reasonable and supportable information available without excessive cost or effort on the amount, timing and uncertainty of these future cash flows. For this, the Group estimates the expected value for a wide range of possible outcomes;

- reflect the Group's perspective, provided that the estimates of the variables of relevant markets are consistent with the observable market prices for these same variables;

- the estimates reflect the conditions existing on the measurement date, including current assumptions about the future; and

- that the Group estimates the adjustment for the non-financial risk separately from the other estimates, as well as the adjustment for the time value of the money and the financial risk.

With regard to ceded reinsurance, the Group calculates the risk adjustment for the non-financial risk in order to represent the amount of risk transferred by the Company's underwriter of reinsurance contracts to the issuer of these contracts.

Discount rate

The Group adjusts the estimates of future cash flows to reflect the time value of money and the financial risks related with these cash flows using discount rates which, in accordance with the regulations:

- reflect the time value of money, cash flow characteristics and the liquidity characteristics of the insurance contracts;

- are consistent with current observable market prices for financial instruments with cash flows whose characteristics are consistent with those of insurance contracts; and

- exclude the effect of the factors that influence the observable market prices that do not affect the future cash flows of insurance contracts.

The Group therefore opted to use the risk-free curve provided by EIOPA adding the volatility adjustment (bottom-up).

In addition, top-down methodology is used to obtain the discount rates to be applied to the new production of the groups of contracts, starting from a discount rate of a reference financial instrument with characteristics similar to those of the liability and eliminating the probability of default.

For the presentation of the financial costs and income of insurance contracts arising from the alteration of the discount rate, whether due to the effect of the time value of money, or due to the effect of the financial risk, the Group opted for the accounting policy of splitting these financial costs and income between "Net financial income" and "Other comprehensive income", in order to minimise accounting asymmetries in the valuation and recognition of financial investments under IFRS 9 and insurance contracts under IFRS 17.

By product typology, the approaches for determining the discount rates applied are:

Segment	Type of product	Approach
Life insurance	Rents	Top-down
	Risk	Bottom-up
	Capitalisation with guaranteed rate	Stochastic approach
Non-life insurance	Reinsurance	Bottom-up
	Direct insurance	

Non-financial risk adjustment

The adjustment of the non-financial risk reflects the compensation necessary to support the uncertainty as to the amount and timing of the associated cash flows, which arise from the non-financial risk. The determination of the adjustment of this risk is mostly based on information on the best estimate of liabilities and capital requirements, which are based on the calculation of the Value at Risk (VaR) and Cost of Capital (CoC), with a 75% confidence interval, of the obligations associated with the insurance contracts and, in the case of ceded reinsurance, of the risk transferred by the Group to the issuer of the reinsurance contracts.

The Group opted to disaggregate the variations in the financial risk and non-financial risk, and so the change in value of the risk adjustment resulting from the effect of the time value of the money is recorded as insurance financial income.

Contractual Service Margin (CSM)

The CSM represents the expected unearned profit of the groups of insurance contracts that will be recognised as the service is provided. The CSM is, at the end of each reporting period, the amount determined at the start of the period, adjusted by:

- the effect of new contracts;
- interest credited to the CSM during the reporting period, calculated at the discount rates determined on the date of initial recognition;
- changes in the cash flows related with the remaining coverage, unless the increase exceeds the amount of the CSM, generating a loss, or if the reductions thereof are imputed to the loss component of the remaining coverage liability;
- the effect of exchange rate variations on the CSM; and
- the amount recognised in profit or loss for the period due to services rendered in this period.

The general criterion for releasing the CSM should be based primarily on the insurance service provided, depending on the type of the product, with the method considered reflecting the insurance cover provided in each period. For the purpose, the amount of benefits granted to policyholders at any given time will be taken into account, according to the different levels of cover.

In relation to ceded reinsurance, there is no expected unearned profit, but rather a net expense/revenue on the acquisition of the reinsurance contract. Therefore, on initial recognition the Group recognises a net expense/revenue on the acquisition by the Group of reinsurance contracts as a contractual service margin arrived at according to:

- the fulfilment of cash flows;
- the amount derecognised on the reporting date of any asset/liability previously recognised by the Group's cash flows from reinsurance contracts;
- new cash flows; and
- income recognised in the Income Statement of the year.

Onerous contracts

The Group has grouped the contracts measured using the general model according to their cost, taking into account the fulfilment of the cash flows, acquisition costs and any other flows attributable to the insurance contracts. The valuation is normally made on a contract-by-contract basis. Contracts measured using the Premium allocation approach are, by default, assumed as not onerous on initial recognition, unless facts and circumstances indicate otherwise.

Like the Contractual Service Margin, which represents the estimated future profit of the insurance contract, the loss component is the estimated loss of the contract. These two elements are recognised in the accounts at different times: while the margin is deferred over the life of the contract according to its contractual limits, the loss component is recognised in the Income Statement as soon as its existence is known. So, during the life of a contract, the assumptions used to project future cash flows can change and, consequently, the expected profitability of a contract can increase or reduce. This means that a group of contracts initially classified as onerous can become more onerous or, conversely, in a subsequent measurement, the assumptions used in the cash flows can change in such a way that the loss previously recognised can be reversed.

Liabilities to subscribers of Unit-linked products and insurance and capitalisation operations in investment units with guaranteed capital and income at the end of the contract

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 of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts".

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

For insurance and unit capitalisation operations with capital and income guarantee at the end of the contract, provisions are created by the maximum between the value resulting from the product of the value of the reference unit by the number of units existing and the guaranteed capital and income at the end of the contract discounted until the date of calculation at the guaranteed rate. These liabilities are recorded under "Financial Liabilities of the Deposit Component of Insurance Contracts and on Insurance Contracts and Operations Considered for Accounting Purposes as Investment Contracts".

Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts in accordance with IFRS 17, and which do not include profit sharing with discretionary component, are valued in accordance with the requirements of IFRS 9 and recorded under "Financial liabilities of insurance contracts and operations considered for accounting purposes as investment contracts".

Impairment of debtor balances related with insurance and reinsurance contracts

With reference to each date of presentation of financial statements, the Group assesses the existence of evidence of impairment at the level of assets arising from insurance and reinsurance contracts, namely accounts receivable from insured persons, brokers, reinsurers and reinsureds.

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)".

2.14. Revenue

Revenues or income are recognised whenever it is probable that economic benefits will flow to the Group and can be reliably assessed.

(i) Fees from financial instruments

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

(ii) Provision of hospital segment services

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 carried out according to the characteristics of each type of contract:

- 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 moves into 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 measured reliably. Revenue is recognised net of taxes and discounts.

2.15. Critical accounting estimates and most relevant judgments in the application of accounting policies

When applying the accounting principles described above, the Boards of Directors of Longrun 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.

Determination of impairment losses on financial assets

Impairment losses on financial assets are determined according to the methodology defined in Note 2.6. d). As regards the definition of the internal rating, a scoring methodology based on financial indicators intended to assess the solvency capacity of the issuer's financial commitments is used.

The internal rating assessment consists of analysing a variety of quantitative and qualitative factors to assess a company's creditworthiness, including its competitive advantage, scale and diversification, operational efficiency and profitability. These factors are assessed to determine the likelihood that a company will be able to meet its financial obligations. The main factors considered are as follows:

- Competitive advantage. The Group considers a company's strategic position and customer attractiveness. This includes factors such as its overall strategy, the uniqueness and quality of its products or services, its market share and any barriers to entry that exist in that industry. In addition, the company's technological advantage or vulnerability to technological substitution is also considered.

- Scale, scope and diversification. The concentration or diversification of a company's business activities is analysed. This includes factors such as product diversification and geographic diversification, which is combined with quantitative factors such as the size of the market in which it operates and its revenues.

- Operational efficiency. The Group assesses the quality and flexibility of a company's asset base and its ability to manage its cost base. This includes factors such as cost structure, manufacturing processes and working capital management.

- Profitability. Various quantitative metrics such as projections or the volatility of profitability over time are combined.

This assessment results in a concrete assessment, a preliminary internal rating, which may also be adjusted in both directions with other qualitative factors, such as the composition of the management team and its governance or the influence of a majority shareholder, a group or the State.

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. Accordingly, the determination of impairment takes into account the conclusions of the specific evaluation conducted by the Group on the basis of knowledge regarding the situation of the issuers of the financial instruments in question.

The Group considers that impairment determined on the basis of this methodology adequately reflects the risk associated with its portfolio of financial assets, taking into account the rules defined by IFRS 9.

Note 40 presents a sensitivity analysis for the calculation of Expected Credit Losses, with the respective impact if the internal rating is not considered, that is, if these obligations are considered "not rated".

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 made incorporate a broad set of assumptions regarding the evolution of the future activity of the units under analysis, which may or may not occur in the future. 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 flows method under 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 6.5% and 19.0% for December 2023.

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 1.5% and 3.5% for December 2023.

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

Region	Sector	Discount rate	Perpetual growth rate
Europe	Insurance, Healthcare	6.5% - 8.5%	1.5% - 2.0%
	and Asset Management		
Africa	Insurance	15.2% - 19.0%	2.0%
Latin America	Insurance	12.1% - 13.2%	3.5%

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 at 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

Investment Properties are assessed each balance sheet date to ensure that their balance sheet value does not differ significantly from their fair value. The Group has established a maximum reference period of 2 years between evaluations carried out by qualified expert evaluators.

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 its conditions allow a regular and orderly sale, and that there is a normal period for negotiating 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 evaluation techniques used are:

a. Market approach: consists of the valuation of the property by comparison, that is, according to transactions and/or effective proposals for acquisition in relation to properties that have identical physical and functional characteristics, and whose location is within the same area of the real estate market;

b. Cost approach: consists of applying the principle that a buyer will not pay more for one asset than the cost to obtain another of equal utility, either by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. This approach provides an indication of value by calculating the current replacement or reproduction cost of the asset, making deductions for deterioration and all other relevant forms of obsolescence;

c. Income approach: considers the information related to the income and operating expenses of the property under evaluation, determining the value through a capitalisation process. In this method, taking into account the principle of replacement of the asset, it is assumed that at a given rate of return required by the market, the flow of revenue generated by the property will lead to the achievement of its most probable value. Thus, the estimate of the value of the property results from the conversion of the income generated by it (usually net revenue) through the application of a given capitalisation rate or discount rate, or even both, which reflect a measure of the expected return on investment.

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

Portugal
2023

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Entrecampos	Portugal	Income method	Capitalisation rate	Capitalisation rate: 4.8%-6.3%
			Discount rate	Discount rate: 6.2%-6.5%
			Estimated rental value	Estimated rental value (storage): 20 Euros/sq.ft./month
			Estimated value of sale	Estimated rental value (services): 23 Euros/sq.ft./month
			Construction cost	Estimated rental value (retail): 23 Euros/sq.ft./month
				Estimated rental value (parking): 150-304 Euros/unit/month
				Estimated value of sale (housing): 6,302 Euros/sq.ft
				Construction cost (retail): 1,254 Euros/sq.ft
				Construction cost (parking): 290-387 Euros/sq.ft.
				Construction cost (housing): 1,474 Euros/sq.ft
New Headquarters	Portugal	Income method	Capitalisation rate	Capitalisation rate: 5.0%-7.0%
			Discount rate	Discount rate: 6.75%
			Estimated rental value	Estimated rental value (services): 24 Euros/sq.ft./month
			Construction cost	Estimated rental value (parking): 150-270 Euros/unit/month
				Construction cost (services): 1,400-1,800 Euros/sq.ft.
				Construction cost (parking): 500-550 Euros/sq.ft.
VDA Extension	Portugal	Income method	Capitalisation rate	Capitalisation rate (retail): 5.75%
			Discount rate	Capitalisation rate (services): 6.0%
			Estimated rental value	Discount rate: 7.5%
				Estimated rental value (retail): 23.0 Euros/sq.ft
				Estimated rental value (services): 40.0 Euros/sq.ft

Portugal
2022

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Entrecampos	Portugal	Income method	Capitalisation rate	Capitalisation rate: 5.0%-7.5%
			Discount rate	Discount rate: 5.0%-6.5%
			Estimated rental value	Estimated rental value (storage): 12 Euros/sq.ft./month
			Estimated value of sale	Estimated rental value (services): 22 Euros/sq.ft./month
			Construction cost	Estimated rental value (retail): 16-21 Euros/sq.ft./month
				Estimated rental value (parking): 150-270 Euros/unit/month
				Estimated value of sale (housing): 6,500 Euros/sq.ft
				Construction cost (storage): 550 Euros/sq.ft
				Construction cost (services): 1,200 Euros/sq.ft
				Construction cost (retail): 650-750 Euros/sq.ft.
				Construction cost (parking): 400-500 Euros/sq.ft.
				Construction cost (housing): 1,500 Euros/sq.ft
New Headquarters	Portugal	Income method	Capitalisation rate	Capitalisation rate: 5.0%-7.0%
			Discount rate	Discount rate: 6.0%
			Estimated rental value	Estimated rental value (services): 22 Euros/sq.ft./month
			Construction cost	Estimated rental value (parking): 150-270 Euros/unit/month
				Construction cost (services): 1,200-1,500 Euros/sq.ft.
				Construction cost (parking): 450-500 Euros/sq.ft.
VDA Extension	Portugal	Income method	Capitalisation rate	Capitalisation rate: 5.0%-5.75%
			Discount rate	Discount rate: 4.75%
			Estimated rental value	Estimated rental value (services): 21.3 Euros/sq.ft./month
			Construction cost	Estimated rental value (retail): 24.5 Euros/sq.ft./month
				Construction cost (services): 700 Euros/sq.ft
				Construction cost (retail): 400 Euros/sq.ft

Europe
2023

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Smithson Plaza	United Kingdom	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 5.62% Capitalisation rate: 5.74% Estimated rental value: 38-202 pounds/sq.ft./month
Medelan	Italy	Income method	Discount rate Capitalisation rate Estimated rental value Construction cost	Discount rate: 3.75% Capitalisation rate: 3,93% Estimated rental value (offices): 661 Euros/sq.ft. Estimated rental value (retail): 1,423 Euros/sq.ft. Construction cost: 2,385 Euros/sq.ft. of Gross Construction Area
Pegasus Park	Belgium	Income method	Capitalisation rate Discount rate Estimated rental value	Capitalisation rate: 5.75%-10.25% Estimated rental value (offices): 120-135 Euros/sq.ft./year Estimated rental value (archive): 60-67.5 Euros/sq.ft./year Estimated rental value (indoor parking): 1,250 Euros/unit/year Estimated rental value (outdoor parking): 850 Euros/unit/year
BC140	Hungary	Income method	Capitalisation rate Estimated rental value	Discount rate: 10.50% Capitalisation rate: 9.50% Estimated rental value (offices): 13.25 Euros/sq.ft./month Estimated rental value (retail): 14.5 Euros/sq.ft./month Estimated rental value (archive): 7 Euros/sq.ft./month Estimated rental value (parking): 95 Euros/unit/month
Moretown	United Kingdom	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 7.54% Capitalisation rate: 7.70% Estimated rental value (offices): 30-49 pounds/sq.ft./year

Europe
2022

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Smithson Plaza	United Kingdom	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 4.70% Capitalisation rate: 4.99% Estimated rental value: 46.52-200 pounds/ sq.ft/month
Medelan [2]	Italy	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 10.75% Capitalisation rate: 4.10% Estimated rental value (offices): 626 Euros/sq.ft./month Estimated rental value (retail): 1,091 Euros/sq.ft./month
Pegasus Park	Belgium	Income method	Capitalisation rate Estimated rental value Estimated land value	Capitalisation rate: 7.25%-11.00% Estimated rental value (offices): 110-125 Euros/sq.ft./year Estimated rental value (archive): 55-62.5 Euros/sq.ft./year Estimated rental value (indoor parking): 1,150-1,250 Euros/unit/year Estimated rental value (outdoor parking): 850-950 Euros/unit/year Estimated land value: 150 Euros/sq.ft
BC140	Hungary	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 7.75%-9.25% Capitalisation rate: 7.75%-9.25% Estimated rental value (offices): 12-13 Euros/sq.ft./month Estimated rental value (retail): 3.3-13.5 Euros/sq.ft./month Estimated rental value (archive): 8 Euros/sq.ft./month Estimated rental value (parking): 95 Euros/unit/month
Moretown	United Kingdom	Income method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 6.12% Capitalisation rate: 6.56% Estimated rental value: 45-55 pounds/ sq.ft./month

Rest of the World
2023

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Logistics Portfolio	Japan	Income method	Capitalisation rate	Capitalisation rate: 3.9%-5.3%
			Discount rate	Discount rate: 3.6%-5.0%
			Estimated rental value	Estimated rental value (logistics): 2,512-5,000 yen/tsubo/month
Rendina	United States of America	Comparative Method and Income Method	Internal Rate of Return	Capitalisation rate: 6.75%-8.50%
			Capitalisation rate	Discount rate: 7.50%-9.50%
			Estimated rental value	Estimated Rental Value: USD 21.16-38.00/sq.ft./year

Rest of the World
2022

Assets	Geography	Assessment method	Main assumptions [1]	Considered values
Logistics Portfolio	Japan	Income method	Capitalisation rate	Discount rate: 3.40%-4.50%
			Discount rate	Capitalisation rate: 3.80%-4.90%
			Estimated rental value	Estimated rental value (logistics): 2,600-7,470 yen/tsubo/month
Rendina	United States of America	Comparative Method and Income Method	Internal Rate of Return	Internal Rate of Return: 6.75%-9.00%
			Capitalisation rate	Capitalisation rate: 6.25%-8.25%
			Estimated rental value	Estimated rental value: USD 14.0-35.0/sq.ft./month

[1] Homogenised terminology for the purpose of disclosure in the financial statements;
[2] June 2022 Assessment.

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.

Sensitivity analyses were carried out considering reasonable variations of the main assumptions noted above, assuming all other constant variables, identifying the impact on the fair value of the properties. The variations assumed in this sensitivity analysis also take into account the current economic situation.

At 31 December 2023, the quantitative sensitivity analysis of the main investment properties is presented below:

	Evaluation	Aumento do ERV [1] 10%	Increase in income per year 1 pp	Increase in the rate of long-term vacancies 1 pp	Increase in discount rate 0.25 pp	Increased cost of construction 100 Euros/sq.ft	Increase in construction period 6 months
Moretown (GBP)	249,850,000	273,660,000	n/a	n/a	240,080,000	n/a	n/a
BC140 (EUR)	22,000,000	24,500,000	n/a	n/a	21,300,000	n/a	n/a
Rendina (USD)	115,600,000	126,700,000	106,500,000	98,400,000	98,500,000	n/a	n/a
Logistics (JPY)	14,681,000,000	16,339,000,000	16,252,000,000	14,536,000,000	13,837,000,000	n/a	n/a
Pegasus (EUR)	128,701,000	140,426,806	n/a	n/a	125,457,498	n/a	n/a
Smithson Plaza (GBP)	154,000,000	167,500.00	n/a	n/a	146,800,000	n/a	n/a
Medelan (EUR)	600,200,000	Not available	Not available	Not available	Not available	Not available	Not available
Entrecampos - Parcel A (EUR)	115,219,000	140,746,900	174,543,200	112,666,700	113,393,600	114,646,200	111,108,200
Entrecampos - Parcel B1 (EUR)	121,622,600	148,720,000	184,594,800	118,912,900	119,688,800	107,467,800	115,859,200
Entrecampos - Parcel B2 (EUR)	91,150,800	109,015,700	132,667,500	89,803,100	90,117,600	85,933,100	88,441,700
Entrecampos - Parcel B3 (EUR)	7,212,000	9,405,700	12,310,000	6,992,600	7,212,000	4,696,300	6,987,800
New Headquarters - Parcel C (EUR)	105,941,565	114,811,600	99,656,800	98,102,200	96,759,800	95,172,300	98,025,100
VDA Largo Conde Barão (EUR)	6,153,200	7,074,100	6,632,200	6,103,100	6,028,500	5,928,100	5,808,400

[1] Estimated Rental Value: The current rent which can be reasonably expected to lease a space in a property at, given the current market conditions (source: INREV).

As set out in IFRS 13, valuations of properties maximise the use of observable market data. However, since most valuations also consider unobservable data, the fair value of the Group's properties is classified as level 3 in the fair value hierarchy defined by IFRS 13.

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 2.13. The calculation of liabilities reflects a quantified estimate of the impact of future events on the Group's insurance companies' accounts, based on actuarial assumptions, claims history and other accepted methods in the sector.

Given the nature of the insurance activity, the determination of liabilities for insurance contracts for incurred claims and other liabilities for insurance and reinsurance contracts is highly subjective, and the actual amounts to be disbursed in the future may be significantly different from the estimates made. Note 48 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.

2.16. 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

2.16.1. Adopted Standards (New or Revised)

During the course of 2023, the Group adopted in the preparation of its financial statements the standards and interpretations issued by the IASB and IFRIC, respectively, provided that they are endorsed by the European Union, with application in financial periods beginning on or after 1 January 2023. The changes with relevance to the Group were as follows:

Standard / Interpretation	Date of emissão	EU Regulation	Applicable in financial years beginning on or after
IAS 12 - Income Taxes: International tax reform - Second Pillar model rules (Amendment)	08-11-2023	2023/2468	01-01-2023
IFRS 17 - Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment)	08-09-2022	2022/1491	01-01-2023
IAS 12 - Income Taxes: Deferred Taxes related to Assets and Liabilities resulting from a single transaction (Amendment)	11-08-2022	2022/1392	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	02-02-2023	2022/357	01-01-2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (Amendment)	02-03-2022	2022/357	01-01-2023
IFRS 17 - Insurance Contracts (Amendment)	19-11-2021	2021/2036	01-01-2023

On 12 December 2022, the EU published the European Directive 2022/2523 on ensuring a global minimum level of taxation for multinational company groups and large national groups in the Union, under Pillar 2 of BEPS 2.0 (Base Erosion and Profit Shifting), which provides for an effective minimum tax rate of 15% for multinational groups with revenues above 750 million Euros, with the main objective of each subsidiary paying its share of taxes, preventing competition between jurisdictions in corporate tax rates.

To this end, two mechanisms are foreseen:

- Income Inclusion Rule (hereinafter "IIR"): for jurisdictions in which the group does not reach the minimum effective tax rate of 15%, this tax differential due will be required at the level of any entity located in the tax-deficit jurisdictions;

- Undertaxed Profit Rule (hereinafter "UTPR"): if there are no group entities to which the tax differential can be charged, it will be due by the other group entities, based on the number of employees and the value of their tangible assets.

The Directive should be transposed by Member States into their national law by 31 December 2023, with the IIR rule applying to tax periods beginning on or after 1 January 2024 and the UTPR rule applying to tax years beginning on or after 1 January 2025.

In view of the above, considering its turnover, the Fosun Group complies with the application requirements of that Directive. However, as the Directive was not transposed into Portuguese law until 31 December 2023, this regulation had no relevant impact on the preparation of these financial statements.

The Group has reviewed the disclosures of accounting policies in the light of the amendment to IAS 1, with adoption at 1 January 2023, and has defined the concept of materiality when making decisions on disclosures of accounting policies as the fact that the accounting policies have a materially relevant impact on the financial statements presented and that they add value to the understanding of the financial statements, in addition to the notes already presented and the accounting standards in force.

2.16.2. Standards, Interpretations, Amendments and Revisions That Will Take Effect in Future Financial Years

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have been, until the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Date of issuance	EU Regulation	Applicable in financial years beginning on or after
IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current and non-current liabilities with covenants	19-12-2023	2023/2822	01-01-2024
IFRS 16 – Leases: Lease Liabilities in a Sale and Leaseback (Amendment)	20-11-2023	2023/2579	01-01-2024

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

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

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have not been endorsed by the European Union until the date of approval of these financial statements:

Standard / Interpretation	Date of issuance	Applicable in financial years beginning on or after
IAS 7 - Cash Flows Statement and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Amendment)	25-05-2023	01-01-2024
IAS 21 - Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendment)	15-08-2023	01-01-2025

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 2023, and it is not possible at this time to assess the impact on the financial statements.

2.17. Changes in Accounting Policies

a) Endorsement of IFRS 9 “Financial Instruments” and changes resulting from the endorsement of IFRS 17 “Insurance Contracts”

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, the IASB issued an amendment to IFRS 4 with effect from 1 January 2018 which allowed insurance companies to defer the application of IFRS 9 for periods after 1 January 2023, thus aligning the effective dates of IFRS 9 and IFRS 17.

In addition, insurers endorsing IFRS 9 are also permitted to apply the overlay approach to designated financial assets. At 1 January 2023, the Group ceased to apply the overlay approach that it had adopted since 1 January 2020, when it adopted IFRS 9 for the first time. This effect was recognized retrospectively, with an impact on Retained Earnings, as disclosed in Note 2.17.2.

On the date of initial application of IFRS 17, the Group opted to designate strategic investments in equity instruments as Financial assets at fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9, which were previously classified as Financial assets at fair value through profit or loss. This designation and classification has been applied retrospectively. The assets corresponding to this classification have the following amounts:

(amounts in euros)

	2022	2021
REN, PL	89,450,988	90,338,399
AGEAS, BB	85,116,526	93,582,969
NEW CHINA LIFE INSURANCE, HK, HKD	143,294,900	146,915,585
CHONGQING RURAL COMMERCIAL, HK, HKD	18,528,798	18,097,680
SHENZHEN EXPRESSWAY CORP, HK, HKD	1,092,493	-
	337,483,706	**348,934,634**

b) Endorsement of IFRS 17 "Insurance Contracts"

The Group adopted the standard IFRS 17 – "Insurance Contracts" from 1 January 2023. The implementation of this standard results in significant changes in terms of the recognition, measurement, presentation, disclosure and accounting of insurance and reinsurance contracts.

The Group therefore restated the Statement of Financial Position opening on 1 January 2022 and closing on 31 December 2022 and the Income Statement of the year ended on that date, in order to apply the standard retrospectively and make the financial information for 2022 comparable, as if the Standard had always been in force.

The impact of the transition comes mainly from the valuation of long-term insurance contract liabilities from an expected present value perspective, thus being impacted by the discount rates applied to each reporting period. Other elements that affect the impact of the transition relate to the reclassification of determined financial assets portfolios, in order to reduce accounting asymmetries between assets and liabilities. Consequently, the impacts on accumulated other comprehensive income and on retained earnings result mainly from long-term contracts.

2.17.1. Principles of the Transition to IFRS 17

In the transition to IFRS 17, the standard requires that the Group apply a retrospective approach to recognise insurance and reinsurance contracts in force on this date as if the standard had always been in force. For this, it requires the use of a full retrospective approach. If this is impracticable, a modified approach or fair value approach is permitted, the application of the latter being conditional on the availability of reasonable and supportable information without undue cost or effort in order to be able to apply the modified approach.

The analysis of the impracticability of recognising and measuring insurance and reinsurance contracts using a retrospective approach is made based on the requirements of IFRS 17, taking into consideration the availability of systems, data and complete historical information.

Given the type of products held by the Group and also the requirements of applicability of each of the measurement models, the Group will only apply two of the three models contemplated in the regulations – the premium allocation approach and the general model. The conditions for the application of the variable fee approach (VFA) were not met due to the discretionary nature of the distribution to policyholders granted in products with profit sharing.

In this way, for products entered in the accounts using the GMM method, the transition approach used is that of fair value, given that the Group is limited in the historic information necessary to recognise and measure these contracts as if the standard had always been in force.

In the case of products measured by the PAA, the approach used is full retrospective, and is being applied to contracts with a duration of less than or equal to 1 year, since it is possible to obtain the historic information necessary for the respective recognition on the date of transition.

As the PAA is a simplified method it allows us to use information/determination similar to the "Unearned premium reserve" of IFRS 4 to ascertain the income to be released in "Insurance/reinsurance liabilities" of the Financial Position on a pro-rata temporis basis.

The GMM being the general method, in the transition it is necessary to measure and recognise insurance and reinsurance contracts as if these had always been in force. If this is not feasible, the approach used (fair value) requires them to be measured and recognised with the fair value information on the date of the transition, calculating the contractual service margin or loss component of the remaining coverage liability through the difference between:

- the fair value of each group of insurance and reinsurance contracts in accordance with IFRS 13; and

- the cash flows linked to the fulfilment of the contracts in accordance with IFRS 17, or rather, the current value of cash flows relating to their fulfilment plus a risk adjustment for the non-financial risk.

So, to ascertain the fair value at which the transfer of liabilities of the portfolio of insurance contracts would take place between participants in the market on the date of measurement under current market conditions, the present value of the liabilities was calculated based on the implied cost of capital approach for each portfolio up to its end.

For the purpose, the solvency capital requirement of each portfolio on the transition date was projected using the structure of the estimated cash flows and was then multiplied by the cost of capital arrived at for each portfolio.

Lastly, the current value was obtained using the same discount curve used to calculate the contractual service margin. The second component of the calculation corresponds to the current value of the estimated future cash flows on the transition date plus a risk adjustment for the non-financial risk.

2.17.2. Impact of the Transition to IFRS 17

Derecognition of IFRS 4 balances

All assets and liabilities measured under IFRS 4 were derecognised in the transition, to be replaced by the equivalent balances under IFRS 17.

Recognition of the cash flows linked to the fulfilment of the contracts IFRS 17

The measurement of the liabilities from insurance contracts is arrived at based on the groups of contracts, using the contractual obligations necessary for the fulfilment of an insurance contract (e.g. premiums, costs, claims). These are entered in the accounts within the cash flow component of the insurance contract liabilities.

Recognition of income to be released from IFRS 17

The income to be released is recorded through an insurance contract liability associated with the income to be recognised in the future, to be released in the Income Statement during the period of cover of the group of contracts.

Tax effect

The tax effect on the balance sheet arises from the full adoption of IFRS 9, namely by cancelling the application of the overlay approach to designated financial assets and the redesignation of financial instruments, the temporary differences from the cancellation of the impacts of IFRS 4 balance sheet balances and recognition of balance sheet balances under IFRS 17.

The change in accounting policy related to Financial Instruments arising from the adoption of IFRS 17 led to impacts on the composition of the Group's equity on 31 December of 2022 and on the result of the year ended on this date.

The reconciliation of equity on 1 January 2022 and on 31 December of 2022 and the reconciliation of the net result of the year ended on 31 December of 2022 are presented in the following table:

(amounts in euros)

	Equity		Result
	01/01/2022	**31/12/2022**	**31/12/2022**
Balances before the change in accounting policy	3,682,620,006	2,918,998,192	186,242,347
Impact of change in accounting policy			
Adjustment of asset redesignation, net of tax effect	-	-	7,832,505
Adjustment of overlay approach, net of tax effect	-	-	(38,803,630)
Adjustment of insurance contracts, net of tax effect	(374,605,443)	(8,626,296)	(11,396,510)
Adjustment of goodwill	(1,806,124)	(1,806,124)	-
	(376,411,567)	**(10,432,420)**	**(42,367,635)**
Balances after change in accounting policy	3,306,208,438	2,908,565,772	143,874,712

The reconciliation of the tax effect on assets and liabilities on 1 January 2022 and 31 December 2022 is shown below:

(amounts in euros)

	Assets		Liabilities	
	01/01/2022	**31/12/2022**	**01/01/2022**	**31/12/2022**
Balances before the change in accounting policy	228,550,588	575,821,113	232,572,927	282,478,563
Impact of change in accounting policy				
Adjustment of asset redesignation	-	-	-	-
Adjustment of overlay approach	(6,753,837)	(97,632,813)	(6,753,837)	(97,641,502)
Adjustment of insurance contracts	140,659,429	157,631,323	(212,920)	151,311,965
	133,905,592	**59,998,510**	**(6,966,757)**	**53,670,463**
Balances after change in accounting policy	362,456,180	635,819,623	225,606,170	336,149,026

The impact on the financial position on 1 January 2022 and 31 December 2022 is shown below:

(amounts in euros)

	01-01-2022		
	Previously recognised	Adjustments	Original
ASSETS			
Financial assets at fair value through profit or loss	3,625,757,053	(348,934,634)	3,974,691,687
Financial assets at fair value through other comprehensive income	9,550,115,081	348,934,634	9,201,180,447
Goodwill	527,593,030	(1,806,124)	529,399,154
Technical provisions for reinsurance ceded			
Provision for unearned premiums	-	(154,678,607)	154,678,607
Mathematical provision for life insurance	-	(28,944,344)	28,944,344
Claims provision	-	(360,151,533)	360,151,533
Other technical provisions	-	(22,544,992)	22,544,992
Assets from reinsurance contracts for life insurance			
of future services	31,796,432	31,796,432	-
of past services	61,935,470	61,935,470	-
Assets from reinsurance contracts for non-life insurance			
of future services	151,831,507	151,831,507	-
of past services	323,361,904	323,361,904	-
Other debtors for insurance operations and other operations			
Accounts receivable for direct insurance operations	116,005,834	(250,573,176)	366,579,010
Accounts receivable for other reinsurance operations	84,517,840	(583,060)	85,100,900
Accounts receivable for other operations	104,907,612	1,318,526	103,589,086

(continuation)

(amounts in euros)

	01-01-2022		
	Previously recognised	Adjustments	Original
Tax assets			
Current tax assets	78,834	-	78,834
Deferred tax assets	362,377,345	133,905,592	228,471,753
Accruals and deferrals	104,470,633	(219,738)	104,690,371
		(115,352,143)	

(amounts in euros)

	01-01-2022		
	Previously recognised	Adjustments	Original
LIABILITIES			
Technical provisions			
Provision for unearned premiums	-	(561,140,686)	561,140,686
Mathematical provision for life insurance	-	(2,766,184,105)	2,766,184,105
Claims provision			
of life insurance	-	(229,211,004)	229,211,004
of workers' compensation insurance	-	(1,137,118,438)	1,137,118,438
of other lines of business	-	(1,029,952,652)	1,029,952,652
Provision for profit sharing	-	(63,739,590)	63,739,590
Provision for interest rate commitments	-	(17,780,388)	17,780,388

(continuation) (amounts in euros)

	01-01-2022		
	Previously recognised	Adjustments	Original
Provision for portfolio stabilisation	-	(25,803,587)	25,803,587
Equalisation provision	-	(33,356,809)	33,356,809
Provision for unexpired risks	-	(47,888,226)	47,888,226
Other technical provisions	-	(23,211,963)	23,211,963
Financial liabilities at fair value through profit or loss	299,670,115	-	299,670,115
Liabilities from insurance contracts for life insurance			
of future services	3,112,182,350	3,112,182,350	-
of past services	240,722,117	240,722,117	-
Liabilities from insurance contracts for non-life insurance			
of future services	388,996,670	388,996,670	-
of past services	2,380,740,484	2,380,740,484	-
Financial liabilities of the deposit component of insurance contracts and insurance contracts			
and operations considered for accounting purposes as investment contracts	8,294,703,688	175,877,660	8,118,826,028
Other creditors for insurance operations and other operations			
Accounts payable for direct insurance operations	111,490,126	(42,865,534)	154,355,659
Accounts payable for other reinsurance operations	208,167,427	(973,506)	209,140,933
Accounts payable for other operations	135,327,796	3,869,687	131,458,108

(continuation)

(amounts in euros)

	01-01-2022 Previously recognised	Adjustments	Original
Tax liabilities			
Current tax liabilities	106,035,218	(22)	106,035,239
Deferred tax liabilities	119,570,952	(6,966,736)	126,537,688
Other provisions	107,104,549	(55,136,302)	162,240,851
		261,059,422	

(amounts in euros)

	01-01-2022 Previously recognised	Adjustments	Original
EQUITY			
Revaluation reserves	(5,729,810)	(68,059,361)	62,329,551
Deferred tax reserve	2,725,845	42,530,557	(39,804,712)
Overlay approach adjustment	-	(54,117,731)	54,117,731
Other reserves	898,658,441	687,911	897,970,529
Retained earnings	16,253,027	(252,429,870)	268,682,897
Non-controlling interests	944,762,176	(45,023,074)	989,785,249
		(376,411,567)	

(amounts in euros)

	31-12-2022 Previously recognised	Adjustments	Original
ASSETS			
Financial assets at fair value through profit or loss	4,499,777,781	(337,483,706)	4,837,261,487
Financial assets at fair value through other comprehensive income	7,932,574,565	337,483,706	7,595,090,860
Goodwill	532,133,183	(1,806,124)	533,939,307
Technical provisions for reinsurance ceded			
Provision for unearned premiums	-	(193,609,797)	193,609,797
Mathematical provision for life insurance	-	(31,759,937)	31,759,937
Claims provision	-	(392,445,884)	392,445,884
Provision for profit sharing	-	(9,721)	9,721
Other technical provisions	-	(34,958,549)	34,958,549
Assets from reinsurance contracts for life insurance			
of future services	32,338,694	32,338,694	-
of past services	76,868,767	76,868,767	-

(continuation) (amounts in euros)

	31-12-2022 Previously recognised	Adjustments	Original
Assets from reinsurance contracts for non-life insurance			
of future services	193,079,952	193,079,952	-
of past services	344,493,500	344,493,500	-
Other debtors for insurance operations and other operations			
Accounts receivable for direct insurance operations	122,135,119	(486,096,707)	608,231,826
Accounts receivable for other reinsurance operations	124,470,183	(18,136,954)	142,607,137
Accounts receivable for other operations	350,216,421	195,832,050	154,384,370
Tax assets			
Current tax assets	73,145,323	-	73,145,323
Deferred tax assets	562,674,299	59,998,510	502,675,790
Accruals and deferrals	94,268,472	(3,628)	94,272,100
		(256,215,827)	

(amounts in euros)

	31-12-2022		
	Previously recognised	Adjustments	Original
LIABILITIES			
Technical provisions			
Provision for unearned premiums	-	(644,698,611)	644,698,611
Mathematical provision for life insurance	-	(2,629,722,639)	2,629,722,639
Claims provision			
of life insurance	-	(254,179,633)	254,179,633
of workers' compensation insurance	-	(1,182,498,047)	1,182,498,047
of other lines of business	-	(1,064,706,515)	1,064,706,515
Provision for profit sharing	-	(26,411,583)	26,411,583
Provision for interest rate commitments	-	(16,561,158)	16,561,158
Provision for portfolio stabilisation	-	(24,110,995)	24,110,995
Equalisation provision	-	(35,645,359)	35,645,359
Provision for unexpired risks	-	(46,203,478)	46,203,478
Other technical provisions	-	(35,787,913)	35,787,913
Liabilities from insurance contracts for life insurance			
of future services	2,703,879,150	2,703,879,150	-
of past services	244,634,633	244,634,633	-

(continuation) (amounts in euros)

	31-12-2022 Previously recognised	Adjustments	Original
Liabilities from insurance contracts for non-life insurance			
of future services	413,380,130	413,380,130	-
of past services	2,272,886,636	2,272,886,636	-
Financial liabilities of the deposit component of insurance contracts and insurance contracts			
and operations considered for accounting purposes as investment contracts	8,628,086,559	116,352,147	8,511,734,412
Other creditors for insurance operations and other operations			
Accounts payable for direct insurance operations	136,441,999	(95,641,132)	232,083,131
Accounts payable for other reinsurance operations	332,451,288	(154,996,327)	487,447,614
Accounts payable for other operations	342,264,477	211,227,853	131,036,625
Tax liabilities			
Current tax liabilities	48,037,512	(885)	48,038,397
Deferred tax liabilities	288,111,514	53,671,348	234,440,166
Other provisions	77,232,983	(50,651,028)	127,884,011
		(245,783,406)	

(amounts in euros)

	31-12-2022		
	Previously recognised	Adjustments	Original
EQUITY			
Revaluation reserves	(710,892,863)	(91,031,926)	(619,860,937)
Financial component of insurance contracts reserve	455,887,930	455,887,930	-
Financial component of reinsurance contracts reserve	(12,994,935)	(12,994,935)	-
Deferred tax reserve	68,275,173	(87,108,298)	155,383,471
Overlay approach adjustment	-	(11,800,552)	11,800,552
Other reserves	1,023,516,799	17,256,217	1,006,260,582
Retained earnings	(34,725,427)	(257,887,926)	223,162,499
Income for the year	143,874,712	(42,367,635)	186,242,347
Non-controlling interests	690,559,436	19,614,706	670,944,731
		(10,432,420)	

(amounts in euros)

	31-12-2022		
	Previously recognised	Adjustments	Original
INCOME STATEMENT			
Earned premiums, net of reinsurance			
Gross premiums written	-	(3,245,824,476)	3,245,824,476
Reinsurance ceded premiums	-	700,590,557	(700,590,557)
Provision for unearned premiums (change)	-	77,744,224	(77,744,224)
Provision for unearned premiums, reinsurers' share (change)	-	(37,201,335)	37,201,335
Claims costs, net of reinsurance			
Amounts paid			
Gross amounts	-	2,230,224,217	(2,230,224,217)
Reinsurers' share	-	(303,573,948)	303,573,948
Claims provision (change)			
Gross amount	-	54,500,031	(54,500,031)
Reinsurers' share	-	(12,526,977)	12,526,977
Other technical provisions, net of reinsurance	-	(2,639,777)	2,639,777
Mathematical provision for life insurance, net of reinsurance			
Gross amount	-	(292,676,064)	292,676,064
Reinsurers' share	-	(2,704,517)	2,704,517
Profit sharing, net of reinsurance	-	5,236,595	(5,236,595)
Net operating costs and expenses			
Acquisition costs	-	776,095,895	(776,095,895)

(continuation) (amounts in euros)

	31-12-2022 Previously recognised	Adjustments	Original
Deferred acquisition costs (change)	-	(15,979,329)	15,979,329
Administrative expenses	-	217,484,688	(217,484,688)
Fees and reinsurance profit sharing	-	(81,494,628)	81,494,628
Insurance contracts revenue			
Measured using the premium allocation approach	2,975,401,446	2,975,401,446	-
Not measured using the premium allocation approach			
Release of the expected value of claims occurred and expenses attributable to insurance contracts	137,994,255	137,994,255	-
Changes in risk adjustment (non-financial risk) by expired risk	5,498,312	5,498,312	-
Release of the contractual service margin for transferred services	67,498,739	67,498,739	-
Insurance contracts expenses			
Claims occurred and other expenses attributable to insurance contracts	(2,009,099,128)	(2,009,099,128)	-
Acquisition costs attributable to insurance contracts	(566,793,898)	(566,793,898)	-
Changes relating to past services	(176,492,387)	(176,492,387)	-
Changes relating to future services	(4,605,519)	(4,605,519)	-
Reinsurance contracts revenue			
Claims occurred and other expenses attributable to insurance contracts – reinsurers' share	366,505,792	366,505,792	-
Changes relating to past services – reinsurers' share	(44,543,112)	(44,543,112)	-
Effect of changes in the reinsurer's risk of non-compliance	1,100,433	1,100,433	-

(continuation) (amounts in euros)

	31-12-2022		
	Previously recognised	Adjustments	Original
Reinsurance contracts expenses			
Measured using the premium allocation approach – reinsurers' share	(571,132,451)	(571,132,451)	-
Income from the financial component of insurance contracts	6,952,217	6,952,217	-
Income from the financial component of reinsurance contracts	7,797,692	7,797,692	-
Losses from the financial component of insurance contracts	(55,414,360)	(55,414,360)	-
Losses from the financial component of reinsurance contracts	(932,491)	(932,491)	-
Income			
of interest on financial assets not recognised at fair value through profit or loss	278,699,517	31,935,164	246,764,353
of others	155,874,778	(31,935,164)	187,809,942
Investment expenses			
of others	(8,505,037)	113,817,798	(122,322,835)
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
of financial liabilities recognised at amortised cost	(13,898,959)	(1,043,020)	(12,855,939)
Net income on financial assets and liabilities recognised at fair value through profit or loss	(257,651,654)	27,395,643	(285,047,297)
Exchange differences	54,096,721	(14,629,589)	68,726,310
Impairment losses (net of reversals)			
of others	3,117,033	(5,513,823)	8,630,856

(continuation) (amounts in euros)

	31-12-2022 Previously recognised	Adjustments	Original
Overlay approach adjustment	-	(50,750,657)	50,750,657
Non-attributable expenses	(344,782,105)	(344,782,105)	-
Income tax for the year - Current tax	(61,980,215)	1,672,317	(63,652,533)
Income tax for the year - Deferred tax	9,490,350	16,741,377	(7,251,027)
Non-controlling interests	(72,391,167)	7,733,729	(80,124,896)
		(42,367,636)	

3. GROUP COMPANIES AND TRANSACTIONS OCCURRED IN THE YEAR

The structure of the Group at the level of subsidiary companies, by sectors of activity, at 31 December 2023 and 2022, can be summarised as follows:

Operation sector/Entity	Country	Effective share % 2023	Effective share % 2022
Insurer			
Fidelidade - Companhia de Seguros, S.A.	Portugal	85.00%	85.00%
Multicare - Seguros de Saúde, S.A.	Portugal	85.00%	85.00%
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	85.00%	85.00%
Via Directa - Companhia de Seguros, S.A.	Portugal	85.00%	85.00%
Companhia Portuguesa de Resseguros, S.A.	Portugal	85.00%	85.00%
Fidelidade Angola - Companhia de Seguros, S.A.	Angola	59.52%	59.52%
Garantia - Companhia de Seguros de Cabo Verde, S.A.	Cape Verde	47.51%	47.51%
Fidelidade Macau - Companhia de Seguros, S.A.	Macao	85.00%	85.00%
Fidelidade Macau Vida - Companhia de Seguros, S.A.	Macao	85.00%	85.00%
La Positiva Seguros Y Reaseguros S.A.A.	Peru	79.84%	79.84%
La Positiva Vida Seguros Y Reaseguros S.A.	Peru	47.58%	47.58%
Alianza Vida Seguros y Reaseguros S.A.	Bolivia	40.06%	40.06%
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	Bolivia	47.60%	47.60%
Alianza Garantía Seguros Y Reasseguros S.A.	Paraguay	24.15%	24.15%
La Positiva S.A. Entidad Prestadora de Salud	Peru	58.23%	58.23%
Fid Chile Seguros Generales S.A.	Chile	82.13%	84.38%

(continuation)

Operation sector/Entity	Country	Effective share %	
		2023	2022
Fidelidade Moçambique - Companhia de Seguros, S.A.	Mozambique	59.50%	59.50%
Liechtenstein Life Assurance AG	Liechtenstein	59.50%	59.50%
Real Estate			
Fidelidade - Property Europe, S.A.	Portugal	85.00%	85.00%
Fidelidade - Property International, S.A.	Portugal	85.00%	85.00%
Fundo de Investimento Imobiliário Aberto IMOFID	Portugal	51.14%	42.27%
FPI (UK) 1 LIMITED	United Kingdom	85.00%	85.00%
FPE (IT) Società per Azioni	Italy	85.00%	81.39%
FPE (Lux) Holding S.à r.l.	Luxembourg	85.00%	85.00%
Thomas More Square (Lux) Holdings S.à r.l.	Luxembourg	84.40%	84.40%
Thomas More Square (Lux) S.à r.l.	Luxembourg	84.74%	84.74%
Fondo Broggi – Fondo di investimento Alternativo Immobiliare di Tipo Chiuso Riservato	Italy	85.00%	81.39%
Broggi Retail S.R.L.	Italy	0.00%	81.39%
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	85.00%	85.00%
FPE (BE) Holding S.A.	Belgium	85.00%	85.00%
FPE (PT), S.A.	Portugal	85.00%	85.00%
IBERFID – Fundo de Investimento Imobiliário Fechado	Portugal	85.00%	85.00%
FPE (HU) Kft.	Hungary	85.00%	85.00%
FPE (UK) 1 LIMITED	United Kingdom	85.00%	85.00%
FPE (Lux) 1	Luxembourg	0.00%	85.00%

(continuation)

Operation sector/Entity	Country	Effective share % 2023	Effective share % 2022
FPE (PT), SGPS, S.A.	Portugal	85.00%	85.00%
FPE (PT) OFFICE A, S.A.	Portugal	85.00%	85.00%
FPE (PT) 2 OFFICE B, S.A.	Portugal	85.00%	85.00%
FPE (PT) 3 RESIDENTIAL, S.A.	Portugal	85.00%	85.00%
FPE (PT) 4 RET, S.A.	Portugal	85.00%	85.00%
FPE (PT) 5 PARK, S.A.	Portugal	85.00%	85.00%
GK Lisbon	Japan	85.00%	85.00%
TMK Lisbon	Japan	82.45%	82.45%
EA One Holding, Inc.	USA	62.25%	48.45%
Florestas de Portugal – Fundo Especial de Investimento Imobiliário Fechado	Portugal	85.00%	0.00%
Healthcare			
Luz Saúde, S.A.	Portugal	84.88%	84.88%
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	85.00%	85.00%
Multi Health, S.A.	Portugal	85.00%	85.00%
La Positiva Servicios de Salud S.A.C.	Peru	58.25%	0.00%
Insurance holdings			
Longrun Portugal, SGPS, S.A.	Portugal	100.00%	100.00%
FID LatAm SGPS, S.A.	Portugal	85.00%	85.00%
FID Peru, S.A.	Peru	85.00%	85.00%
FID Chile, SpA	Chile	85.00%	85.00%

(continuation)

Operation sector/Entity	Country	Effective share % 2023	2022
the prosperity company AG	Liechtenstein	59.50%	59.50%
Other sectors			
Cetra - Centro Técnico de Reparação Automóvel, S.A.	Portugal	85.00%	85.00%
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	85.00%	85.00%
GEP - Gestão de Peritagens, S.A.	Portugal	85.00%	85.00%
Fidelidade - Serviços de Assistência, S.A.	Portugal	85.00%	85.00%
Cares - Assistência e Reparações, S.A.	Portugal	85.00%	85.00%
FID III (HK) LIMITED	Hong Kong	0.00%	85.00%
GEP Moçambique - Gestão de Peritagens, Limitada	Mozambique	85.00%	85.00%
FID Loans 1 (Ireland) Limited	Ireland	85.00%	85.00%
Universal - Assistência e Serviços, Lda.	Angola	47.62%	47.62%
GEP Cabo Verde Gestão de Peritagens, Lda.	Cape Verde	75.62%	75.62%
FID Chile & MT JV SpA	Chile	82.13%	84.38%
Alianza SAFI, S.A.	Bolivia	23.89%	22.69%
Full Assistance S.R.L.	Bolivia	44.58%	44.58%
Worldwide Security Corporation S.A.	Bolivia	45.23%	45.23%

(continuation)

Operation sector/Entity	Country	Effective share %	
		2023	2022
FID I&D, S.A.	Portugal	85.00%	85.00%
Tenax Capital Limited	United Kingdom	68.00%	68.00%
Cetra - Car Remarketing, S.A.	Portugal	43.35%	43.35%
prosperity solutions AG	Liechtenstein	59.50%	59.50%
prosperity solutions AG (former prosperity brokershome AG)	Liechtenstein	0.00%	59.50%
prosperity solutions GmbH	Germany	59.50%	59.50%
prosperity cashtech AG	Liechtenstein	59.50%	59.50%
prosperity funds SICAV	Liechtenstein	59.50%	59.50%
prosperity brokershome GmbH	Germany	0.00%	59.50%
Fid Real Assets, SGPS, S.A.	Portugal	85.00%	85.00%
Fid Real Assets Spain, S.L.	Spain	85.00%	85.00%
prosperity solutions (Switzerland) AG	Switzerland	59.50%	0.00%
Veterinários Sobre Rodas, Lda	Portugal	74.80%	0.00%
Obedientbenefit, Lda	Portugal	74.80%	0.00%
LLA Office Anstalt	Liechtenstein	59.50%	0.00%

The main movements in the Group's subsidiaries during 2023 were as follows:

In 2023 there was a 2.65% reduction in the Group's effective stake in the company Fid Chile Seguros Generales S.A., taking its stake to 96.63%.

In 2023 there was an update of the Group's effective stake in Fundo de Investimento Imobiliário Aberto IMOFID, now holding a 60.17% stake.

In March of 2023 the Group made a successive acquisition of 4.24% of the company FPE (IT) Società per Azioni, taking its stake to 100%.

In May 2023, La Positiva Servicios de Salud S.A.C. was incorporated with a share capital of 254,920 Euros, 68.53% of which is owned by the Group.

In June 2023 the Group made an additional contribution to Fondo Broggi – Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato, increasing its shareholding to 100%.

On 21 June 2023, the fund Florestas de Portugal - Fundo Especial de Investimento Imobiliário Fechado was created with a subscription value of 6,000,000 Euros, 100% owned by the Group.

On 9 June 2023, the Company FID III (HK) LIMITED was deregistered.

In September of 2023, the company Broggi Retail S.R.L. was liquidated.

In September of 2023, the Group acquired a further 16.24% of the company EA One Holding, Inc. for the value of 26,217,326 Euros, taking its stake in the share capital of the company to 73.24%.

In September of 2023, the Group successively acquired the company Alianza SAFI, S.A., taking its stake in the share capital of the company to 28.11%.

In September of 2023, the merger took place between the companies prosperity solutions AG and prosperity brokershome AG and also the merger between the companies prosperity brokershome GmbH and prosperity solutions GmbH. The company prosperity solutions AG has changed its name to prosperity brokershome AG.

On 11 October 2023, the Group acquired 1 share in the company Veterinários Sobre Rodas, Lda, for the value of 5,668,041 Euros, taking its stake in the share capital of the company to 88%. With the acquisition of the company Veterinários Sobre Rodas, Lda, the Group then owned 100% of the share capital of the company Obedientbenefit, Lda.

In December 2023, the company FPE (Lux) 1 was liquidated.

In 2023, the Group carried out a capital increase and a partial reduction of stock options in the company FID Chile & MT JV SpA, taking its stake to 96.63%.

In December 2023, the company prosperity solutions (Switzerland) AG was established with a share capital of 107,991 Euros which is fully held by the company prosperity solutions AG, giving it an effective shareholding of 70%.

In 2023, the Group acquired the company LLA Office Anstalt, increasing its share in the company's share capital to 70%.

4. CASH AND CASH EQUIVALENTS AND SIGHT DEPOSITS

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Cash		
Headquarters	1,612,899	1,863,202
Delegations	359,745	-
	1,972,644	**1,863,202**
Sight deposits		
Domestic currency	397,671,606	484,214,888
Foreign currency	141,060,263	151,693,232
	538,731,869	**635,908,120**
	540,704,513	**637,771,322**

For the purposes of the Cash Flows Statement, the heading "Cash and cash equivalents and sight deposits" includes the amounts recorded in the balance sheet with a maturity of less than three months from the date of acquisition, readily convertible into cash and with reduced risk of change in value and cash and deposits with credit institutions, which are not associated with an investment nature.

5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

Operation sector/Entity	Country	2023 Effective share %	2023 Balance Sheet Value	2022 Effective share %	2022 Balance Sheet Value
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A.	Portugal	29.56%	1,303,014	29.56%	1,269,376
HL - Sociedade Gestora do Edifício, S.A.	Portugal	8.50%	611,797	8.50%	611,797
Serfun Portugal, SGPS, S.A.	Portugal	41.65%	1,062,612	41.65%	1,077,068
Constellation, S.A.	Mozambique	17.00%	5,489,123	17.00%	5,686,304
Beiranave, S.A.	Mozambique	19.41%	63,876	19.11%	66,168
BLUE ADCO - Consultoria e Assessoria em Investimentos Turísticos, S.A.	Portugal	17.00%	9,644	17.00%	9,998
BLUE OPCO – Exploração e Gestão de Ativos Turísticos, S.A.	Portugal	17.00%	686,302	17.00%	448,578
			9,226,367		**9,169,287**

The main movements in the Group's associates and joint ventures during 2023 were as follows:

During 2023, there were no changes relating to the Group's associates.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Investments related to Unit-linked contracts	**3,577,515,410**	**2,981,339,956**
Debt instruments		
of public issuers	146,100	97,840
of other issuers	175,346,061	230,640,466
	175,492,161	**230,738,306**
Equity instruments	**102,516,750**	**113,607,026**
Other financial instruments		
Investment units	793,666,228	778,449,039
	793,666,228	**778,449,039**

(continuation) (amounts in euros)

	2023	2022
Credit and other receivables	**236,243,421**	**295,928,605**
Derivative instruments with positive fair value		
Interest rate swaps	-	40,030
Currency swaps	341,511	-
Currency futures	19,196,642	66,318,443
Interest rate futures	-	5,693,596
Exchange forwards	4,217,679	8,709,318
Other derivatives	153,293,903	18,953,462
	177,049,735	**99,714,849**
	5,062,483,705	**4,499,777,781**

Investments related to Unit-linked contracts correspond to assets managed by the Group's insurers whose 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 2023 and 2022, the heading includes fixed income securities with embedded derivatives in the amounts of 175,492,161 Euros and 230,640,466 Euros, 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 2023 and 2022, the Group recognised net profits on the valuation of these investments in the amount of 1,795,220 Euros and 6,723,049 Euros, respectively.

At 31 December 2023 and 2022, the investments related to Unit-linked contracts were as follows:

(amounts in euros)

	2023	2022
Debt instruments		
of public issuers	224,322,053	112,746,421
of other public issuers	96,933,906	4,679,192
of international financial bodies	-	19,427,581
of other issuers	1,231,507,841	992,512,825
of Group companies [(1)]	32,808,326	24,301,100
	1,585,572,126	**1,153,667,119**
Equity instruments	**25,897,610**	**124,998,673**
Other financial instruments		
Investment units	1,845,867,110	1,586,754,536

(continuation) (amounts in euros)

	2023	2022
Others	7,109,247	6,261,757
	1,852,976,357	**1,593,016,293**
Transactions to be settled	**(2,868,563)**	**(4,612,102)**
Other deposits	**377,036**	**872,055**
Derivative instruments with positive fair value		
Interest rate swaps	-	84,812
Interest rate futures	817,500	1,467,530
Exchange forwards	468,608	1,821,190
Other derivatives	114,274,736	110,024,386
	115,560,844	**113,397,918**
	3,577,515,410	**2,981,339,956**
Other assets		
Properties	115,769,271	47,043,796
Sight deposits	51,878,079	106,372,674
Term deposits	536,742	1,058,363
Other investments	581,241	-
	168,765,333	**154,474,833**
	3,746,280,743	**3,135,814,789**

[1] The instruments included in Group companies correspond to securities from FOSUN group companies.

7. DERIVATIVES

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

The Group monitors the risks of its derivative activities through procedures for approving transactions, defining exposure limits by product and counterparty, and monitoring the evolution of their results.

At 31 December 2023 and 2022, these operations were valued in line with the criteria in Note 2.6.c). On these dates, the notional amount and the book value had the following breakdown:

(amounts in euros)

	2023							
	Notional Amount			Book Value				
				Derivatives at fair value through profit or loss		Hedge Derivatives		
	Derivatives at fair value through profit or loss	Hedge Derivatives	Total	Assets [1] (Note 6)	Liabilities (Note 22)	Assets	Liabilities	Total
Fair value hedge								
Currency swaps	842,923,264	-	842,923,264	341,511	(34,793,570)	-	-	(34,452,059)
Currency futures	1,132,375,000	131,625,000	1,264,000,000	19,196,642	-	3,167,533	-	22,364,175
Interest rate futures	110,200,000	-	110,200,000	817,500	(2,259,953)	-	-	(1,442,453)
Exchange forwards	382,799,817	-	382,799,817	4,686,287	(1,625,545)	-	-	3,060,742
	2,468,298,081	**131,625,000**	**2,599,923,081**	**25,041,940**	**(38,679,068)**	**3,167,533**	**-**	**(10,469,595)**
Cash flow hedge								
Interest rate swaps	-	52,750,000	52,750,000			2,139,540	-	2,139,540
Currency swaps	-	274,856,273	274,856,273			-	(1,288,367)	(1,288,367)
	-	**327,606,273**	**327,606,273**	**-**	**-**	**2,139,540**	**(1,288,367)**	**851,172**

(continuation)

(amounts in euros)

	2023							
	Notional Amount			Book Value				
				Derivatives at fair value through profit or loss		Hedge Derivatives		
	Derivatives at fair value through profit or loss	Hedge Derivatives	Total	Assets [1] (Note 6)	Liabilities (Note 22)	Assets	Liabilities	Total
Hedge of a net investment								
Currency futures	-	46,000,000	46,000,000			326,305	-	326,305
Exchange forwards	-	489,078,530	489,078,530			4,992,795	(235,215)	4,757,581
	-	**535,078,530**	**535,078,530**	**-**	**-**	**5,319,100**	**(235,215)**	**5,083,885**
Other Derivatives	**2,623,428**	**-**	**2,623,428**	**267,568,639**	**(265,956,367)**			**1,612,272**
	2,470,921,509	**994,309,803**	**3,465,231,312**	**292,610,579**	**(304,635,435)**	**10,626,173**	**(1,523,582)**	**(2,922,265)**

(amounts in euros)

	2022							
	Notional Amount			Book Value				
				Derivatives at fair value through profit or loss		Hedge Derivatives		
	Derivatives at fair value through profit or loss	Hedge Derivatives	Total	Assets [1] (Note 6)	Liabilities (Note 22)	Assets	Liabilities	Total
Fair value hedge								
Interest rate swaps	668,155	-	668,155	124,842	-			124,842
Currency swaps	833,807,114	-	833,807,114	-	(20,401,155)			(20,401,155)
Currency futures	1,706,625,000	-	1,706,625,000	66,318,443	(1,081,769)			65,236,674
Interest rate futures	170,100,000	-	170,100,000	7,161,126	(73,963)			7,087,163
Exchange forwards	322,186,986	-	322,186,986	10,530,508	(3,681,183)			6,849,325
	3,033,387,255	**-**	**3,033,387,255**	**84,134,919**	**(25,238,071)**	**-**	**-**	**58,896,848**

(continuation) (amounts in euros)

	2022							
	Notional Amount			Book Value				
				Derivatives at fair value through profit or loss		Hedge Derivatives		
	Derivatives at fair value through profit or loss	Hedge Derivatives	Total	Assets [1] (Note 6)	Liabilities (Note 22)	Assets	Liabilities	Total
Other Derivatives	**-**	**-**	**-**	**128,977,848**	**(129,278,235)**			**(300,387)**
Cash flow hedge								
Interest rate swaps	-	80,000,000	80,000,000			4,327,249	-	4,327,249
Currency swaps	-	151,263,799	151,263,799			-	(4,154,865)	(4,154,865)
	-	**231,263,799**	**231,263,799**	**-**	**-**	**4,327,249**	**(4,154,865)**	**172,385**
Hedge of a net investment								
Currency futures	-	35,250,000	35,250,000			530,104	-	530,104
Exchange forwards	-	571,063,656	571,063,656			13,462,519	(795,084)	12,667,434
	-	**606,313,656**	**606,313,656**	**-**	**-**	**13,992,622**	**(795,084)**	**13,197,538**
Other Derivatives	**1,369,284**	**-**	**1,369,284**	**128,977,848**	**(129,278,235)**			**(300,387)**
	3,034,756,539	**837,577,455**	**3,872,333,994**	**213,112,767**	**(154,516,306)**	**18,319,872**	**(4,949,949)**	**71,966,384**

[1] The book value of derivatives incorporates the values included in the Unit-linked portfolios.

Interest rate swaps contracted by the Group and classified as derivatives at fair value through profit or loss are mainly intended to cover liabilities with life investment contracts, which, with the exception of Unit-linked contracts, are valued at amortised cost (Note 21).

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

The currency swaps contracted by the Group and classified as cash flow hedge derivatives, are intended to hedge the risk of PEN/USD foreign exchange fluctuation referring to dollar debt securities.

To mitigate the risk of exchange fluctuations of financial instruments, EUR/USD and EUR/GBP futures listed on the Chicago Mercantile Exchange (CME) and over-the-counter forwards were contracted, in order to ensure the exchange rate alignment of the currency of the assets with the currency of the liabilities. With regard to strategic long-term positions in bonds denominated in GBP, the Group contracted currency swaps to hedge the foreign exchange risk, in which such hedging includes the payment of coupons throughout the life of the bond and payment of the nominal value in GBP at maturity.

Currency futures contracted by the Group and classified as hedge derivatives correspond to the hedging of equity instruments classified under "Financial Assets at Fair Value through Other Comprehensive Income".

The Group contracts interest rate futures under corporate bond management mandates to hedge interest rate risk on securities denominated in EUR and USD. Additionally, interest rate futures in EUR are contracted to hedge Unit-linked portfolios in order to reduce the duration of these portfolios.

The other derivatives include a put option and a call option on all Fidelidade Moçambique – Companhia de Seguros S.A. shares held by Banco Internacional de Moçambique, S.A. at the date of exercise of the option, deducted from a whole number of shares closer to that representing 9.9% of the share capital of the company in question. The call option may be exercised by Fidelidade in the period from 1 January 2026 to 31 December 2026 and the Put Option may be exercised by Banco Internacional de Moçambique, S.A. in the period from 1 January 2027 to 31 December 2027. This heading also includes total return swaps for Unit-linked products. These products are also linked to a financial reinsurance contract whose counterpart is Munich RE.

The Group manages hedge accounting based on its portfolio-by-portfolio exposure. During the years 2023 and 2022, the Group met the criteria necessary for the application of hedge accounting in accordance with the methodology described in Note 2.6 c).

In the year 2023, the following movements in "Revaluation Reserve" related to fair value hedge accounting of capital instruments were generated classified under "Financial Assets at Fair Value through Other Comprehensive Income":

(amounts in euros)

	2023
Fair value change	(8,964,819)
Fair value hedge	332,890
	(8,631,929)

The figures above include the gains reclassified between the "Revaluation reserve" and "Gains and losses from disposal of equity instruments at fair value through other comprehensive income" headings.

In the years 2023 and 2022, the following movements in the "Revaluation Reserve" related to hedge accounting for net investments in foreign operational units were generated:

(amounts in euros)

	2023		2022	
	Cash flow hedge	Hedge of a net investment	Cash flow hedge	Hedge of a net investment
Interest rate swaps	(2,189,106)	-	5,687,398	-
Currency swaps	1,007,667	-	2,531,771	-
Currency futures	-	3,122,714	-	1,262,547
Exchange forwards	-	(18,407,943)	-	21,236,869
	(1,181,439)	**(15,285,229)**	**8,219,169**	**22,499,416**

The distribution of the Group´s derivative financial instrument operations at 31 December 2023 and 2022, by period to maturity, was as follows:

(amounts in euros)

	2023						
	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	Total
Fair value hedge							
Currency swaps	-	-	552,293,614	290,629,650	-	-	842,923,264
Currency futures	1,248,375,000	6,250,000	9,375,000	-	-	-	1,264,000,000
Interest rate futures	110,200,000	-	-	-	-	-	110,200,000
Exchange forwards	215,854,992	82,266,295	7,819,102	76,859,428	-	-	382,799,817
	1,574,429,992	**88,516,295**	**569,487,716**	**367,489,078**	**-**	**-**	**2,599,923,081**
Cash flow hedge							
Interest rate swaps	-	-	-	52,750,000	-	-	52,750,000
Currency swaps	-	27,034,600	-	55,766,399	192,055,273	-	274,856,273
	-	**27,034,600**	**-**	**108,516,399**	**192,055,273**	**-**	**327,606,273**
Hedge of a net investment							
Currency futures	46,000,000	-	-	-	-	-	46,000,000
Exchange forwards	489,078,530	-	-	-	-	-	489,078,530
	535,078,530	**-**	**-**	**-**	**-**	**-**	**535,078,530**
Other Derivatives					**-**	**2,623,428**	**2,623,428**
	2,109,508,522	**115,550,895**	**569,487,716**	**476,005,478**	**192,055,273**	**2,623,428**	**3,465,231,312**

(amounts in euros)

	2022						
	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	Total
Fair value hedge							
Interest rate swaps	-	-	668,155	-	-	-	668,155
Currency swaps	-	-	-	833,807,114	-	-	833,807,114
Currency futures	1,206,625,000	500,000,000	-	-	-	-	1,706,625,000
Interest rate futures	121,000,000	49,100,000	-	-	-	-	170,100,000
Exchange forwards	230,448,029	77,168,165	14,570,792	-	-	-	322,186,986
	1,558,073,029	**626,268,165**	**15,238,947**	**833,807,114**	**-**	**-**	**3,033,387,255**
Cash flow hedge							
Interest rate swaps	-	-	-	80,000,000	-	-	80,000,000
Currency swaps	13,188,132	-	1,821,387	59,248,670	77,005,611	-	151,263,799
	13,188,132	**-**	**1,821,387**	**139,248,670**	**77,005,611**	**-**	**231,263,799**
Hedge of a net investment							
Currency futures	35,250,000	-	-	-	-	-	35,250,000
Exchange forwards	285,322,226	285,741,429	-	-	-	-	571,063,656
	320,572,226	**285,741,429**	**-**	**-**	**-**	**-**	**606,313,656**
Other Derivatives					**-**	**1,369,284**	**1,369,284**
	1,891,833,388	**912,009,594**	**17,060,334**	**973,055,783**	**77,005,611**	**1,369,284**	**3,872,333,994**

The distribution of the Group´s derivative financial operations at 31 December 2023 and 2022, by counterparty type, was as follows:

(amounts in euros)

	2023		2022	
	Notional Amount	Book Value	Notional Amount	Book Value
Interest rate swaps				
Financial Institutions				
Caixa Geral Depósitos Group	-	-	668,155	124,842
Other Institutions	52,750,000	2,139,540	80,000,000	4,327,249
	52,750,000	**2,139,540**	**80,668,155**	**4,452,091**
Currency swaps				
Financial Institutions				
Other Institutions	1,117,779,537	(35,740,426)	985,070,913	(24,556,020)
	1,117,779,537	**(35,740,426)**	**985,070,913**	**(24,556,020)**
Currency futures				
On the				
Chicago Stock Exchange	1,310,000,000	22,690,480	1,741,875,000	65,766,778
	1,310,000,000	**22,690,480**	**1,741,875,000**	**65,766,778**
Interest Rate Futures				
Financial Institutions				
Other Institutions	110,200,000	(1,442,453)	170,100,000	7,087,163
	110,200,000	**(1,442,453)**	**170,100,000**	**7,087,163**

(continuation)

(amounts in euros)

	2023		2022	
	Notional Amount	Book Value	Notional Amount	Book Value
Exchange forwards				
Financial Institutions				
Other Institutions	871,878,347	7,818,323	893,250,642	19,516,759
	871,878,347	**7,818,323**	**893,250,642**	**19,516,759**
Other Derivatives				
Financial Institutions				
Munich RE	2,623,428	1,613,258	1,369,284	(179,366)
Banco Internacional de Moçambique SA.	-	(986)	-	(121,021)
	2,623,428	**1,612,272**	**1,369,284**	**(300,387)**
	3,465,231,312	**(2,922,265)**	**3,872,333,994**	**71,966,384**

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023						
	Nominal value	Amortised cost	Expected credit loss (Note 40)	Exchange Valuation	Fair value reserve (Note 27)	Interest receivable	Balance Sheet value
Debt instruments							
of public issuers	3,869,050,021	2,090,397,410	-	11,625,158	(121,433,083)	32,831,248	2,013,420,733
of other public issuers	293,495,000	291,277,908	-	-	(11,686,202)	1,434,880	281,026,586
of international financial bodies	17,567,000	17,837,844	(361,453)	-	23,055	189,478	17,688,924
of other issuers	10,082,836,680	5,483,133,816	(80,104,573)	56,920,467	(245,332,474)	51,538,226	5,266,155,462
of Group companies (1)	49,300,000	49,311,487	-	-	(514,017)	1,486,160	50,283,630
	14,312,248,701	**7,931,958,465**	**(80,466,026)**	**68,545,625**	**(378,942,721)**	**87,479,992**	**7,628,575,335**
Equity instruments							
Shares	186,766,286	383,563,652	-	16,931,719	(107,627,110)	-	292,868,261
Others (2)	-	35,749,940	-	-	(1,943,518)	521,083	34,327,505
	186,766,286	**419,313,592**	**-**	**16,931,719**	**(109,570,628)**	**521,083**	**327,195,766**
	14,499,014,987	**8,351,272,057**	**(80,466,026)**	**85,477,344**	**(488,513,349)**	**88,001,075**	**7,955,771,101**

(amounts in euros)

	2022						
	Nominal value	Amortised cost	Expected credit loss (Note 40)	Exchange Valuation	Fair value reserve (Note 27)	Interest receivable	Balance Sheet value
Debt instruments							
of public issuers	5,736,619,000	2,464,200,926	-	9,870,041	(240,698,611)	36,724,834	2,270,097,190
of other public issuers	137,707,500	141,890,036	-	-	(19,775,355)	843,014	122,957,695
of international financial bodies	11,567,000	12,069,450	(862,234)	-	(311,587)	97,550	10,993,179
of other issuers	9,016,026,649	5,570,259,845	(78,225,867)	108,556,142	(526,543,960)	47,313,696	5,121,359,856
of Group companies [(1)]	43,300,000	43,318,576	-	-	(7,465,877)	1,020,321	36,873,020
	14,945,220,149	**8,231,738,833**	**(79,088,101)**	**118,426,183**	**(794,795,390)**	**85,999,415**	**7,562,280,940**
Equity instruments							
Shares	159,005,186	392,200,448	-	27,102,849	(79,938,751)	-	339,364,546
Others [(2)]	-	36,859,250	-	-	(6,466,670)	536,500	30,929,080
	159,005,186	**429,059,698**	**-**	**27,102,849**	**(86,405,421)**	**536,500**	**370,293,626**
	15,104,225,335	**8,660,798,531**	**(79,088,101)**	**145,529,032**	**(881,200,811)**	**86,535,915**	**7,932,574,566**

[(1)] The instruments included in Group companies correspond to securities from FOSUN group companies.
[(2)] The others included in equity instruments correspond to perpetual equity instruments.

At 31 December 2023 and 2022, the equity instruments and other instruments under this heading correspond to equity instruments designated at fair value through other comprehensive income, and the Group has recognized income from these investments in the amount of 25,574,664 Euros and 35,369,164 Euros, respectively.

9. FINANCIAL ASSETS AT AMORTISED COST

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023							
	Nominal value	Amortised cost	Expected credit losses (Note 40)	Exchange Valuation	Interest receivable	Balance Sheet value	Market value (1)	Unrecognised potential capital gains or losses
Debt instruments								
of public issuers	260,554,976	288,131,365	(1,230,390)	110	4,167,723	291,068,808	265,177,845	(25,890,963)
of other issuers	288,281	3,090,466	(696,780)	-	161,200	2,554,886	2,554,886	-
	260,843,257	**291,221,831**	**(1,927,170)**	**110**	**4,328,923**	**293,623,694**	**267,732,731**	**(25,890,963)**
Other Loans								
Deposits in ceding companies	-	944,185	-	(2,074)	-	942,111	942,111	-
Loans	-	666,290	(180,719)	-	33,977	519,548	519,548	-
Policy loans	-	1,457,221	-	-	237,105	1,694,326	1,694,326	-
	-	**3,067,696**	**(180,719)**	**(2,074)**	**271,082**	**3,155,985**	**3,155,985**	**-**

(amounts in euros)

	2023							
	Nominal value	Amortised cost	Expected credit losses (Note 40)	Exchange Valuation	Interest receivable	Balance Sheet value	Market value [1]	Unrecognised potential capital gains or losses
Financial investments in credit								
institutions								
Term deposits	-	375,054,694	-	1,483,628	4,278,977	380,817,299	380,817,299	-
Mandatory deposits	-	45,363	-	-	-	45,363	45,363	-
Other deposits	-	48,599,704	-	(517,098)	-	48,082,606	48,082,606	-
Repos	-	46,818,419	-	-	12,332	46,830,751	46,830,751	-
	-	**470,518,180**	**-**	**966,530**	**4,291,309**	**475,776,019**	**475,776,019**	**-**
Others	**-**	**1,987,198**	**-**	**-**	**-**	**1,987,198**	**1,987,198**	**-**
	260,843,257	**766,794,905**	**(2,107,889)**	**964,566**	**8,891,314**	**774,542,896**	**748,651,933**	**(25,890,963)**

(amounts in euros)

	2022							
	Nominal value	Amortised cost	Expected credit losses (Note 40)	Exchange Valuation	Interest receivable	Balance Sheet value	Market value [1]	Unrecognised potential capital gains or losses
Debt instruments								
of public issuers	518,887,435	553,712,648	(1,339,471)	596,614	5,126,743	558,096,534	518,904,293	(39,192,241)
of other issuers	232,547	2,108,978	(636,989)	-	131,484	1,603,473	1,603,473	-
	519,119,982	**555,821,626**	**(1,976,460)**	**596,614**	**5,258,227**	**559,700,007**	**520,507,766**	**(39,192,241)**
Other Loans								
Deposits in ceding companies	-	961,985	-	3,237	-	965,222	965,222	-
Loans	1,500,000	1,858,149	-	-	21,472	1,879,621	1,879,621	-
Policy loans	-	1,279,747	(10,597)	-	223,611	1,492,761	1,492,761	-
	1,500,000	**4,099,881**	**(10,597)**	**3,237**	**245,083**	**4,337,604**	**4,337,604**	**-**
Financial investments in credit								
institutions								
Term deposits	2	349,120,631	-	2,216,974	5,780,520	357,118,125	357,118,125	-
Mandatory deposits	-	420,277	-	-	-	420,277	420,277	-
Other deposits	-	78,906,411	-	(1,712,858)	-	77,193,553	77,193,553	-
Repos	-	1,863,548	-	-	-	1,863,548	1,863,548	-
	2	**430,310,867**	**-**	**504,116**	**5,780,520**	**436,595,503**	**436,595,503**	**-**
Others	**-**	**20,592**	**-**	**-**	**-**	**20,592**	**20,592**	**-**
	520,619,984	**990,252,966**	**(1,987,057)**	**1,103,967**	**11,283,830**	**1,000,653,706**	**961,461,465**	**(39,192,241)**

[1] Corresponds to the market value calculated in accordance with the methodology described in Note 2.6.

10. PROPERTIES FOR OWN USE

In 2023 and 2022, the "Properties for own use" heading saw the following movements:

(amounts in euros)

	Right-of-Property	Own use Right-of-Use	Total
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)
	478,560,143	**54,461,372**	**533,021,515**
Entry/exit of the perimeter	-	1,335,099	1,335,099
Additions			
By acquisitions made in the period	11,066,484	23,079,100	34,145,584
By subsequent expenditure	5,173,932	-	5,173,932
Additions/reversals of Impairment in the year (Note 40)	(2,524,994)	-	(2,524,994)
Amortisations in the year	(11,634,226)	(16,982,806)	(28,617,032)
Exchange differences	2,219,288	681,444	2,900,732
Transfers	5,048,836	-	5,048,836
Disposals and write-offs (net)	(60,448,400)	(23,562)	(60,471,962)
Other movements	4,434,645	2,475,475	6,910,120

(continuation) (amounts in euros)

	Right-of-Property	Own use Right-of-Use	Total
Balances at 31 December 2022			
Gross amount	581,274,338	114,548,213	695,822,550
Accumulated depreciation and impairment	(149,378,630)	(49,522,091)	(198,900,720)
	431,895,708	**65,026,122**	**496,921,830**
Additions			
By acquisitions made in the period	21,843,894	64,440,373	86,284,267
By subsequent expenditure	10,519,728	-	10,519,728
Additions/reversals of Impairment in the year (Note 40)	(3,752,600)	-	(3,752,600)
Amortisations in the year	(10,587,409)	(21,322,687)	(31,910,096)
Exchange differences	(6,598,312)	(587,912)	(7,186,223)
Disposals and write-offs (net)	(19,411,083)	(541,753)	(19,952,836)
Other movements	1,117,713	17,310,964	18,428,676
Balances at 31 December 2023			
Gross amount	577,595,706	186,095,745	763,691,451
Accumulated depreciation and impairment	(152,568,066)	(61,770,638)	(214,338,704)
	425,027,640	**124,325,107**	**549,352,747**

In 2022, perimeter entries concern the acquisition of Liechtenstein Life Assurance AG and The Prosperity Company AG.

In 2023 and 2022, if the Group had opted to value the properties for own use of property rights by the fair value model, its balance sheet value would be 586,481,714 Euros and 518,332,999 Euros, 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 2.8. Own-use buildings are depreciated throughout their useful life.

11. INVESTMENT PROPERTIES

In the years 2023 and 2022, the movement occurred under the heading "Investment properties" was as follows:

(amounts in euros)

	Investment Properties		
	Right-of-Property	Right-of-Use	Total
Balances at 31 December 2021			
Gross amount	2,156,756,564	20,812,552	2,177,569,116
	2,156,756,564	**20,812,552**	**2,177,569,116**
Entry/exit of the perimeter	111,551,839	1,553,206	113,105,046
Additions			
By acquisitions made in the period	123,957,837	-	123,957,837
By subsequent expenditure	51,072,982	-	51,072,982
Revaluation			
As a credit to the income statement (Note 39)	47,449,641	-	47,449,641
As a charge to shareholders' equity	44,448	-	44,448
Exchange differences	(13,474,415)	-	(13,474,415)
Transfers	(5,048,835)	-	(5,048,835)
Disposals and write-offs (net)	(54,084,619)	-	(54,084,619)

(amounts in euros)

	Investment Properties		
	Right-of-Property	Right-of-Use	Total
Other movements	(270,975)	6,510,968	6,239,993
Balances at 31 December 2022			
Gross amount	2,417,954,465	28,876,727	2,446,831,192
	2,417,954,465	**28,876,727**	**2,446,831,192**
Additions			
By acquisitions made in the period	35,943,661	-	35,943,661
By subsequent expenditure	49,945,086	-	49,945,086
Revaluation			
As a credit to the income statement (Note 39)	(40,240,970)	-	(40,240,970)
Exchange differences	(8,957,042)	-	(8,957,042)
Transfers to non-current assets held for sale	(93,910,318)	-	(93,910,318)
Disposals and write-offs (net)	(46,526,629)	-	(46,526,629)
Other movements	(1,025,874)	313,290	(712,584)
Balances at 31 December 2023			
Gross amount	2,313,182,379	29,190,017	2,342,372,395
	2,313,182,379	**29,190,017**	**2,342,372,395**

In 2023, disposals and write-offs of Investment Properties, in the amount of 46,526,629 Euros, essentially concern the sale of a set of properties by Fidelidade - Companhia de Seguros, S.A. and Fidelidade - Property Europe, S.A. (21,072,549 Euros and 17,287,680 Euros, respectively). In 2022, the net disposals and write-offs of Investment Properties, in the amount of 54,084,619 Euros, relate essentially to the sale of the property located at Avenida 5 de Outubro and Alcabala Inm Oquendo 1492.

During 2022, the entry item in the perimeter concerns the acquisition of EA ONE Holding, Inc. S.A. in the amount of 113,105,046 Euros.

Investment properties are also valued at fair value, in line with the treatment provided for in IAS 40 and mentioned in Note 2.7 and Note 2.15.

12. OTHER TANGIBLE ASSETS

In the years 2023 and 2022, the movement in the heading of other tangible assets was as follows:

(amounts in euros)

	2023												
	Opening balances			Entry into the consolidation perimeter							Closing balances		
	Gross amount	Accumulated depreciation and impairment	Additions	Gross amount	Accumulated depreciation and impairment	Transfers and Adjustments	Amortisations in the year (Note 31)	Exchange-rate differences	Disposals and write-offs (net)	Others movements	Gross amount	Accumulated depreciation and impairment	Net value
Equipment													
Administrative equipment	29,250,160	(26,568,960)	999,933	15,686	(7,522)	443,679	(1,045,173)	(170,063)	(135,795)	2,057	28,436,877	(25,652,875)	2,784,002
Machinery and tools	11,364,930	(10,522,012)	65,610	-	-	-	(433,068)	(94,941)	(1,324)	-	11,066,949	(10,687,754)	379,195
IT equipment	35,040,825	(26,929,668)	3,521,713	-	-	499,069	(3,840,544)	(197,409)	(173,849)	-	34,007,181	(26,087,043)	7,920,138
Indoor facilities	32,256,745	(23,088,954)	640,922	-	-	2,987,988	(1,888,988)	(54,703)	(35,109)	-	34,734,601	(23,916,701)	10,817,900
Transport equipment	5,461,876	(2,774,600)	1,319,259	242,893	(127,715)	2,041	(1,053,635)	(380,343)	(27,752)	-	5,506,593	(2,844,569)	2,662,024
Hospital equipment	146,470,363	(135,199,411)	4,209,396	-	-	3,321,132	(6,656,006)	(5,956)	-	-	152,032,819	(139,893,300)	12,139,518
Safety equipment	1,568,728	(1,481,616)	9,041	-	-	-	(32,891)	(2,266)	-	-	952,513	(891,518)	60,995
Other equipment	36,251,266	(19,594,293)	1,008,744	15,991	(8,440)	564,792	(1,983,505)	(98,741)	(46,588)	-	35,562,699	(19,453,474)	16,109,225
Artistic assets	2,116,936	-	58,224	-	-	-	-	(8,826)	(274)	-	2,166,060	-	2,166,060
Other tangible assets	5,632,871	(4,465,309)	432,194	-	-	80,523	(295,700)	-	-	-	6,065,064	(4,680,487)	1,384,577
Tangible assets in progress	19,846,784	-	1,996,810	-	-	(4,547,297)	-	(87,454)	(12,600)	-	17,196,243	-	17,196,243
Advances on tangible assets advances	1,309,807	-	221,130	-	-	-	-	-	-	-	1,530,937	-	1,530,937
	326,571,291	**(250,624,824)**	**14,482,976**	**274,570**	**(143,677)**	**3,351,926**	**(17,229,509)**	**(1,100,702)**	**(433,292)**	**2,057**	**329,258,535**	**(254,107,720)**	**75,150,816**
Leased assets													
Equipment													
Administrative equipment	431,240	(190,191)	-	-	-	-	(65,107)	-	-	-	423,134	(247,191)	175,943
IT equipment	9,325,705	(6,862,834)	2,033,321	-	-	-	(1,243,263)	(293)	(5,485)	-	11,204,077	(7,956,926)	3,247,151
Transport equipment	13,320,769	(8,886,012)	3,989,495	-	-	-	(3,054,143)	(10,064)	(2,335)	41,943	17,045,297	(11,645,643)	5,399,654
Hospital equipment	108,054,445	(49,539,502)	11,235,928	-	-	-	(15,961,772)	-	-	151,222	119,174,545	(65,234,224)	53,940,321
Other equipment	244,742	(99,806)	-	-	-	-	(30,593)	-	-	-	244,742	(130,399)	114,343
	131,376,901	**(65,578,344)**	**17,258,745**	**-**	**-**	**-**	**(20,354,878)**	**(10,357)**	**(7,819)**	**193,164**	**148,091,796**	**(85,214,383)**	**62,877,413**
	457,948,191	**(316,203,168)**	**31,741,721**	**274,570**	**(143,677)**	**3,351,926**	**(37,584,387)**	**(1,111,059)**	**(441,111)**	**195,221**	**477,350,331**	**(339,322,102)**	**138,028,228**

(amounts in euros)

	2022														
	Opening balances		Transfer to ANCDVUD			Entry into the consolidation perimeter							Closing balances		
	Gross amount	Accumulated depreciation and impairment	Gross amount	Accumulated depreciation and impairment	Additions	Gross amount	Accumulated depreciation and impairment	Transfers and Adjustments	Amortisations in the year (Note 31)	Exchange-rate differences	Disposals and write-offs (net)	Others movements	Gross amount	Accumulated depreciation and impairment	Net value
Equipment															
Administrative equipment	28,555,259	(25,834,515)	(631,495)	548,299	709,362	577,618	(425,257)	90,030	(1,070,976)	199,388	(36,512)	-	29,250,160	(26,568,960)	2,681,200
Machinery and tools	11,089,577	(9,749,086)	-	-	232,755	-	-	14,863	(786,340)	42,349	(1,201)	-	11,364,930	(10,522,012)	842,918
IT equipment	31,860,069	(26,862,691)	(3,369,333)	3,115,939	5,379,953	501,767	(384,536)	1,589,924	(3,982,787)	330,317	(67,465)	-	35,040,825	(26,929,668)	8,111,157
Indoor facilities	35,334,574	(25,169,276)	-	-	892,025	39,376	(20,344)	(9,385)	(1,626,426)	247,919	(520,672)	-	32,256,745	(23,088,954)	9,167,791
Transport equipment	4,411,257	(1,808,827)	(58,981)	58,050	868,868	-	-	76,199	(1,092,895)	292,646	(59,043)	-	5,461,876	(2,774,600)	2,687,276
Hospital equipment	155,338,395	(145,849,170)	(16,198,922)	15,113,414	7,448,690	-	-	1,262,590	(5,849,405)	5,360	-	-	146,470,363	(135,199,411)	11,270,952
Safety equipment	1,561,514	(1,436,550)	-	-	6,312	9,218	(7,939)	(2,215)	(44,492)	1,264	-	-	1,568,728	(1,481,616)	87,112
Other equipment	37,407,929	(21,955,775)	(4,327,661)	4,088,343	3,220,675	-	-	70,253	(1,927,986)	140,082	(58,888)	-	36,251,266	(19,594,293)	16,656,973
Artistic assets	2,105,995	-	-	-	6,659	-	-	-	-	4,281	-	-	2,116,936	-	2,116,936
Other tangible assets	5,376,864	(4,229,523)	-	-	256,007	-	-	30,587	(266,374)	-	-	-	5,632,871	(4,465,309)	1,167,561
Tangible assets in progress	17,743,037	-	-	-	2,209,930	-	-	(114,841)	-	8,658	-	-	19,846,784	-	19,846,784
Advances on tangible assets															
advances	2,770,843	-	-	-	33,473	-	-	(1,494,508)	-	-	-	-	1,309,807	-	1,309,807
	333,555,314	**(262,895,412)**	**(24,586,391)**	**22,924,045**	**21,264,707**	**1,127,980**	**(838,077)**	**1,513,498**	**(16,647,681)**	**1,272,265**	**(743,780)**	**-**	**326,571,291**	**(250,624,824)**	**75,946,467**
Leased assets															
Administrative equipment	244,300	(139,665)	-	-	190,764	-	-	-	(54,349)	-	-	-	431,240	(190,191)	241,050
IT equipment	6,563,356	(5,703,864)	-	-	2,631,697	-	-	-	(1,065,780)	37,461	-	-	9,325,705	(6,862,834)	2,462,871
Transport equipment	12,336,867	(7,136,686)	-	-	2,303,401	-	-	-	(2,461,255)	9,595	0	(617,165)	13,320,769	(8,886,012)	4,434,757
Hospital equipment	96,217,680	(43,106,001)	-	-	19,416,792	-	-	-	(14,231,023)	-	-	217,496	108,054,445	(49,539,502)	58,514,943
Other equipment	244,742	(69,213)	-	-	-	-	-	-	(30,593)	-	-	-	244,742	(99,806)	144,936
	115,606,946	**(56,155,429)**	**-**	**-**	**24,542,654**	**-**	**-**	**-**	**(17,843,000)**	**47,056**	**0**	**(399,669)**	**131,376,901**	**(65,578,344)**	**65,798,557**
	449,162,259	**(319,050,842)**	**(24,586,391)**	**22,924,045**	**45,807,361**	**1,127,980**	**(838,077)**	**1,513,498**	**(34,490,681)**	**1,319,322**	**(743,780)**	**(399,669)**	**457,948,191**	**(316,203,168)**	**141,745,023**

In 2023, the perimeter entries relate to the acquisition of Veterinários Sobre Rodas, Lda. In 2022, the perimeter entries relate to the acquisition of Prosperity Solutions AG, Prosperity Brokershome AG, The Prosperity Company AG and Liechtenstein Life Assurance AG.

At 31 December 2023 and 2022, the heading "Tangible assets" includes fully amortised assets, but which are still in use, in the amounts of 247,654,331 Euros and 252,183,605 Euros.

13. INVENTORIES

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Hospital goods	15,617,930	16,217,148
Goods	894,697	243,997
Products and work in progress	406,004	214,551
Salvage	12,052	35,856
Other inventories	-	11,002
	16,930,683	**16,722,554**
Impairment of goods (Note 40)	(707,392)	(1,125,726)
	16,223,291	**15,596,828**

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.

14. GOODWILL

The goodwill recorded by the Group on 31 December 2023 and 2022 was as follows:

(amounts in euros)

	2023			2022		
	Gross amount	Impairment Loss (Note 40)	Net Value	Gross amount	Impairment Loss (Note 40)	Net Value
Goodwill recognised in Goodwill						
Fidelidade - Companhia de Seguros, S.A.	63,818,715	-	63,818,715	63,818,715	-	63,818,715
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
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	14,665,075	-	14,665,075
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, S.A.	26,683,569	-	26,683,569	26,683,569	-	26,683,569
La Positiva Seguros y Reaseguros S.A.	40,473,247	-	40,473,247	40,838,438	-	40,838,438
Tenax Capital Limited	4,433,235	-	4,433,235	4,433,235	-	4,433,235
Clínica Fisiátrica das Antas, Lda	246,080	-	246,080	246,080	-	246,080
Seguradora Internacional de Moçambique, S.A.	6,403,011	-	6,403,011	6,403,011	-	6,403,011
Veterinários Sobre Rodas, Lda	5,352,727	-	5,352,727	-	-	-
	537,120,720	**-**	**537,120,720**	**532,133,183**	**-**	**532,133,183**

(continuation)

(amounts in euros)

	2023			2022		
	Gross amount	Impairment Loss (Note 40)	Net Value	Gross amount	Impairment Loss (Note 40)	Net Value
Negative goodwill recognised in results						
the prosperity company AG	-	-	-	(42,972,526)	-	(42,972,526)
	-	-	-	(42,972,526)	-	(42,972,526)
	537,120,720	**-**	**537,120,720**	**489,160,657**	**-**	**489,160,657**

In the years 2023 and 2022 this heading presented the following movement:

(amounts in euros)

Goodwill (Net Value) as of 31 December 2021	**527,593,029**
Goodwill La Positiva Seguros y Reaseguros S.A. - Exchange valuation	4,137,589
Acquisition of 70% of Seguradora Internacional de Moçambique, S.A. - Adjustment	402,565
Goodwill (Net Value) as of 31 December 2022	**532,133,183**
Goodwill La Positiva Seguros y Reaseguros S.A. - Exchange valuation	(365,191)
Acquisition of 88% of Veterinários Sobre Rodas, Lda	5,352,727
Goodwill (Net Value) as of 31 December 2023	**537,120,720**

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 2023, 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 2023 is as follows:

(amounts in euros)

	2023 Veterinários Sobre Rodas, Lda
Fair Value of Assets and Liabilities	
Assets acquired	555,462
Liabilities acquired	197,150
Total Net Assets	**358,312**
% Assets held	315,314
Acquisition price	**5,668,041**
Goodwill	**5,352,727**

The purchase price comprises the initial price of 1,800,000 Euros and additional payments to be paid in instalments, subject to the fulfilment of objectives defined in the purchase agreement, with a maximum value of 3,868,041 Euros.

The main reasons for the acquisition of Veterinários Sobre Rodas, Lda were (i) the autonomous appeal of the veterinary business, (ii) the relevant synergies with pet insurance and (iii) the reinforcement of the Fidelidade's competitive position in the pet market. The orientation of the customers themselves, better control of claims, cross-selling of services/products and shared communication efforts are some of the synergies expected from combining the two operations.

15. OTHER INTANGIBLE ASSETS

In the years 2023 and 2022, the movement in the heading other intangible assets was as follows:

(amounts in euros)

	2023									
	Opening balances							Closing balances		
	Gross amount	Accumulated depreciation and impairment	Additions	Transfers and adjustments	Amortisations in the year	Exchange differences	Disposals and write-offs (net)	Gross amount	Accumulated depreciation and impairment	Net value
Automatic data processing										
systems (software)	158,585,228	(110,716,898)	6,493,264	8,212,149	(13,593,430)	(123,062)	(161,074)	171,969,169	(123,272,993)	48,696,177
Other intangible assets	184,853,377	(3,422,525)	370,915	43,840	(4,105,935)	4,073,811	(732,460)	188,772,026	(7,691,003)	181,081,023
Brand	86,708,064	-	-	-	-	(9,347,340)	-	77,360,724	-	77,360,724
Value of current business	93,007,347	(2,991,464)	-	-	(3,306,735)	13,421,295	-	106,781,826	(6,651,383)	100,130,443
Other assets	5,137,965	(431,061)	370,915	43,840	(799,200)	(144)	(732,460)	4,629,476	(1,039,620)	3,589,856
Intangible assets in progress	50,550,921	-	30,240,929	(5,640,945)	-	(32,917)	(918,883)	74,199,106	-	74,199,106
	393,989,526	**(114,139,422)**	**37,105,108**	**2,615,045**	**(17,699,366)**	**3,917,833**	**(1,812,418)**	**434,940,301**	**(130,963,995)**	**303,976,306**

(amounts in euros)

	2022											
	Opening balances									Closing balances		
	Gross amount	Accumulated depreciation and impairment	Entry into the consolidation perimeter	Additions	Transfers and adjustments	Transfers to ANCDV	Amortisations in the year	Exchange differences	Disposals and write-offs (net)	Gross amount	Accumulated depreciation and impairment	Net value
Automatic data processing systems (software)	129,687,898	(97,632,434)	6,392,603	7,461,242	12,325,700	(1,283)	(10,116,040)	732,213	(981,568)	158,585,228	(110,716,897)	47,868. 330
Other intangible assets	79,595,994	(363,964)	88,378,679	173,284	4,550,060	-	(2,998,494)	12,095,292	-	184,853,377	(3,422,525)	181,430,852
Brand	79,182,090	-	96,395	-	-	-	-	7,429,580	-	86,708,064	-	86,708,064
Value of current business	-	-	88,282,284	-	-	-	(2,931,886)	4,665,484	-	93,007,347	(2,991,464)	90,015,883
Other assets	413,905	(363,964)	-	173,284	4,550,060	-	(66,609)	228	-	5,137,965	(431,061)	4,706,904
Intangible assets in progress	43,269,906	-	-	22,593,220	(15,865,346)	-	-	697,692	(144,551)	50,550,921	-	50,550, 921
	252,553,798	**(97,996,398)**	**94,771,282**	**30,227,747**	**1,010,414**	**(1,283)**	**(13,114,535)**	**13,525,197**	**(1,126,118)**	**393,989,526**	**(114,139,422)**	**279,850,104**

At 31 December 2023 and 2022, the values recognised in "Intangible assets in progress" refer to costs incurred with the development of new IT applications (software).

In the years 2023 and 2022, the Group directly recognised in the Income Statement external expenses related to research, development and maintenance of automatic data processing systems, in the amounts of 46,933,120 Euros and 42,159,069 Euros, respectively.

The value of current business is recognised as an intangible asset and is amortised on a straight-line basis by the average duration of the portfolio in force at the date of purchase, which corresponds to 342 months. The average duration of the portfolio was determined on the basis of the expected premium deliveries for the purchased policies. The value of current business corresponds to the estimated current value of the future cash flows of the contracts in force at the acquisition date.

16. INSURANCE AND REINSURANCE CONTRACTS

At 31 December of 2023 and 2022, the values of insurance contract assets and insurance contract liabilities are broken down as follows:

(amounts in euros)

		Non-Life						
Insurance and reinsurance contracts	**Life**	**Workers compensation and personal accidents**	**Health**	**Fire**	**Motor**	**Third-party liabilities**	**Others**	**Total**
31 December 2023								
Insurance contracts								
Insurance contracts liabilities								
– Insurance contract balances	2,788,786,506	1,484,905,152	137,730,100	383,181,075	649,034,775	223,775,846	51,676,195	5,719,089,649
– Assets for insurance acquisition cash flows						-		
	2,788,786,506	**1,484,905,152**	**137,730,100**	**383,181,075**	**649,034,775**	**223,775,846**	**51,676,195**	**5,719,089,649**
Reinsurance contracts								
Reinsurance contract assets	110,900,529	41,301,513	5,861,665	331,965,653	39,282,250	145,784,111	49,125,295	724,221,015
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
31 December 2022								
Insurance contracts								
Insurance contracts liabilities								
– Insurance contract balances	2,948,513,783	1,352,288,479	143,457,191	206,023,052	743,597,059	177,324,697	63,576,288	5,634,780,549
– Assets for insurance acquisition cash flows						-		
	2,948,513,783	**1,352,288,479**	**143,457,191**	**206,023,052**	**743,597,059**	**177,324,697**	**63,576,288**	**5,634,780,549**

(continuation) (amounts in euros)

Insurance and reinsurance contracts	Life	Non-Life: Workers compensation and personal accidents	Non-Life: Health	Non-Life: Fire	Non-Life: Motor	Non-Life: Third-party liabilities	Non-Life: Others	Non-Life: Total
Reinsurance contracts								
Reinsurance contract assets	109,207,461	41,716,640	5,487,623	273,245,714	51,724,276	115,529,775	49,869,424	646,780,913
Reinsurance contract liabilities	-	-	-	-	-	-	-	-

The movement in assets and liabilities of direct insurance and accepted reinsurance contracts, measured using the premium allocation approach, during the financial years 2023 and 2022, was the following:

(amounts in euros)

	2023				
		Liabilities for incurred claims			
		Measured under premium allocation approach			
	Remaining coverage	Estimates of present value of future cash flows	Risk adjustments	Subtotal	Total
Opening balance	**452,792,325**	**2,359,192,475**	**96,153,487**	**2,455,345,962**	**2,908,138,288**
Insurance revenue	(3,210,203,735)	-	-	-	(3,210,203,735)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	2,053,259,304	43,569,377	2,096,828,681	2,096,828,681
Amortisation of insurance acquisition cash flows	597,241,385		-	-	597,241,385
Adjustments to liabilities for incurred claims	-	71,254,935	(37,051,724)	34,203,211	34,203,211
Others	(808,922)	808,922	-	808,922	-
	596,432,464	**2,125,323,161**	**6,517,653**	**2,131,840,814**	**2,728,273,278**

(continuation)

(amounts in euros)

	2023				
		Liabilities for incurred claims			
		Measured under premium allocation approach			
	Remaining coverage	Estimates of present value of future cash flows	Risk adjustments	Subtotal	Total
Insurance service result, before reinsurance effect	**(2,613,771,271)**	**2,125,323,161**	**6,517,653**	**2,131,840,814**	**(481,930,458)**
Financial component changes in the statement of profit or loss and other comprehensive income	-	136,628,897	4,727,754	141,356,651	141,356,651
Effect of movements in exchange rates	(2,825,906)	(22,911,974)	(968,975)	(23,880,949)	(26,706,856)
Total changes in the statement of profit or loss and other comprehensive income	(2,616,597,178)	2,239,040,083	10,276,432	2,249,316,515	(367,280,663)
Cash flows					
Premiums received	3,205,399,124	-	-	-	3,205,399,124
Claims and other insurance service expenses paid, including investment components	-	(1,964,576,559)	-	(1,964,576,559)	(1,964,576,559)
Acquisition costs cash flows	(611,409,348)	-	-	-	(611,409,348)
Total cash flows	**2,593,989,776**	**(1,964,576,559)**	**-**	**(1,964,576,559)**	**629,413,217**
Closing balance	**430,184,923**	**2,633,655,999**	**106,429,919**	**2,740,085,919**	**3,170,270,842**

(amounts in euros)

	2022				
		Liabilities for incurred claims Measured under premium allocation approach			
	Remaining coverage	Estimates of present value of future cash flows	Risk adjustments	Subtotal	Total
Opening balance	**429,088,936**	**2,462,233,159**	**89,022,659**	**2,551,255,817**	**2,980,344,754**
Insurance revenue	(2,975,401,445)	-	-	-	(2,975,401,445)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	1,834,777,240	35,879,909	1,870,657,150	1,870,657,150
Amortisation of insurance acquisition cash flows	558,974,121	-	-	-	558,974,121
Adjustments to liabilities for incurred claims	-	170,664,476	(22,508,465)	148,156,012	148,156,012
Others	-	-	-	-	-
	558,974,121	**2,005,441,716**	**13,371,445**	**2,018,813,161**	**2,577,787,282**
Insurance service result, before reinsurance effect	(2,415,026,088)	2,007,542,843	13,371,445	2,020,914,288	(394,111,800)
Financial component changes in the statement of profit or loss and other comprehensive income	-	(328,419,867)	(7,945,302)	(336,365,169)	(336,365,169)
Effect of movements in exchange rates	5,297,533	38,789,563	1,704,686	40,494,249	45,791,782
Total changes in the statement of profit or loss and other comprehensive income	(2,409,728,555)	1,717,912,539	7,130,829	1,725,043,368	(684,685,187)
Cash flows					
Premiums received	3,016,978,106	-	-	-	3,016,978,106
Claims and other insurance service expenses paid, including investment components	-	(1,817,450,861)	-	(1,817,450,861)	(1,817,450,861)
Acquisition costs cash flows	(583,546,161)	-	-	-	(583,546,161)
Total cash flows	**2,433,431,944**	**(1,817,450,861)**	**-**	**(1,817,450,861)**	**615,981,084**
Closing balance	**452,792,325**	**2,359,192,475**	**96,153,487**	**2,455,345,962**	**2,908,138,288**

The movement in assets and liabilities of ceded reinsurance contracts, measured using the premium allocation approach, during the financial years 2023 and 2022, was the following:

(amounts in euros)

	2023				
		Liabilities for incurred claims			
	Remaining coverage	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Opening balance	**225,418,646**	**395,824,500**	**25,537,765**	**421,362,264**	**646,780,910**
Allocation of reinsurance premium paid	(547,207,708)	-	-	-	(547,207,708)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	327,266,327	11,085,072	338,351,400	338,351,400
Adjustments to assets for incurred claims	-	(23,819,854)	(9,410,944)	(33,230,798)	(33,230,798)
	-	**303,446,474**	**1,674,128**	**305,120,602**	**305,120,602**
Effect of changes in non-performance risk of reinsurers	-	2,548,984	-	2,548,984	2,548,984
Net expenses from reinsurance contracts	**(547,207,708)**	**305,995,458**	**1,674,128**	**307,669,586**	**(239,538,122)**
Financial component changes in the statement of profit or loss and other comprehensive income	-	19,015,374	1,129,799	20,145,174	20,145,174
Effect of movements in exchange rates	(5,536,242)	(3,508,492)	(391,147)	(3,899,639)	(9,435,881)
Total changes in the statement of profit or loss and other comprehensive income	**(552,743,950)**	**321,502,340**	**2,412,780**	**323,915,120**	**(228,828,830)**
Cash flows					
Premiums paid	556,627,413	-	-	-	556,627,413
Amounts received	-	(250,358,477)	-	(250,358,477)	(250,358,477)
Total cash flows	**556,627,413**	**(250,358,477)**	**-**	**(250,358,477)**	**306,268,935**
Closing balance	**229,302,109**	**466,968,362**	**27,950,545**	**494,918,907**	**724,221,016**

(amounts in euros)

	2022				
		Liabilities for incurred claims			
	Remaining coverage	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Opening balance	**183,627,943**	**363,207,419**	**22,089,957**	**385,297,375**	**568,925,319**
Allocation of reinsurance premium paid	(571,132,446)	-	-	-	(571,132,446)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	356,157,690	10,348,094	366,505,784	366,505,784
Adjustments to assets for incurred claims	-	(37,587,281)	(6,955,830)	(44,543,112)	(44,543,112)
	-	**318,570,408**	**3,392,264**	**321,962,672**	**321,962,672**
Effect of changes in non-performance risk of reinsurers	-	1,100,433	-	1,100,433	1,100,433
Net expenses from reinsurance contracts	**(571,132,446)**	**319,670,841**	**3,392,264**	**323,063,105**	**(248,069,341)**
Financial component changes in the statement of profit or loss and other comprehensive income	-	(8,423,124)	(571,948)	(8,995,072)	(8,995,072)
Effect of movements in exchange rates	7,827,920	17,071,355	627,492	17,698,847	25,526,767
Total changes in the statement of profit or loss and other comprehensive income	**(563,304,526)**	**328,319,072**	**3,447,808**	**331,766,880**	**(231,537,646)**
Cash flows					
Premiums paid	605,095,229	-	-	-	605,095,229
Amounts received	-	(295,701,991)	-	(295,701,991)	(295,701,991)
Total cash flows	**605,095,229**	**(295,701,991)**	**-**	**(295,701,991)**	**309,393,237**
Closing balance	**225,418,646**	**395,824,500**	**25,537,765**	**421,362,264**	**646,780,910**

The movement in the assets and liabilities of direct insurance and accepted reinsurance contracts, measured using the general model, during 2023 and 2022 was as follows:

(amounts in euros)

	2023						
	Remaining coverage			Incurred claims			
	Excluding loss component	Loss component	Subtotal	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Opening balance	**2,69,857,561**	**4,609,396**	**2,664,466,957**	**57,033,643**	**5,141,659**	**62,175,302**	**2,726,642,259**
Changes in the statement of profit or loss							
and other comprehensive income							
Insurance revenue	218,399,731	-	218,399,731	-	-	-	218,399,731
Insurance service expenses							
Incurred claims and other insurance service expenses	-	-	-	166,960,238	4,318,075	171,278,313	171,278,313
Amortisation of insurance acquisition cash flows	(17,806,081)	-	(17,806,081)	-	-	-	(17,806,081)
Losses and reversals of losses on onerous contracts	-	13,500,817	13,500,817	-	-	-	13,500,817
Adjustments to liabilities for incurred claims	-	-	-	12,513,308	(3,032,974)	9,480,334	9,480,334
Other expenses	22,715,985	-	22,715,985	-	-	-	22,715,985
	4,909,904	**13,500,817**	**18,410,720**	**179,473,546**	**1,285,101**	**180,758,647**	**199,169,367**
Investment components and premium refunds	(241,398,219)	-	(241,398,219)	241,398,219	-	241,398,219	-

(amounts in euros)

	2023						
	Remaining coverage			Incurred claims			
	Excluding loss component	Loss component	Subtotal	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Insurance service result, before reinsurance effect	**(454,888,046)**	**13,500,817**	**(441,387,230)**	**420,871,766**	**1,285,101**	**422,156,866**	**(19,230,364)**
Net finance expenses from insurance contracts	64,051,487	-	64,051,487	236,838	13,947	250,785	64,302,272
Other changes in other comprehensive income	100,236,688	-	100,236,688	1,004,679	91,093	1,095,771	101,332,459
Effect of movements in exchange rates	(8,274,935)	(150,327)	(8,425,262)	(55,887)	(3,163)	(59,050)	(8,484,313)
Total changes in the statement of profit or loss							
and other comprehensive income	**(298,874,807)**	**13,350,489**	**(285,524,317)**	**422,057,395**	**1,386,977**	**423,444,372**	**137,920,054**
Cash flows							
Premiums received	111,322,630	-	111,322,630	-	-	-	111,322,630
Claims and other insurance service expenses paid,							
including investment components	-	-	-	(407,668,407)	-	(407,668,407)	(407,668,407)
Acquisition costs cash flows	(19,397,730)	-	(19,397,730)	-	-	-	(19,397,730)
Total cash flows	**91,924,900**	**-**	**91,924,900**	**(407,668,407)**	**-**	**(407,668,407)**	**(315,743,506)**
Closing balance	**2,452,907,654**	**17,959,885**	**2,470,867,539**	**71,422,632**	**6,528,636**	**77,951,268**	**2,548,818,807**

(amounts in euros)

	2022						
	Remaining coverage			Incurred claims			
	Excluding loss component	Loss component	Subtotal	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Opening balance	**3,072,074,048**	**16,034**	**3,072,090,083**	**64,787,015**	**5,419,767**	**70,206,782**	**3,142,296,865**
Changes in the statement of profit or loss							
and other comprehensive income							
Insurance revenue	210,991,306	-	210,991,306	-	-	-	210,991,306
Insurance service expenses							
Incurred claims and other insurance service expenses	-	-	-	138,017,616	424,362	138,441,978	138,441,978
Amortisation of insurance acquisition cash flows	(3,071,999)	-	(3,071,999)	-	-	-	(3,071,999)
Losses and reversals of losses on onerous contracts	-	4,605,519	4,605,519	-	-	-	4,605,519
Adjustments to liabilities for incurred claims	-	-	-	28,970,862	(634,486)	28,336,375	28,336,375
Other expenses	10,891,775	-	10,891,775	-	-	-	10,891,775
	7,819,776	**4,605,519**	**12,425,296**	**166,988,478**	**(210,124)**	**166,778,354**	**179,203,649**
Investment components and premium refunds	(232,542,132)	-	(232,542,132)	232,542,132	-	232,542,132	-

(amounts in euros)

	2022						
	Remaining coverage			Incurred claims			
	Excluding loss component	Loss component	Subtotal	Estimates of present value of future cash flows	Risk adjustment	Subtotal	Total
Insurance service result, before reinsurance effect	**(435,713,662)**	**4,605,519**	**(431,108,143)**	**399,530,610**	**(210,124)**	**399,320,486**	**(31,787,656)**
Net finance expenses from insurance contracts	40,931,488	-	40,931,488	5,896	(6,060)	(164)	40,931,324
Other changes in other comprehensive income	(239,210,314)	-	(239,210,314)	(992,270)	(90,204)	(1,082,474)	(240,292,788)
Effect of movements in exchange rates	98,874,807	(12,158)	98,862,649	506,070	28,280	534,350	99,396,999
Total changes in the statement of profit or loss							
and other comprehensive income	**(535,117,680)**	**4,593,361**	**(530,524,319)**	**399,050,307**	**(278,108)**	**398,772,198**	**(131,752,121)**
Cash flows							
Premiums received	139,118,820	-	139,118,820	-	-	-	139,118,820
Claims and other insurance service expenses paid,							
including investment components	-	-	-	(406,803,678)	-	(406,803,678)	(406,803,678)
Acquisition costs cash flows	(16,217,628)	-	(16,217,628)	-	-	-	(16,217,628)
Total cash flows	**122,901,193**	**-**	**122,901,193**	**(406,803,678)**	**-**	**(406,803,678)**	**(283,902,485)**
Closing balance	**2,659,857,561**	**4,609,396**	**2,664,466,957**	**57,033,644**	**5,141,659**	**62,175,303**	**2,726,642,259**

Analysis by insurance component - Contracts not measured using the premium allocation approach

(amounts in euros)

	2023			
	Estimates of present value of future cash flows	**Risk adjustment**	**Contractual service margin**	**Total**
Opening balance	**2,222,909,637**	**61,632,995**	**442,099,627**	**2,726,642,259**
Changes in the statement of profit or loss and other comprehensive income				
Changes that relate to current services				
CSM recognised for services received	-	-	(70,992,195)	(70,992,195)
Change in risk adjustment for non-financial risk for risk expired	-	(1,120,327)	-	(1,120,327)
Experience adjustments	29,901,004	-	-	29,901,004
	29,901,004	**(1,120,327)**	**(70,992,195)**	**(42,211,518)**
Changes that relate to remaining coverage				
Contracts initially recognised in the year	(37,110,952)	4,825,973	38,387,355	6,102,376
Changes in estimates that adjust the CSM	(10,450,315)	(3,180,857)	13,631,173	1
Changes in estimates that do not adjust the CSM	7,276,677	121,765	-	7,398,442
	(40,284,591)	**1,766,881**	**52,018,528**	**13,500,818**
Changes that relate to incurred claims				
Adjustments to assets for incurred claims	12,513,309	(2,946,560)	-	9,566,749
	12,513,309	**(2,946,560)**	**-**	**9,566,749**

(continuation)

(amounts in euros)

	2023			
	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance service result	**2,129,723**	**(2,300,006)**	**(18,973,667)**	**(19,143,950)**
Net finance expenses from insurance contracts	56,356,705	1,259,739	6,685,827	64,302,271
Effect of movements in exchange rates	(6,950,141)	(334,938)	(1,199,234)	(8,484,313)
Other changes in other comprehensive income	95,080,650	6,251,808	-	101,332,458
Total changes in the statement of profit or loss and other comprehensive income	**146,616,937**	**4,876,604**	**(13,487,074)**	**138,006,467**
Cash flows				
Premiums received	111,322,631	-	-	111,322,631
Claims and other insurance service expenses paid, including investment components	(19,397,730)	-	-	(19,397,730)
Acquisition costs cash flows	(407,668,403)	-	-	(407,668,403)
Total cash flows	**(315,743,502)**	**-**	**-**	**(315,743,502)**
Closing balance	**2,053,783,072**	**66,509,599**	**428,612,553**	**2,548,905,224**

(amounts in euros)

	2022			
	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening balance	**2,553,881,141**	**71,191,848**	**517,223,876**	**3,142,296,866**
Changes in the statement of profit or loss and other comprehensive income				
Changes that relate to current services				
CSM recognised for services received	-	-	(67,498,739)	(67,498,739)
Change in risk adjustment for non-financial risk for risk expired	-	(5,073,950)	-	(5,073,950)
Experience adjustments	7,843,138	-	-	7,843,138
	7,843,138	**(5,073,950)**	**(67,498,739)**	**(64,729,551)**
Changes that relate to remaining coverage				
Contracts initially recognised in the year	(23,531,576)	5,305,998	27,105,335	8,879,758
Changes in estimates that adjust the CSM	55,605,756	(4,177,110)	(51,428,645)	-
Changes in estimates that do not adjust the CSM	(4,345,366)	71,128	-	(4,274,238)
	27,728,813	**1,200,016**	**(24,323,310)**	**4,605,519**
Changes that relate to incurred claims				
Adjustments to assets for incurred claims	29,921,679	(581,820)	-	29,339,859
	29,921,679	**(581,820)**	**-**	**29,339,859**

(continuation) (amounts in euros)

	2022			
	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance service result	**65,493,631**	**(4,455,754)**	**(91,822,048)**	**(30,784,172)**
Net finance expenses from insurance contracts	34,925,490	1,330,249	4,675,585	40,931,323
Effect of movements in exchange rates	82,313,466	5,061,319	12,022,213	99,396,999
Other changes in other comprehensive income	(228,850,787)	(11,441,999)	-	(240,292,787)
Total changes in the statement of profit or loss and other comprehensive income	**(46,118,200)**	**(9,506,186)**	**(75,124,250)**	**(130,748,636)**
Cash flows				
Premiums received	139,118,821	-	-	139,118,821
Claims and other insurance service expenses paid, including investment components	(16,217,629)	-	-	(16,217,629)
Acquisition costs cash flows	(406,803,677)	-	-	(406,803,677)
Total cash flows	**(283,902,485)**	**-**	**-**	**(283,902,485)**
Closing balance	**2,223,860,456**	**61,685,663**	**442,099,626**	**2,727,645,745**

Analysis of the effect of contracts initially recognized in the year:

(amounts in euros)

	Profitable contracts	Onerous contracts	Total
31 December 2023			
Claims and other insurance service expenses payable	84,799,382	15,804,067	100,603,448
Insurance acquisition cash flows	8,452,282	619,793	9,072,075
Estimates of present value of cash outflows	93,251,663	16,423,860	109,675,524
Estimates of present value of cash inflows	(135,874,039)	(10,912,437)	(146,786,476)
Risk adjustment for non-financial risk	4,235,022	590,952	4,825,973
CSM	38,387,354	-	38,387,354
Losses initially recognized	**-**	**6,102,375**	**6,102,375**
31 December 2022			
Claims and other insurance service expenses payable	89,335,656	17,890,515	107,226,171
Insurance acquisition cash flows	13,633,029	844,535	14,477,564
Estimates of present value of cash outflows	102,968,685	18,735,049	121,703,735
Estimates of present value of cash inflows	(134,689,285)	(10,546,025)	(145,235,311)
Risk adjustment for non-financial risk	4,615,264	690,734	5,305,998
CSM	27,105,336	-	27,105,336
Losses initially recognized	**-**	**8,879,758**	**8,879,758**

Analysis of the composition of the Contractual Service Margin (CSM) as of 31 December, 2023 :

(amounts in euros)

	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
31 December 2023							
Insurance with profit sharing	42,735,168	32,132,562	14,862,456	14,137,181	11,551,219	84,807,268	200,225,854
Other life insurance	15,038,450	7,996,973	7,161,889	5,996,731	4,177,029	188,015,628	228,386,700
	57,773,618	**40,129,535**	**22,024,345**	**20,133,913**	**15,728,248**	**272,822,896**	**428,612,554**
31 December 2022							
Insurance with profit sharing	38,976,833	42,560,444	31,374,494	11,461,327	11,254,999	86,580,075	222,208,173
Other life insurance	11,611,835	6,664,101	5,999,176	5,203,085	3,152,485	187,260,773	219,891,454
	50,588,668	**49,224,545**	**37,373,670**	**16,664,412**	**14,407,484**	**273,840,848**	**442,099,627**

17. OTHER DEBTORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accounts receivable for direct insurance operations		
Premiums pending collection	39,895,317	56,383,661
Brokers	65,896,999	68,953,593
Co-insurers	13,699,172	9,874,952
Workers' compensation fund	2,797,351	2,070,478
Instituto de Financiamento de Agricultura e Pescas I.P. (IFAP)	2,466,681	413,761
Others	461,633	755,767
	125,217,153	**138,452,212**
(Adjustments to premiums pending collection – Note 40)	(14,378,390)	(12,307,759)
(IFAP Adjustments – Note 40)	(584,864)	(247,225)
(Adjustments for doubtful debts – Note 40)	(3,492,832)	(3,762,108)
	(18,456,085)	**(16,317,092)**
	106,761,068	**122,135,119**

(amounts in euros)

	2023	2022
Accounts receivable for other reinsurance operations		
Reinsurers – current accounts	101,354,553	129,599,415
Reinsureds – current accounts	6,402,157	5,602,374
	107,756,711	**135,201,789**
(Adjustments for doubtful debts – Note 40)	(10,452,822)	(10,731,606)
	97,303,889	**124,470,183**
Accounts receivable for other operations		
Fees from investment contracts	260,696,193	180,463,044
Financial reinsurance	7,375,894	18,029,489
Clients – current accounts	94,489,614	76,859,577
Transactions to be settled	3,610,009	-
Advance to suppliers	23,895,217	18,137,285
Internal adjustment accounts	15,226,167	10,814,035
Rental properties	7,978,694	6,245,798
Debtors – item held under custody	2,165,835	2,533,745
Personnel	901,722	405,857

(continuation) (amounts in euros)

	2023	2022
Others	24,323,137	67,937,010
	440,662,482	**381,425,840**
(Adjustments for doubtful debts – Note 40)	(32,027,213)	(31,209,419)
	408,635,269	**350,216,421**
	612,700,226	**596,821,723**

In 2023 and 2022, the amount under the heading "Clients – current accounts" includes the amounts of 87,959,051 Euros and 70,220,194 Euros, respectively, corresponding to the hospital sector.

The balances receivable from IFAP correspond essentially to bonuses and compensation for excess claims related to harvest insurance campaigns in 2023.

The heading "Transactions to be settled" records transactions related to the sale of properties carried out in the last days of December, whose financial settlement takes place in the following year.

18. TAX ASSETS AND LIABILITIES

The balances for tax assets and liabilities at 31 December 2023 and 2022 were as follows:

(amounts in euros)

	2023	2022
Current tax assets		
Income tax recoverable	38,478,199	73,071,709
Others	718,020	73,614
	39,196,220	**73,145,323**
Current tax liabilities		
Stamp duty	(9,432,438)	(5,394,413)
Value-added tax	(17,952,825)	(7,895,356)
Motor insurance guarantee fund tax	(2,608,173)	(2,322,498)
Workers' compensation fund tax	(4,799,494)	(4,559,925)
National civil protection authority tax	(2,441,331)	(2,563,548)
Insurance and pension funds supervisory authority tax	(2,909,943)	(2,751,046)
National institute of medical emergency tax	(3,907,113)	(3,356,168)
Social Security	(8,145,408)	(7,011,787)

(amounts in euros)

	2023	2022
Withholdings	(6,159,619)	(7,134,466)
Others	(5,013,549)	(5,048,305)
	(63,369,893)	**(48,037,512)**
Deferred tax assets	**478,265,281**	**562,674,299**
Deferred tax liabilities	**(269,158,959)**	**(288,111,514)**
	209,106,322	**274,562,785**
	184,932,648	**299,670,596**

At 31 December 2023 and 2022, the balances relating to current tax assets and liabilities on income for the year break down as follows:

(amounts in euros)

	2023	2022
Income tax estimate recognised as a charge to the Income Statement	(18,058,555)	(55,649,440)
Income tax estimate recognised as a charge to other comprehensive income	(22,025,540)	26,675,942
Withholding tax	1,999,430	2,908,115
Payments on account	22,579,622	83,707,034
Income tax on branches	(244,451)	(186,994)
Tax liabilities	(27,352,507)	(21,989,959)
Income tax from previous years	56,422,566	25 ,066,565
Others	25,157,635	12,540,447
	38,478,199	**73,071,709**

At 31 December 2023 and 2022, the heading "Income tax estimate recognised as a charge to the Income Statement" corresponds to the amount of the estimate of CIT.

In 2023 and 2022, income tax recorded against other comprehensive income results from the variation of the fair value reserve of financial assets at fair value through other comprehensive income allocated to life insurance products with profit sharing, from the variation of actuarial deviations related to post-employment benefits granted to employees, as well as from the realised capital gains and losses on variable income securities with fair value variation by other comprehensive income.

Movement under the deferred taxes heading during the years 2023 and 2022 was as follows:

(amounts in euros)

	2023				
		Change in			
	Opening balances	Equity	Results	Others	Closing balances
Assets					
Valuation of financial assets at fair value through other comprehensive income	184,910,990	(68,398,267)	-	639	116,513,362
Financial assets at fair value through profit or loss	22,732,184	-	(7,326,784)	1,657,741	17,063,141
Expected credit losses	-	292,156	(292,156)	-	-
Properties	-	-	-	-	-
Own use	13,275,243	(1,309,644)	(3,629,636)	19,363	8,355,326
Investment Properties	11,180,927	(637,739)	(2,602,871)	(4,512)	7,935,805
Provisions and impairment temporarily not accepted for tax purposes	108,480,847	(249,837)	5,445,733	(1,721,047)	111,955,696
Employee benefits	8,567,061	-	337,429	(5,597)	8,898,893
Tax losses carried forward	17,685,075	-	1,461,876	(1,464,821)	17,682,130
Time value of money	636,199	1,165,096	-	-	1,801,295
Transitional regime – Insurance contracts (IFRS9/IFRS17)	157,455,244	-	(15,433,481)	506,335	142,528,098
Others	37,750,529	585,202	14,548,366	(7,352,563)	45,531,534
	562,674,299	**(68,553,033)**	**(7,491,524)**	**(8,364,462)**	**478,265,281**

(continuation)

(amounts in euros)

	2023				
		Change in			
	Opening balances	Equity	Results	Others	Closing balances
Liabilities					
Valuation of financial assets at fair value through other comprehensive income	(5,426,492)	(5,977,542)	-	-	(11,404,034)
Financial assets at fair value through profit or loss	(12,884,456)	-	4,462,908	(51,530)	(8,473,078)
Properties	-	-	-	-	-
Own use	(10,006,451)	55,396	(998,077)	39,528	(10,909,604)
Investment Properties	(47,731,628)	(2,599)	(17,868,117)	810,174	(64,792,170)
Time value of money	(149,366,397)	41,939,409	-	-	(107,426,988)
Transitional regime – Insurance contracts (IFRS9/IFRS17)	(1,741,882)	-	(2,206,764)	-	(3,948,646)
Others	(60,954,208)	459,712	214,122	(1,924,065)	(62,204,439)
	(288,111,514)	**36,474,376**	**(16,395,928)**	**(1,125,893)**	**(269,158,959)**
	274,562,785	**(32,078,657)**	**(23,887,452)**	**(9,490,355)**	**209,106,321**

(amounts in euros)

	2022					
			Change in			
	Opening balances	Perimeter entry	Equity	Results	Others	Closing balances
Assets						
Valuation of financial assets at fair value through						
other comprehensive income	20,522,712	-	171,970,735	-	(7,582,457)	184,910,990
Financial assets at fair value through profit or loss	33,834,419	-	-	(9,058,583)	(2,043,652)	22,732,184
Expected credit losses	-	-	6,020,916	(6,020,916)	-	-
Properties						
Own use	9,073,035	-	5,241,713	(481,323)	(558,182)	13,275,243
Investment Properties	21,391,975	-	(228,272)	(10,067,346)	84,570	11,180,927
Provisions and impairment temporarily not accepted for tax purposes	103,629,674	-	(2,197,250)	11,580,395	(4,531,972)	108,480,847
Employee benefits	7,883,920	-	-	817,043	(133,902)	8,567,061
Tax losses carried forward	10,638,914	-	-	10,218,736	(3,172,575)	17,685,075
Time value of money	494,866	-	141,333	-	-	636,199
Transitional regime – Insurance contracts (IFRS9/IFRS17)	137,631,308	-	-	19,823,936	-	157,455,244
Others	17,276,522	12,554,870	466,193	7,752,895	(299,951)	37,750,529
	362,377,345	**12,554,870**	**181,415,368**	**24,564,837**	**(18,238,121)**	**562,674,299**

(continuation) (amounts in euros)

	2022					
			Change in			
	Opening balances	Perimeter entry	Equity	Results	Others	Closing balances
Liabilities						
Valuation of financial assets at fair value through						
other comprehensive income	(36,908,516)	-	31,482,024	-	-	(5,426,492)
Financial assets at fair value through profit or loss	(31,860,215)	-	-	18,975,759	-	(12,884,456)
Properties						
Own use	(7,549,385)	-	(2,911,585)	1,894,083	(1,439,564)	(10,006,451)
Investment Properties	(15,642,785)	(5,522,710)	320,589	(26,412,794)	(473,928)	(47,731,628)
Time value of money	(1,221,906)	-	(148,144,491)	-	-	(149,366,397)
Transitional regime – Insurance contracts (IFRS9/IFRS17)	2,075,093	-	-	(3,816,975)	-	(1,741,882)
Others	(28,463,238)	(23,114,658)	-	(6,141,732)	(3,234,580)	(60,954,208)
	(119,570,952)	**(28,637,368)**	**(119,253,463)**	**(15,501,659)**	**(5,148,072)**	**(288,111,514)**
	242,806,393	**(16,082,498)**	**62,161,905**	**9,063,178**	**(23,386,193)**	**274,562,785**

In 2023, deferred taxes were measured based on the tax rate expected to apply when the deferred assets or liabilities are realised or settled.

19. ACCRUALS AND DEFERRALS (ASSETS)

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accrued income		
Services provided and not billed by Luz Saúde	23,357,881	35,563,831
Volume discount of Luz Saúde providers	8,788,103	8,700,000
Estimate of profit commissions	5,000,000	4,260,391
Others	7,262,821	6,513,339
Deferred expenses		
Software licences	11,262,141	7,524,985
Maintenance and repairs	3,318,837	5,494,194
Advertising	1,549,434	1,368,417
Insurance	1,526,197	970,739
Rents and leases	836,107	1,386,631
Portuguese Insurers Association subscriptions	375,207	379,058
Specialist work	140,803	721,168
Commissions on the issue of financial products	-	357,232
Others	42,064,494	21,028,487
	105,482,025	**94,268,472**

The heading "Deferred expenses – Others" includes 3,454,945 Euros related to the partnership project between Luz Saúde, S.A. and the Catholic University of Portugal.

20. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At 31 December 2023 and 2022, the non-current held for sale assets, liabilities, and profit or loss headings were composed as follows:

(amounts in euros)

	2023	2022
Non-current assets held for sale		
Properties for own use	7,956,531	7,956,531
Investment properties	93,910,318	-
Tangible assets	-	6,876,274
Other assets	17,732,081	24,450,240
	119,598,930	**39,283,044**
Liabilities of a group for sale classified as held for sale		
Deferred tax liabilities	357,329	-
Other liabilities	9,717,189	15,824,973
	10,074,518	**15,824,973**

(continuation) (amounts in euros)

	2023	2022
Profit or loss on non-current assets classified as held for sale		
Profit		
Realised profit	297,110	-
	297,110	**-**
Losses		
Other costs	(279,940)	(1,441,931)
	(279,940)	**(1,441,931)**
	17,170	**(1,441,931)**

At December 31, 2023, the Group classified the following operations as assets held for sale and discontinued operations:

- Discontinuation of operations in the public segment, due to the termination of the management contract for the Beatriz Ângelo Hospital;
- Process of selling the real estate project called Tivoli Porto;
- Process of selling the real estate project called Logistics Portfolio in Japan.

21. 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 2023 and 2022 is set out below:

(amounts in euros)

	2023					
	Opening balance	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	2,769,698,191	587,589,485	(217,860,876)	186,599,039	(682,225)	3,325,343,614
Unit-linked group capitalisation	1,779,608	407,874	(447,232)	(622,267)	-	1,117,983
Unit-linked PPR	364,336,990	58,410,213	(29,797,057)	28,371,833	(1,502,834)	419,819,145
	3,135,814,789	**646,407,572**	**(248,105,164)**	**214,348,605**	**(2,185,058)**	**3,746,280,743**
Valued at amortised cost						
Other investment contracts						
Life Individual PPR Fixed Rate	3,764,776,850	161,716,641	(1,364,753,775)	61,415,317	1,550,747	2,624,705,779
Life Individual Fixed Rate	1,722,173,824	888,052,431	(496,319,874)	35,185,381	7,329,073	2,156,420,834
Life Group Fixed Rate	883,223	38,378	-	31,616	-	953,217
Capitalisation Op. Individual Fixed Rate	4,437,874	-	(1,463)	(4,434,892)	-	1,518
	5,492,271,771	**1,049,807,449**	**(1,861,075,113)**	**92,197,422**	**8,879,819**	**4,782,081,349**
	8,628,086,559	**1,696,215,021**	**(2,109,180,277)**	**306,546,027**	**6,694,761**	**8,528,362,091**

(amounts in euros)

	2022						
	Opening balance	Entries in the consolidation perimeter	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value							
Unit-linked contracts							
Unit-linked individual capitalisation	1,447,057,443	617,559,480	1,206,171,340	(182,251,341)	(318,237,006)	(601,726)	2,769,698,191
Unit-linked group capitalisation	721,245	-	1,058,363	-	-	-	1,779,608
Unit-linked PPR	312,491,275	-	98,980,283	(20,051,238)	(25,723,881)	(1,359,449)	364,336,990
	1,760,269,963	**617,559,480**	**1,306,209,986**	**(202,302,579)**	**(343,960,887)**	**(1,961,176)**	**3,135,814,789**
Valued at amortised cost							
Other investment contracts							
Life Individual PPR Fixed Rate	4,471,685,759	-	177,396,711	(895,141,239)	9,409,976	1,425,643	3,764,776,850
Life Individual Fixed Rate	2,057,495,529	-	388,672,441	(729,052,570)	4,456,409	602,016	1,722,173,824
Life Group Fixed Rate	816,882	-	37,080	-	29,261	-	883,223
Capitalisation Op. Individual Fixed Rate	4,435,555	-	-	(994)	3,313	-	4,437,874
	6,534,433,725	**-**	**566,106,232**	**(1,624,194,804)**	**13,898,959**	**2,027,659**	**5,492,271,771**
	8,294,703,688	**617,559,480**	**1,872,316,218**	**(1,826,497,382)**	**(330,061,928)**	**66,483**	**8,628,086,559**

"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.

In 2022 the entries into the perimeter concern the acquisition of the company Liechtenstein Life Assurance AG.

22. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND OTHER FINANCIAL LIABILITIES

At 31 December 2023 and 2022, these headings were composed as follows:

(amounts in euros)

	2023	2022
Financial liabilities at fair value through profit or loss		
Fair value hedge (Note 7)	38,679,068	25,238,071
Other derivatives (Note 7)	265,956,367	129,278,235
	304,635,435	**154,516,306**
Financial liabilities of the put option	-	-
Other financial liabilities		
Hedge Derivatives		
Cash flow hedge (Note 7)	1,288,368	4,154,865
Hedge of a net investment (Note 7)	235,215	795,084
	1,523,582	**4,949,949**
Subordinate liabilities	503,325,647	502,164,558
Deposits received from reinsurers		
Life	2,222,085	1,773,745
Non-Life	55,328,991	52,828,960
	57,551,076	**54,602,705**

(amounts in euros)

	2023	2022
Loans	423,291,245	487,519,635
Leases	203,034,874	148,661,036
	1,188,726,424	**1,197,897,883**
	1,493,361,859	**1,352,414,189**

The heading "Other derivatives" includes a put option and a call option on the non-controlling shares of Fidelidade Moçambique - Companhia de Seguros S.A.

The heading "Loans" as of 31 December 2023 includes loans obtained on which interest is charged at an average annual rate of 0.75%, with a maximum maturity of approximately 12 years, and a Commercial Paper issuance programme, subscribed by the Group in 2014, subject to an average annual rate of 1.97% and with a maximum maturity of approximately 7 years.

In October 2022, the Takeover Bid (OPA) took place, culminating in the acquisition of 42.93% of La Positiva Seguros Y Reaseguros S.A. by FID Peru S.A. in the amount of 103,123,066 Euros. Given this operation, the amount of the put option that was accounted for under the heading "Financial liability of the put option" was cancelled, presenting a zero balance as of 31 December 2022.

The movements occurred in finance liabilities during the year 2023 were as follows:

(amounts in euros)

Balance at 31 December 2022	**148,661,036**
Increase in the year	104,854,067
Additions	96,917,963
Interest	7,936,104
Decrease in the year	(50,480,229)
Payments	(49,613,669)
Others	(866,560)
Balance at 31 December 2023	**203,034,874**

At 31 December 2023, lease liabilities had the following maturities:

(amounts in euros)

	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
Leases	36,518,252	29,128,811	44,221,058	93,166,753	203,034,874
	36,518,252	**29,128,811**	**44,221,058**	**93,166,753**	**203,034,874**

The amounts recorded during the year were recognised in accordance with the principles defined in IFRS 16 – "Leases", which are described in Note 2.9.

23. OTHER CREDITORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accounts payable for direct insurance operations		
Brokers	93,663,501	78,290,083
Policyholders	49,736,718	50,895,340
Co-Insurers	8,802,219	7,256,576
	152,202,438	**136,441,999**
Accounts payable for other reinsurance operations		
Reinsurers – current accounts	293,487,103	328,356,065
Reinsureds – current accounts	3,964,278	4,095,223
	297,451,381	**332,451,288**
Accounts payable for other operations		
Premiums received in advance	32,084,166	29,769,202
Financial reinsurance	182,826,166	154,766,630
Suppliers – current accounts	110,292,335	90,470,136
Guarantees - Tenants	637,365	310,459
Internal adjustment accounts	8,839,000	8,701,355

(continuation) (amounts in euros)

	2023	2022
Advances from clients	7,129,222	8,533,374
Off-exchange transactions	-	6,769,938
Personnel	1,252,255	1,581,918
Pension funds	589,616	652,299
Associated companies	599,708	591,558
Miscellaneous creditors	33,504,999	40,117,609
	377,754,833	**342,264,477**
	827,408,652	**811,157,764**

The heading "Internal adjustment accounts" records several transactions carried out in the last days of December, whose financial settlement occurred in the first days of the following month.

The heading "Transactions to be settled" records several transactions carried out in the last days of December, whose financial settlement occurred in the first days of the following month.

24. ACCRUALS AND DEFERRALS (LIABILITIES)

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Deferred income		
Rents and leases	12,271,076	11,233,562
Others	6,585,975	4,858,986
	18,857,051	**16,092,548**
Accrued expenses		
Commissions payable	80,171,204	71,679,147
Holidays and allowances payable	49,212,564	45,102,712
Medical/nursing fees	38,319,148	35,942,725
Company performance awards	16,665,635	16,922,190
Variable remuneration, including charges	15,251,883	13,889,307
Invoices under review	6,382,637	7,707,829
Optional career benefits	6,150,201	5,406,878
Deferred payments – Marketing	4,917,129	7,889,671
Outsourcing (except accounting and computing)	4,688,870	3,861,689
Specialist work	3,739,570	2,019,420

(continuation) (amounts in euros)

	2023	2022
Healthcare services	2,308,629	1,975,031
Interest payable	2,081,117	1,723,109
Insurance	1,859,017	5,696,026
Other employee costs	1,424,058	1,483,719
Audit	1,301,874	2,008,583
Municipal property tax	780,826	983,974
Provision for fund-raising premiums	637,907	708,031
Advertising	367,730	1,670,611
Electricity	298,218	394,996
Others	36,957,447	35,256,752
	273,515,663	**262,322,401**
	292,372,715	**278,414,949**

The heading "Commissions payable" includes:

- Estimation of over commissions, in the amounts of 43,719,712 Euros and 35,999,518 Euros, for the years 2023 and 2022, respectively;

- Estimated commissions payable to Caixa Geral de Depósitos, S.A. (CGD), in the amounts of 27,984,331 Euros and 26,242,212 Euros, for the years 2023 and 2022, respectively.

25. OTHER PROVISIONS AND CONTINGENT LIABILITIES

The movement in the heading "Other provisions", during the years 2023 and 2022 was as follows:

(amounts in euros)

	2023							
	Opening balances	Entries in the consolidation perimeter	Reinforcements	Recoveries and cancellations	Uses	Others	Actuarial deviations by equity	Closing balances
Provisions for taxes	30,652,918	-	7,125,235	(240,245)	(41,502)	-	-	37,496,406
Provisions for the cost of employee								
benefits (Note 33)								
Healthcare benefits	18,329,897	-	-	(225,277)	-	-	(793,133)	17,311,487
Pension costs	7,025	-	-	(4,317)	-	-	-	2,709
Provision for restructuring	2,668,327	-	2,757,778	(2,668,327)	-	-	-	2,757,778
Provision for judicial contingencies	18,719,854	-	1,946,192	(4,171,382)	-	786,994	-	17,281,658
Others	6,854,961	-	-	(2,926,174)	(436,571)	-	-	3,492,216
	77,232,983	**-**	**11,829,205**	**(10,235,722)**	**(478,073)**	**786,994**	**(793,133)**	**78,342,254**

(amounts in euros)

	2022							
	Opening balances	**Entries in the consolidation perimeter**	**Reinforcements**	**Recoveries and cancellations**	**Uses**	**Others**	**Actuarial deviations by equity**	**Closing balances**
Provisions for taxes	23,835,164	-	8,000,042	(2,880,734)	-	1,698,446	-	30,652,918
Provisions for the cost of employee								
benefits (Note 33)								
Healthcare benefits	25,903,684	-	-	(598,391)	-	-	(6,975,396)	18,329,897
Pension costs	33,936	-	-	(26,911)	-	-	-	7,025
Provision for restructuring	10,141,774	-	-	(7,473,446)	-	-	-	2,668,327
Provision for judicial contingencies	15,620,668	145,429	2,494,992	-	-	458,764	-	18,719,854
Others	31,569,322	4,301,078	-	(4,579,819)	(19,440,447)	(4,995,173)	-	6,854,961
	107,104,549	**4,446,507**	**10,495,034**	**(15,559,301)**	**(19,440,447)**	**(2,837,963)**	**(6,975,396)**	**77,232,983**

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.

The other amounts recognised in the heading "Others" are to respond to other contingencies resulting from the Group's activity.

In 2023 and 2022, the "Other provisions" headings include the use of 1,954,541 Euros and 2,928,929 Euros respectively, which are recorded under the heading "Impairment losses (net of reversals)".

The column "Others" refers to the liability associated with the Corporate Bodies' Long-Term Benefit Agreement in the amount of 4,995,173 Euros, which was reclassified from the heading "Other provisions – Others" to the heading "Liability for Employee Benefits", in January 2022.

The heading "Provisions for the cost of employee benefit – Health benefits" is intended to cover the liabilities assumed by the Group in relation to health benefits attributed to its employees. The heading "Provisions for the cost of employee benefit – Pension costs" is intended to cover the liabilities assumed by the Group arising from the retirement supplement attributed to some of its employees and which is not covered by the pension fund constituted by the Group to cover the liabilities with post-employment benefits of the defined benefit pension plan (Note 32).

In July 2022, the Competition Authority (AdC) sentenced the Associação Portuguesa de Hospitalização Privada (APHP - Portuguese Association of Private Hospitals) and some of its associates, including Luz Saúde, S.A., for alleged concerted practice, restricting competition, in the contracting of hospital-based health services by the public health subsystem Instituto de Proteção e Assistência na Doença, I.P. (ADSE - Institute for Protection and Assistance in Disease, I.P.). The AdC concluded that the aforementioned APHP associates coordinated with each other the strategy and the negotiating position to be adopted within the scope of relations with the ADSE, through and with the joint participation of the APHP, between 2014 and 2019. The sanction decision resulted in a total fine of 190,995,000 Euros, of which Luz Saúde, S.A. received a fine in the amount of 66,209,000 Euros. The Management of Luz Saúde, S.A. deems that it did not commit any infringement of competition law, therefore, with the support of its Legal and Compliance Department and respective external legal advisers, it filed an appeal against the aforementioned decision. In this regard, the Management of Luz Saúde, S.A. believes that the AdC's decision will eventually be reversed, given that the negotiation process with the ADSE, at issue in the AdC's final decision, only reflected the methodology adopted for said negotiations which, at the request of the ADSE itself, was agreed between the latter and the "Associação Portuguesa de Hospitalização Privada" (APHP), in representation of its members, and never questioning the guiding principles and rules of competition law. In a scenario, albeit unexpected, in which the appeal filed by Luz Saúde, S.A. does not have the expected outcome, the upholding of the sentence by the AdC may negatively affect the Issuer in the amount disclosed above, or in another amount that may be determined by the Court, following the appeal filed by Luz Saúde, S.A..

26. CAPITAL AND OTHER EQUITY INSTRUMENTS

The share capital, wholly owned by Millennium Gain Limited, consists of 50,000 shares with the nominal unit value of 1.00 Euro and is fully paid up.

The other equity instruments are supplementary capital contributions. According to the legislation in force, the refund depends on the resolution of the shareholders, which can only be approved if, as a result of it, the equity does not become lower than the sum of the share capital and the legal reserve. In 2023 and 2022, supplementary capital contributions of 186,000,000 Euros and 164,977,301 Euros, respectively, were reimbursed.

The income per share at 31 December 2023 and 2022 was as follows:

(amounts in euros)

	2023	2022
Net income for the year	152,804,258	143,874,712
Number of shares (at end of year)	50,000	50,000
Income per share (in Euros)	3,056.09	2,877.49

27. RESERVES, RETAINED EARNINGS AND INCOME FOR THE YEAR

At 31 December 2023 and 2022, reserves and retained earnings were composed as follows:

(amounts in euros)

	2023	2022
Revaluation reserves		
By fair value adjustments		
of debt instruments valued at fair value through other comprehensive income (Note 8)	(306,196,430)	(631,529,656)
of equity instruments valued at fair value through other comprehensive income (Note 8)	(93,130,974)	(73,809,708)
By revaluations of properties for own use	377,692	868,613
By adjustments in the fair value of hedging instruments in cash flow hedging	(350,670)	1,012,524
By adjustments in the fair value of hedging instruments for net investments in currency foreign	13,059,446	26,051,307
By adjustments in the fair value of fair value hedging instruments	1,147,454	-
of exchange differences	(14,710,303)	(41,807,786)
Provision for expected credit losses on debt instruments valued at fair value through other comprehensive income (Note 40)	13,012,012	8,321,842
	(386,791,771)	**(710,892,863)**
Financial component of insurance contracts reserve	312,814,662	455,887,930
Financial component of reinsurance contracts reserve	(7,285,032)	(12,994,935)
	305,529,630	**442,892,995**

(amounts in euros)

	2023	2022
Deferred tax reserve		
of debt instruments valued at fair value through other comprehensive income	72,401,805	146,363,318
of equity instruments valued at fair value through other comprehensive income	19,744,741	8,683,672
of properties for own use	1,263,048	4,671,133
By adjustments in the fair value of hedging instruments in cash flow hedging	55,168	(335,029)
By adjustments in the fair value of hedging instruments for net investments in currency foreign	(2,742,820)	(5,722,473)
By adjustments in the fair value of fair value hedging instruments	(361,448)	-
of exchange differences	4,161,611	3,675,999
of provision for expected credit losses on debt instruments valued at fair value through other comprehensive income	(1,276,516)	(1,587,501)
of financial component reserve	(93,294,047)	(123,511,035)
Actuarial deviations		
Retirement pensions	22,654,363	21,408,886
Healthcare benefits	-	1,435,073
Tax (paid)/deducted from potential capital gains or losses on assets	(1,842,517)	13,193,129
	20,763,387	**68,275,173**

(amounts in euros)

	2023	2022
Profit or loss from the sale of equity instruments valued at fair value through reserves	(4,079,528)	(681,655)
Other reserves		
Equity method reserves	(1,939,902)	(1,544,490)
Legal reserve	267,661,614	249,941,072
Actuarial deviations		
Retirement pensions	(30,183,844)	(30,101,873)
Healthcare benefits	(3,881,655)	(4,555,787)
Other reserves	830,627,119	809,777,878
	1,062,283,332	**1,023,516,799**
Retained earnings	77,467,859	(34,725,427)
Income for the year	152,804,258	143,874,712
	1,227,977,166	**932,259,734**

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 assessment of consolidated profit for the years 2023 and 2022 was determined as follows:

(amounts in euros)

	2023	2022
Contribution to consolidated net income		
Insurance		
Fidelidade - Companhia de Seguros, S.A.	83,588,918	68,100,384
Via Directa - Companhia de Seguros, S.A.	2,056,081	(1,089,516)
Fidelidade Assistência - Companhia de Seguros, S.A.	4,523,354	4,568,596
Companhia Portuguesa de Resseguros, S.A.	624,957	835,805
Multicare - Seguros de Saúde, S.A.	12,233,700	21,811,282
Fidelidade Angola - Companhia de Seguros, S.A.	558,925	5,559,923
Fidelidade Macau - Companhia de Seguros, S.A.	4,257,285	1,042,830
Fidelidade Macau Vida - Companhia de Seguros, S.A.	2,027,707	(341,166)
Garantia - Companhia de Seguros de Cabo Verde, S.A.	2,387,963	2,500,945
Positiva Seguros y Reaseguros S.A.A.	4,605,000	(2,894,210)
La Positiva Vida Seguros Y Reaseguros S.A.	68,389,480	41,911,888
Alianza Vida Seguros y Reaseguros S.A.	5,958,617	3,100,001
Alianza Compañia de Seguros y Reaseguros E.M.A. S.A.	6,609,784	5,474,936
Alianza Garantía Seguros Y Reasseguros S.A.	1,340,964	877,732
La Positiva S.A. – Entidad Prestadora de Salud	256,585	763,819
FID Chile Seguros Generales, S.A.	(1,110,653)	(4,535,912)

(continuation) (amounts in euros)

	2023	2022
Seguradora Internacional Moçambique, S.A.	10,073,095	8,458,723
Liechtenstein Life Assurance AG	28,558,711	11,570,150
Real Estate		
Fidelidade - Property Europe, S.A.	(8,830,298)	(10,409,727)
Fidelidade - Property International, S.A.	2,634,931	(860,203)
Fundo de Investimento Imobiliário Fechado IMOFID	9,988,182	14,428,828
FPI (UK) 1 LIMITED	(859,436)	9,591,816
FPE (Lux) Holding S.à r.l.	10,634,295	4,821,307
Thomas More Square (Lux) Holdings S.à r.l.	7,403,226	10,573,678
Thomas More Square (Lux) S.à r.l.	(53,510,640)	(35,837,954)
FPE (IT) Società per Azioni	33,787,201	51,630,734
Fondo Broggi – Fondo di investimento Alternativo Immobiliare di Tipo Chiuso Riservato	34,061,909	35,102,270
Broggi Retail S.R.L.	(29,223)	(25,281)
FPE (BE) Holding	7,356,710	(11,779,366)
IBERFID - Fundo de Investimento Imobiliário Fechado	(797,188)	4,140,779
FPE (HU) Kft.	(4,108,722)	2,232,252
FPE (UK) 1 LIMITED	15,704,230	2,745,512
FPE (Lux) 1	(111,577)	(244,344)
FPE (PT), SGPS, S.A.	(321,560)	(45,571)
FPE (PT) OFFICE A, S.A.	3,953,947	2,970,005

(continuation) (amounts in euros)

	2023	2022
FPE (PT) 2 OFFICE B, S.A.	4,629,826	3,369,247
FPE (PT) 3 RESIDENTIAL, S.A.	459,051	(665,883)
FPE (PT) 4 RET, S.A.	1,878,143	1,127,028
FPE (PT) 5 PARK, S.A.	2,360,236	1,410,978
GK Lisbon	219,357	131,942
TMK Lisbon	2,893,049	5,528,741
EA One Holding, Inc	(1,961,533)	(3,294,741)
Florestas de Portugal – Fundo Especial de Investimento Imobiliário Fechado	4,238	-
Healthcare		
Luz Saúde, S.A.(a)	31,212,491	25,075,036
Clínica Fisiátrica das Antas, Unipessoal, Lda.	68,608	2,787
Multi Health, S.A.	(44,999)	(5,814)
La Positiva Servicios de Salud S.A.C.	(87,819)	-
Insurance holdings		
Longrun Portugal, SGPS, S.A.	185,928,080	(741,126)
FID LatAm, SGPS, S.A.	(46,313)	(110,512)
FID Peru, S.A.	2,259,990	15,579,379
FID Chile SpA	(60,086)	(7,939)
the prosperity company AG	626,743	601,887

(continuation) (amounts in euros)

	2023	2022
Other sectors		
GEP - Gestão de Peritagens Automóveis, S.A.	755,579	513,285
E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A.	(47,563)	132,142
Cetra - Centro Técnico de Reparação Automóvel, S.A.	2,480,032	(117,587)
Fidelidade - Serviços de Assistência, S.A.	(790,401)	(757,673)
CARES - Assistência e Reparações, S.A.	14,512	166,859
Fidelidade - Assistência e Serviços, Lda.	35,041	19,615
FCM Beteiligungs GmbH	-	(18,833)
FID III (HK) LIMITED	-	29,843
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	507,499	195,246
FID Loans 1 (Ireland) Limited	27,417,949	(9,964,483)
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (b)	359,382	325,765
Serfun Portugal, SGPS, S.A.(b)	(14,456)	(19,308)
Universal - Assistência e Serviços, Lda.	769,110	56,146
GEP Cabo Verde Gestão de Peritagens, Lda.	23,498	13,809
Fid Chile & MT JV SpA	31,054	51,645
Alianza SAFI, S.A.	231,042	170,462
Full Assistance S.R.L.	24,417	154,414
Worldwide Security Corporation S.A.	513,199	(314,540)

(amounts in euros)

	2023	2022
FID I&D, S.A.	(41,870)	(624,910)
FPE (PT), S.A.	(191,208)	170,556
Tenax Capital Limited	3,352,142	2,935,698
Cetra - Car Remarketing, S.A.	(6,093)	16,946
prosperity solutions AG (former prosperity brokershome AG)	(759,285)	(2,640)
prosperity solutions AG	-	104,790
prosperity solutions GmbH	150,413	61,214
prosperity cashtech AG	194,041	33,545
prosperity funds SICAV	232,384	831,169
prosperity brokershome GmbH	-	(57,694)
Fid Real Assets SGPS, S.A.	(570,602)	(22,462)
Fid Real Assets Spain	(2,916)	13,185
LLA Office Anstalt	(46,135)	-
Elimination of dividends	**(252,929,777)**	**(47,193,860)**
Other consolidation adjustments		
Elimination of subsidiaries valuation	(33,706,939)	(52,663,185)
Non-controlling interests (Note 28)	(82,304,716)	(72,391,167)
Cancellation of losses due to reversal net impairment	9,159,169	42,583,762
Consolidated gains from acquisitions of subsidiaries	1,565,979	26,144,709

(continuation) (amounts in euros)

	2023	2022
Hedge accounting	3,010,663	(17,263,628)
Put Option valuation (Note 22)	-	(14,188,076)
Cancellation of profit or loss in intra-group transactions	(7,989,086)	(6,719,012)
Cancellation of exchange differences in intra-group transactions	(11,592,084)	3,729,827
Property adjustments	(6,871,804)	1,620,156
Correction to previous years results	(15,385,635)	(662,409)
Deferred tax on capital gains	(34,645)	(366,562)
Others	(8,973,154)	(7,604,002)
	152,804,258	**143,874,712**

(a) Consolidated accounts, excluding non-controlling interests
(b) Equity method

The income of 2022 and 2021 was applied as indicated below:

(amounts in euros)

	2022	2021
Application of income for the year		
Legal reserve	17,720,542	32,898,533
Free reserves	20,477,040	22,303,288
Retained earnings	147,411,199	173,077,431
Reservation by tax	(168,417)	(412,888)
Profit or loss from the sale of equity instruments valued at fair value through other comprehensive income	801,983	1,394,347
	186,242,347	**229,260,711**

28. NON-CONTROLLING INTERESTS

The value of the shares of third parties in subsidiaries breaks down as follows per entity:

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.	44.00%	21,059,924	44.00%	19,608,499
Alianza Garantía Seguros Y Reasseguros S.A.	71.58%	5,094,505	71.58%	4,071,992
Alianza SAFI, S.A.	71.89%	873,250	73.30%	932,461
Alianza Vida Seguros y Reaseguros S.A.	52.87%	11,619,446	52.87%	9,577,548
Broggi Retail S.R.L.	0.00%	-	4.24%	(5,749)
Cetra - Car Remarketing, S.A.	49.00%	90,935	49.00%	95,492
EA One Holding, Inc.	26.76%	20,417,157	43.00%	20,694,754
Fid Chile & MT JV SpA	3.37%	1,477,789	0.72%	269,451
Fid Chile Seguros Generales S.A.	3.37%	(655,812)	0.72%	(113,502)
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	9,106,315	29.97%	10,658,198
FPE (IT) Società per Azioni	0.00%	-	4.24%	14,064,906
Full Assistance S.R.L.	47.55%	(322,002)	47.55%	(321,903)
Fondo Broggi – Fondo di investimento Alternativo Immobiliare di Tipo Chiuso Riservato	0.00%	-	4.24%	4,439,237
Fundo de Investimento Imobiliário Aberto IMOFID	39.83%	105,928,373	50.27%	128,359,121
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	7,782,422	44.11%	7,567,033

(continuation)

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
GEP Cabo Verde Gestão de Peritagens, Lda.	11.03%	8,781	11.03%	6,190
La Positiva S.A. Entidad Prestadora de Salud	31.49%	726,771	31.49%	497,823
La Positiva Seguros Y Reaseguros S.A.A.	6.07%	6,579,744	6.07%	6,075,469
La Positiva Servicios de Salud S.A.C.	31.47%	(30,523)	0.00%	-
La Positiva Vida Seguros Y Reaseguros S.A.	44.02%	59,080,345	44.02%	24,734,293
Liechtenstein Life Assurance AG	30.00%	52,650,152	30.00%	5,324,061
LLA Office Anstalt	30.00%	(29,775)	0.00%	-
Luz Saúde, S.A.	0.14%	327,238	0.14%	1,346,034
prosperity solutions AG (former prosperity brokershome AG)	30.00%	(633,695)	30.00%	971
prosperity brokershome GmbH	0.00%	-	30.00%	(17,308)
prosperity cashtech AG	30.00%	(84,022)	30.00%	13,175
prosperity funds SICAV	30.00%	129,235	30.00%	258,861
prosperity solutions AG	0.00%	-	30.00%	61,833
prosperity solutions GmbH	30.00%	110,689	30.00%	18,364
Fidelidade Moçambique - Companhia de Seguros, S.A.	30.00%	20,532,837	30.00%	19,752,813
Tenax Capital Limited	20.00%	1,831,749	20.00%	925,638
the prosperity company AG	30.00%	(325,143)	30.00%	29,276,083

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
Thomas More Square (Lux) Holdings S.à r.l.	0.70%	(145,406)	0.70%	(63,230)
Thomas More Square (Lux) S.à r.l.	0.30%	70,330	0.30%	208,633
TMK Lisbon	3.00%	1,304,209	3.00%	1,445,910
Universal - Assistência e Serviços, Lda.	43.98%	275,916	43.98%	466,325
Veterinários Sobre Rodas, Lda	12.00%	42,997	0.00%	-
Via Directa - Companhia de Seguros, S.A.				
Worldwide Security Corporation S.A.	46.79%	(226,282)	46.79%	(462,408)
		324,668,449		**309,767,068**
Longrun Perimeter				
Fidelidade - Companhia de Seguros, S.A.	15.00%	400,172,762	15.00%	380,792,368
		724,841,211		**690,559,436**

The part of the consolidated profit attributable to minority shareholders in 2023 and 2022 is as follows:

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
Alianza Compañia de Seguros y Reaseguros E.M.A. S.A.	44.00%	(2,630,775)	44.00%	(2,052,145)
Alianza Garantía Seguros Y Reasseguros S.A.	71.58%	(959,894)	71.58%	(633,898)
Alianza SAFI, S.A.	71.89%	(166,782)	73.30%	(125,166)
Alianza Vida Seguros y Reaseguros S.A.	52.87%	(2,926,810)	52.87%	(1,603,817)
Broggi Retail S.R.L.	0.00%	-	4.24%	1,072
Cetra - Car Remarketing, S.A.	49.00%	4,557	49.00%	(3,003)
EA One Holding, Inc	26.76%	49,205	43.00%	556,879
Fid Chile & MT JV SpA	3.37%	(1,948)	0.72%	2,017
Fid Chile Seguros Generales, S.A.	3.37%	9,717	0.72%	32,808
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	(1,427,661)	29.97%	(1,588,572)
FPE (IT) Società per Azioni	0.00%	-	4.24%	5,507
Full Assistance S.R.L.	47.55%	(11,610)	47.55%	(74,002)
Fondo Broggi – Fondo di investimento Alternativo Immobiliare di Tipo Chiuso Riservato	0.00%	-	4.24%	(1,489,957)
Fundo de Investimento Imobiliário Aberto IMOFID	39.83%	(4,608,108)	50.27%	(7,246,354)
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	(753,812)	44.11%	(1,162,772)
GEP Cabo Verde Gestão de Peritagens, Limitada	11.03%	(2,591)	11.03%	(1,523)
La Positiva S.A. – Entidad Prestadora de Salud	31.49%	(171,776)	31.49%	(257,551)
La Positiva Seguros y Reaseguros S.A.	6.07%	(138,951)	6.07%	545,426

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
La Positiva Servicios de Salud S.A.C.	31.47%	27,635	0.00%	-
La Positiva Vida Seguros Y Reaseguros S.A.	44.02%	(29,302,119)	44.02%	(16,875,724)
Liechtenstein Life Assurance AG	30.00%	(8,567,613)	30.00%	(3,471,045)
LLA Office Anstalt	30.00%	13,840	0.00%	-
Luz Saúde, S.A.	0.14%	101,850	0.14%	(8,616,487)
prosperity solutions AG (former prosperity brokershome AG)	30.00%	227,786	30.00%	792
prosperity brokershome GmbH	0.00%	-	30.00%	17,308
prosperity cashtech AG	30.00%	(58,212)	30.00%	(10,064)
prosperity funds SICAV	30.00%	(69,715)	30.00%	(249,351)
prosperity solutions AG	0.00%	-	30.00%	(31,437)
prosperity solutions GmbH	30.00%	(45,124)	30.00%	(18,364)
Fidelidade Moçambique - Companhia de Seguros, S.A.	30.00%	(3,017,443)	30.00%	(2,532,569)
Tenax Capital Limited	20.00%	(886,312)	20.00%	(703,639)
the prosperity company AG	30.00%	552,870	30.00%	640,566

(amounts in euros)

	2023		2022	
	%	Amount	%	Amount
Thomas More Square (Lux) Holdings Sarl	0.70%	267	0.70%	2,835
Thomas More Square (Lux) Sarl	0.30%	161,385	0.30%	108,085
TMK Lisbon	3.00%	(85,796)	3.00%	(154,944)
Universal Assistência e Serviços, Lda	43.98%	(338,250)	43.98%	(22,782)
Worldwide Security Corporation S.A.	46.79%	(240,119)	46.79%	148,785
		(55,262,309)		**(46,863,083)**
Longrun Perimeter				
Fidelidade - Companhia de Seguros, S.A.	15.00%	(27,042,407)	15.00%	(25,528,084)
		(82,304,716)		**(72,391,167)**

29. INSURANCE CONTRACTS REVENUE

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023						
	Life	Accidents and Health	Fire and Other Damage	Motor	Third-Party Liability	Others	Total
Contracts not measured using the premium							
allocation approach							
Amounts related to changes in future services liabilities							
– Release of the contractual service margin							
for transferred services	70,992,195	-	-	-	-	-	70,992,195
– Changes in risk adjustment (non-financial risk)							
by expired risk	5,438,402	-	-	-	-	-	5,438,402
– Release of the expected value of claims occurred							
and expenses attributable to insurance contracts	141,969,135	-	-	-	-	-	141,969,135
	218,399,731	**-**	**-**	**-**	**-**	**-**	**218,399,732**
Contracts measured using the premium							
allocation approach	**431,094,852**	**1,067,950,914**	**575,454,442**	**857,697,109**	**142,510,461**	**135,495,958**	**3,210,203,735**
Total revenue from insurance contracts (Note 16)	649,494,583	1,067,950,914	575,454,442	857,697,109	142,510,461	135,495,958	3,428,603,467

(amounts in euros)

	2022						
	Life	Accidents and Health	Fire and Other Damage	Motor	Third-Party Liability	Others	Total
Contracts not measured using the premium							
allocation approach							
Amounts related to changes in future services liabilities							
– Release of the contractual service margin							
for transferred services	67,498,739	-	-	-	-	-	67,498,739
– Changes in risk adjustment (non-financial risk)							
by expired risk	5,498,312	-	-	-	-	-	5,498,312
– Release of the expected value of claims occurred							
and expenses attributable to insurance contracts	137,994,255	-	-	-	-	-	137,994,255
	210,991,306	**-**	**-**	**-**	**-**	**-**	**210,991,306**
Contracts measured using the premium							
allocation approach	**435,682,921**	**936,027,420**	**553,758,025**	**808,502,470**	**100,646,388**	**140,784,222**	**2,975,401,446**
Total revenue from insurance contracts (Note 16)	646,674,227	936,027,420	553,758,025	808,502,470	100,646,388	140,784,222	3,186,392,752

30. FEES FROM INSURANCE CONTRACTS AND OPERATIONS CONSIDERED FOR ACCOUNTING PURPOSES AS INVESTMENT CONTRACTS OR SERVICE CONTRACTS

In 2023 and 2022, the commissions received for insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts were as follows:

(amounts in euros)

	2023	2022
of investment contracts	137,400,945	110,011,045
of service contracts	6,302,485	4,404,606
	143,703,430	**114,415,652**

31. CLAIMS OCCURRED AND OTHER EXPENSES

In 2023 and 2022, the Group's operating costs, by type, were as follows:

(amounts in euros)

	2023	2022
Employee costs (Note 32)	505,373,928	463,684,113
External supplies and services		
Subcontracts	149,522,092	142,310,977
Specialist work	143,490,476	133,709,125
Expenses with self-employed workers	115,421,373	101,349,173
Maintenance and repairs	42,008,620	37,254,342
Advertising and promotion	26,882,158	30,874,569
Software licences	21,124,969	19,084,590
Communication	11,896,670	11,198,654
Rents and leases	6,665,872	10,125,000
Travel and accommodation	6,218,548	5,719,431
Surveillance and security	5,301,464	5,099,679
Fuel	4,388,242	4,162,534
Insurance	4,340,881	4,400,463
Representation expenses	3,790,199	6,138,124
Electricity	3,521,513	4,297,616

(continuation) (amounts in euros)

	2023	2022
Cleaning, hygiene and comfort	3,113,128	3,005,202
Office supplies	3,075,239	2,165,661
Litigation and notarial services	2,956,929	3,231,110
Expenses with premium collections	2,933,263	2,585,812
Contributions	2,712,435	2,121,716
Water	1,170,800	1,123,526
Forms	646,541	465,953
Others	120,937,451	112,522,391
	682,118,864	**642,945,646**
Taxes and charges	38,617,637	35,324,230
Depreciation and amortisation for the year (Notes 10, 12 and 15)	87,193,849	76,222,247
Other provisions	4,748,024	(935,337)
Commissions	20,762,802	23,520,397
Interest paid	57,491,595	44,275,020
	1,396,306,699	**1,285,036,316**

In 2023 and 2022, the depreciation and amortisation headings for the year are as follows:

(amounts in euros)

	2023			2022		
	Assets without a lease	**Leased assets**	**Total**	**Assets without a lease**	**Leased assets**	**Total**
Properties (Note 10)	10,587,409	21,322,687	31,910,096	11,634,226	16,982,806	28,617,031
Depreciation of other tangible assets (Note 12)	17,229,509	20,354,878	37,584,387	16,647,681	17,843,000	34,490,681
Depreciation of other intangible assets (Note 15)	17,699,366	-	17,699,366	13,114,535	-	13,114,535
	45,516,284	**41,677,565**	**87,193,849**	**41,396,442**	**34,825,806**	**76,222,247**

In the years 2023 and 2022, there were also the following charges related to leases:

(amounts in euros)

	2023			2022		
	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value contracts	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value contracts
Properties	21,322,687	-	2,765,103	16,982,806	-	-
Administrative Equipment	65,107	-	-	54,349	-	-
Machinery and Equipment	-	-	196,523	-	-	238,376
IT Equipment	1,243,263	-	375,229	1,065,780	-	1,384,076
Transport Equipment	3,054,143	136,775	-	2,461,255	236,941	-
Hospital Equipment	15,961,772	-	-	14,231,023	-	-
Other Equipment	30,593	-	1,477,317	30,593	-	1,315,338
	41,677,565	**136,775**	**4,814,172**	**34,825,806**	**236,941**	**2,937,790**

In 2023 and 2022, the interest paid heading was set out as follows:

(amounts in euros)

	2023			2022		
	Leases	Other charges	Total	Leases	Other charges	Total
Properties	1,860,646	-	1,860,646	1,906,756	-	1,906,756
Tangible and intangible assets						
Administrative equipment	-	-	-	10	-	10
IT equipment	92,798	-	92,798	42,914	-	42,914
Transport equipment	73,073	-	73,073	37,245	-	37,245
Other equipment	5,909,588	-	5,909,588	2,471,889	-	2,471,889
Borrowings	-	49,555,484	49,555,484	-	39,816,205	39,816,205
	7,936,104	**49,555,484**	**57,491,589**	**4,458,815**	**39,816,205**	**44,275,020**

In the years 2023 and 2022, the headings of the Income Statement where these costs are recorded show the following detail:

(amounts in euros)

	2023			2022		
	Directly attributable expenses	Non-attributable expenses	Total	Directly attributable expenses	Non-attributable expenses	Total
Claims - Amounts paid						
Direct	1,682,816,032	139,922	1,682,955,954	1,584,979,006	-	1,584,979,006
Allocated	254,650,529	9,488,004	264,138,532	210,297,855	13,695,327	223,993,181
Purchase						
Direct	432,048,370	81,027,276	513,075,646	442,543,436	109,193,612	551,737,048
Allocated	169,293,998	83,333,241	252,627,239	124,250,462	50,566,786	174,817,248
Administrative						
Direct	14,759,277	23,749,054	38,508,331	54,066,545	1,939,598	56,006,143
Allocated	157,519,310	53,689,360	211,208,670	127,579,802	58,400,178	185,979,980
Financial Expenses						
Direct	-	4,251,862	4,251,862	-	5,131,227	5,131,227
Allocated	8,865,293	118,018,037	126,883,330	3,000,530	114,360,415	117,360,945
Total Direct Expenses	2,129,623,679	109,168,113	2,238,791,793	2,081,588,988	116,264,437	2,197,853,425
Total Allocated Expenses	590,329,130	264,528,642	854,857,772	465,128,649	237,022,706	702,151,355
	2,719,952,810	**373,696,755**	**3,093,649,565**	**2,546,717,637**	**353,287,143**	**2,900,004,780**

32. EMPLOYEE COSTS

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Salaries		
Corporate bodies	22,000,486	20,827,464
Personnel	365,079,762	335,148,094
Salary charges	68,987,853	62,565,289
Post-employment benefits	12,008,066	4,862,626
Other long-term benefits	1,220,676	1,663,464
Employment termination benefits	7,391,035	8,198,530
Compulsory insurance	4,848,726	4,095,504
Social action costs	18,958,220	20,724,957
Other employee costs	4,879,104	5,598,184
	505,373,928	**463,684,113**

In 2023 and 2022, the costs of post-employment benefits were as follows:

(amounts in euros)

	2023	2022
Post-employment benefits		
Defined benefit plan (Note 33)	3,541,258	1,242,223
Individual retirement plan	5,066,290	2,307,865
Transfer of personnel	(5,441)	(606)
Other charges	3,405,960	1,313,145
	12,008,066	**4,862,626**

In 2023 and 2022, the heading "Post-employment benefits – Transfer of personnel" corresponds to the cost of post-employment benefits for employees of the Group's Insurance Companies who were assigned to other entities in the Group.

In 2023 and 2022, the number of employees working for the Group, by category, was as follows:

	2023	2022
Senior management	229	205
Line management	976	958
Technicians	5,534	5,752
Assistants	6,797	5,511
Support workers	1,892	1,754
	15,428	**14,180**

In 2023 and 2022, the Group recorded an estimate for optional career benefits in the amount of 641,704 Euros and 574,269 Euros. The heading "Accruals and deferrals" includes 2,611,569 Euros for seniority bonuses.

As of 31 December 2022, Fid Chile SpA has a share-based payment agreement ("Agreement") established with the Executive Committee of Fid Chile Generales S.A.

This agreement defines that such body shall have the right to subscribe shares in FID Chile & MT, JV SpA, up to a total of 20% of this company, and consequently indirectly in the Insurance Company. The number of shares on which the Executive Committee of FID Chile Generales S.A. will be entitled to increase its annual participation is subject to the terms and conditions described in the Scorecard that is part of the annexes to the Agreement. These shares shall be subscribed for and paid within the time limits set out in the Agreement.

Below are detailed the main features of the Stock Option Plan:

Characteristics	Stock Option Plan
Grant date 21-12-2018	
No. of shares granted	3,248,979
Contract period	12 years
Payment type	Shares
Conditions of irrevocability (or consolidation) of the concession	The right to subscribe for shares is subject to the following cumulative and suspensive conditions: (i) That, in the year immediately preceding that in which the Executive exercises the option to subscribe for shares of the Insurance Company, the Business Plan of the Insurance Company contained in the document known as the Scorecard has been complied with, in whole or in part. (ii) The Executive must be employed by the Insurance Company at the time of exercise of the option.
Subscription price (EUR)	0.00077111
Share valuations (EUR)	0.6937
Value (thousands of EUR)	2,253

Considering that the company that provides the equity instruments (FID Chile & MT JV SpA) is not listed on the stock exchange, the Company considered as value per share of this company the historical subscription value of its respective shares.

The shares enforceable on 31 December 2023 and 31 December 2022 are presented below:

	2023		2022	
	Number of shares	Average subscription price	Number of shares	Average subscription price
Opening balance	2,578,277	0.00077111	1,694,123	0.00000000
Granted	788,676	0.00077111	884,154	0.00082976
Cancelled	117,974	0.00000000	-	0.00000000
Enforced	1,703,750	0.00000000	-	0.00000000
Closing balance	1,545,229		2,578,277	0.00082976
Enforceable at the end of the year	1,545,229	-	2,578,277	-

In 2023, the impact on results related to this agreement amounts to 465,267 Euros (1,925,592 Euros in 2022).

33. RETIREMENT PENSIONS AND OTHER LONG-TERM BENEFITS

At 31 December 2023 and 2022, 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:

(amounts in euros)

	2023	2022
Assets		
Defined benefit plan	22,777,790	25,375,258
Liabilities		
Defined contribution plan	(144,350)	(337,596)
Other long-term benefits	(8,411,800)	(6,714,383)
Other post-employment benefits	(8,210)	(14,985)
	(8,564,360)	**(7,066,965)**
	14,213,430	**18,308,293**

For the years 2023 and 2022, in the "Defined contribution plan" the Group had a cost of 4,213,090 Euros and 1,544,027 Euros respectively, with the amount of 144,349 Euros and 337,596 Euros pending payment, which corresponds to the contributions of December 2023 and 2022 that were paid in January 2024 and 2023.

"Other long-term benefits" refer to the variable remuneration of the Governing Bodies, under the terms set out in the Remuneration Policy for the Company's Governing Bodies, and of the employees, as decided by the Personnel Committee and the Executive Committee. This remuneration is deferred and paid after 3 years from the date of allocation. In the year ended 31 December 2023, the reinforcement of this incentive plan was 1,697,418 Euros for payment in 2025 and the amount paid was 2,393,938 Euros.

Defined contribution plan

Under the new collective employment agreements for the insurance activity, published on 15 January 2012, 29 January 2016 and 8 February 2019, all workers in active employment, with indefinite employment contracts, covered by these Instrument for Collective Labour Regulation (ICLR), are entitled to a pension plan ("IRP"), a defined contribution plan that replaces the retirement pension system provided for in the previous ICLRs.

This plan, 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.

In accordance with the ICLR rules in force, 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 current pension plan are made in accordance with the provisions of CEA 2019, corresponding to the amount resulting from the application of the percentage of 3.25% on the employee's annual base salary.

At 31 December 2023 and 2022, the liabilities and assets of the Pension Plan "Fundo de Pensões PIR Fidelidade e Associadas" for Fidelidade Group companies amounted to:

(amounts in euros)

	Fidelidade	CPR	Multicare	Via Directa	Fidelidade Assistência	Total
Liabilities at 31 December 2022	**30,178,410**	**24,657**	**710,329**	**361,350**	**620,939**	**31,895,686**
Expenses for the year	3,696,867	-	327,890	99,023	89,311	4,213,090
Liabilities at 31 December 2023	**33,875,278**	**24,657**	**1,038,219**	**460,374**	**710,249**	**36,108,777**
Assets at 31 December 2022	**30,088,311**	**24,657**	**698,007**	**359,404**	**387,711**	**31,558,090**
Contributions to the fund	3,659,917	-	331,330	98,379	316,711	4,406,337
Assets at 31 December 2023	**33,748,228**	**24,657**	**1,029,337**	**457,783**	**704,422**	**35,964,427**
Differential	**(127,049)**	**-**	**(8,882)**	**(2,591)**	**(5,827)**	**(144,349)**
Funding level	99.62%	100.00%	99.14%	99.44%	99.18%	99.60%

Defined benefit plan

In accordance with the collective employment agreement previously in force in the insurance sector (CEA 2008), the Group granted its employees, admitted to the insurance activity until June 1995, cash benefits to complement the reforms granted by Social Security. Briefly, the amount of these benefits varies according to the employee's remuneration, the contributory history, the history of remuneration with incidence for Social Security and also, in case of disability, the seniority in the insurance activity. Currently, this Plan covers pension fund beneficiaries (retired) and employees who have transitioned to the pre-retirement situation and who at that time were covered by the CEA 2008.

In addition, the former Império Bonança also attributed the following benefits:

- Between 1999 and 2005, he assumed, in early retirement situations, the payment of a lifetime pension that corresponded to the difference between 80% of the last remuneration and the amount paid by 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 supplementary plan are financed through the related pension fund "Fundo de Pensões do Pessoal da Império Bonança";

- For a very restricted group of workers (2 workers currently in active employment), with "internal salary levels XVII", from the former Empire, there is a commitment to, in the transition to retirement, be attributed a supplement to the Social Security pension, for 80% of the remuneration earned at the date of the transition to this situation. Any pension benefits arising from other pension schemes shall be deducted from the supplement to the Social Security pension.

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

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. 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.

Profit or loss resulting from differences between the actuarial and financial assumptions used and the amounts actually verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions, are recognised directly in an equity item.

The cost in the year for retirement and survivors' pensions, the latter only provided for in the Império Bonança Pension Fund, 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 expense for the year with health charges is reflected in the heading "Other Provisions" (Note 25).

The impact of retiring employees before the normal retirement age defined in the actuarial study is directly reflected in "Employee Costs".

Determination of liabilities with defined benefit plans

Liabilities for current payments of retirement pensions and past services of current employees, at 31 December 2023 and 2022, were determined by Fidelidade's life insurance actuarial department.

The assumptions and technical bases used in the calculation of liabilities were as follows:

	2023	2022
Actuarial method	Projected	Projected
	Unit Credit	Unit Credit
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	4.25%	4.00%
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 comparison between the actuarial and financial assumptions used in determining pension costs for the years 2023 and 2022 and the values actually verified is presented in the following table:

(amounts in euros)

	2023		2022	
	Assumptions	Real	Assumptions	Real
Salary growth rate	2.40%	7.90%	2.40%	2.63%
Pension growth rate	0.75%	2.10%	0.75%	0.39%

At 31 December 2023 and 2022, the Group's liabilities for past service, based on the actuarial studies performed, and the funds and provisions available, were as follows:

(amounts in euros)

	2023			2022		
	Fidelidade	Others	Total	Fidelidade	Others	Total
Liabilities for past services						
Active employees	2,694,808	9,490	2,704,298	4,921,161	26,892	4,948,053
Retired and pre-retired	92,580,655	84,239	92,664,893	97,327,085	88,138	97,415,224
	95,275,463	**93,728**	**95,369,191**	**102,248,246**	**115,030**	**102,363,276**
Autonomous pension funds	87,641,194	283,233	87,924,427	95,935,565	278,637	96,214,203
Mathematical provisions	30,222,554	-	30,222,554	31,524,332	-	31,524,332
	117,863,748	**283,233**	**118,146,981**	**127,459,897**	**278,637**	**127,738,535**
Differential	22,588,285	189,504	22,777,790	25,211,651	163,607	25,375,259
Funding level	123.71%	302.18%	123.88%	124.66%	242.23%	124.79%

Pursuant to ASF Regulatory Standard No.5/2007-R, of 27 April, insurance companies must ensure at the end of each year:

a) The full funding of the present value of the liability with current pensions, including pre-retirement and early retirement benefits up to and after the normal retirement age; and

b) The funding of at least 95% of the current amount of the liability for past services of active employees, excluding those who are pre-retired or in early retirement.

At 31 December 2023 and 2022, the Group's past service responsibilities were fully funded.

The pension plan in question is non-contributory and independent of social security, being financed 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 durations:

Fidelidade Pension Fund	6.58 years
Mundial Confiança Pension Fund	4.87 years
Império Bonança Pension Fund	6.78 years
Ex-Império Pension Fund	10.99 years
Companhia Portuguesa de Resseguros, S.A. Pension Fund	5.22 years
Fidelidade Property Europe S.A. Pension Fund	13 years

At 31 December 2023 and 2022, the number of beneficiaries was as follows:

	2023	2022
Active employees	1,075	815
Retired and pre-retired	1,593	1,665
Annuity holders	277	307
	2,945	**2,787**

The movements in the pension funds and in the mathematical provisions during 2023 and 2022 were as follows:

(amounts in euros)

	Fidelidade	Others	Total
Balances at 31 December 2021	**147,761,757**	**346,502**	**148,108,259**
Contributions	9,599	-	9,599
Change in mathematical provisions	(2,627,192)	-	(2,627,192)
Pensions paid	(14,236,345)	(40,615)	(14,276,960)
(Payments)/Receipts related to other benefits	(514,557)	359	(514,198)
Net income of pension funds	(2,933,365)	(27,609)	(2,960,974)

(continuation) (amounts in euros)

	Fidelidade	Outros	Total
Balances at 31 December 2022	**127,459,897**	**278,638**	**127,738,534**
Contributions	1,026,000	-	1,026,000
Change in mathematical provisions	(1,301,778)	-	(1,301,778)
Pensions paid	(13,306,468)	(8,986)	(13,315,454)
(Payments)/Receipts related to other benefits	(865,950)	341	(865,608)
Net income of pension funds	4,852,047	13,240	4,865,287
Balances at 31 December 2023	**117,863,748**	**283,233**	**118,146,981**

At 31 December 2023 and 2022, the Pension Funds of the Group companies are managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, S.A..

At 31 December 2023 and 2022, the pension fund net assets were composed as follows, according to the respective valuation sources:

(amounts in euros)

	2023					
	Market price			Total portfolio		
	Fidelidade	Others	Total	Fidelidade	Others	Total
Equity instruments	**1,445,925**	**2,175**	**1,448,100**	**1,445,925**	**2,175**	**1,448,100**
Debt instruments						
of public issuers	27,798,740	19,756	27,818,497	27,798,740	19,756	27,818,497
of other issuers	23,038,448	43,144	23,081,592	23,038,448	43,144	23,081,592
	50,837,188	**62,901**	**50,900,089**	**50,837,188**	**62,901**	**50,900,089**
Real estate	**17,789,959**	**7,733**	**17,797,691**	**17,789,959**	**7,733**	**17,797,691**
Investment funds						
American shares	14,720	1,511	16,231	14,720	1,511	16,231
European shares	4,138,597	24,008	4,162,604	4,138,597	24,008	4,162,604
Other shares	40,272	4,198	44,471	40,272	4,198	44,471
Real estate	2,432,661	32,875	2,465,536	2,432,661	32,875	2,465,536
Bonds						
of other issuers	5,316,736	133,680	5,450,416	5,316,736	133,680	5,450,416
Others	26,005	1,282	27,287	26,005	1,282	27,287
	11,968,991	**197,554**	**12,166,545**	**11,968,991**	**197,554**	**12,166,545**
Others	**3,021,730**	**9,071**	**3,030,800**	**3,021,730**	**9,071**	**3,030,800**
	85,063,793	**279,434**	**85,343,225**	**85,063,793**	**279,434**	**85,343,225**

(amounts in euros)

	2022					
	Market price			Total portfolio		
	Fidelidade	Others	Total	Fidelidade	Others	Total
Equity instruments	**1,594,378**	**2,840**	**1,597,219**	**1,594,378**	**2,840**	**1,597,219**
Debt instruments						
of public issuers	24,616,067	18,993	24,635,060	24,616,067	18,993	24,635,060
of other issuers	32,018,549	41,257	32,059,806	32,018,549	41,257	32,059,806
	56,634,616	**60,250**	**56,694,866**	**56,634,616**	**60,250**	**56,694,866**
Real estate	**17,688,301**	**6,208**	**17,694,508**	**17,688,301**	**6,208**	**17,694,508**
Investment funds						
American shares	17,240	2,080	19,321	17,240	2,080	19,321
European shares	5,939,599	29,740	5,969,339	5,939,599	29,740	5,969,339
Other shares	22,477	2,479	24,956	22,477	2,479	24,956
Real estate	3,161,833	45,055	3,206,889	3,161,833	45,055	3,206,889
Bonds						
of other issuers	2,743,455	122,365	2,865,820	2,743,455	122,365	2,865,820
Others	23,121	1,158	24,280	23,121	1,158	24,280
	11,907,725	**202,878**	**12,110,603**	**11,907,725**	**202,878**	**12,110,603**
Others	**8,110,545**	**6,462**	**8,117,007**	**8,110,545**	**6,462**	**8,117,007**
	95,935,565	**278,638**	**96,214,203**	**95,935,565**	**278,638**	**96,214,203**

On these dates, the pension fund portfolio contained the following assets issued or managed by entities in the CGD Group:

(amounts in euros)

	2023			2022		
	Fidelidade	**Others**	**Total**	**Fidelidade**	**Others**	**Total**
Debt instruments	105,539	643	106,182	97,848	-	97,848
Investment funds						
Real estate	2,134,521	26,912	2,161,433	2,866,996	23,809	2,890,805
Bonds						
of other issuers	-	10,222	10,222	-	10,942	10,942
Others	26,005	1,282	27,287	23,121	-	23,121
	2,160,526	**38,416**	**2,198,942**	**2,890,117**	**34,751**	**2,924,868**
	2,266,065	**39,059**	**2,305,124**	**2,987,965**	**34,751**	**3,022,716**

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 2023 and 2022, can be demonstrated as follows:

(amounts in euros)

	Liabilities			Hedge			Differential		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Position at 31 December 2021	**135,639,515**	**149,285**	**135,788,800**	**147,761,757**	**346,503**	**148,108,259**	**12,122,241**	**197,217**	**12,319,458**
Corrections	-		-	-		-	-		-
Current service expenses	159,913	1,110	161,023	-	-	-	(159,913)	(1,110)	(161,023)
Net defined benefit interest	1,171,174	1,965	1,173,139	1,315,445	4,721	1,320,167	144,271	2,757	147,028
Expenses for the year	1,331,088	3,075	1,334,162	1,315,445	4,721	1,320,167	(15,643)	1,647	(13,996)
Increased liabilities due to early retirements	742,121	-	742,121	-	-	-	(742,121)	-	(742,121)
Other changes in the income statement	-	-	-	(486,465)	359	(486,106)	(486,465)	359	(486,106)
Changes with impact on income									
statement (Note 32)	**2,073,209**	**3,075**	**2,076,283**	**828,980**	**5,081**	**834,060**	**(1,244,229)**	**2,006**	**(1,242,223)**
Actuarial profit or loss									
return on plan assets not included									
in interest income	-	-	-	(4,276,902)	-	(4,276,902)	(4,276,902)	-	(4,276,902)
resulting from changes in financial assumptions	(15,536,063)	(29,093)	(15,565,157)	-	(32,332)	(32,332)	15,536,063	(3,239)	15,532,824
resulting from differences between									
the assumptions and the actual amount	(3,064,877)	24,016	(3,040,862)	-	-	-	3,064,877	(24,016)	3,040,862
Changes with impact on shareholders' equity	**(18,600,940)**	**(5,078)**	**(18,606,018)**	**(4,276,902)**	**(32,332)**	**(4,309,234)**	**14,324,039**	**(27,255)**	**14,296,784**

(amounts in euros)

	Liabilities			Hedge			Differential		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Contributions to the plan									
made by the companies	-	-	-	9,599	-	9,599	9,599	-	9,599
Change in mathematical provisions	(2,627,192)	-	(2,627,192)	(2,627,192)	-	(2,627,192)	-	-	-
Payments made by the plan									
pensions paid	(14,236,345)	(32,252)	(14,268,597)	(14,236,345)	(40,614)	(14,276,959)	-	(8,362)	(8,362)
Position at 31 December 2022	**102,248,246**	**115,030**	**102,363,276**	**127,459,897**	**278,637**	**127,738,535**	**25,211,651**	**163,607**	**25,375,259**
Corrections	-		-	-		-	-		-
Current service expenses	86,301	1,566	87,867	-	-	-	(86,301)	(1,566)	(87,867)
Net defined benefit interest	2,618,540	4,482	2,623,022	3,623,557	11,886	3,635,442	1,005,016	7,404	1,012,420
Expenses for the year	2,704,841	6,048	2,710,889	3,623,557	11,886	3,635,442	918,716	5,837	924,553
Increased liabilities due to early retirements	3,624,573	(18,064)	3,606,509	-	-	-	(3,624,573)	18,064	(3,606,509)
Other changes in the income statement	-	-	-	(859,644)	341	(859,302)	(859,644)	341	(859,302)
Changes with impact on income									
statement (Note 32)	**6,329,414**	**(12,016)**	**6,317,398**	**2,763,913**	**12,227**	**2,776,140**	**(3,565,501)**	**24,243**	**(3,541,258)**
Actuarial profit or loss									
return on plan assets not included									
in interest income	-	-	-	1,222,185	-	1,222,185	1,222,185	-	1,222,185
resulting from changes in financial assumptions	(967,081)	(1,543)	(968,625)	-	1,358	1,358	967,081	2,902	969,983
resulting from differences between									
the assumptions and the actual amount	2,273,131	6,433	2,279,564	-	-	-	(2,273,131)	(6,433)	(2,279,564)

(continuation)

(amounts in euros)

	Liabilities			Hedge			Differential		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Changes with impact on shareholders' equity	**1,306,049**	**4,890**	**1,310,939**	**1,222,185**	**1,358**	**1,223,543**	**(83,865)**	**(3,532)**	**(87,396)**
Contributions to the plan									
made by the companies	-	-	-	1,026,000	-	1,026,000	1,026,000	-	1,026,000
Change in mathematical provisions	(1,301,778)	-	(1,301,778)	(1,301,778)	-	(1,301,778)	-	-	-
Payments made by the plan									
pensions paid	(13,306,468)	(14,176)	(13,320,644)	(13,306,468)	(8,990)	(13,315,458)	-	5,186	5,186
Position at 31 December 2023	**95,275,463**	**93,728**	**95,369,191**	**117,863,748**	**283,233**	**118,146,981**	**22,588,285**	**189,504**	**22,777,790**

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, bearing almost all the respective costs.

At 31 December 2023 and 2022, these liabilities totalled 17,311,487 Euros and 18,329,897 Euros respectively, and were covered by provisions (Note 25). The actuarial deviations calculated on 31 December 2023 and 2022 related to this benefit amounted to 793,133 Euros and 6,975,396 Euros, respectively.

Liabilities for past services 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 2023, the sensitivity of defined benefit liabilities assumed by Fidelidade, in view of variations in significant assumptions, excluding liabilities covered by whole life annuities, corresponds to:

Scenarios	2023	A	B	C
Financial Assumptions				
Discount Rate	4.25%	4.75%	3.75%	4.25%
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)

(amounts in euros)

Liabilities at 31 December 2023 Scenarios		2023	A	B	C
Retirees	Old age	31,076,282	30,162,972	32,043,273	33,537,968
	Early Retirement	9,695,741	9,405,483	10,002,151	10,426,804
	Disability	4,380,610	4,169,170	4,610,735	4,566,637
Pensioners	Widowers	3,326,838	3,217,336	3,443,753	3,346,464
	Orphans	81,530	76,343	87,316	81,530
Pre-retirees	Pension up to retirement age	10,517,874	10,402,433	10,636,036	10,546,780
	Costs up to retirement age	2,927,062	2,893,500	2,961,440	2,935,327
	Pension after retirement age				
	> CCT Plan	436,402	412,689	462,210	462,658
	> Complementary Plan	-	-	-	-
Active employees	CCT Plan	-	-	-	-
	Complementary Plan	2,704,298	2,555,434	2,867,343	2,792,855
Totals		**65,146,637**	**63,295,360**	**67,114,257**	**68,697,023**

The preparation of the information included in the table above was based on the calculation method used for the assessment of liabilities used for accounting purposes, not including mathematical provisions, in the amount of 30,222,554 Euros.

34. INCOME FROM THE FINANCIAL COMPONENT OF INSURANCE CONTRACTS

(amounts in euros)

	2023								
	Life	Workers' Compensation and Personal Accidents	Health	Fire and Other Damage	Motor	Third-party Liability	Others	Non-Technical	Total
Return on investments									
Investment income and expenses	300,904,024	63,454,179	13,812,336	18,654,984	32,207,380	10,334,277	10,322,449	36,925,523	486,615,151
Net profit from investments and exchange differences	(122,408,702)	5,081,828	(1,203,414)	(1,973,976)	(3,888,987)	(1,429,402)	1,734,467	(8,570,173)	(132,658,358)
Impairment losses (net of reversals)	2,003,707	(3,517,531)	(41,867)	(49,876)	38,395	52,847	(689,750)	(11,088,941)	(13,293,016)
Amounts recognised in other comprehensive income	278,825,240	(43,451,951)	455,645	352,830	1,344,354	266,972	(81,958,147)	220,677,927	376,512,869
Total return on investments	**459,324,269**	**21,566,525**	**13,022,699**	**16,983,962**	**29,701,143**	**9,224,693**	**(70,590,981)**	**237,944,336**	**717,176,647**
Income from the financial component of insurance contracts									
Accrued interest	(69,269,402)	(10,864,306)	(4,293,103)	(6,281,578)	(6,141,631)	(1,039,771)	(1,345,865)	-	(99,235,656)
Effect of changes in interest rates and other financial assumptions	(104,697,407)	(82,545,491)	(1,096,025)	(5,975,124)	(10,358,117)	(2,240,161)	(843,400)	-	(207,755,726)
	(173,966,809)	**(93,409,797)**	**(5,389,128)**	**(12,256,702)**	**(16,499,748)**	**(3,279,932)**	**(2,189,266)**	**-**	**(306,991,382)**
Income from the financial component of reinsurance contracts									
Accrued interest	2,859,659	532,292	1,331,549	5,011,126	893,615	698,093	917,317	-	12,243,651
Effect of changes in interest rates and other financial assumptions	1,414,679	911,527	105,978	5,091,494	573,267	(770,278)	574,854	-	7,901,522
Total income from the financial component of reinsurance contracts	**4,274,338**	**1,443,819**	**1,437,527**	**10,102,620**	**1,466,883**	**(72,185)**	**1,492,172**	**-**	**20,145,174**
Represented by:									
Amounts recognised in other profit or loss	114,089,286	54,686,461	9,605,500	15,360,680	23,108,773	8,616,044	10,938,619	17,266,409	253,671,772
Amounts recognised in other comprehensive income	175,542,512	(125,085,915)	(534,401)	(530,800)	(8,440,496)	(2,743,468)	(82,226,693)	220,677,927	176,658,666
	289,631,798	**(70,399,453)**	**9,071,098**	**14,829,880**	**14,668,277**	**5,872,576**	**(71,288,074)**	**237,944,336**	**430,330,438**
A. Income from the financial component of insurance and reinsurance contracts									
Income from the financial component of insurance contracts									
Amounts recognised in other profit or loss	(69,269,402)	(10,864,306)	(4,293,103)	(6,281,578)	(6,141,631)	(1,039,771)	(1,345,865)	-	(99,235,656)
Amounts recognised in other comprehensive income	(104,697,407)	(82,545,491)	(1,096,025)	(5,975,124)	(10,358,117)	(2,240,161)	(843,400)	-	(207,755,726)
	(173,966,809)	**(93,409,797)**	**(5,389,128)**	**(12,256,702)**	**(16,499,748)**	**(3,279,932)**	**(2,189,266)**	**-**	**(306,991,382)**
Income from the financial component of reinsurance contracts									
Amounts recognised in other profit or loss	2,859,659	532,292	1,331,549	5,011,126	893,615	698,093	917,317	-	12,243,651
Amounts recognised in other comprehensive income	1,414,679	911,527	105,978	5,091,494	573,267	(770,278)	574,854	-	7,901,522
	4,274,338	**1,443,819**	**1,437,527**	**10,102,620**	**1,466,883**	**(72,185)**	**1,492,172**	**-**	**20,145,174**

(amounts in euros)

	2022								
	Life	Workers' Compensation and Personal Accidents	Health	Fire and Other Damage	Motor	Third-party Liability	Others	Non-Technical	Total
Return on investments									
Investment income and expenses	271,339,765	57,691,862	9,497,715	14,193,309	29,438,464	8,078,823	6,716,607	29,112,714	426,069,258
Net profit from investments and exchange differences	(125,383,487)	(28,551,978)	(5,963,494)	(5,323,115)	(16,754,865)	(4,359,751)	1,117,273	(34,178,250)	(219,397,667)
Impairment losses (net of reversals)	155,476	(3,854,934)	(444,460)	198,408	338,959	1,039,775	(558,801)	(286,148)	(3,411,726)
Amounts recognised in other comprehensive income	(737,226,857)	24,390,312	15,095,522	30,356,290	81,460,220	3,937,837	(243,057,679)	(5,398,485)	(830,442,840)
Total return on investments	**(591,115,104)**	**49,675,263**	**18,185,282**	**39,424,891**	**94,482,778**	**8,696,683**	**(235,782,601)**	**(10,750,169)**	**(627,182,976)**
Income from the financial component of insurance contracts									
Accrued interest	(44,183,759)	2,514,558	(1,435,314)	(1,891,113)	(2,163,711)	(177,501)	(1,125,305)	-	(48,462,143)
Effect of changes in interest rates and other financial assumptions	242,402,529	303,807,040	432,186	6,481,044	18,676,889	11,501,216	887,872	-	584,188,775
	198,218,771	**306,321,598**	**(1,003,128)**	**4,589,932**	**16,513,178**	**11,323,715**	**(237,433)**	**-**	**535,726,632**
Income from the financial component of reinsurance contracts									
Accrued interest	1,846,178	194,173	474,049	1,832,298	986,105	362,891	1,169,508	-	6,865,201
Effect of changes in interest rates and other financial assumptions	(721,721)	(4,285,312)	(146,514)	(5,038,605)	(1,398,734)	(3,807,946)	(461,440)	-	(15,860,272)
Total income from the financial component of reinsurance contracts	**1,124,457**	**(4,091,139)**	**327,534**	**(3,206,307)**	**(412,628)**	**(3,445,055)**	**708,067**	**-**	**(8,995,072)**
Represented by:									
Amounts recognised in other profit or loss	103,774,173	27,993,682	2,128,494	9,009,786	11,844,953	4,944,236	7,319,281	(5,351,684)	161,662,922
Amounts recognised in other comprehensive income	(495,546,049)	323,912,040	15,381,194	31,798,729	98,738,375	11,631,107	(242,631,247)	(5,398,485)	(262,114,338)
	(391,771,876)	**351,905,722**	**17,509,688**	**40,808,515**	**110,583,328**	**16,575,343**	**(235,311,966)**	**(10,750,169)**	**(100,451,415)**
A. Income from the financial component of insurance and reinsurance contracts									
Income from the financial component of insurance contracts									
Amounts recognised in other profit or loss	(44,183,759)	2,514,558	(1,435,314)	(1,891,113)	(2,163,711)	(177,501)	(1,125,305)	-	(48,462,143)
Amounts recognised in other comprehensive income	242,402,529	303,807,040	432,186	6,481,044	18,676,889	11,501,216	887,872	-	584,188,775
	198,218,771	**306,321,598**	**(1,003,128)**	**4,589,932**	**16,513,178**	**11,323,715**	**(237,433)**	**-**	**535,726,632**
Income from the financial component of reinsurance contracts									
Amounts recognised in other profit or loss	1,846,178	194,173	474,049	1,832,298	986,105	362,891	1,169,508	-	6,865,201
Amounts recognised in other comprehensive income	(721,721)	(4,285,312)	(146,514)	(5,038,605)	(1,398,734)	(3,807,946)	(461,440)	-	(15,860,272)
	1,124,457	**(4,091,139)**	**327,534**	**(3,206,307)**	**(412,628)**	**(3,445,055)**	**708,067**	**-**	**(8,995,072)**

35. INCOME

In the years 2023 and 2022, the investment income heading was composed as follows:

(amounts in euros)

	2023			
	Interest	Dividends	Rents	Total
Investments allocated to liabilities from insurance contracts for life insurance				
Properties	-	-	2,084,802	2,084,802
Financial assets at fair value through profit or loss	1,682,477	2,013,187	-	3,695,664
Financial assets at fair value through other comprehensive income	94,066,187	506,685	-	94,572,872
Financial assets at amortised cost	986,197	-	-	986,197
Sight deposits	31,001	-	-	31,001
	96,765,862	**2,519,872**	**2,084,802**	**101,370,536**
Investments related to contracts considered				
for accounting purposes as investment contracts				
Properties	-	-	41,235,875	41,235,875
Financial assets at fair value through profit or loss	46,108,219	11,538,279	-	57,646,498
Financial assets at fair value through other comprehensive income	96,459,286	157,383	-	96,616,669
Financial assets at amortised cost	3,171,251	-	-	3,171,251
Sight deposits	1,336,086	-	-	1,336,086
	147,074,842	**11,695,662**	**41,235,875**	**200,006,379**
	243,840,704	**14,215,534**	**43,320,677**	**301,376,916**

(continuation) (amounts in euros)

	2023			
	Interest	Dividends	Rents	Total
Investments allocated to liabilities from insurance contracts for non-life insurance				
Properties	-	-	37,693,961	37,693,961
Financial assets at fair value through profit or loss	11,611,445	22,470,639	-	34,082,084
Financial assets at fair value through other comprehensive income	48,920,930	21,708,352	-	70,629,282
Financial assets at amortised cost	6,369,146	-	-	6,369,146
Sight deposits	150,138	-	-	150,138
	67,051,659	**44,178,992**	**37,693,961**	**148,924,611**
Investments not allocated				
Properties	-	-	18,663,201	18,663,201
Financial assets at fair value through profit or loss	547,753	2,455,124	-	3,002,877
Financial assets at fair value through other comprehensive income	5,212,821	385	-	5,213,207
Financial assets at amortised cost	11,722,166	-	-	11,722,166
Sight deposits	1,964,035	-	-	1,964,035
	19,446,775	**2,455,509**	**18,663,201**	**40,565,486**
	330,339,139	**60,850,035**	**99,677,839**	**490,867,013**

(amounts in euros)

	2022			
	Interest	Dividends	Rents	Total
Investments allocated to liabilities from insurance contracts for life insurance				
Properties	-	-	2,149,680	2,149,680
Financial assets at fair value through profit or loss	2,375,471	1,344,327	-	3,719,798
Financial assets at fair value through other comprehensive income	87,011,464	661,555	-	87,673,019
Financial assets at amortised cost	1,110,967	-	-	1,110,967
Sight deposits	985	-	-	985
	90,498,886	**2,005,882**	**2,149,680**	**94,654,448**
Investments related to contracts considered				
for accounting purposes as investment contracts				
Properties	-	-	27,776,785	27,776,785
Financial assets at fair value through profit or loss	25,765,720	18,938,260	-	44,703,980
Financial assets at fair value through other comprehensive income	87,810,154	7,758,592	-	95,568,746
Financial assets at amortised cost	10,025,538	-	-	10,025,538
Sight deposits	144,161	-	-	144,161
	123,745,574	**26,696,852**	**27,776,785**	**178,219,211**
	214,244,459	**28,702,735**	**29,926,465**	**272,873,659**

(continuation) (amounts in euros)

	2022			
	Interest	Dividends	Rents	Total
Investments allocated to liabilities from insurance contracts for non-life insurance				
Properties	-	-	30,492,517	30,492,517
Financial assets at fair value through profit or loss	7,229,857	12,626,583	-	19,856,440
Financial assets at fair value through other comprehensive income	49,498,628	23,515,017	-	73,013,646
Financial assets at amortised cost	5,230,177	-	-	5,230,177
Sight deposits	20,501	-	-	20,501
	61,979,164	**36,141,601**	**30,492,517**	**128,613,282**
Investments not allocated				
Properties	-	-	23,419,769	23,419,769
Financial assets at fair value through profit or loss	701,943	3,053,865	-	3,755,809
Financial assets at fair value through other comprehensive income	2,145,598	-	-	2,145,598
Financial assets at amortised cost	3,268,203	-	-	3,268,203
Sight deposits	497,976	-	-	497,976
	6,613,720	**3,053,865**	**23,419,769**	**33,087,355**
	282,837,343	**67,898,200**	**83,838,751**	**434,574,295**

36. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES NOT RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023		
	Profit	Loss	Net
Investments allocated to liabilities from insurance contracts for life insurance			
Financial assets at fair value through other comprehensive income	1,301,931	(7,245,448)	(5,943,517)
	1,301,931	**(7,245,448)**	**(5,943,517)**
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	1,941,141	(23,594,545)	(21,653,404)
Financial assets at amortised cost	6,944	-	6,944
Financial liabilities at amortised cost	6,641,468	(98,838,890)	(92,197,422)
	8,589,554	**(122,433,435)**	**(113,843,882)**
	9,891,485	**(129,678,884)**	**(119,787,399)**
Investments allocated to liabilities from insurance contracts for non-life insurance			
Financial assets at fair value through other comprehensive income	516,149	(6,532,209)	(6,016,060)
Financial assets at amortised cost	-	(28,622)	(28,622)
	516,149	**(6,560,831)**	**(6,044,682)**

(continuation)

(amounts in euros)

	2023		
	Profit	Loss	Net
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	2,944,217	-	2,944,217
Financial assets at fair value through other comprehensive income	199,076	(3,338,328)	(3,139,252)
Financial assets at amortised cost	-	(63,098)	(63,098)
	3,143,293	**(3,401,425)**	**(258,132)**
	13,550,927	**(139,641,140)**	**(126,090,213)**

(amounts in euros)

	2022		
	Profit	Loss	Net
Investments allocated to liabilities from insurance contracts for life insurance			
Financial assets at fair value through other comprehensive income	7,140,413	(5,669,779)	1,470,635
	7,140,413	**(5,669,779)**	**1,470,635**
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	16,223,465	(16,330,780)	(107,315)
Financial assets at amortised cost	454,172	(189,573)	264,599
Financial liabilities at amortised cost	900,754	(14,799,713)	(13,898,959)
	17,578,391	**(31,320,067)**	**(13,741,676)**
	24,718,804	**(36,989,845)**	**(12,271,041)**
Investments allocated to liabilities from insurance contracts for non-life insurance			
Financial assets at fair value through other comprehensive income	3,623,153	(6,069,555)	(2,446,402)
Financial assets at amortised cost	-	(50,236)	(50,236)
	3,623,153	**(6,119,791)**	**(2,496,638)**
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	198	-	198
Financial assets at fair value through other comprehensive income	294,538	(1,306,542)	(1,012,004)
Financial assets at amortised cost	-	(63,249)	(63,249)
	294,735	**(1,369,791)**	**(1,075,056)**
	28,636,693	**(44,479,428)**	**(15,842,734)**

37. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023		
	Profit	Loss	Net
Investments allocated to liabilities from insurance contracts for life insurance			
Financial assets and liabilities at fair value through profit or loss	35,268,356	(29,035,335)	6,233,021
	35,268,356	**(29,035,335)**	**6,233,021**
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	545,089,144	(514,358,444)	30,730,699
	545,089,144	**(514,358,444)**	**30,730,699**
	580,357,499	**(543,393,779)**	**36,963,720**
Investments allocated to liabilities from insurance contracts for non-life insurance			
Financial assets and liabilities at fair value through profit or loss	55,159,104	(44,856,626)	10,302,478
	55,159,104	**(44,856,626)**	**10,302,478**
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	175,885,370	(178,239,680)	(2,354,310)
	175,885,370	**(178,239,680)**	**(2,354,310)**
	811,401,974	**(766,490,085)**	**44,911,889**

(amounts in euros)

	2022		
	Profit	Loss	Net
Investments allocated to liabilities from insurance contracts for life insurance			
Financial assets and liabilities at fair value through profit or loss	49,396,936	(87,368,070)	(37,971,134)
	49,396,936	**(87,368,070)**	**(37,971,134)**
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	795,026,431	(884,950,554)	(89,924,123)
	795,026,431	**(884,950,554)**	**(89,924,123)**
	844,423,367	**(972,318,624)**	**(127,895,257)**
Investments allocated to liabilities from insurance contracts for non-life insurance			
Financial assets and liabilities at fair value through profit or loss	73,471,991	(170,241,264)	(96,769,272)
	917,895,358	**(1,142,559,887)**	**(224,664,529)**
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	69,122,039	(102,109,164)	(32,987,125)
	69,122,039	**(102,109,164)**	**(32,987,125)**
	987,017,398	**(1,244,669,052)**	**(257,651,654)**

38. EXCHANGE DIFFERENCES

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Investments allocated to liabilities from insurance contracts for life insurance		
Investments in subsidiaries, associates and joint ventures	171,138	-
Financial assets at fair value through profit or loss	(979,569)	(2,255,861)
Financial assets at fair value through other comprehensive income	(6,411,762)	30,061,345
Financial assets at amortised cost	(137,113)	234,270
Sight deposits	(1,436,304)	313,999
Others	(4)	(44)
	(8,793,614)	**28,353,709**
Investments related to contracts considered for accounting purposes as investment contracts		
Investments in subsidiaries, associates and joint ventures	3,514,114	-
Financial assets at fair value through profit or loss	(32,094,476)	(8,001,064)
Financial assets at fair value through other comprehensive income	(655,496)	(12,720,651)
Financial assets at amortised cost	(269,047)	607,007
Sight deposits	(1,285,734)	6,265,090
Others	(770)	275
	(30,791,409)	**(13,849,343)**
	(39,585,023)	**14,504,366**

(continuation) (amounts in euros)

	2023	2022
Investments allocated to liabilities from insurance contracts for non-life insurance		
Investments in subsidiaries, associates and joint ventures	3,756,199	-
Financial assets at fair value through profit or loss	(2,298,327)	7,399,731
Financial assets at fair value through other comprehensive income	(7,963,653)	35,266,281
Financial assets at amortised cost	842,125	525,350
Sight deposits	(274,725)	(945,220)
Others	1,101	(63)
	(5,937,280)	**42,246,079**
Investments not allocated		
Investments in subsidiaries, associates and joint ventures	(7,441,451)	101
Financial assets at fair value through profit or loss	(994,520)	(2,107,049)
Financial assets at fair value through other comprehensive income	12,929	(25,232)
Financial assets at amortised cost	(1,555,664)	(5,132,430)
Sight deposits	1,803,544	4,376,586
Others	2,217,432	234,300
	(5,957,731)	**(2,653,724)**
	(51,480,034)	**54,096,721**

39. 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 the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

Realised profit or loss	2023 Profit	2023 Loss	2023 Net	2022 Profit	2022 Loss	2022 Net
Investments allocated to technical provisions for life insurance						
Investment properties	568,383	(704,788)	(136,405)	21,068	(4,325)	16,743
	568,383	**(704,788)**	**(136,405)**	**21,068**	**(4,325)**	**16,743**
Investments allocated to technical provisions for non-life insurance						
Properties for own use	4,234,375	(1,227,821)	3,006,554	137,964	(3)	137,961
Investment properties	3,670,670	(1,190,191)	2,480,478	13,504,730	(3,284,512)	10,220,218
	7,905,044	**(2,418,012)**	**5,487,032**	**13,642,694**	**(3,284,515)**	**10,358,179**
Investments not allocated						
Properties for own use	3,173,617	(545,394)	2,628,223	2,584,930	(1,832,069)	752,861
Investment properties	925,280	(4,675,958)	(3,750,678)	6,266,939	(11,955,042)	(5,688,103)
Investments in associates and joint ventures	22,286	-	22,286	3,404,991	-	3,404,991
	4,121,183	**(5,221,352)**	**(1,100,169)**	**12,256,860**	**(13,787,111)**	**(1,530,251)**
	12,594,610	**(8,344,152)**	**4,250,458**	**25,920,621**	**(17,075,951)**	**8,844,671**

(amounts in euros)

Unrealised profit or loss	2023 Profit	2023 Loss	2023 Net (Note 11)	2022 Profit	2022 Loss	2022 Net (Note 11)
Investments allocated to technical provisions for life insurance						
Investment properties	50,747,580	(38,136,471)	12,611,109	53,355,462	(28,553,255)	24,802,207
	50,747,580	**(38,136,471)**	**12,611,109**	**53,355,462**	**(28,553,255)**	**24,802,207**
Investments allocated to technical provisions for non-life insurance						
Investment properties	49,756,255	(38,862,706)	10,893,548	54,544,448	(31,605,345)	22,939,103
	49,756,255	**(38,862,706)**	**10,893,548**	**54,544,448**	**(31,605,345)**	**22,939,103**
Investments not allocated						
Investment properties	5,813,270	(69,558,897)	(63,745,627)	26,710,985	(27,002,729)	(291,745)
Investments in associates and joint ventures	-	-	-	75	-	75
	5,813,270	**(69,558,897)**	**(63,745,627)**	**26,711,060**	**(27,002,729)**	**(291,669)**
	106,317,104	**(146,558,074)**	**(40,240,970)**	**134,610,970**	**(87,161,329)**	**47,449,641**

(amounts in euros)

Total	2023 Profit	2023 Loss	2023 Net	2022 Profit	2022 Loss	2022 Net
Investments allocated to technical provisions for life insurance						
Investment properties	51,315,962	(38,841,258)	12,474,704	53,376,530	(28,557,580)	24,818,950
	51,315,962	**(38,841,258)**	**12,474,704**	**53,376,530**	**(28,557,580)**	**24,818,950**
Investments allocated to technical provisions for non-life insurance						
Properties for own use	4,234,375	(1,227,821)	3,006,554	137,964	(3)	137,961
Investment properties	53,426,924	(40,052,898)	13,374,026	68,049,178	(34,889,857)	33,159,321
	57,661,299	**(41,280,718)**	**16,380,581**	**68,187,142**	**(34,889,860)**	**33,297,282**
Investments not allocated						
Properties for own use	3,173,617	(545,394)	2,628,223	2,584,930	(1,832,069)	752,861
Investment properties	6,738,550	(74,234,855)	(67,496,305)	32,977,923	(38,957,771)	(5,979,847)
Investments in associates and joint ventures	22,286	-	22,286	3,405,066	-	3,405,066
	9,934,453	**(74,780,249)**	**(64,845,796)**	**38,967,920**	**(40,789,840)**	**(1,821,921)**
	118,911,714	**(154,902,226)**	**(35,990,512)**	**160,531,592**	**(104,237,280)**	**56,294,311**

40. IMPAIRMENT LOSSES (NET OF REVERSALS)

Information on impairment losses movements in 2023 and 2022 is set out below:

(amounts in euros)

	2023					
	Opening balances	Reinforcements	Recoveries and cancellations	Uses	Others	Closing balances
Expected credit loss on financial assets at fair value						
through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 27)	11,082,575	13,852,458	(3,601,701)	(228,708)	-	21,104,624
Stage 3 (Note 8)	79,088,100	5,203,506	(2,757,428)	(1,068,152)	-	80,466,026
Other instruments	-		(103,819)	-	103,819	-
Debt instruments	1,976,459	718,813	(191,015)	(577,087)	-	1,927,171
Other instruments	10,597	172,202	-	(2,080)	-	180,719
Impairment of properties for own use (Note 10)	16,418,989	3,763,669	(1,040,935)	(3,052,546)	-	16,089,176
Impairment of inventories (Note 13)	1,125,726	-	(418,334)	-	-	707,392
Adjustments to premiums pending collection (Note 17)	12,307,759	7,014,798	-	(4,944,167)	-	14,378,390
IFAP Adjustments (Note 17)	247,225	337,639	-	-	-	584,864
Adjustments for doubtful debts (Note 17)	45,703,133	2,135,714	-	(1,865,979)	-	45,972,867
	167,960,563	**33,198,798**	**(8,113,232)**	**(11,738,719)**	**103,819**	**181,411,228**

(amounts in euros)

	2022					
	Opening balances	**Reinforcements**	**Recoveries and cancellations**	**Uses**	**Others**	**Closing balances**
Expected credit loss on financial assets at fair value						
through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 27)	29,677,275	5,429,089	(24,259,249)	-	235,459	11,082,575
Stage 3 (Note 8)	57,942,870	21,144,954	-	-	277	79,088,100
Debt instruments	904,302	1,435,521	(340,454)	(22,910)	-	1,976,459
Other instruments	385,752	1,865	-	(377,020)	-	10,597
Impairment of properties for own use (Note 10)	16,568,008	2,582,964	(57,986)	(2,673,997)	-	16,418,989
Impairment of inventories (Note 13)	900,000	480,726	(142,500)	(112,500)	-	1,125,726
Adjustments to premiums pending collection (Note 17)	16,821,724	-	(3,524,275)	(989,689)	-	12,307,759
IFAP Adjustments (Note 17)	-	247,225	-	-	-	247,225
Adjustments for doubtful debts (Note 17)	52,739,365	225,743	-	(7,261,976)	-	45,703,133
	175,939,295	**31,548,087**	**(28,324,465)**	**(11,438,091)**	**235,736**	**167,960,563**

In 2023 and 2022, the heading "Impairment losses (net of reversals)" includes uses of 1,954,541 Euros and 2,928,929 Euros of "Other provisions and contingent liabilities" (Note 25), respectively.

At 31 December 2023 and 2022 the breakdown by rating and stage of expected credit losses based on the gross balance sheet value was the following:

(amounts in euros)

	2023			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	204,929,830	-	-	204,929,830
AA- to AA+	125,433,716	-	-	125,433,716
A- to A+	1,845,753,346	-	-	1,845,753,346
BBB- to BBB+	4,580,999,378	827,592	2,002,245	4,583,829,215
BB- to BB+	705,911,715	26,707,199	12,084,495	744,703,409
B- to B+	13,827,587	59,877,226	2,162,105	75,866,918
CCC- to CCC+	-	47,798,563	-	47,798,563
C			3,892,822	3,892,822
Not rated	-	1,921,276	74,912,266	76,833,542
	7,476,855,572	**137,131,856**	**95,053,933**	**7,709,041,361**
Financial assets at amortised cost				
A- to A+	245,493,293	-	-	245,493,293
BBB- to BBB+	31,729,591	-	-	31,729,591
B- to B+	-	13,153,669	-	13,153,669
CCC- to CCC+	-	1,922,645	-	1,922,645
Not rated	-	2,714,055	537,611	3,251,666
	277,222,884	**17,790,369**	**537,611**	**295,550,864**

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	33,649,285	-	-	33,649,285
AA- to AA+	61,953,273	-	-	61,953,273
A- to A+	1,709,427,136	-	-	1,709,427,136
BBB- to BBB+	4,778,968,296	3,385,100	2,002,288	4,784,355,684
BB- to BB+	846,757,770	16,769,287	104,920	863,631,977
B- to B+	44,765,369	14,606,162	-	59,371,531
CCC- to CCC+	-	44,364,092	-	44,364,092
Not rated	5,860,706	511,641	78,243,716	84,616,063
	7,481,381,835	**79,636,282**	**80,350,924**	**7,641,369,041**
Financial assets at amortised cost				
BBB- to BBB+	542,143,835	-	-	542,143,835
B- to B+	-	13,868,359	-	13,868,359
CCC- to CCC+	-	3,423,811	-	3,423,811
Not rated	-	1,702,851	537,611	2,240,462
	542,143,835	**18,995,021**	**537,611**	**561,676,467**

The movement between 31 December 2022 and 31 December 2023 of expected credit losses based on the gross balance sheet value was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2022	**7,481,381,835**	**79,636,282**	**80,350,924**	**7,641,369,041**
New assets originated or purchased	1,300,158,821	127,736,281	13,699,305	1,441,594,407
Assets derecognised or matured	(1,572,210,207)	(139,039,030)	(12,791,274)	(1,724,040,511)
Accrued capitalised interest	(13,802,115)	2,720,809	572,038	(10,509,268)
Change in fair value	393,366,895	(10,561,875)	5,202,567	388,007,587
Net exchange expense / (income)	(27,804,400)	1,854,530	(1,430,025)	(27,379,895)
Movement between 12mECL and LTECL	(84,235,257)	74,784,859	9,450,398	-
Balance at 31 December 2023	**7,476,855,572**	**137,131,856**	**95,053,933**	**7,709,041,361**
Financial assets at amortised cost				
Balance at 31 December 2022	**542,143,835**	**18,995,021**	**537,611**	**561,676,467**
New assets originated or purchased	-	13,848,740	-	13,848,740
Assets derecognised or matured	(259,132,578)	(15,726,284)	-	(274,858,862)
Accrued capitalised interest	(5,788,373)	672,782	-	(5,115,591)
Net exchange expense / (income)	-	110	-	110
Balance at 31 December 2023	**277,222,884**	**17,790,369**	**537,611**	**295,550,864**

As of 31 December 2023 and 2022, the breakdown by rating and stage of expected credit losses based on expected credit losses was as follows:

(amounts in euros)

	2023			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	1	-	-	1
AA- to AA+	14,549	-	-	14,549
A- to A+	627,644	-	-	627,644
BBB- to BBB+	3,788,239	126	361,453	4,149,818
BB- to BB+	2,812,169	1,318,363	744,835	4,875,367
B- to B+	756,295	10,675,784	554,651	11,986,730
CCC- to CCC+	-	999,372	-	999,372
C	-	-	3,892,822	3,892,822
Not rated	-	112,082	74,912,265	75,024,347
	7,998,897	**13,105,727**	**80,466,026**	**101,570,650**
Financial assets at amortised cost				
A- to A+	1	-	-	1
B- to B+	-	1,088,497	-	1,088,497
CCC- to CCC+	-	141,892	-	141,892
Not rated	-	159,169	537,611	696,780
	1	**1,389,558**	**537,611**	**1,927,170**

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AA- to AA+	11,909	-	-	11,909
A- to A+	662,740	-	-	662,740
BBB- to BBB+	3,535,472	14,534	862,233	4,412,239
BB- to BB+	3,858,613	912,973	10,053	4,781,639
B- to B+	1,036,562	253,116	-	1,289,678
CCC- to CCC+	-	717,388	-	717,388
Not rated	-	79,267	78,215,815	78,295,082
	9,105,296	**1,977,278**	**79,088,101**	**90,170,675**
Financial assets at amortised cost				
B- to B+	-	1,080,451	-	1,080,451
CCC- to CCC+	-	259,021	-	259,021
Not rated	-	99,377	537,611	636,988
	-	**1,438,849**	**537,611**	**1,976,460**

The movement between 31 December 2022 and 31 December 2023 based on expected credit losses was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2022	**9,105,296**	**1,977,278**	**79,088,101**	**90,170,675**
New assets originated or purchased	992,799	1,492,416	734,872	3,220,087
Assets derecognised or matured	(1,091,493)	(1,057,529)	(1,876,142)	(4,025,164)
Re-measurement of expected credit loss	(514,000)	10,637,527	2,081,525	12,205,052
Movement between 12mECL and LTECL	(493,705)	56,035	437,670	-
Balance at 31 December 2023	**7,998,897**	**13,105,727**	**80,466,026**	**101,570,650**
Financial assets at amortised cost				
Balance at 31 December 2022	**-**	**1,438,849**	**537,611**	**1,976,460**
New assets originated or purchased	-	1,207,066	-	1,207,066
Assets derecognised or matured	-	(1,134,683)	-	(1,134,683)
Re-measurement of expected credit loss	1	(121,674)	-	(121,673)
Balance at 31 December 2023	**1**	**1,389,558**	**537,611**	**1,927,170**

As of 31 December 2023, the amount recorded under the heading "Provision for expected credit losses in debt instruments at fair value through other comprehensive income", referring to securities whose used reference rating corresponds to an internal rating amounts to 305,828 Euros. The provision corresponding to these securities, if considered as unrated, would amount to 29,660,342 Euros.

41. OTHER TECHNICAL INCOME/EXPENSES, NET OF REINSURANCE

In the years 2023 and 2022 this heading was composed as follows:

(amounts in euros)

	2023			2022		
	Income	Expenses	Net	Income	Expenses	Net
Related to life insurance						
Co-insurance management fees	273,610	(282,127)	(8,518)	87,659	(592,202)	(504,543)
Pension fund management fees	1,461,612	-	1,461,612	1,150,258	-	1,150,258
Others	4,680	(75,090)	(70,410)	3,853	(192,147)	(188,294)
	1,739,902	**(357,218)**	**1,382,684**	**1,241,769**	**(784,349)**	**457,420**
Related to non-life insurance						
Co-insurance management fees	636,314	(1,106,242)	(469,928)	1,248,701	(1,093,199)	155,502
Others	2,304,409	(199,656)	2,104,754	1,710,248	(1,856,517)	(146,269)
	2,940,723	**(1,305,897)**	**1,634,825**	**2,958,949**	**(2,949,716)**	**9,234**
	4,680,625	**(1,663,115)**	**3,017,509**	**4,200,718**	**(3,734,065)**	**466,654**

42. OTHER INCOME/EXPENSES

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Non-current income and profit		
Pro-rata VAT Credit	2,783,093	8,172,079
Tax rebates	1,592,895	1,481,759
Others	12,883,032	7,097,170
	17,259,020	**16,751,008**
Financial income and profit		
Interest earned	3,012,540	1,587,177
Exchange rate gains	2,493,383	11,628,600
Prompt payment discounts	1,443,252	1,665,024
Others	2,648,998	3,550,224
	9,598,172	**18,431,024**
Income from other assets		
Profit on other tangible assets	723,989	334,637
Profit on other intangible assets	312,560	1,096,923
	1,036,549	**1,431,560**
Earnings from pension plans		
Pension fund management fees	2,318	2,355

(continuation) (amounts in euros)

	2023	2022
Other earnings	24,107	40,178
	26,425	**42,534**
Other non-technical income		
Provision of services		
Customers	566,669,616	500,192,416
Others	12,630,203	15,312,313
Adjustments to balances	8,301,349	2,582,866
	587,601,168	**518,087,595**
Non-current expenses and losses		
Patronage	-	(511,739)
Under-estimation of taxes	(51,837)	(368,829)
Miscellaneous contributions	(142,564)	(187,683)
Bad debts	(237,454)	(765,696)
Corrections to previous years	(713,153)	(992,747)
Offers to costumers	(882,300)	(801,539)
Donations	(1,549,323)	(3,105,325)
Adjustments to balances	(3,339,987)	(357,520)
Fines and penalties	(4,527,891)	(2,196,433)
Others	(7,606,498)	(5,965,586)
	(19,051,007)	**(15,253,096)**

(continuation) (amounts in euros)

	2023	2022
Financial expenses and losses		
Interest paid	(238,001)	(481,536)
Banking services	(1,412,045)	(1,391,748)
Exchange rate losses	(27,772,411)	(1,648,881)
Others	(3,228,829)	(3,806,817)
	(32,651,286)	**(7,328,982)**
Losses in other assets		
Losses on other intangible assets	-	(55,392)
Losses on other tangible assets	(1,348,907)	(266,105)
	(1,348,907)	**(321,497)**
Other non-technical expenses		
Interest	(16,309,926)	(9,287,398)
Amortisations in the year	(36,029,472)	(32,974,418)
Personnel costs	(140,758,148)	(125,152,176)
External supplies and services	(325,281,445)	(299,855,579)
Others	(9,645,119)	(7,701,816)
	(528,024,110)	**(474,971,387)**
Cost of goods sold	**(3,808,675)**	**(3,046,805)**
Total other income and expenditures	**30,637,348**	**53,821,954**

At 31 December 2023 and 2022, the breakdown of provision of services to customers was as follows:

(amounts in euros)

	2023	2022
Provision of services		
Hospital Service	528,338,343	485,046,136
Portfolio Management	6,661,964	6,264,718
Helpdesk	527,873	732,713
Health Service	706,279	362,648
Expertise Services/Claims Assessment	81,899	1,282,992
Motor Repair	220,694	182,486
Financial and Accounting Services	2,696,652	1,681,258
Other services provided	26,545,659	14,234,816
Discounts and rebates for services provided	890,253	(9,595,351)
	566,669,616	**500,192,416**

43. PROFIT OR LOSS FROM ASSOCIATES AND JOINT VENTURES (EQUITY METHOD)

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A.	359,382	325,765
Serfun Portugal, SGPS, S.A.	(14,456)	(19,308)
Transacciones Especiales S.A.	-	491,368
EA One Holding, Inc	-	124,848
BLUE ADCO - Consultoria e Assessoria em Investimentos Turísticos, S.A.	(354)	(2)
BLUE OPCO – Exploração e Gestão de Ativos Turísticos, S.A.	(119,276)	(26,422)
	225,296	**896,249**

44. INCOME TAX

The costs/gains with income tax recognised in profit or loss, and the tax burden, measured as the ratio between the appropriation for income tax and the profit in the year before tax, may be represented as follows:

(amounts in euros)

	2023	2022
Current tax		
For the year	14,237 ,373	49,753,124
Municipal and state tax	1,236,990	2,700,287
Autonomous taxation	2,584,192	3,196,030
	18,058,555	**55,649,441**
Others		
Branches	588,370	1,509,727
Others	(626,999)	4,821,048
	18,019,926	**61,980,215**
Deferred tax	24,492,879	(9,490,350)
Total tax in income statement	42,512,805	52,489,866
Consolidated profit before taxes and non-controlling interests	277,621,779	268,755,744
Tax burden	15,31%	19,53%

Reconciliation between the nominal tax rate and the effective tax rate in 2023 and 2022 can be demonstrated as follows:

(amounts in euros)

	2023		2022	
	Rate	Tax	Rate	Tax
Income before tax		277,621,779		268,755,744
Income tax calculated at nominal rate	19.78%	54,918,823	11.67%	31,356,291
Permanent differences to be deducted				
Dividends from equity instruments	(0.30%)	(834,594)	(0.52%)	(1,429,578)
Capital gains and losses for tax purposes	(3.73%)	(10,350,606)	-	-
Non-deductible impairment	(0.31%)	(858,599)	(3.14%)	(8,705,194)
Provisions not relevant for tax purposes	-	-	(0.02%)	(43,998)
Non-deductible tax rebates and over-estimation of CIT	-	6,462	-	-
Corrections related to previous years	(1.60%)	(4,446,515)	-	-
Tax losses used	(7.27%)	(20,187,640)	(4.24%)	(11,754,821)
Permanent differences to be added				
Capital gains and losses for tax purposes	-	-	2.76%	7,648,046
Accounting capital gains and losses	5.08%	14,113,539	8.80%	24,380,193
Insufficiency of CIT estimation	-	-	-	41
Expenses from termination of employment benefits, retirement benefits				
and other post-employment or long-term employee benefits	0.01%	21,864	0.01%	16,028

(continuation) (amounts in euros)

	2023		2022	
	Rate	Tax	Rate	Tax
Tax liabilities	2.03%	5,646,516	2.24%	6,194,392
Corrections related to previous years	-	-	0.10%	273,537
Others	3.43%	9,527,692	0.82%	2,267,908
Tax benefits				
Net job creation	(0.01%)	(23,300)	(0.05%)	(139,750)
International double taxation	(0.15%)	(415,812)	(0.38%)	(1,047,944)
SIFIDE II	(3.12%)	(8,665,644)	(2.75%)	(7,619,147)
Others	(0.07%)	(185,576)	(1.54%)	(4,274,015)
Tax paid abroad	**0.35%**	**977,048**	**1.43%**	**3,971,647**
Autonomous taxation	**0.39%**	**1,083,091**	**0.71%**	**1,965,799**
Local surtaxes	**0.44%**	**1,217,599**	**1.59%**	**4,401,103**
Deferred tax assets and liabilities - Effect of tax rate changes	**0.35%**	**968,457**	**1.82%**	**5,029,328**
	15.31%	**42,512,805**	**19.53%**	**52,489,866**

As autoridades fiscais têm a possibilidade de rever a situação fiscal durante um período de tempo definido, que em Portugal é de quatro anos (exceto nos exercícios em que seja apurado prejuízo fiscal), podendo resultar devido a diferentes interpretações da legislação, eventuais correções ao lucro tributável de exercícios anteriores. Dada a natureza das eventuais correções que poderão ser efetuadas, não é possível quantificá-las neste momento. No entanto, na opinião do Conselho de Administração da Longrun e das empresas do Grupo, não é previsível que qualquer correção relativa aos exercícios acima referidos seja significativa para as demonstrações financeiras anexas.

45. SEGMENT REPORTING

The Group presents operating segments based on management information produced internally. Operating results are regularly reviewed by the principal operational decision maker for the purpose of allocating resources to the segment and evaluating performance.

An operating segment is an identifiable component of the Group that is intended to provide an individual product or service or a group of related products or services, within a specific economic environment, from which it may derive revenues and incur expenses, that are subject to risks and benefits that are distinguishable 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 and Profit sharing", 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) and 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" means financial instruments in the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts.

Non-life insurance includes the following lines of business:

- "Workers' compensation", which aims to insure workers in the event of damage arising at the place and time of work or on the way to or from work, resulting in bodily injury, functional disturbance or Health that causes reduction in the ability to work or earn a salary, or death;
- "Accidents and Health", which aims to insure workers in the event of damage arising at the place and time of work or on the way to or from work, resulting in bodily injury, functional disturbance or Health that causes reduction in the ability to work or earn a salary, or death and 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;
- "Motor", which covers the risks to which land motor vehicles (cars, motorcycles, etc.) are exposed, including third party liability arising from their circulation, as well as optional coverages, such as own damages, travel assistance and legal protection;
- "Fire and other damage", which covers the risks related to loss of property caused by "Fire and other damages" that damage property;

- "Third-Party liability", 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"; and

- "Others", which covers the damages suffered by "Transported goods", "Legal protection", "Assistance", "Credit", "Suretyship" and miscellaneous insurance not mentioned above.

Real Estate Segment

The real estate segment includes the following activities:

- Purchase and sale of real estate, including the purchase for resale, lease or constitution of other real estate rights and also the development, promotion and administration of real estate projects, in the construction and rehabilitation area, as well as the provision of related services;

- Acquisition and disposal of interests in companies, under national or foreign law, with the same or different object as yours, in companies regulated by special laws and in unlimited liability companies, under the terms of the law; and

- Association with other legal entities to, inter alia, form new companies, complementary groupings of companies, European economic interest groups, consortia and participation associations in accordance with the law.

Health Segment

The health segment includes the following activities:

- Private healthcare, which includes the Group's main hospital acute care units and network of outpatient clinics;

- Public healthcare, which covers the management of a hospital unit, under the Public-Private Partnership Agreement (PPP); and

- Other activities.

The distribution of income by lines of business in 2023 and 2022 was as follows:

(amounts in euros)

	2023								
	Life insurance		Non-life insurance						
	Life risk and participating	Investment contracts	Accidents and health	Property	Motor	Third party liabilities	Others	Non-technical	Total
Profit and Loss									
Insurance revenue									
Measured under premium allocation approach	431,100,586	(5,735)	1,067,950,914	575,454,442	857,697,109	142,510,461	135,495,958	-	3,210,203,735
Non-measured under premium allocation approach	218,399,731	-	-	-	-	-	-	-	218,399,731
Insurance service expenses	(491,678,470)	(1,382,108)	(951,884,519)	(488,873,228)	(789,514,659)	(122,867,505)	(81,242,156)	-	(2,927,442,645)
Recoverable from reinsurers	71,693,724	25,124	(67,722,775)	186,815,465	25,830,554	57,033,027	33,994,468	-	307,669,586
Reinsurance premium paid									
Measured under premium allocation approach - reinsurers	(120,853,069)	8,043,587	45,887,736	(297,366,995)	(27,458,668)	(76,219,068)	(79,241,265)	-	(547,207,742)
Non-measured under premium allocation approach - reinsurers	-	-	-	-	-	-	-	-	-
Insurance finance expenses for insurance contracts issued	(69,269,402)	-	(15,157,410)	(6,281,578)	(6,141,631)	(1,039,771)	(1,345,865)	-	(99,235,656)
Reinsurance finance income for reinsurance contracts held	2,859,659	-	1,863,840	5,011,126	893,615	698,093	917,317	-	12,243,651
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	143,703,430	-	-	-	-	-	-	143,703,430
Financial income	106,874,754	194,502,162	77,346,555	18,671,019	32,239,436	10,343,816	10,323,793	40,565,478	490,867,013
Financial expenses	(74,537)	(398,355)	(80,040)	(16,035)	(32,056)	(9,540)	(1,344)	(3,639,955)	(4,251,862)
Net gains from financial assets and liabilities through other comprehensive income	(5,924,843)	(113,862,556)	(4,759,817)	(267,352)	(732,377)	(159,540)	(125,597)	(258,132)	(126,090,213)
Net gains from financial assets and liabilities through profit and loss	7,008,756	29,954,964	10,561,177	(637,750)	(1,168,752)	(385,685)	1,933,489	(2,354,310)	44,911,889
Effect of movements in exchange rates	(8,724,665)	(30,860,358)	(1,922,946)	(1,068,874)	(1,987,858)	(884,177)	(73,425)	(5,957,731)	(51,480,034)
Net gains from non-financial assets that are not classified as non-current assets held for sale and discontinued operating units	552,635	11,922,069	5,985,100	2,395,792	5,077,207	1,565,865	1,356,617	(64,845,796)	(35,990,512)
Impairment losses (net of reversals)	(132,609)	13,256,067	(3,527,195)	(1,769,360)	(3,519,993)	(641,008)	6,821,624	(33,618,550)	(23,131,024)
Non-attributable costs	(7,031,360)	(207,607,048)	(26,914,844)	(15,855,652)	(26,732,535)	(5,274,178)	(4,126,609)	(75,902,669)	(369,444,893)
Other technical income/expenses	1,306,327	76,357	232,657	1,059,406	378,381	20,709	(56,329)	-	3,017,509
Other income/expenses	425,962	(425,962)	(119,654)	(325,011)	955,926	(459,249)	(52,012)	30,637,348	30,637,348
Gains and losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	225,296	225,296
Gains and losses on non-current assets (or disposal groups) classified as held for sale	-	-	-	-	-	-	-	17,170	17,170
Non-controlling interests	-	-	-	-	-	-	-	(82,304,716)	(82,304,716)
Current income tax	(20,907,299)	(7,188,164)	(21,091,912)	3,530,344	(10,073,445)	(648,084)	(3,763,726)	17,629,481	(42,512,805)
Total profit and loss	**115,625,881**	**39,753,475**	**116,646,867**	**(19,524,240)**	**55,710,255**	**3,584,166**	**20,814,939**	**(179,807,086)**	**152,804,258**
Total assets	**2,664,752,088**	**10,005,179,810**	**1,971,018,292**	**368,286,389**	**140,387,719**	**161,272,300**	**2,714,535,811**	**2,317,237,519**	**20,342,669,929**
Total liabilities	**2,798,785,737**	**8,837,951,726**	**1,651,372,259**	**573,554,106**	**728,624,294**	**239,994,444**	**73,687,614**	**2,386,134,770**	**17,290,104,950**
Total lines of business									**2,899,760,720**
Share capital, reserves, retained earnings									**(2,901,561,661)**

(amounts in euros)

	2022								
	Life insurance		Non-life insurance						
	Life risk and participating	Investment contracts	Accidents and health	Property	Motor	Third party liabilities	Others	Non-technical	Total
Profit and Loss									
Insurance revenue									
Measured under premium allocation approach	435,687,513	(4,592)	936,027,420	553,758,025	808,502,471	100,646,388	140,784,221	-	2,975,401,446
Non-measured under premium allocation approach	210,991,306	-	-	-	-	-	-	-	210,991,306
Insurance service expenses	(469,830,040)	(2,213,651)	(966,286,430)	(398,036,503)	(791,765,457)	(59,422,094)	(69,436,758)	-	(2,756,990,932)
Recoverable from reinsurers	102,911,152	2,382	(17,460,660)	149,208,985	50,217,438	20,156,513	18,027,302	-	323,063,112
Reinsurance premium paid									
Measured under premium allocation approach - reinsurers	(122,858,758)	(4,554)	13,550,855	(281,200,530)	(49,329,297)	(49,791,442)	(81,498,726)	-	(571,132,451)
Non-measured under premium allocation approach - reinsurers	-	-	-	-	-	-	-	-	-
Insurance finance expenses for insurance contracts issued	(44,183,759)	-	1,079,244	(1,891,113)	(2,163,711)	(177,501)	(1,125,305)	-	(48,462,143)
Reinsurance finance income for reinsurance contracts held	1,846,178	-	668,222	1,832,297	986,105	362,891	1,169,508	-	6,865,200
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	-	114,415,652	-	-	-	-	-	-	114,415,652
Financial income	99,607,197	173,266,462	67,411,997	15,212,307	30,814,123	8,245,108	6,929,746	33,087,355	434,574,295
Financial expenses	(1,346,079)	(1,025,230)	(417,040)	(1,060,111)	(637,350)	(189,686)	(232,594)	(3,596,948)	(8,505,037)
Net gains from financial assets and liabilities through other comprehensive income	(145,848)	(12,125,192)	(485,398)	(266,518)	(1,340,833)	(293,926)	(109,962)	(1,075,056)	(15,842,734)
Net gains from financial assets and liabilities through profit and loss	(39,953,924)	(116,634,349)	(54,447,203)	(11,100,257)	(1,137,683)	(7,744,963)	6,353,851	(32,987,125)	(257,651,654)
Effect of movements in exchange rates	28,635,099	(3,593,886)	22,735,043	6,401,139	3,802,779	3,971,921	(5,201,648)	(2,653,725)	54,096,721
Net gains from non-financial assets that are not classified as non-current assets held for sale and discontinued operating units	2,321,951	22,496,999	13,270,119	5,151,346	11,277,464	3,168,108	430,244	(1,821,921)	56,294,311
Impairment losses (net of reversals)	2,274,083	(2,651,988)	(1,889,864)	97,974	1,798,888	1,720,895	(1,097,553)	(547,128)	(294,693)
Non-attributable costs	(15,980,677)	(192,835,470)	(25,815,666)	(17,168,415)	(30,952,097)	(5,094,985)	(3,160,032)	(53,774,765)	(344,782,106)
Other technical income/expenses	515,578	(58,158)	(1,047,997)	1,373,735	10,690	16,794	(140,737)	(203,252)	466,653
Other income/expenses	195,642	462,755	(45,618)	63,927	2,223	(199,194)	(155,679)	53,497,899	53,821,954
Goodwill negativo reconhecido imediatamente em ganhos e perdas	-	-	-	-	-	-	-	42,972,526	42,972,526
Gains and losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	896,249	896,249
Gains and losses on non-current assets (or disposal groups) classified as held for sale	-	-	-	-	-	-	-	(1,441,931)	(1,441,931)
Non-controlling interests	-	-	-	-	-	-	-	(72,391,167)	(72,391,167)
Current income tax	(37,923,867)	4,077,613	2,615,871	(4,450,210)	(5,983,472)	(3,057,755)	(2,294,262)	(5,473,785)	(52,489,866)
Total profit and loss	**152,762,747**	**(16,425,208)**	**(10,537,104)**	**17,926,079**	**24,102,281**	**12,317,072**	**9,241,615**	**(45,512,773)**	**143,874,712**
Total assets	**2,828,673,534**	**9,607,811,751**	**1,379,966,754**	**224,182,519**	**(75,610,181)**	**91,306,758**	**2,049,715,102**	**3,943,647,489**	**20,049,693,727**
Total liabilities	**2,950,361,858**	**8,353,167,732**	**919,805,960**	**166,455,489**	**567,265,598**	**140,788,416**	**(365,085,134)**	**4,408,368,036**	**17,141,127,956**
Total lines of business									**2,764,691,059**
Share capital, reserves, retained earnings									**(2,763,191,286)**

46. RELATED PARTIES

As defined in IAS 24, the subsidiaries, associates and joint ventures of the Fosun Group, Caixa Geral de Depósitos, S.A. and their respective management bodies are considered related parties of the Longrun Group.

Notes 3 and 5 provide information on the structure of the Group, including details of subsidiaries and associates

Transactions and outstanding balances between fully consolidated entities of the Group are eliminated.

At 31 December 2023 and 2022, the Group's financial statements include the following balances and transactions with related parties, excluding management bodies:

(amounts in euros)

	2023			
	Caixa Geral de Depósitos, S.A.	Associates	Fosun International Holdings Ltd Group	Total
Assets	527,638,879	9,553,233	140,330,401	677,522,512
Liabilities	57,708,672	-	5,417,712	63,126,385
Income	15,695,796	40,410	19,227,029	34,963,141
Expenses	(80,560,231)	(1,492,685)	(11,029,433)	(93,082,348)

(amounts in euros)

	2022			
	Caixa Geral de Depósitos, S.A.	Associates	Fosun International Holdings Ltd Group	Total
Assets	625,936,424	9,496,478	124,946,080	760,378,982
Liabilities	56,325,095	3,562	7,248,466	63,577,123
Income	3,777,086	11,585	19,558,601	23,347,272
Expenses	(79,717,000)	(1,290,457)	(24,823,914)	(105,831,371)

The amounts recorded in assets and liabilities mostly relate to bank deposits, investments in Fosun group entities, and balances receivable/payable related to intragroup ceded and accepted reinsurance.

Income and expenses are mostly related to commission paid to the CGD, insurance and reinsurance business with group entities and net investment income and gains.

Transactions with the related parties are performed on the basis of the market values on the respective dates.

Remuneration of Corporate Bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Corporate Bodies, according to criteria established by the shareholder.

The remuneration and benefits paid to the members of the Corporate Bodies during the year 2022 were as follows:

(amounts in euros)

Board of Directors	Fixed remuneration	Variable remuneration [1]	Meal allowance	Health insurance costs	Life insurance costs
Non-executive members					
Chairperson					
Jorge Manuel Baptista Magalhães Correia	45,000	110,117	-	-	-

[1] Paid in 2023 and relating to 2022

(amounts in euros)

Supervisory Board	Fixed remuneration	Variable remuneration	Meal allowance	Health insurance costs	Life insurance costs
Chairperson					
Jorge Manuel de Sousa Marrão	7,000	-	-	-	-
Members					
Teófilo César Ferreira da Fonseca	6,828	-	-	-	-
Pedro Antunes de Almeida	13,183	-	-	-	-
João Filipe Gonçalves Pinto	6,147	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	6,147	-	-	-	-

External Auditor Fees

The fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, and companies of its network, including abroad, related to 2023, are 5,178,417 Euros, of which 4,268,366 Euros are related to the Statutory Audit and legal review of accounts, 239,166 Euros to certification of the annual solvency and financial condition report, and 670,885 Euros to compliance and assurance services.

Other assurance services basically include: (i) Certification of the annual solvency and financial condition report, (ii) Independent review of the sustainability information contained in the Single Integrated Report, (iii) Report on the Risk Management and Internal Control system, (iv) Limited Review, (v) Opinion on procedures and controls in matters of ML&TF prevention, (vi) Opinion on the specific procedures for the prevention, detection and reporting of insurance fraud situations and (vii) Opinion on the specific procedures for the remuneration policy.

47. DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS

FINANCIAL POSITION

At 31 December 2023 and 2022, the financial instruments had the following balance sheet value:

(amounts in euros)

	2023		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	540,704,512	540,704,512
Investments in associates and joint ventures	-	9,226,367	9,226,367
Financial assets at fair value through profit or loss	5,062,483,705	-	5,062,483,705
Hedge Derivatives	10,626,173	-	10,626,173
Financial assets at fair value through other comprehensive income	7,955,771,101	-	7,955,771,101
Financial assets at amortised cost	-	774,542,896	774,542,896
Accounts receivable from direct insurance and reinsurance operations	-	204,064,957	204,064,957
	13,028,880,979	**1,528,538,732**	**14,557,419,711**
Liabilities			
Financial liabilities at fair value through profit or loss	304,635,435	-	304,635,435
Financial liabilities of the deposit component of insurance contracts and insurance contracts			
and operations considered for accounting purposes as investment contracts	3,746,280,743	4,782,081,349	8,528,362,091
Hedge Derivatives	1,523,582	-	1,523,582

(continuation) (amounts in euros)

	2023		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Deposits received from reinsurers	-	57,551,076	57,551,076
Other financial liabilities	-	626,326,119	626,326,119
Accounts payable for direct insurance and reinsurance operations	-	449,653,819	449,653,819
	4,052,439,760	**5,915,612,363**	**9,968,052,123**

(amounts in euros)

	2022		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	637,771,322	637,771,322
Investments in associates and joint ventures	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	4,499,777,781	-	4,499,777,781
Hedge Derivatives	18,319,872	-	18,319,872
Financial assets at fair value through other comprehensive income	7,932,574,565	-	7,932,574,565
Financial assets at amortised cost	-	1,000,653,706	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	246,605,303	246,605,303
	12,450,672,218	**1,894,199,617**	**14,344,871,835**

 (amounts in euros)

	2022		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Liabilities			
Financial liabilities at fair value through profit or loss	154,516,306	-	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts			
and operations considered for accounting purposes as investment contracts	3,135,814,789	5,492,271,771	8,628,086,559
Hedge Derivatives	4,949,949	-	4,949,949
Deposits received from reinsurers	-	54,602,705	54,602,705
Other financial liabilities	-	636,180,671	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	468,893,287	468,893,287
	3,295,281,044	**6,651,948,434**	**9,947,229,477**

PROFIT OR LOSS

In the years ended on 31 December 2023 and 2022, the net profit or loss on financial instruments had the following breakdown:

(amounts in euros)

	2023		
	income statement	As a charge to shareholders' equity	total
Income from financial instruments			
of financial assets at fair value through profit or loss	98,427,124	-	98,427,124
of financial assets at fair value through other comprehensive income	267,032,030	-	267,032,030
of financial assets at amortised cost	22,248,760	-	22,248,760
of sight deposits	3,481,261	-	3,481,261
of other financial assets	99,677,839	-	99,677,839
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
of financial assets at fair value through other comprehensive income	(36,752,233)	382,762,164	346,009,932
of financial assets at amortised cost	(84,776)	-	(84,776)
of financial liabilities at amortised cost	(92,197,422)	-	(92,197,422)
of others	2,944,217	-	2,944,217
Net income on financial assets and liabilities recognised at fair value through profit or loss			
of financial assets and liabilities at fair value through profit or loss	44,911,889	-	44,911,889
Exchange differences	(51,480,034)	-	(51,480,034)

(continuation)

(amounts in euros)

	2023		
		As a charge to	
	income statement	shareholders' equity	total
Impairment losses (net of reversals)			
of financial assets at fair value through other comprehensive income	(12,593,016)	-	(12,593,016)
of financial assets at amortised cost	(700,000)	-	(700,000)
of others	(9,764,835)	-	(9,764,835)
Interest on subordinate liabilities	(22,411,089)	-	(22,411,089)
Interest on deposits received from reinsurers	(744,031)	-	(744,031)
	311,995,685	**382,762,164**	**694,757,849**

(amounts in euros)

	2022		
		As a charge to	
	income statement	shareholders' equity	total
Income from financial instruments			
of financial assets at fair value through profit or loss	72,036,027	-	72,036,027
of financial assets at fair value through other comprehensive income	258,401,009	-	258,401,009
of financial assets at amortised cost	19,634,885	-	19,634,885
of sight deposits	663,623	-	663,623
of other financial assets	83,838,751	-	83,838,751
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
of financial assets at fair value through other comprehensive income	(2,095,086)	(818,508,636)	(820,603,723)

(continuation) (amounts in euros)

	2022		
	income statement	As a charge to shareholders' equity	total
of financial assets at amortised cost	151,113	-	151,113
of financial liabilities at amortised cost	(13,898,958)	-	(13,898,958)
of others	198	-	198
Net income on financial assets and liabilities recognised at fair value through profit or loss			
of financial assets and liabilities at fair value through profit or loss	(257,651,654)	-	(257,651,654)
Exchange differences	54,096,721	-	54,096,721
Impairment losses (net of reversals)			
of financial assets at fair value through other comprehensive income	(2,314,794)	-	(2,314,794)
of financial assets at amortised cost	(1,096,932)	-	(1,096,932)
of others	11,302,307	-	11,302,307
Interest on subordinate liabilities	(22,360,836)	-	(22,360,836)
Interest on deposits received from reinsurers	(876,731)	-	(876,731)
	199,829,642	**(818,508,636)**	**(618,678,995)**

In the years ended on 31 December 2023 and 2022, 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:

(amounts in euros)

	2023	2022
Assets		
Financial assets at fair value through other comprehensive income	244,659,224	226,465,844
Financial assets at amortised cost	22,248,760	19,634,885
Sight deposits	3,481,261	663,623
	270,389,245	**246,764,352**
Liabilities		
Financial liabilities of the deposit component of insurance contracts and insurance contracts		
and operations considered for accounting purposes as investment contracts	(92,197,422)	(13,898,958)
Subordinate liabilities	(22,411,089)	(22,360,836)
Deposits received from reinsurers	(744,031)	(876,731)
	(115,352,541)	**(37,136,525)**

OTHER DISCLOSURES

Fair value of financial instruments

At 31 December 2023 and 2022, the method for assessing the fair value of the financial instruments reflected in the Group's financial statements can be summarised as follows:

(amounts in euros)

	2023				
	Fair value calculation method			Not recognised at fair value	Total
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	540,704,512	540,704,512
Investments in associates and joint ventures	-	-	-	9,226,367	9,226,367
Financial assets at fair value through profit or loss	3,219,786,477	452,083,563	1,390,613,665	-	5,062,483,705
Hedge Derivatives	3,493,838	7,132,335	-	-	10,626,173
Financial assets at fair value through other comprehensive income	7,076,830,849	635,715,561	243,224,691	-	7,955,771,101
Financial assets at amortised cost	-	-	-	774,542,896	774,542,896
Accounts receivable from direct insurance and reinsurance operations	-	-	-	204,064,957	204,064,957
	10,300,111,164	**1,094,931,459**	**1,633,838,356**	**1,528,538,732**	**14,557,419,711**

(continuation) (amounts in euros)

	2023				
	Fair value calculation method			Not recognised at fair value	Total
	Level 1	Level 2	Level 3		
Liabilities					
Financial liabilities of the deposit component of insurance contracts and insurance contracts					
and operations considered for accounting purposes as investment contracts	-	3,746,280,743	-	4,782,081,349	8,528,362,091
Financial liabilities at fair value through profit or loss	2,259,953	36,419,114	265,956,368	-	304,635,435
Hedge Derivatives	-	1,523,582	-	-	1,523,582
Deposits received from reinsurers	-	-	-	57,551,076	57,551,076
Other financial liabilities	-	-	-	626,326,119	626,326,119
Accounts payable for direct insurance and reinsurance operations	-	-	-	449,653,819	449,653,819
	2,259,953	**3,784,223,439**	**265,956,368**	**5,915,612,363**	**9,968,052,123**
	10,297,851,211	**(2,689,291,980)**	**1,367,881,988**	**(4,387,073,631)**	**4,589,367,588**

(amounts in euros)

	2022				
	Fair value calculation method			Not recognised at fair value	Total
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	637,771,322	637,771,322
Investments in associates and joint ventures	-	-	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	2,726,842,403	551,711,739	1,221,223,639	-	4,499,777,781
Hedge Derivatives	530,104	17,789,768	-	-	18,319,872
Financial assets at fair value through other comprehensive income	7,108,072,964	604,687,323	219,814,278	-	7,932,574,565
Financial assets at amortised cost	-	-	-	1,000,653,706	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	-	-	246,605,303	246,605,303
	9,835,445,471	**1,174,188,830**	**1,441,037,917**	**1,894,199,617**	**14,344,871,835**
Liabilities					
Financial liabilities of the deposit component of insurance contracts and insurance contracts					
and operations considered for accounting purposes as investment contracts	-	3,135,814,789	-	5,492,271,771	8,628,086,559
Financial liabilities at fair value through profit or loss	1,155,733	24,082,339	129,278,235	-	154,516,307
Hedge Derivatives	-	4,949,949	-	-	4,949,949
Deposits received from reinsurers	-	-	-	54,602,705	54,602,705
Other financial liabilities	-	-	-	636,180,671	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	-	-	468,893,287	468,893,287
	1,155,733	**3,164,847,077**	**129,278,235**	**6,651,948,434**	**9,947,229,477**
	9,834,289,738	**(1,990,658,247)**	**1,311,759,682**	**(4,757,748,817)**	**4,397,642,358**

The tables above present the classification according to the fair value hierarchy, as provided for by IFRS 13, of the financial instruments held by the Group on 31 December 2023 and 2022 that are recognised at fair value, according to 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 whose valuation is based on observable data, 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 financial instruments recognised at fair value that do not fall under levels 1 and 2, where the information referred to in the previous levels is not available. The Group uses prices available on Bloomberg, through a lower scoring methodology, and in this case the evaluation corresponds to indirect observations based on comparable assets with the same credit quality and the same maturity of the instrument. There are also some cases in which prices are provided by third-parties such as market makers or through the NAV adjusted by the prices of subsequent corporate events (mainly investment funds).

The movement between 31 December 2022 and 2023 in the financial instruments classified within Level 3 of the fair value hierarchy can be broken down as follows:

(amounts in euros)

	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 2022	**219,814,278**	**1,221,223,639**	**(129,278,235)**
Acquisitions	53,373,932	51,436,874	(125,846,988)
Revaluations			
as a charge to the income statement	-	167,161,516	(10,831,144)
as a charge to shareholders' equity	16,788,273	(5,380,184)	-
ECL reinforcements / reversals in the year	1,427,407	-	-
Disposals	(48,179,199)	(43,828,180)	-
Balance at 31 December 2023	**243,224,691**	**1,390,613,665**	**(265,956,367)**

At 31 December 2023 and 2022, the balance sheet value and fair value of financial assets valued at amortised cost or at fair value were as follows:

(amounts in euros)

	2023		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	540,704,513	540,704,513	-
Investments in subsidiaries, associates and joint ventures	9,226,367	9,226,367	-
Financial assets classified at fair value through profit or loss at initial recognition	5,062,483,705	5,062,483,705	-
Financial assets at fair value through other comprehensive income	7,955,771,102	7,955,771,102	-
Financial assets at amortised cost	774,542,896	748,651,933	25,890,963
Accounts receivable from direct insurance and reinsurance operations	204,064,957	204,064,957	-
	14,546,793,539	**14,520,902,576**	**25,890,963**

(amounts in euros)

	2022		
	Balance sheet value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	637,771,322	637,771,322	-
Investments in subsidiaries, associates and joint ventures	9,169,287	9,169,287	-
Financial assets classified at fair value through profit or loss at initial recognition	4,499,777,781	4,499,777,781	-
Financial assets at fair value through other comprehensive income	7,932,574,565	7,932,574,565	-
Financial assets at amortised cost	1,000,653,706	961,461,465	39,192,241
Accounts receivable from direct insurance and reinsurance operations	246,605,303	246,605,303	-
	14,326,551,964	**14,287,359,723**	**39,192,241**

The main assumptions used to calculate the fair value of these financial assets were:

- The fair value of financial investments recorded under the heading "Cash and cash equivalents and sight deposits" is similar to their balance sheet value, since they mainly correspond to short-term deposits;

- The fair value of time deposits recorded under the heading "Financial assets at fair value through profit or loss" is similar to their balance sheet value, since they mainly correspond to short-term deposits; and

- 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.

Financial risk management policies 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, which is reviewed annually, without prejudice to any other revisions that must be carried out in light of the development of the legal framework, asset market trends or changes in the company's investment guidelines and/or risk profile, defines:

- the main investment management guidelines and how the Group evaluates, approves, implements, controls and monitors its investment activities and the risks arising from these activities;

- the activities related to the Group's investment process, ranging from Strategic Asset Allocation (SAA) to Tactical Asset Allocation (TAA), including the decision process and control and reporting activities;

- the duties and responsibilities of those involved in the investment process.

The Investments Policy 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 investment policy reflecting that strategy, implemented by investment managers with appropriate knowledge and resources;

- a continuous and independent control of the investment activity;

- appropriate reporting procedures.

Bearing these aspects in mind, the Group's investment management cycle is composed of the following fundamental activities:

- **Define** – Definition and approval of the general investment management cycle, including the overall investment strategy, investment policies, asset and liability management and liquidity, as well as the strategic asset allocation (SAA);

- **Invest** – Carrying out all investment activities, in accordance with the defined strategies and policies (identification, evaluation and approval of investment opportunities, as well as execution, settlement and allocation of investments);

- **Monitor** – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;

- **Manage** – Review of strategies, policies, benchmarks and limits according to current and future market conditions/ expectations and internal risk capacity;

- **Control** – Ensure that all assigned strategies, policies, procedures and responsibilities are adhered to.

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 in order 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 that provide variable gains);
- Real estate (including, whether for own use or for investment);
- Alternative investments

Derivatives can 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 allow the Group, in the face of changes in the markets, to pursue its investment objectives without, however, taking excessive levels of risk, a set of targets and maximum and minimum limits was defined, according to 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 view of the targets and limits established.

In this sense, the procedures are defined, and those responsible for them, when there are non-compliances with the targets and/or established limits.

With regard to **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. Thus, based on the evolution of the time weighted return (TWR) and the estimates of the solvency capital requirement, the DGR regularly reports the estimated coverage of the solvency position, and the procedures to be adopted when certain alert levels are reached are defined.

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 2023 and 2022, the Group's credit risk exposure was as follows:

(amounts in euros)

	2023		
	Gross book value	Impairment	Net book value
Sight deposits	538,731,868	-	538,731,868
Financial assets at fair value through profit or loss	1,997,307,707	-	1,997,307,707
Financial assets at fair value through other comprehensive income	7,628,575,335	-	7,628,575,335
Financial assets at amortised cost	774,542,896	-	774,542,896
Accounts receivable from direct insurance and reinsurance operations	232,973,864	(28,908,907)	204,064,957
Maximum exposure to credit risk	**11,172,131,670**	**(28,908,907)**	**11,143,222,763**

(amounts in euros)

	2022		
	Gross book value	Impairment	Net book value
Sight deposits	635,908,120	-	635,908,120
Financial assets at fair value through profit or loss	1,680,334,030	-	1,680,334,030
Financial assets at fair value through other comprehensive income	7,562,280,940	-	7,562,280,940
Financial assets at amortised cost	1,000,653,706	-	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	273,613,726	(27,008,424)	246,605,302
Maximum exposure to credit risk	**11,152,830,796**	**(27,048,698)**	**11,125,782,098**

Credit quality

In the risk ratings presented, the corresponding rating was considered according to the methodology identified in Note 2.6. The following tables present the breakdown of the balance sheet value which is presented according to a scale equivalent to those of Standard & Poor's and Fitch.

At 31 December 2023 and 2022, the balance sheet value of financial investments has the following breakdown:

(amounts in euros)

	2023				
	Country of origin				
Asset class	Portugal	Rest of the European Union	North America	Others	Total
Deposits in Credit Institutions					
AA- to AA+	4,907,401	405,399	-	92,376,374	97,689,174
A- to A+	20,730,612	72,890,079	-	34,285,716	127,906,407
BBB- to BBB+	466,633,044	42,130,623	-	61,560,377	570,324,044
BB- to BB+	6,949,280	-	221	34,637,423	41,586,924
B- to B+	-	-	-	32,007,743	32,007,743
CCC- to CCC+	-	-	-	17,450,608	17,450,608
CC- to CC+	-	-	-	451,244	451,244
Not rated	691,996	17,902,212	14,247,552	47,796,266	80,638,026
	499,912,333	**133,328,313**	**14,247,773**	**320,565,751**	**968,054,170**
Deposits in Ceding Companies					
A- to A+	942,111	-	-	-	942,111
	942,111	**-**	**-**	**-**	**942,111**
	500,854,444	**133,328,313**	**14,247,773**	**320,565,751**	**968,996,281**

(amounts in euros)

Asset class	2022 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Deposits in Credit Institutions					
AA- to AA+	6,049,761	24,608	-	69,618,944	75,693,313
A- to A+	36,918,875	53,555,834	-	48,198,953	138,673,662
BBB- to BBB+	501,953,786	36,842,860	-	30,736,077	569,532,723
BB- to BB+	26,554,090	-	-	21,568,308	48,122,398
B- to B+	1,790,079	-	-	2,596,047	4,386,126
Not rated	10,873,865	41,330,317	7,854,542	175,045,182	235,103,906
	584,140,456	**131,753,619**	**7,854,542**	**347,763,511**	**1,071,512,128**
Deposits in Ceding Companies					
A- to A+	1,099	-	-	-	1,099
Not rated	964,122	-	-	-	964,122
	965,221	**-**	**-**	**-**	**965,221**
	585,105,677	**131,753,619**	**7,854,542**	**347,763,511**	**1,072,477,349**

At 31 December 2023 and 2022, the balance sheet value of the debt instruments in the portfolio, net of impairment, has the following breakdown:

(amounts in euros)

	2023				
	Country of origin				
Asset class	Portugal	Rest of the European Union	North America	Others	Total
Financial assets at fair value through profit or loss					
Corporate					
AA- to AA+	-	2,279,568	1,096,058	-	3,375,626
A- to A+	21,960,051	32,400,166	3,718,756	5,585,051	63,664,024
BBB- to BBB+	16,034,651	204,142,862	73,773,036	55,041,531	348,992,080
BB- to BB+	29,444,565	148,717,040	25,661,326	41,094,654	244,917,585
B- to B+	5,267,491	125,839,451	27,753,170	34,649,513	193,509,625
CCC- to CCC+	-	4,041,583	2,875,648	2,891,516	9,808,747
Not rated	68,761,761	4,983,446	-	8,008,062	81,753,269
	141,468,519	**522,404,116**	**134,877,994**	**147,270,327**	**946,020,956**
Governments and other local authorities					
AAA	-	28,082,876	-	-	28,082,876
AA- to AA+	-	13,000,992	103,149	3,802,955	16,907,096
A- to A+	15,890,789	63,163,561	-	985,031	80,039,381
BBB- to BBB+	47,178,751	143,835,706	-	2,711,037	193,725,494
BB- to BB+	16,432,543	-	-	-	16,432,543
	79,502,083	**248,083,135**	**103,149**	**7,499,023**	**335,187,390**

(continuation) (amounts in euros)

Asset class	2023 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Financial Institutions					
AAA	-	1,011,746	3,540,206	-	4,551,952
AA- to AA+	-	15,642,729	2,348,516	-	17,991,245
A- to A+	-	97,525,702	40,398,521	21,908,211	159,832,434
BBB- to BBB+	35,867,379	133,451,666	15,199,915	10,054,683	194,573,643
BB- to BB+	35,186,339	113,502,585	2,598,226	822,683	152,109,833
B- to B+	-	874,979	-	891,923	1,766,902
Not rated	-	-	91,762,426	51,557,087	143,319,513
	71,053,718	**362,009,407**	**155,847,810**	**85,234,587**	**674,145,522**
Other issuers					
AA- to AA+	-	41,953,839	-	-	41,953,839
	-	**41,953,839**	**-**	**-**	**41,953,839**
	292,024,320	**1,174,450,497**	**290,828,953**	**240,003,937**	**1,997,307,707**

(amounts in euros)

Asset class	2022 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Financial assets at fair value through profit or loss					
Corporate					
AA- to AA+	-	3,906,800	1,103,903	-	5,010,703
A- to A+	-	17,083,098	1,490,155	6,425,051	24,998,304
BBB- to BBB+	34,554,289	167,918,309	38,973,540	40,128,696	281,574,834
BB- to BB+	34,164,051	181,199,872	39,096,244	32,102,497	286,562,664
B- to B+	5,185,675	151,751,400	22,780,648	47,146,137	226,863,860
CCC- to CCC+	-	773,153	2,163,194	3,595,961	6,532,308
Not rated	70,501,242	22,441,233	7,493,160	50,655,584	151,091,219
	144,405,257	**545,073,865**	**113,100,844**	**180,053,926**	**982,633,892**
Governments and other local authorities					
AAA	-	3,654,794	-	-	3,654,794
AA- to AA+	-	3,223,861	-	-	3,223,861
A- to A+	-	30,280,114	-	957,251	31,237,365
BBB- to BBB+	46,208,016	34,247,684	-	967,434	81,423,134
BB- to BB+	1,402,886	-	-	-	1,402,886
	47,610,902	**71,406,453**	**-**	**1,924,685**	**120,942,040**

(continuation) (amounts in euros)

	2022				
	Country of origin				
Asset class	**Portugal**	**Rest of the European Union**	**North America**	**Others**	**Total**
Financial Institutions					
AAA	-	-	5,788,507	-	5,788,507
AA- to AA+	-	7,192,187	2,244,746	-	9,436,933
A- to A+	-	72,791,049	32,560,816	6,701,611	112,053,476
BBB- to BBB+	23,012,340	74,303,759	16,120,679	5,782,767	119,219,545
BB- to BB+	24,508,136	103,234,800	-	1,682,329	129,425,265
B- to B+	17,581,393	4,265,819	-	1,406,482	23,253,694
Not rated	-	-	106,696,722	51,456,375	158,153,097
	65,101,869	**261,787,614**	**163,411,470**	**67,029,564**	**557,330,517**
Other issuers					
AAA	-	19,427,581	-	-	19,427,581
	-	**19,427,581**	**-**	**-**	**19,427,581**
	257,118,028	**897,695,513**	**276,512,314**	**249,008,175**	**1,680,334,030**

(amounts in euros)

Asset class	2023 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,954,964	4,118,337	3,802,382	12,875,683
A- to A+	-	72,862,254	55,061,630	195,880,733	323,804,617
BBB- to BBB+	314,332	513,773,696	502,823,064	690,955,318	1,707,866,410
BB- to BB+	20,299,106	32,094,867	152,943,551	266,305,112	471,642,636
B- to B+	-	-	2,231,652	69,426,523	71,658,175
Not rated	-	-	-	1,921,276	1,921,276
	20,613,438	**623,685,781**	**717,178,234**	**1,228,291,344**	**2,589,768,797**
Governments and other local authorities					
AAA	-	166,405,347	1,119,507	3,496,710	171,021,564
AA- to AA+	-	920,515	14,300,521	21,833,191	37,054,227
A- to A+	119,489,494	105,408,036	668,357	12,926,147	238,492,034
BBB- to BBB+	45,615,564	1,320,639,773	10,588,649	420,528,992	1,797,372,978
BB- to BB+	9,592,634	-	-	2,928,314	12,520,948
B- to B+	-	-	-	3,654,093	3,654,093
CCC- to CCC+	-	-	-	47,798,563	47,798,563
	174,697,692	**1,593,373,671**	**26,677,034**	**513,166,010**	**2,307,914,407**

(continuation) (amounts in euros)

Asset class	2023 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Financial Institutions					
AAA	-	4,670,111	2,779,709	10,410,313	17,860,133
AA- to AA+	-	8,678,370	43,553,091	6,992,945	59,224,406
A- to A+	-	367,912,718	217,936,501	697,607,475	1,283,456,694
BBB- to BBB+	23,414,443	357,118,770	88,202,277	607,852,089	1,076,587,579
BB- to BB+	64,770,104	4,328,120	2,955,265	187,741,500	259,794,989
	88,184,547	**742,708,089**	**355,426,843**	**1,510,604,322**	**2,696,923,801**
Other issuers					
AAA	-	14,549,152	-	1,498,980	16,048,132
AA- to AA+	-	15,810,353	469,046	-	16,279,399
BBB- to BBB+	-	-	-	1,640,791	1,640,791
	-	**30,359,505**	**469,046**	**3,139,771**	**33,968,322**
	283,495,677	**2,990,127,046**	**1,099,751,157**	**3,255,201,447**	**7,628,575,327**

(amounts in euros)

Asset class	2022 Country of origin Portugal	Rest of the European Union	North America	Others	Total
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	5,136,762	1,128,376	736,645	7,001,783
A- to A+	-	49,574,790	45,524,092	297,431,036	392,529,918
BBB- to BBB+	10,340,475	374,941,612	438,645,782	718,802,092	1,542,729,961
BB- to BB+	13,106,178	94,813,942	181,911,221	305,358,647	595,189,988
B- to B+	5,640,180	-	6,657,385	16,914,312	29,211,877
Not rated	511,641	-	-	2,952,305	3,463,946
	29,598,474	**524,467,106**	**673,866,856**	**1,342,195,037**	**2,570,127,473**
Governments and other local authorities					
AAA	-	4,297,723	11,485,144	-	15,782,867
AA- to AA+	-	900,524	-	6,040,101	6,940,625
A- to A+	-	65,748,090	-	13,488,060	79,236,150
BBB- to BBB+	372,258,115	1,543,215,346	7,942,731	308,869,037	2,232,285,229
BB- to BB+	17,678,391	-	-	3,043,658	20,722,049
B- to B+	-	-	-	1,651,456	1,651,456
CCC- to CCC+	-	-	-	44,364,092	44,364,092
	389,936,506	**1,614,161,683**	**19,427,875**	**377,456,404**	**2,400,982,468**

(amounts in euros)

	2022				
	Country of origin				
Asset class	**Portugal**	**Rest of the European Union**	**North America**	**Others**	**Total**
Financial Institutions					
AAA	-	4,475,426	2,646,137	891,730	8,013,293
AA- to AA+	6,763,786	6,345,166	30,118,155	4,783,757	48,010,864
A- to A+	-	366,321,655	169,371,086	701,968,327	1,237,661,068
BBB- to BBB+	5,769,508	306,143,124	97,459,399	597,966,175	1,007,338,206
BB- to BB+	73,120,278	8,366,796	2,844,790	163,378,024	247,709,888
B- to B+	28,508,198	-	-	-	28,508,198
Not rated	-	-	-	2,936,302	2,936,302
	114,161,770	**691,652,167**	**302,439,567**	**1,471,924,315**	**2,580,177,819**
Other issuers					
AAA	-	9,853,125	-	-	9,853,125
BBB- to BBB+	-	-	-	1,140,055	1,140,055
	-	9,853,125	-	1,140,055	10,993,180
	533,696,750	2,840,134,081	995,734,298	3,192,715,811	7,562,280,940

(amounts in euros)

Asset class	2023 Country of origin Portugal	Rest of the European Union	Others	Total
Financial assets at amortised cost				
Corporate				
Not rated	-	-	2,174,998	2,174,998
	-	**-**	**2,174,998**	**2,174,998**
Governments and other local authorities				
A- to A+	245,493,292	-	-	245,493,292
BBB- to BBB+	-	31,729,591	-	31,729,591
B- to B+	-	-	12,065,172	12,065,172
CCC- to CCC+	-	-	1,780,754	1,780,754
	245,493,292	**31,729,591**	**13,845,926**	**291,068,809**
Financial Institutions				
Not rated	-	-	379,888	379,888
	-	**-**	**379,888**	**379,888**
	245,493,292	**31,729,591**	**16,400,812**	**293,623,695**

(amounts in euros)

Asset class	2022 Country of origin Portugal	Rest of the European Union	Others	Total
Financial assets at amortised cost				
Corporate				
Not rated	-	-	1,228,533	1,228,533
	-	**-**	**1,228,533**	**1,228,533**
Governments and other local authorities				
BBB- to BBB+	251,221,060	290,922,774	-	542,143,834
B- to B+	-	-	12,787,911	12,787,911
CCC- to CCC+	-	-	3,164,789	3,164,789
	251,221,060	**290,922,774**	**15,952,700**	**558,096,534**
Financial Institutions				
Not rated	-	-	374,941	374,941
	-	**-**	**374,941**	**374,941**
	251,221,060	**290,922,774**	**17,556,174**	**559,700,008**

Liquidity risk

At 31 December 2023 and 2022, the estimated undiscounted cash flows of financial instruments, according to their contractual maturity, show the following breakdown:

(amounts in euros)

	2023									
	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	540,704,512	-	-	-	-	-	-	-	-	540,704,512
Investments in associates										
and joint ventures	-	-	-	-	-	-	-	-	9,226,367	9,226,367
Financial assets at fair value										
through profit or loss	17,701,339	10,421,343	20,012,487	25,239,190	507,808,924	953,323,635	122,239,946	308,955,860	1,237,386,003	3,203,088,727
Hedge Derivatives									10,626,173	10,626,173
Financial assets at fair value through										
other comprehensive income	40,308,909	66,321,062	293,828,781	512,138,966	2,612,025,856	2,220,905,340	711,497,405	210,462,599	1,136,642,846	7,804,131,764
Financial assets at amortised cost	146,484,642	46,833,164	1,976,915	88,691,410	136,772,613	17,173,550	69,005,150	-	634,424	507,571,868
Accounts receivable from										
direct insurance and reinsurance										
operations	204,064,957	-	-	-	-	-	-	-	-	204,064,957
	949,264,359	**123,575,569**	**315,818,183**	**626,069,566**	**3,256,607,393**	**3,191,402,525**	**902,742,501**	**519,418,459**	**2,394,515,812**	**12,279,414,367**

(amounts in euros)

	2023									
	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
Liabilities										
Financial liabilities at fair value through profit or loss	49,522,047	1,625,544	28,468,792	23,646,291	48,727,866	69,928,424	82,716,470	-	-	304,635,434
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	259,857,701	157,699,339	277,436,697	796,576,471	1,557,807,899	2,073,548,982	1,381,672,607	588,200,326	-	7,092,800,022
Hedge Derivatives	-	-	-	-	-	-	-	-	1,523,582	1,523,582
Deposits received from reinsurers	59,949	119,898	179,847	57,910,770	-	-	-	-	-	58,270,464
Other financial liabilities	132,531	-	-	13,882,583	7,591,683	9,099,089	14,263,036	-	-	44,968,922
Accounts payable for direct insurance and reinsurance operations	449,653,819	-	-	-	-	-	-	-	-	449,653,819
	759,226,047	**159,444,781**	**306,085,336**	**892,016,115**	**1,614,127,448**	**2,152,576,495**	**1,478,652,113**	**588,200,326**	**1,523,582**	**7,951,852,244**

(amounts in euros)

	2022									
	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	637,771,322	-	-	-	-	-	-	-	-	637,771,322
Investments in associates										
and joint ventures	-	-	-	-	-	-	-	-	9,169,287	9,169,287
Financial assets at fair value										
through profit or loss	7,585,630	12,755,446	30,134,743	19,323,123	293,177,302	777,443,099	191,826,285	262,548,591	1,277,966,012	2,872,760,232
Hedge Derivatives	-	-	-	-	-	-	-	-	18,319,872	18,319,872
Financial assets at fair value through										
other comprehensive income	87,144,454	169,114,390	227,212,752	731,056,342	2,383,421,910	2,010,670,374	1,114,505,651	257,828,942	1,417,186,555	8,398,141,370
Financial assets at amortised cost	131,956,765	665,419,215	11,216,695	43,610,273	118,340,846	93,406,122	69,108,651	170,862	-	1,133,229,428
Accounts receivable from										
direct insurance and reinsurance										
operations	746,297,568	-	-	-	-	-	-	-	-	746,297,568
	1,610,755,739	**847,289,051**	**268,564,190**	**793,989,738**	**2,794,940,058**	**2,881,519,595**	**1,375,440,587**	**520,548,395**	**2,722,641,726**	**13,815,689,079**

(continuation) (amounts in euros)

	2022									
	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
Liabilities										
Financial liabilities at fair value										
through profit or loss	538,570	132,016,738	2,169,277	10,039,602	29,759,062	11,047,702	-	-	-	185,570,951
Financial liabilities of the deposit										
component of insurance contracts										
and insurance contracts and										
operations considered for										
accounting purposes as investment										
contracts	140,727	-	-	-	-	883,224	-	-	2,954,916	3,978,867
Hedge Derivatives	-	-	-	-	-	-	-	-	4,949,949	4,949,949
Deposits received from reinsurers	160,954	321,909	482,863	155,482,033	-	-	-	-	-	156,447,760
Other financial liabilities	718,011	5,414	18,788	51,092,030	97,539,621	119,966,423	851,740,706	77,488,514	-	1,198,569,508
Accounts payable for direct insurance										
and reinsurance operations	719,530,746	-	-	-	-	-	-	-	-	719,530,746
	721,089,008	**132,344,061**	**2,670,928**	**216,613,665**	**127,298,683**	**131,897,349**	**851,740,706**	**77,488,514**	**7,904,865**	**2,269,047,781**

The amounts presented in the tables above are not comparable with the accounting balances as they relate to projected cash flows.

The determination of the estimated cash flows of the financial instruments was based on the principles and assumptions used by the Group in the management and control of liquidity within its business, with the necessary adjustments in order to comply with the applicable disclosure requirements. The main assumptions used in the calculation of the estimated flows were as follows:

- Cash and sight deposits were classified as demand liabilities, included in the maturity "Up to 1 month";

- The amounts included in the headings "Other debtors" and "Other creditors" are payable on demand, and classified with maturity of "Up to 1 month";

- The equity instruments were classified with "Indefinite" maturity;

- In debt instruments, the earliest of the following dates was considered as the contractual maturity: call, put or maturity;

- The amounts recorded under the heading "Deposits received from reinsurers" correspond to provisions withheld from reinsurers under the existing reinsurance treaty and are renewable for annual periods. The cash-flow estimates were calculated on the basis of the next due date;

- The "Hedge Derivatives" were classified with "Indefinite" maturity, as they are futures contracts and exchange forwards;

- For the calculation of the estimated cash flows of the "Financial liabilities at fair value through profit or loss", the maturity dates of the contracts were considered;

- In determining the estimated cash flows of the mathematical provision for life insurance and financial liabilities of the deposit component of insurance contracts and investment contracts, the following assumptions were considered:

- Mortality was determined according to the Group's history of the last five years;

- The estimate of future outflows by redemption of capitalisation contracts was based on a generalised linear model with four factors: type of product, initial duration of the contract and difference between the market interest rate, parent company and 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 2023 and 2022, the breakdown of financial instruments by type of exposure to interest rate risk was as follows:

(amounts in euros)

	2023			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	538,731,868	1,972,644	540,704,513
Investments in associates and joint ventures	-	-	9,226,367	9,226,367
Financial assets at fair value through profit or loss	1,245,844,779	752,000,126	3,064,638,800	5,062,483,705
Hedge Derivatives	-	10,626,173	-	10,626,173
Financial assets at fair value through other comprehensive income	7,183,885,454	444,689,881	327,195,767	7,955,771,102
Financial assets at amortised cost	674,253,242	514,616	99,775,038	774,542,896
Accounts receivable from direct insurance and reinsurance operations	-	-	204,064,957	204,064,957
	9,103,983,475	**1,746,562,664**	**3,706,873,572**	**14,557,419,712**

(continuation) (amounts in euros)

	2023			
	Exposure to		Not subject to	
	Fixed rate	Variable rate	interest rate risk	Total
Liabilities				
Financial liabilities at fair value through profit or loss	34,793,570	-	269,841,865	304,635,435
Financial liabilities of the deposit component of insurance contracts and insurance contracts				
and operations considered for accounting purposes as investment contracts	4,782,081,349	3,746,280,743	-	8,528,362,091
Hedge Derivatives	-	-	1,523,582	1,523,582
Deposits received from reinsurers	-	57,551,076	-	57,551,076
Other financial liabilities	-	626,326,119	-	626,326,119
Accounts payable for direct insurance and reinsurance operations	-	-	449,653,819	449,653,819
	4,816,874,919	**4,430,157,938**	**721,019,266**	**9,968,052,123**

(amounts in euros)

	2022			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents and sight deposits	-	635,908,120	1,863,202	637,771,322
Investments in associates and joint ventures	-	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	943,580,219	743,372,749	2,812,824,814	4,499,777,782
Hedge Derivatives	-	-	18,319,872	18,319,872
Financial assets at fair value through other comprehensive income	7,123,461,367	469,748,653	339,364,546	7,932,574,566
Financial assets at amortised cost	916,650,101	2,028,600	81,975,005	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	-	246,605,303	246,605,303
	8,983,691,687	**1,851,058,122**	**3,510,122,027**	**14,344,871,836**
Liabilities				
Financial liabilities at fair value through profit or loss	20,401,155	-	134,115,151	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts				
and operations considered for accounting purposes as investment contracts	5,492,271,771	3,135,814,789	-	8,628,086,559
Hedge Derivatives	-	-	4,949,949	4,949,949
Deposits received from reinsurers	-	54,602,705	-	54,602,705
Other financial liabilities	-	636,180,671	-	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	-	468,893,287	468,893,287
	5,512,672,926	**3,826,598,165**	**607,958,387**	**9,947,229,477**

At 31 December 2023 and 2022, 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:

(amounts in euros)

	2023					
	Change +200 bp's	Change +100 bp's	Change +50 bp's	Change -50 bp's	Change -100 bp's	Change -200 bp's
Assets						
Financial assets at fair value through profit or loss	(6,140,646)	(3,132,289)	(1,582,357)	1,616,402	3,268,640	6,688,784
Financial assets at fair value through other comprehensive income	(387,435,758)	(208,687,473)	(109,231,975)	122,659,228	264,131,486	639,318,114
Financial assets at amortised cost	(14,297,531)	(7,306,866)	(3,694,169)	3,778,178	7,642,999	15,643,621
	(407,873,935)	**(219,126,628)**	**(114,508,501)**	**128,053,808**	**275,043,124**	**661,650,519**
Liabilities						
Other financial liabilities	417,603	211,297	106,283	(107,576)	(216,469)	(438,299)
	417,603	**211,297**	**106,283**	**(107,576)**	**(216,469)**	**(438,299)**

(amounts in euros)

	2022					
	Change +200 bp's	**Change +100 bp's**	**Change +50 bp's**	**Change -50 bp's**	**Change -100 bp's**	**Change -200 bp's**
Assets						
Financial assets at fair value through profit or loss	(10,841,514)	(5,559,889)	(2,818,586)	2,920,745	6,237,259	11,919,885
Financial assets at fair value through other comprehensive income	(388,234,852)	(208,145,180)	(108,619,846)	121,037,927	259,412,425	621,032,364
Financial assets at amortised cost	(20,215,759)	(10,340,877)	(5,230,609)	5,354,990	10,838,566	22,209,189
	(419,292,125)	**(224,045,946)**	**(116,669,041)**	**129,313,662**	**276,488,250**	**655,161,438**
Liabilities						
Other financial liabilities	849,049	430,558	216,818	(219,959)	(443,122)	(899,332)
	849,049	**430,558**	**216,818**	**(219,959)**	**(443,122)**	**(899,332)**

The determination of the sensitivity of the fair value of financial assets was made considering the future cash flows discounted the respective YTM, with positive and negative variations of 50, 100 and 200 bps, in the respective yields.

Currency risk

At 31 December 2023 and 2022, the financial instruments present the following detail by currency:

(amounts in euros)

	2023				
	Euros	US Dollars	Hong Kong Dollars	Other currencies	Total
Assets					
Cash and cash equivalents and sight deposits	399,386,907	24,292,968	462,337	116,562,300	540,704,513
Investments in associates and joint ventures	3,673,137	-	-	5,553,230	9,226,367
Financial assets at fair value through profit or loss	4,207,869,182	312,450,439	4,627,217	537,536,867	5,062,483,705
Hedge Derivatives	7,132,335	3,167,533	-	326,305	10,626,173
Financial assets at fair value through other comprehensive income	4,391,136,443	1,333,200,630	129,558,519	2,101,875,510	7,955,771,102
Financial assets at amortised cost	366,271,095	210,875,270	428,641	196,967,890	774,542,896
Accounts receivable from direct insurance and reinsurance operations	143,041,094	32,460,755	-	28,563,108	204,064,957
	9,518,510,192	**1,916,447,596**	**135,076,715**	**2,987,385,210**	**14,557,419,712**

(continuation) (amounts in euros)

	2023				
	Euros	US Dollars	Hong Kong Dollars	Other currencies	Total
Liabilities					
Financial liabilities at fair value through profit or loss	268,849,797	4,550,242	-	31,235,396	304,635,435
Financial liabilities of the deposit component of insurance contracts and insurance contracts					
and operations considered for accounting purposes as investment contracts	7,692,670,633	158,444,889	-	677,246,570	8,528,362,091
Hedge Derivatives	235,215	-	-	1,288,368	1,523,582
Deposits received from reinsurers	56,149,200	-	-	1,401,876	57,551,076
Other financial liabilities	497,726,003	32,825,224	-	90,774,893	621,326,120
Accounts payable for direct insurance and reinsurance operations	186,531,902	144,731,781	-	118,390,137	449,653,819
	8,702,162,749	**340,552,136**	**-**	**920,337,239**	**9,963,052,123**

(amounts in euros)

	Euros	US Dollars	2022 Hong Kong Dollars	Other currencies	Total
Assets					
Cash and cash equivalents and sight deposits	485,981,453	936,447	1,484,843	149,368,578	637,771,322
Investments in associates and joint ventures	3,416,817	-	-	5,752,470	9,169,287
Financial assets at fair value through profit or loss	3,448,754,182	402,758,786	174,031,002	474,233,811	4,499,777,781
Hedge Derivatives	17,790,744	-	-	529,129	18,319,872
Financial assets at fair value through other comprehensive income	4,530,096,573	1,640,341,858	-	1,762,136,134	7,932,574,565
Financial assets at amortised cost	586,601,173	226,665,148	27,543,079	159,844,306	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	100,807,066	117,053,859	254,279	28,490,098	246,605,303
	9,173,448,008	**2,387,756,098**	**203,313,204**	**2,580,354,526**	**14,344,871,836**
Liabilities					
Financial liabilities at fair value through profit or loss	123,033,932	5,709,357	-	25,773,016	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts					
and operations considered for accounting purposes as investment contracts	8,085,861,041	133,815,462	-	408,410,056	8,628,086,559
Hedge Derivatives	795,084	-	-	4,154,865	4,949,949
Deposits received from reinsurers	36,573,490	16,783,971	-	1,245,243	54,602,705
Other financial liabilities	478,668,759	65,760,786	-	91,751,126	636,180,671
Accounts payable for direct insurance and reinsurance operations	172,538,131	169,264,726	69,651	127,020,779	468,893,287
	8,897,470,439	**391,334,302**	**69,651**	**658,355,085**	**9,947,229,477**

As described in Note 7, the Group performs operations with derivative products as part of its activity, essentially with the aim of reducing its exposure to currency risk fluctuations (EUR/USD, EUR/GBP, EUR/JPY, and 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 "Accounts receivable for direct insurance and reinsurance operations" and "Accounts payable for direct insurance and reinsurance operations" have a different breakdown between Assets and Liabilities, when compared to the Financial Statements, due to the fact that the currency distribution process can lead to a different breakdown of balances.

48. DISCLOSURES RELATING TO INSURANCE CONTRACT RISKS

Below is a summary of the acceptance and risk management policies in force.

48.1. Underwriting of risks

The principles of risk acceptance are described in the Underwriting Policy, approved on 01/24/2023, which responds to the requirements established for the management of underwriting risks in the Legal Regime for Access and Exercise of the Insurance and Reinsurance Activity (RJASR), approved by Law No. 147/2015, of 9 September.

The Underwriting Policy divides risks into two categories at a first level:

- Non-Acceptable Risks: those that, under no circumstances, the Company will be available to accept and that are listed in the Policy;
- Acceptable Risks: those that the Company may accept, after adequate evaluation of its characteristics, under the conditions defined by an entity with delegation to do so.

Taking into account the diversity of risk typology, the underwriting and management of acceptable risks is structured in two types of acceptance:

- Technical underwriting;

- Delegated acceptance in Internal and External Distribution Channels.

The delegation of powers model includes up to a maximum of 12 levels of acceptance (maximum of 9 technical levels, which includes the Subscription Policy Acceptance and Monitoring Committee (CAAPS), 4 levels of delegation in internal commercial channels and/or 1 level of delegated acceptance in external channels). However, an acceptance process is intended to be agile, so there should be no intervention of more than 4 levels. The process must, however, ensure knowledge of the risk by all levels of the structure involved.

Each level of acceptance has, according to its competences, specific methodologies and procedures, allowing the interconnection and harmonisation between them.

In the second type of risk acceptance, committed to commercial networks, the competence delegated to internal and external distribution channels, duly framed by written standards and procedures, is based, in particular, on the following criteria:

- Products with standard clauses;

- Risks or activities with a stable claims history;

- Universe of homogeneous risk and easy identification;

- Small amounts of capital allowing dilution of higher risk;

- Risks with known and controllable accumulation, regarding cover and/or geographical spread;

- Premiums according to a product tariff, adjustable by delegated discount of reduced amplitude.

It has at its disposal the following instruments: tariffs, simulators, underwriting manuals, algorithms that identify risks that require careful technical analysis and delegation of powers standards, product manuals, general conditions and pre-contractual information, insurance proposals, standardised declarations, technical questionnaires and standards related to circuits and procedures.

The first type of risk acceptance, that of Technical Underwriting, corresponds to the Business Departments – structure bodies responsible for the management of business areas, from product design to claims management, through underwriting and portfolio management – and to the CAAPS, which have additional instruments for risk analysis.

The Business Departments are equipped with a multidisciplinary technical staff strongly specialised by insurance lines of business, assisted by specialists in actuaries integrated in a team that provides support in the estimation of technical risk to all the different Departments. When the characteristics of the risk so justify, they use risk analyses performed by specialist companies.

The acceptance of risks is based on strict technical standards, aiming at the identification of risks with high potential losses (severity and frequency), the application of adjusted contractual conditions and the definition of premiums appropriate to the specific risk, in order to obtain a sustained growth of the portfolio and a balanced technical result. All risks that are not covered by the Reinsurance Treaties are analysed by the Business Departments, and optional reinsurance is placed when the conditions for accepting the risk are considered to be met.

When the risks under analysis do not fall under the Reinsurers' Pricing Manuals or under the acceptance conditions defined by the company, they are sent to the Reinsurers' Underwriting Offices so that proposals for conditions of acceptance of these risks are presented.

The Business Departments also have at their disposal technical and actuarial reports and analyses that allow them to have a knowledge of the evolution of the technical operation of the line of business and the behaviour of the risk by coverage and main characteristics of the insurable objects.

There is a set of situations, with particularly high risk and/or with a high degree of uncertainty identified in the Risk Acceptance Policy, which are not delegated to the Business Divisions, and the competence for their acceptance is reserved to the Underwriting Policy Acceptance and Supervision Committee, which meets whenever it is necessary to assess risks with these characteristics.

48.2. Technical management

The technical management of the Lines of Business includes the design of products, the definition of clauses and prices, the definition and control of the underwriting policy, the selection and review of policy portfolio conditions, the assessment of risk accumulations and also the control of technical results, namely the monitoring of the evolution of processed revenue, the number of insurance contracts, the distribution of the portfolio by risk and guarantee segments, average premiums, risk characteristics, claims and technical margin. For the control referred to above, reports with management indicators are periodically prepared and, on a recurring basis, information is prepared to provide the Reinsurance Division with elements of the portfolio profiles in order to support the negotiation of the Reinsurance Treaties.

With the specific objective of defining and reviewing tariff policies and adjusting discount delegation and portfolio management criteria, meetings are held on a monthly basis in which members of the Executive Committee and those responsible for the Business, Commercial, Operations, Marketing and Pricing areas participate.

48.3. Risk control management instruments

Internal risks of the organisation

In order to control and minimise the internal risk of the organisation, the acceptance standards and procedures and the product manuals are published and are of general access and knowledge, and the application process is properly monitored by the competent areas.

Portfolio profile studies

Regular studies are prepared on the risk profile of the portfolios, by classes of capital / liabilities assumed, by types of activities, types of insured objects and coverages.

Studies are also regularly carried out into the claims rate behaviour of products according to the most important characteristics for defining the risk.

This type of study allows us to obtain a qualitative and quantitative analysis of the claims rate of the portfolio (by categories of insured capital, types of insured objects, types of activities, coverages), aiming at the measurement of existing delegations and the correction of possible distortions, as well as correlating the main factors of price formation and deciding on the alteration of products on sale or the creation of new ones.

Periodic analysis of portfolio evolution

The portfolio under management is subject to periodic monitoring of its evolution, analysing, in particular, the behaviour of the movement of policies, both in terms of the number of policies and in terms of new and cancelled production, changes in premiums/average rates and changes in the distribution of contracts between 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. As a result of these diagnoses, proposals are developed.

Portfolio selection and remediation

This function aims to improve the profitability of the portfolio under management, either by remedying loss-making risks (high frequency and/or loss ratio), or by introducing changes to the contractual conditions (coverages, deductibles, premiums), or by advising the Client (recommendation for implementation of prevention and safety measures that improve the quality of the risk).

This function also includes the assessment of irregularities that are detected in contracts or claims, which may lead to the implementation of measures that, depending on the severity of the irregularity, may lead to the cancellation of the contract or the insured's portfolio.

Insurance risk concentrations

When regular studies are prepared on the risk profile of the portfolios, by classes of capital/liabilities assumed, by activities and objects to be insured and by coverages, indicators are obtained that allow to estimate the impact of possible changes to coverages, evaluate the impact of possible changes to the reinsurance treaties and the Group's retention policy. In some cases, specific studies are carried out to assess these impacts.

These studies are also focused on a specific coverage, a geographical area, the type of liabilities assumed or the type of insured object, allowing the determination and quantification of risk accumulations by classes, as well as the assessment of the impact of catastrophic claims scenarios on the portfolio.

Insurance Risks

The Group underwrites contracts of all non-life segments, in which the most significant risks derive from:

- Changes in the length of life 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 that take longer to be fully regularised;

- In health insurance, the most significant risks stem from lifestyle changes and scientific and technological developments.

Exposure to these risks is mitigated through the diversification obtained given the size of the Group's policy portfolio and the scope of underwritten risks in all non-life segments. 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.

In addition, claims review policies and claim management procedures are defined. 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 periodically reviewed and all those suspected of being fraudulent 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 the whole life benefits of the Workers' compensation line of business, the mortality table applied is regularly evaluated, in order to reflect the real length of life of the beneficiaries of these guarantees.

The Group also limits exposure to risk either by imposing maximum amounts of indemnifiable amounts across contracts or by using reinsurance programmes that limit exposure, inter alia, to catastrophic events.

The assessment of exposure, in particular to seismic risk, is studied by the reinsurers of the insurer, and its conclusions are considered when acquiring and renewing reinsurance treaties.

Risk Assessment Assumptions

Non-Life lines of business, except annuities

The main assumption assumed in estimating the insurer's liabilities is that the future development of claims and indemnities will follow a pattern similar to the known past experience for these variables. These assumptions include assumptions regarding average claims costs, claims management costs, inflation factors and number of claims in each of the years of occurrence.

In addition, qualitative judgments are used to assess the adequacy of past trends and whether or not they can be applied to the future, such as:

- 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.

Net of reinsurance

Risk concentration and mitigation

In order to control the risks assumed, the Company has underwriting and acceptance rules to select and control the level of exposure to which the Company is subject to.

In non-life lines of business, 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 that was updated at the end of December 2023.

(amounts in euros)

Rating	% Reinsurers 2023	% Reinsurers 2022
A -	4.35%	7.7%
A	30.43%	34.6%
A +	34.78%	34.7%
AA -	21.74%	11.6%
AA	0.00%	3.8%
AA +	4.35%	3.8%
Not rated	4.35%	4.0%

There is an unrated reinsurer, with a share of 5% in Personal Accidents, Third Party Liability, Motor and Workers' Compensation lines of business.

There is a specific "Excess of Loss" treaty to guarantee catastrophic risks, with a retention of 63,000,000 Euros and a capacity of 600,000,000 Euros.

At Fidelidade, 49.747% of the sums insured retained for cover for Seismic Phenomena are located in Zone I and Zone II, the most serious in terms of seismic risk.

Sensitivity analysis

Sensitivity analyses were performed for reasonable changes in assumptions, with all other variables constant, identifying the impact on earnings before tax.

The sensitivity analysis was performed for the Portuguese insurance business:

(amounts in euros)

	2023				
	Accidents and Health	Fire and Other Damage	Motor	Third-party Liability	Others
Insurance contracts revenue - Measured using the premium allocation approach	1,067,950,914	575,454,442	857,697,109	142,510,461	135,495,958
Impact on income statement:					
Impact of insurance contracts costs +1%	(10,310,582)	(2,215,426)	(7,231,427)	(604,491)	(716,867)
Impact of insurance contracts costs -1%	10,293,809	2,333,360	7,290,809	612,380	681,070
Impact of combined ratio +1%	(11,217,088)	(1,990,912)	(7,841,190)	(611,709)	(814,890)
Impact of combined ratio -1%	11,204,853	2,113,722	7,912,889	619,669	775,660

(amounts in euros)

	2022				
	Accidents and Health	Fire and Other Damage	Motor	Third-party Liability	Others
Insurance contracts revenue - Measured using the premium allocation approach	936,027,420	553,758,025	808,502,471	100,646,388	140,784,221
Impact on income statement:					
Impact of insurance contracts costs +1%	(7,513,965)	(2,310,902)	(6,302,598)	(553,743)	(587,805)
Impact of insurance contracts costs -1%	7,835,381	2,335,438	6,456,546	531,459	577,609
Impact of combined ratio +1%	(7,240,640)	(2,501,598)	(6,445,995)	(648,050)	(652,083)
Impact of combined ratio -1%	7,556,344	2,532,953	6,606,390	628,521	643,791

48.4. 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 Underwriting Standards is intrinsically associated with the contracts available and in force in Reinsurance, being decisive for the acceptance or refusal of risks and their 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.

In compliance with its Reinsurance policy, the Group has resorted to the transfer of risks via Proportional and Non-Proportional Reinsurance Treaties, as well as Optional Reinsurance, and other Reinsurance modalities when they are necessary for adequate Reinsurance protection from accepted risks.

In Fire and Other Damage, Engineering and Aviation, the Group works with Proportional Treaties.

The coverage of Reinsurance in the main asset classes, as well as the respective retention, takes into account the relationship between the portfolio structure in terms of insurance capital and the respective premium volume of each line of business and also takes into account the statistical monitoring of the profitability of that portfolio, the Retention/Premiums ratio at the end of an annuity or cycle and the Group's financial capacity considered sufficiently important for the absorption of frequency claims.

Accumulations resulting from the "Coverage of Seismic Phenomena and Risks of Nature", of a catastrophic nature in the Withholdings, are reinsured in Excess of Losses, and the Withholding is determined by the Group's financial capacity.

In determining the Event Retention, the low frequency of the occurrence of disasters of this type in Portugal is taken into account, so the retention reflects what is technically expected from the point of view of the impact of a catastrophe on the Group's capital and its absorption over a defined period, working in a scenario with a return period of 500 years, which is unusual in markets with catastrophic exposure.

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 selection criteria for Reinsurers shall take into account their reliability and financial solvency, their ability to provide services. The selection process requires their constant observation and monitoring.

The information obtained in the International Market, namely that disclosed by the Rating Agencies, are fundamental references for the follow-up of the Reinsurers' good financial health.

Thus, we use as a selection factor of the Reinsurers, the rating analysis assigned to each Reinsurer by the S&P Rating Agency or another equivalent (A.M. Best, Fitch or Moody's). The minimum rating required for a Reinsurer to be part of our Panel of Reinsurers is "A-".

48.5. 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

For these products, the greatest risk factor is mortality, with a large number of contracts that have also associated the risk of disability, and part of them being transferred to Reinsurers.

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 length of life.

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 upon the Group's discretion.

Sensitivity analysis

(amounts in euros)

2023	Base	Lapse +10%	Lapse -10%	Longevity +10%	Longevity -10%	Mortality +10%	Mortality -10%
Insurance contracts revenue	62,833,133	62,518,477	63,142,811	63,001,796	62,017,591	66,788,524	61,077,190
Impact on income statement	-	314,656	(309,678)	(168,662)	815,542	(3,955,390)	1,755,943

49. 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 through 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 companies 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 which insurance Companies may be exposed.

The MCR establishes the minimum level of own funds that must be kept, so as not to jeopardise the insurance companies' 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 if 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 establishes qualitative requirements related to the existence and maintenance of effective governance systems, including adequate risk management, internal control and systems that ensure the suitability and qualification of people who effectively direct insurance undertakings, supervise them or are responsible for key functions (risk management, internal audit, compliance and actuarial).

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 insurance companies must conduct a prospective assessment of the sufficiency of the capital available to achieve it business objectives, taking into account its risk profiles 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.

In this context, the objectives of capital management in Fidelidade comply with the following general principles:

• Comply with the legal requirements to which Fidelidade is obliged;

- Generate adequate profitability, create value for the shareholder and provide remuneration for the capital invested;

- Sustain the development of the operations that Fidelidade is legally authorised to practice, maintaining a solid capital structure, capable of responding to the growth of the activity and the risks arising from it.

To achieve the objectives described, Fidelidade has defined a set of policies and processes.

On the one hand, it has implemented a risk management system that is an integral part of the Group's daily activities and an integrated approach is applied to ensure that its strategic objectives (customer interests, financial strength and process efficiency) are maintained. This integrated approach also ensures the creation of value by identifying the appropriate balance between risk and return, while ensuring the Group's obligations to its stakeholders.

Risk management aids the Group 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 this sense, the Group, in order to draw its risk profile, identifies the various risks to which it is exposed, then proceeds to its assessment. Risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks not included in that formula, the Group 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 exercise, coinciding with the time horizon of the Company's strategic planning (never less than 3 years), assumes a fundamental role in the Group's Capital Management, supporting its main activities, namely:

- Assessment, together with risk management, of the risk appetite structure in relation to the business and capital management strategy;

- Contribute to the start of the strategic planning process by carrying out 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 Group'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 Group complies comfortably with both the regulatory capital requirements and the risk appetite defined internally, considering the preliminary data reported to the ASF on a quarterly basis and the information available on this date.

In order to ensure compliance with policies and processes, the Group has implemented an adequate governance system involving, among other aspects, an organisational structure that incorporates several bodies that perform key functions in terms of risk management and internal control: Risk Management Division, Compliance Division, Audit Division, Capital Planning and Financial Optimization, Office Risk Committee, Underwriting Policy Acceptance and Supervisory Committee and Life and Non-Life Products Committee, and Assets and Liabilities Management Committee.

50. FUNDOS DE PENSÕES GERIDOS

Em 31 de dezembro de 2023 e 2022, a Fidelidade Macau Vida tem sob gestão fundos de pensões, com a seguinte composição de ativos:

(amounts in euros)

	2023	2022
Assets		
Cash and deposits	26,245,347	39,746,245
Debt instruments	106,634,740	97,443,207
Equity instruments	53,908,079	48,246,780
Others	(107,749)	(112,494)
	186,680,417	**185,323,738**

51. SUBSEQUENT EVENTS

On 2 May 2024, a request for authorisation was submitted to the ASF for Millennium Gain to directly acquire the qualifying holding in Fidelidade's share capital that it already held indirectly through Longrun.

REPORT AND OPINIONS ON THE CONSOLIDATED ACCOUNTS

(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 Longrun Portugal SGPS, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2023 (which establishes a total of 20,342,669,629 euros and total equity and non-controlling interests of 3,052,564,979 euros, including a net profit for the year of 152,804,258 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Longrun Portugal SGPS, S.A. as at 31 December 2023, 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 ("ASF").

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. **Initial Application of IFRS 17, which establishes principles for the recognition, measurement, presentation and disclosure of 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
As disclosed in Note 2.17 to the consolidated financial statements, the Group applied IFRS 17 ("Standard") as at 1 January 2023, with transition date as at 1 January 2022. It is a complex Standard which represents a significant transformation of the financial reporting related insurance and reinsurance contracts, namely at the level of consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, notes including material accounting policy information and other explanatory information and the comparative information for the preceding periods. The Standard is based on principles, which requires Management, from the transition date to make significant judgments, to decide on accounting options, and on approaches and methods used to measure insurance contracts, including the use of assumptions and estimation techniques. The consideration of this matter as relevant to the audit is based on its novelty, complexity and materiality in the consolidated financial statements.	Our approach to the risk of material misstatements included a specific strategy consisting of substantive procedures, namely the following: ► Analysis of the Group's internal policies and guidelines that support the implementation of IFRS 17, including its completeness and compliance with the provisions of the Standard; ► Verification of the correct application of the Group's internal policies and guidelines that support the implementation of IFRS 17, including its consistency since the transition date; ► Regarding the transition: ○ Reasonableness analysis of Management's assessment of the impracticability of applying the full retrospective approach; ○ For groups of contracts included in the modified retrospective or fair value approach, analysis of Management's options on the changes allowed by IFRS17 to the full retrospective approach, with the involvement of our actuarial experts; and ○ For groups of contracts included in the fair value approach, analytical review tests, recalculations, and analysis of the methodologies for determining their fair value at the transition date, with the involvement of our actuarial experts. ► Analysis of disclosures in the Notes to the consolidated financial statements regarding this matter, based on the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

2. **Measurement of Insurance Contract Liabilities for Future Services under the general measurement model**

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The consolidated financial statements of the Group as at 31 December 2023 include, in their liabilities, and more detailed in Notes 2.13 and 16 to the consolidated financial statements, insurance contract liabilities for future services, measured by the general measurement model, amounting to 2,471 m€, representing 14% of the liability. This balance aggregates the estimated present value of cash flows, risk adjustment, contractual service margin and loss component. The consideration of this matter as relevant for the audit is based on its materiality in the consolidated financial statements and the fact that it corresponds to an accounting estimate with a significant degree of judgment, requiring the use of relatively complex calculation methodologies that require the use of various assumptions about future scenarios for the measurement of the different components of these liabilities, namely the estimated present value of cash flows, risk adjustment, and contractual service margin. The use of different calculation methodologies and/or assumptions in the measurement of these components, but also in accordance with IFRS 17,	Our approach to the risk of material misstatements included a specific strategy consisting of a combination of controls evaluation and substantive procedures, namely the following: ► Understanding of the internal control procedures of the Group and execution of specific audit procedures to assess the operational effectiveness of the controls identified as relevant in the measurement of insurance contract liabilities for future services under the general measurement model and the variable fee approach; ► Analytical review procedures, recalculations, and analysis of the methodologies for projecting the estimated present values of cash flows, determining the risk adjustment, and calculating the contractual service margin, including the financial, demographic, and other assumptions underlying the calculation; ► With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Group for the measurement of these liabilities, including analysis of consistency with those used in the previous period, and with reference to the specificities of the products, regulatory requirements and practices in the insurance sector; and ► Analysis of disclosures in the Notes to the consolidated financial statements regarding this matter, based on the requirements of

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
may result in different values of insurance contract liabilities for future services under the general measurement model.	accounting principles accepted in Portugal for the insurance sector established by the ASF.

3. Measurement of Insurance Contract Liabilities for Past Services

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The consolidated financial statements of the Group as at 31 December 2023 include, in their liabilities, and more detailed in Notes 2.13 and 16 to the consolidated financial statements, insurance contract liabilities for past services, amounting to 2,818 m€, representing 16% of the liability. This balance includes 2,705 m€ related to the estimated present value of cash flows and 113 m€ related to the risk adjustment. The consideration of this matter as relevant for the audit is based on its materiality in the consolidated financial statements and the fact that it corresponds to an accounting estimate with a significant degree of judgment, requiring the use of relatively complex calculation methodologies that require the use of various assumptions about incurred claims, including the respective estimated present value of cash flows and the risk adjustment. The use of different calculation methodologies and/or assumptions in the measurement of these components, but also in accordance with IFRS 17, may result in divergent values of insurance contract liabilities for past services.	Our approach to the risk of material misstatements included a specific strategy consisting of a combination of controls evaluation and substantive procedures, namely the following: ► Understanding of the internal control procedures of the Group and execution of specific audit procedures to assess the operational effectiveness of the controls identified as relevant in the measurement of insurance contract liabilities for past services; ► Analytical review procedures, recalculations, and analysis of the methodologies for projecting the estimated present values of cash flows and determining the risk adjustment, including the financial and other assumptions underlying the calculation; ► With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Group for the measurement of these liabilities, including analysis of consistency with those used in the previous period, and with reference to the specificities of the products, regulatory requirements and practices in the insurance sector; and ► Analysis of disclosures in the Notes to the consolidated financial statements regarding this matter, based on the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

4. Measurement of Revenue from insurance contracts under the general measurement model

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The consolidated financial statements of the Group as at 31 December 2023 include, in its Consolidated Income Statement, and more detailed in Notes 2.13 and 29 to the consolidated financial statements, revenue from insurance contracts, measured by the general measurement	Our approach to the risk of material misstatements included a specific strategy consisting of a combination of controls evaluation and substantive procedures, namely the following: ► Understanding of the internal control procedures of the Group and execution of specific audit procedures to assess the operational effectiveness of the controls identified as relevant in the

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
model, amounting to 218 m€. This balance includes 71 m€ for the release of contractual service margin for services transferred, 142 m€ for the release of the expected value of incurred claims and expenses attributable to insurance contracts, and 5 m€ for changes in the risk adjustment (non-financial risk) for expired risk. The consideration of this matter as relevant for the audit is based on its materiality in the consolidated financial statements and the fact that it corresponds to an accounting estimate with a significant degree of judgment, requiring the use of relatively complex calculation methodologies that require the use of various assumptions about future scenarios and in the determination of coverage units expected in the period, impacting the amount of contractual service margin recognized in the results of the period, the insurance service expenses incurred for the period (expressed by amounts expected at the beginning of the period) and the changes in the adjustment for non-financial risk. The use of different calculation methodologies and/or assumptions in the measurement of these components, but also in accordance with IFRS 17, may result in divergent values of revenue from insurance contracts, under the general measurement model.	measurement of revenue from insurance contracts under the general measurement model; ► Analytical review procedures, recalculations, and analysis of the methodologies for projecting the estimated present values of cash flows, determining the risk adjustment, and calculating the contractual service margin, including the financial, demographic, and other assumptions as well as judgments about coverage units underlying the calculation; ► With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Group for the measurement of this revenue, including analysis of consistency with those used in the previous period, and with reference to the specificities of the products, regulatory requirements and practices in the insurance sector; and ► Analysis of disclosures in the Notes to the consolidated financial statements regarding this matter, based on the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

5. 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
As detailed in Note 47, the consolidated assets and liabilities include financial instruments valued at fair value amounting to 13,029 m€ and 4,052 m€, respectively, which represent about 64% of the total consolidated assets and 23% of the total consolidated liabilities. 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.	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, namely the following: ► Understanding of the internal control procedures of the Group 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 with those observed in external sources of information; ► Analysis of the methodologies and assumptions used by the Group in determining fair value, using as reference the details of its

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The total value of instruments with reduced liquidity, recognised in the consolidated assets and liabilities of the Group, amounting to about 1,634 m€ (8% of the assets) and 266 m€ (2% of the liabilities), respectively, which were classified under the fair value hierarchy defined in the accounting framework as level 3 (Note 47). The consideration of this matter as significant to the audit was based on their materiality to the consolidated financial statements and the risk of judgment associated with the methodologies and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of the fair value of financial instruments.	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.

6. 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
The consolidated financial statements of the Group as at 31 December 2023 include in the statement of financial position as more fully disclosed in Note 14, Goodwill arising from investments in subsidiaries of 537 m€, representing approximately 3% of the consolidated assets. 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). 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.	Our approach to the risk of material misstatements in the impairment of Goodwill included a specific response by performing the following procedures: ► 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.

7. 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
The consolidated financial statements of the Group as at 31 December 2023 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 2,342 m€ which represents a total of about 12% of the consolidated assets. The real estate appraisals were based on the methods disclosed in Note 11 to the consolidated financial statements and assumptions where the influence of the economic and the ability of the market to absorb the available supply are crucial. The consideration of this matter as a significant for the audit was based on their materiality to the consolidated financial statements and the inherent risk on the assumptions used in appraisals performed by external experts.	Our approach to the risk of material misstatements included a specific strategy consisting of a combination of evaluation of controls and substantive procedures, namely: ► Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as relevant 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 the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

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 consolidated financial position, financial performance and consolidated 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 Management Report in accordance with the applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated 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;

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit, and we remain solely responsible for our audit opinion;
- 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 Management Report with consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the 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 Entity, we have not identified any material misstatement.

On additional items set out in article 10 of Regulation (EU) nr. 537/2014

Pursuant to article 10 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 Longrun Portugal SGPS, S.A. for the first time in the shareholders' general meeting held on 26 September 2014 for the mandate between 2014 and 2016. We were appointed at the shareholders' general meeting held on 31 May 2017 for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 21 May 2020 for the mandate between 2020 and 2022. At the shareholders' general meeting held on 31 March 2023, we were appointed for a final mandate covering only the fiscal year 2023;
- 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, 15 May 2024

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

LONGRUN PORTUGAL, SGPS, S.A.

REPORT AND OPINION OF THE SUPERVISORY BOARD

2023

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 obtained from the Board of Directors and other governing bodies of the Company, with whom we met whenever it deems convenient, regular information and clarification on the functioning of the company and the progress of its business, particularly regarding: the policies and strategies defined by the Board of Directors, compliance with legal, regulatory and statutory provisions, the adequacy of accounting policies, accounting criteria and practices and the process of preparing financial information. Additionally, we were informed of the effectiveness of the internal control framework, risk management, actuarial, compliance and internal audit, as well as the policies within the scope of ASF Regulatory Standard No. 4/2022-R of April 26.

In particular, when monitoring the legal review of accounts, we met with the Auditor, whenever we consider appropriate, with the aim of analysing and discussing various issues in the life of the company and monitoring, in particular, the planning of the legal review of accounts, the course of works, the financial report, the implementation of IFRS 17 and relevant audit matters.

We have examined the Sole Integrated Management Report that includes the corporate governance report, the non-financial information, the individual and consolidated financial statements and the proposal for the distribution of individual net profit presented by the Board of Directors, as well as 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 Sole Integrated 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, 15 May 2024.

SUPERVISORY BOARD

Jorge Manuel de Sousa Marrão – Chairman

Teófilo César Ferreira da Fonseca ─ Member

Pedro Antunes de Almeida ─ Member

DECLARATION OF COMPLEMENTARY LIABLITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF LONGRUN PORTUGAL, SGPS, S.A.
FOR 2023

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, 15 May 2024.

SUPERVISORY BOARD

Jorge Manuel de Sousa Marrão – Chairman

Teófilo César Ferreira da Fonseca ─ Member

Pedro Antunes de Almeida ─ Member

SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018

(amounts in euros)

ASSETS	Notes	2023 Gross amount	2023 Impairment, depreciation/ amortisation and adjustments	2023 Net amount	2022
Cash and cash equivalents and sight deposits	3	105,341	-	105,341	341,773
Investments in subsidiaries, associates and joint ventures	4	1,378,489,607	-	1,378,489,607	1,378,489,607
Other debtors for insurance operations and other operations		3,418,361	-	3,418,361	4,433,484
Accounts receivable for other operations	5	3,418,361	-	3,418,361	4,433,484
Tax assets		19,619,955	-	19,619,955	75,793,871
Recoverable tax assets	6	19,477,492	-	19,477,492	75,657,601
Deferred tax assets	6	142,463	-	142,463	136,270
Accruals and deferrals	7	1,041	-	1,041	2,380
TOTAL ASSETS		**1,401,634,306**	**-**	**1,401,634,306**	**1,459,061,115**

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018 (amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2023	2022
LIABILITIES			
Liabilities for post-employment and other long-term benefits	15	492,113	648,905
Other creditors for insurance operations and other operations		22,805,716	80,013,469
Accounts payable for other operations	8	22,805,716	80,013,469
Tax liabilities		1,111	6,295
Tax payable liabilities	6	1,111	6,295
Accruals and deferrals	9	357,736	342,895
TOTAL LIABILITIES		**23,656,675**	**81,011,564**
SHAREHOLDERS' EQUITY			
Paid-in Capital	10	50,000	50,000
Other Capital Instruments	10	1,099,696,601	1,285,696,601
Other reserves	11	93,478,388	93,478,388
Retained earnings	11	(1,175,438)	(434,312)
Net income for the year	11	185,928,080	(741,126)
TOTAL SHAREHOLDERS' EQUITY		**1,377,977,631**	**1,378,049,551**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,401,634,306**	**1,459,061,115**

Lisbon, 2 April 2024

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Wai Lam William MAK
Member

Hui CHEN
Member

SEPARATE INCOME STATEMENT FOR THE YEARS ENDED
AS AT 31 DECEMBER 2023 AND 2022 (RESTATED)

Tax no: 510 999 018

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2023 Non-technical	2023 Total	2022
Financial income		186,318,250	186,318,250	-
Other	12	186,318,250	186,318,250	-
Non attributable expenses	13	(494,895)	(494,895)	(929,283)
Other non-technical income/expenses	16	(5,523)	(5,523)	(8,271)
NET INCOME BEFORE TAX		**185,817,832**	**185,817,832**	**(937,554)**
Current income tax - current taxes	17	104,054	104,054	122,612
Current income tax - deferred taxes	17	6,193	6,193	73,817
NET INCOME FOR THE YEAR		**185,928,080**	**185,928,080**	**(741,126)**

Lisbon, 2 April 2024

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Wai Lam William MAK
Member

Hui CHEN
Member

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE 2023 AND 2022 FINANCIAL YEARS

Tax no: 510 999 018 (amounts in euros)

	Paid-in-capital and other capital instruments	Other reserves		Retained earnings	Net income for the year	Total
		Legal reserve	Other reserves			
Balance at 1 January 2021	**1,450,723,902**	**50,000**	**93,428,388**	**-**	**(434,312)**	**1,543,767,978**
Appropriation of net income	-	-	-	(434,312)	434,312	-
Redemption of capital supplementary contributions	(164,977,301)	-	-	-	-	(164,977,301)
Resultado líquido do exercício	-	-	-	-	(741,126)	(741,126)
Balance at 31 December 2022	**1,285,746,601**	**50,000**	**93,428,388**	**(434,312)**	**(741,126)**	**1,378,049,551**
Appropriation of net income	-	-	-	(741,126)	741,126	-
Redemption of capital supplementary contributions	(186,000,000)	-	-	-	-	(186,000,000)
Resultado líquido do exercício	-	-	-	-	185,928,080	185,928,080
Balance at 31 December 2023	**1,099,746,601**	**50,000**	**93,428,388**	**(1,175,438)**	**185,928,080**	**1,377,977,631**

DEMONSTRAÇÃO DO RENDIMENTO INTEGRAL SEPARADA
PARA OS EXERCÍCIOS FINDOS EM 31 DE DEZEMBRO DE 2023 E 2022

Tax no: 510 999 018

(amounts in euros)

	2023	2022
NET INCOME FOR THE YEAR	**185,928,080**	**(741,126)**
Items that may be reclassified subsequently to gains and losses		
Gross amount	-	-
Tax	-	-
Items that may not be reclassified subsequently to gains and losses		
Gross amount	-	-
Tax	-	-
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	**185,928,080**	**(741,126)**
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	**185,928,080**	**(741,126)**

SEPARATE STATEMENTS OF CASH FLOWS
FOR THE 2023 AND 2022 (RESTATED) FINANCIAL YEARS

Tax no: 510 999 018 (amounts in euros)

	2023	2022
1. Cash flows generated by operating activities		
Net income for the year	185,928,080	(741,126)
Adjustments for:		
Income from investment assets/liabilities	(186,318,250)	-
Income tax - current tax	(104,054)	(122,612)
Income tax - deferred tax	(6,193)	(73,817)
Changes:		
Change in other financial liabilities	(156,791)	351,508
Change in accruals and deferrals assets/liabilities	16,179	173,606
Change in other debtors for other operations	8,384	(10,798)
Change in other creditors for other operations	(16,402)	30,611
Net cash from operating activities before tax	**(649,047)**	**(392,627)**
Payment/receipt of taxes	94,367	11,471
Net cash from operating activities	**(554,681)**	**(381,156)**
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	-	164,977,301
Dividends received	186,318,250	-
Net cash from investing activities	**186,318,250**	**164,977,301**
3. Cash flows generated by financing activities		
Reimbursement of supplementary contributions	(186,000,000)	(164,977,301)
Net cash from financing activities	**(186,000,000)**	**(164,977,301)**
4. Increase/decrease net of cash and equivalents	**(236,431)**	**(381,156)**
Cash and equivalents at start of the year	341,773	722,929
5. Cash and equivalents at end of the year	**105,341**	**341,773**

NOTES TO THE SEPARATE FINANCIAL ACCOUNTS

1. INTRODUCTORY NOTE

Longrun Portugal, SGPS, S.A. ("Longrun" or "Company"), with its head office in Lisbon, Portugal, at Largo do Calhariz, nº 30, was incorporated on 13 February 2014 and its corporate purpose is the management of shareholdings in other companies, as an indirect way of carrying out economic activities. Since then, it has been part of the Fosun International Holdings Ltd. Group.

It holds shares in other insurance companies and other subsidiaries, associates and joint ventures which together form the Longrun Group. The Group's insurance companies held by Longrun include Fidelidade - Companhia de Seguros, S.A. ("Fidelidade"), 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 Reasseguros S.A. ("Alianza Garantia"), La Positiva S.A. – Entidad Prestadora de Salud ("EPS"), FID Chile Seguros Generales, S.A. ("Fid Chile"), Fidelidade Moçambique – Companhia de Seguros, S.A. ("SIM"), and Liechtenstein Life Assurance AG ("LLA").

Longrun's financial statements on 31 December 2023 were approved by the Board of Directors on 2 April 2024. On the date of issuance of the financial statements, approval by the General Meeting was pending.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The consolidated financial statements as of 31 December 2023 were prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by ASF Standard 9/2022-R, of November 2, and the remaining regulatory standards issued by this entity.

The regulations enshrined in the PCES generally correspond 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 national law by Decree-Law No. 35/2005 of 17 February, as amended by Law No. 53-A/2006 of 29 December and by Decree-Law No. 237/2008 of 15 December.

In 2023, the Company adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2023. These standards are detailed in Note 2.7. In accordance with the transitional provisions of those standards and interpretations, comparative figures are provided for the required new disclosures.

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, referring to 31 December 2023, are consistent with those used in the preparation of the financial statements as of 31 December 2022.

The amounts of the financial statements are expressed in Euros. The totals in the financial statements and in the tables of 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.

The preparation of financial statements requires the Company to make judgments and estimates and use assumptions that affect the application of accounting policies and the amounts of income, costs, assets and liabilities. Changes in such assumptions, or their differences from reality, may have impacts on current estimates and judgments. The areas involving a higher level of judgement or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are analysed in Note 2.6.

2.2. Investments in subsidiaries

Companies over which the Company exercises control are classified as subsidiaries. Control is normally assumed when the Company has the power to exercise a majority of the voting rights. Control may also exist when the Company holds, directly or indirectly, the power to manage the financial and operational policy of a given company in order to obtain benefits from its activities, even if the percentage it holds on its equity is less than 50%.

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 amount of investments in subsidiaries 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 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 valuation methodologies supported by 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 exceeds its assets, in addition to the establishment of impairment to cancel the investment, the Company establishes a provision when there is a liability on 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, remain recorded at 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. Income tax

The Company is subject to Corporate Income Tax (CIT). Additionally, there is a Municipal Surcharge, the aggregate rate of which was 22.5% in 2022 and 2023, and a State Surcharge which corresponds to the application of an additional rate of 3% on taxable profit greater than 1,500,000 Euros and lesser than 7,500,000 Euros, 5% on profit greater than 7,500,000 Euros and lesser than 35,000,000 Euros, and 9% on taxable profit that exceeds this amount.

The Company is taxed on CIT under the Special Taxation Regime for Groups of Companies (STRCG), in accordance with Article 69 of the CIT Code. Under this tax regime, it is Longrun (the controlling company) that submits a single tax return in which the results of the controlled companies included in the STRCG are consolidated. The amount of CIT to be received or paid by the controlled companies is recorded in Longrun's individual balance sheet as an amount receivable or payable by those companies. The tax corresponding to the Company's individual activity is reflected in the Income Statement and/or in 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 temporary deductible tax 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 situation that gives rise to temporary differences at company level corresponds to employee benefits.

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). In these situations, the corresponding tax is also reflected by equity consideration, not affecting the Income Statement for the year.

2.5. Employee benefits

Liabilities for employee benefits are recognised in line with the principles established in IAS 19 – "Employee Benefits". The main benefits granted by the Company correspond to Long-Term Benefits.

2.6. Critical accounting estimates and most relevant judgments in the application of accounting policies

When applying the accounting policies described above, estimates must be made by the Company's Board of Directors. The estimates with the greatest impact on the financial statements include those presented below.

Impairment of investments in subsidiaries

The Company assesses annually with reference to the end of the year the recoverable amount of investments in subsidiaries. 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 other cases, the recoverable amount is determined based on the Equity of each company.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of valuation of investments in subsidiaries with an impact on the Company's results.

To determine the future cash flows of each entity, when using the discounted cash flows method under 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 6.5% and 8.5% for December 2023.

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 1.5% and 2.0% for December 2023.

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

Region	Sector	Discount rate	Perpetual growth rate
Europe	Insurance	6.5% - 8.5%	1.5% - 2.0%

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 at 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.

2.7. 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

2.7.1. Adopted Standards (New or Revised)

During the course of 2023, the Company adopted in the preparation of its financial statements the standards and interpretations issued by the IASB and IFRIC, respectively, provided that they are endorsed by the European Union, with application in financial periods beginning on or after 1 January 2023. The changes with relevance to the Company were as follows:

Standard / Interpretation	Date of issuance	EU Regulation	Applicable in financial years beginning on or after
IAS 12 - Income Taxes: International tax reform - Second Pillar model rules (Amendment)	08-11-2023	2023/2468	01-01-2023
IAS 12 - Income Taxes: Deferred Taxes related to Assets and Liabilities resulting from a single transaction (Amendment)	11-08-2022	2022/1392	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	02-02-2023	2022/357	01-01-2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (Amendment)	02-03-2022	2022/357	01-01-2023

The Company has reviewed the disclosures of accounting policies in the light of the amendment to IAS 1, with adoption at 1 January 2023, and has defined the concept of materiality when making decisions on disclosures of accounting policies as the fact that the accounting policies have a materially relevant impact on the financial statements presented and that they add value to the understanding of the financial statements, in addition to the notes already presented and the accounting standards in force.

2.7.2. Standards, Interpretations, Amendments and Revisions That Will Take Effect in Future Financial Years

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have been, until the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Date of issuance	EU Regulation	Applicable in financial years beginning on or after
IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current			
and non-current liabilities with Covenants	19-12-2023	2023/2822	01-01-2024
IFRS 16 – Leases: Lease Liabilities in a Sale and Leaseback (Amendment)	20-11-2023	2023/2579	01-01-2024

The Company is analysing its implementation and it is not possible at this time to assess the impact on the financial statements.

2.7.3. Standards, Interpretations, Amendments and Revisions not yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have not been endorsed by the European Union until the date of approval of these financial statements:

Standard / Interpretation	Date of issuance	Applicable in financial years beginning on or after
IAS 7 - Demonstração de Fluxos de Caixas e IFRS 7 Instrumentos Financeiros: Divulgações:		
Acordos de Financiamento de Fornecedores (Emenda)	25-05-2023	01-01-2024
IAS 21 - Efeitos de Alterações das Taxas de Câmbio: Falta de Permutabilidade (Emenda)	15-08-2023	01-01-2025

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 2023, 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 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Sight deposits		
Domestic currency	105,341	341,704
Foreign currency	-	69
	105,341	**341,773**

For the purposes of the Cash Flows Statement, the heading "Cash and cash equivalents and sight deposits" includes the amounts recorded in the balance sheet with a maturity of less than three months from the date of acquisition, readily convertible into cash and with reduced risk of change in value and cash and deposits with credit institutions, which are not associated with an investment nature.

4. INVESTMENTS IN SUBSIDIARIES

At 31 December 2023 and 2022, this heading was composed as follows:

(amounts in euros)

Operation sector/Entity	Country	2023 Effective share %	2023 Balance sheet value	2022 Effective share %	2022 Balance sheet value
Subsidiary					
Insurer					
Fidelidade – Companhia de Seguros, S.A.	Portugal	85.00%	1,378,489,607	85.00%	1,378,489,607
			1,378,489,607		**1,378,489,607**

During 2023, there were no changes.

5. OTHER DEBTORS FOR OTHER OPERATIONS

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accounts receivable for other operations		
Group companies - Aggregate tax	3,418,361	4,425,100
Advances to Suppliers	-	5,532
Advances to Personnel	-	2,800
Others	-	52
	3,418,361	**4,433,484**

6. TAX ASSETS AND LIABILITIES

The balances for tax assets and liabilities at 31 December 2023 and 2022 were as follows:

(amounts in euros)

	2023	2022
Current tax assets		
Income tax recoverable (group's STRCG)	19,477,206	75,657,314
Value-added tax	286	286
	19,477,492	**75,657,601**
Current tax liabilities		
Others		
Social Security	(778)	(3,217)
Withholdings	(333)	(3,067)
Others	-	(11)
	(1,111)	**(6,295)**
Deferred tax assets	**142,463**	**136,270**
	19,618,844	**75,787,576**

At 31 December 2023 and 2022, the balances relating to current tax assets and liabilities on income for the year, recorded in the balance sheet account as amounts receivable or payable by the State, break down as follows:

(amounts in euros)

	2023	2022
Income tax estimate recognised as a charge to the Income Statement	104,054	122,612
Payments on account	-	(16,767)
Aggregate tax - Subsidiaries		
Income tax estimate for the year	(1,579,515)	(3,641,919)
Payments on account	1,676,958	63,077,735
Withholding tax	1,580,747	2,309,562
SIFIDE II	17,694,962	13,806,091
	19,477,206	**75,657,314**

At 31 December 2023 and 2022, the heading "Income tax estimate recognised as a charge to the Income Statement" corresponds to the amount of the estimate of CIT.

Longrun, as the Controlling Company of the Group of Companies taxed under the STRCG, has recorded in its balance sheet the amount of CIT to be received or paid by the controlled companies, as shown in Notes 5 and 8.

Movement under the deferred taxes headings during the years 2023 and 2022 was as follows:

(amounts in euros)

	2023			
		Change in		
	Opening balances	Other comprehensive income	Results	Closing balances
Assets				
Employee benefits	136,270	-	(25,544)	110,726
Tax losses carried forward	-	-	31,737	31,737
	136,270	**-**	**6,193**	**142,463**

(amounts in euros)

	2023			
		Change in		
	Opening balances	Other comprehensive income	Results	Closing balances
Assets				
Provisions and impairment temporarily not accepted for tax purposes	62,453	-	(62,453)	-
Employee benefits	-	-	136,270	136,270
	62,453	**-**	**73,817**	**136,270**

In 2023, deferred taxes are measured at 22.5%.

7. ACCRUALS AND DEFERRALS (ASSETS)

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Deferred expenses		
Workers' Compensation Insurance	1,041	1,435
Rents and Leases	-	945
	1,041	**2,380**

8. OTHER CREDITORS FOR OTHER OPERATIONS

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accounts payable for other operations		
Group companies		
Aggregate tax	22,791,513	79,982,864
Suppliers – current accounts	6,300	2,835
Others	7,663	9,222
Other entities		
Suppliers – current accounts	1	18,450
Personnel	239	99
	22,805,716	**80,013,469**

9. ACCRUALS AND DEFERRALS (LIABILITIES)

At 31 December 2023 and 2022, the breakdown of this heading was as follows:

(amounts in euros)

	2023	2022
Accrued expenses		
Audit	65,330	136,803
Company performance awards	178,735	130,713
Other specialist work	113,671	71,138
Holidays and holiday allowances payable	-	4,242
	357,736	**342,895**

10. CAPITAL AND OTHER EQUITY INSTRUMENTS

The share capital, wholly owned by Millennium Gain Limited, consists of 50,000 shares with the nominal unit value of 1.00 Euro and is fully paid up.

The other equity instruments are supplementary capital contributions. According to the legislation in force, the refund depends on the resolution of the shareholders, which can only be approved if, as a result of it, the equity does not become lower than the sum of the share capital and the legal reserve. In 2023 and 2022, supplementary capital contributions of 186,000,000 Euros and 164,977,301 Euros, respectively, were reimbursed.

11. RESERVES, RETAINED EARNINGS AND INCOME FOR THE YEAR

At 31 December 2023 and 2022, reserves and retained earnings were composed as follows:

(amounts in euros)

	2023	2022
Other reserves		
Legal reserve	50,000	50,000
Other reserves	93,428,388	93,428,388
	93,478,388	**93,478,388**
Retained earnings	(1,175,438)	(434,312)
Income for the year	185,928,080	(741,126)
	278,231,029	**92,302,950**

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 income of 2022 and 2021 was applied as indicated below:

(amounts in euros)

	2022	2021
Application of income for the year		
Retained earnings	(741,126)	(434,312)
	(741,126)	**(434,312)**

12. INCOME

In the years 2023 and 2022, the investment income heading was composed as follows:

(amounts in euros)

	2023	2022
Investments not allocated		
Financial assets at amortised cost		
Dividends	186,318,250	-
	186,318,250	**-**

13. NON-ATTRIBUTABLE EXPENSES

In 2023 and 2022, the operating costs, by type, were as follows:

(amounts in euros)

	2023	2022
Employee costs (Note 14)	124,197	689,901
External supplies and services		
Audit	139,779	124,491
Other specialist services	210,945	103,244
Litigation and notarial services	3,740	4,590
Rents and leases	6,615	1,890
Travel and accommodation	2,472	734
Cleaning, hygiene and comfort	-	289
Others	1,654	160
	365,205	**235,398**
Taxes and charges	5,455	3,947
Commissions	37	37
	494,894	**929,283**

In 2023 and 2022, the headings of the income statement where these costs are recorded are as follows:

(amounts in euros)

	2023	2022
Non-technical account		
Financial expenses	494,894	929,283
Total operating cost allocations	**494,894**	**929,283**

14. EMPLOYEE COSTS

The breakdown of employee costs in 2023 and 2022 is as follows:

(amounts in euros)

	2023	2022
Salaries		
Corporate bodies	242,444	293,996
Personnel	14,496	17,600
Salary charges	20,861	25,753
Other long-term benefits	(156,791)	351,507
Compulsory insurance	1,764	1,044
Others	1,422	-
	124,197	**689,901**

15. OTHER LONG-TERM BENEFITS

At 31 December 2023 and 2022, the heading "Liabilities for post-employment benefits and other long-term benefits" was as follows:

(amounts in euros)

	2023	2022
Liabilities		
Other long-term benefits	492,113	648,905
	492,113	**648,905**

The heading "Other long-term benefits" refers to the variable remuneration of the Executive Committee, deferred and paid after 3 years from the date of its allocation, under the terms set out in the Remuneration Policy for the Company's Governing Bodies. In the year ended 31 December 2023, this incentive plan was reduced by 156,791 Euros for payment in 2026 and the amount paid was 110,117 euros.

16. OTHER INCOME / EXPENSES

In the years 2023 and 2022, this heading was composed as follows:

(amounts in euros)

	2023	2022
Financial income and profit		
Exchange rate gains	18	22
	18	**22**
Financial expenses and losses		
Exchange rate losses	(15)	(29)
Banking services	(5,525)	(765)
Interest paid	-	(7,500)
	(5,540)	**(8,294)**
	(5,522)	**(8,271)**

17. INCOME TAX

The costs/gains with income tax recognised in profit or loss, and the tax burden, measured as the ratio between the appropriation for income tax and the profit in the year before tax, may be represented as follows:

(amounts in euros)

	2023	2022
Current tax		
For the year	(104,054)	(122,612)
	(104,054)	**(122,612)**
Others		
Excess / insufficient CIT estimate	-	1
	(104,054)	**(122,611)**
Deferred tax	(6,193)	(73,817)
Total tax in income statement	(110,247)	(196,428)
Pre-tax profit	185,817,832	(937,554)
Tax burden	-0.06%	20.95%

Reconciliation between the nominal tax rate and the effective tax rate in 2023 and 2022 can be demonstrated as follows:

(amounts in euros)

	2023		2022	
	Rate	Tax	Rate	Tax
Income before tax	21.00%	185,817,832	21.00%	(937,554)
Income tax calculated at nominal rate	21.00%	39,021,745	21.00%	(196,886)
Permanent differences to be deducted				
Dividends from equity instruments	(21.06%)	(39,126,832)	-	-
Corrections related to previous years	(0.01%)	(9,733)	-	-
Permanent differences to be added				
Others	-	4,574	(0.05%)	458
	-0.06%	**(110,247)**	**20.95%**	**(196,428)**

The tax authorities have the possibility to review the tax situation for a defined period of time, which in Portugal is four years (except in years in which a tax loss is calculated) and may result due to different interpretations of the legislation, any corrections to the taxable profit of previous years. Given the nature of any corrections that may be made, it is not possible to quantify them at this 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 financial statements.

18. RELATED PARTIES

As defined in IAS 24, subsidiaries, associates and joint ventures of the Fosun Group, Caixa Geral de Depósitos, S.A. and their respective management bodies are considered related parties of the Company.

At 31 December 2023 and 2022, the financial statements include the following balances and transactions with related parties, excluding management bodies:

(amounts in euros)

	2023				
	Fidelidade - Companhia de Seguros, S.A.	Caixa Geral de Depósitos, S.A.	Fidelidade - Companhia de Seguros, S.A. Subsidiaries	Fosun International Holdings Ltd Group	Total
Income Statement					
Income	186,318,250	-	-	-	186,318,250
Financial expenses	(8,064)	(37)	(5,670)	-	(13,771)
Other income/expenses	-	(652)	-	4	(648)
	186,310,186	**(689)**	**(5,670)**	**4**	**186,303,831**
Assets					
Cash and cash equivalents and sight deposits	-	79,147	-	-	79,147
Investments in subsidiaries, associates and joint ventures	1,378,489,607	-	-	-	1,378,489,607
Accounts receivable for other operations	-	-	3,418,361	-	3,418,361
Accruals and deferrals	1,041	-	-	-	1,041
	1,378,490,649	**79,147**	**3,418,361**	**-**	**1,381,988,157**
Liabilities					
Accounts payable for other operations	3,886,067		22,791,513	7,663	26,685,243
	3,886,067	**-**	**22,791,513**	**7,663**	**26,685,243**

(amounts in euros)

	2022				
	Fidelidade - Companhia de Seguros, S.A.	**Caixa Geral de Depósitos, S.A.**	**Fidelidade - Companhia de Seguros, S.A. Subsidiaries**	**Fosun International Holdings Ltd Group**	**Total**
Income Statement					
Financial expenses	(5,906)	(99)	(2,835)	-	(8,840)
Other income/expenses	-	(589)	-	(8)	(597)
	(5,906)	**(688)**	**(2,835)**	**(8)**	**(9,437)**
Assets					
Cash and cash equivalents and sight deposits	-	315,245	-	-	315,245
Investments in subsidiaries, associates and joint ventures	1,378,489,607	-	-	-	1,378,489,607
Accounts receivable for other operations	-	-	4,422,999	-	4,422,999
Accruals and deferrals	1,435	-	-	-	1,435
	1,378,491,043	**315,245**	**4,422,999**	**-**	**1,383,229,286**
Liabilities					
Accounts payable for other operations	55,829,306	-	24,157,923	7,692	79,994,921
	55,829,306	**-**	**24,157,923**	**7,692**	**79,994,921**

Remuneration of Corporate Bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Corporate Bodies, according to criteria established by the shareholder.

The remuneration and benefits paid to the members of the Corporate Bodies during the year 2023 were as follows:

(amounts in euros)

Board of Directors	Fixed remuneration	Variable remuneration [1]	Meal allowance	Health insurance costs	Life insurance costs
Non-executive members					
Chairman					
Jorge Manuel Baptista Magalhães Correia	45,000	110,117	-	-	-

[1] Paid in 2023 and relating to 2022

(amounts in euros)

Supervisory Board	Fixed remuneration	Variable remuneration	Meal allowance	Health insurance costs	Life insurance costs
Chairman					
Jorge Manuel de Sousa Marrão	7,000	-	-	-	-
Members					
Teófilo César Ferreira da Fonseca	6,828	-	-	-	-
Pedro Antunes de Almeida	13,183	-	-	-	-
João Filipe Gonçalves Pinto	6,147	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	6,147	-	-	-	-

External Auditor Fees

The estimated fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, related to 2023 are 144,700 Euros, of which 95,070 Euros are related to auditing and statutory audit services, 31,230 Euros to certification of the annual solvency and financial condition report, and 18,400 Euros to compliance and assurance services.

19. SUBSEQUENT EVENTS

On 2 May 2024, a request for authorisation was submitted to the ASF for Millennium Gain to directly acquire the qualifying holding in Fidelidade's share capital that it already held indirectly through Longrun.

REPORT AND OPINIONS ON THE SEPARATE ACCOUNTS

(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 Longrun Portugal SGPS, S.A. (the "Company"), which comprise the Separate Statement of Financial Position as at 31 December 2023 (which establishes a total of 1,401,634,306 euros and total equity of 1,377,977,631 euros, including a net profit for the year of 185,928,080 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 consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the consolidated financial position of Longrun Portugal SGPS, S.A. as at 31 December 2023, 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 ("ASF").

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. **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
The separate financial statements of the Company as at 31 December 2023 include in the statement of financial position and more fully disclosed in Note 4, investments in subsidiaries, associates and joint ventures, net of impairment, of 1,378 m€, representing 98% of the assets. 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	Our approach to the risk of material misstatements in the recognition and measurement of impairment in investments in subsidiaries, associates and joint ventures included a specific response by performing the following procedures: ► Obtaining an understanding of the existing internal control procedures in the process for determining impairment losses of these investments; ► Analysis 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;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
margins and prospective financial information, among others). The consideration of this matter as relevant 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.	► Assess 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 ► Test 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.

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 Management Report 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 Group'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 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 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 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 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 Management Report with consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the 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 Entity, we have not identified any material misstatement.

On additional items set out in article 10 of Regulation (EU) nr. 537/2014

Pursuant to article 10 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 Longrun Portugal SGPS, S.A. for the first time in the shareholders' general meeting held on 26 September 2014 for the mandate between 2014 and 2016. We were appointed at the shareholders' general meeting held on 31 May 2017 for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 21 May 2020 for the mandate between 2020 and 2022. At the shareholders' general meeting held on 31 March 2023, we were appointed for a final mandate covering only the fiscal year 2023;
- 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 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, 15 May 2024

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

LONGRUN PORTUGAL, SGPS, S.A.

REPORT AND OPINION OF THE SUPERVISORY BOARD

2023

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 obtained from the Board of Directors and other governing bodies of the Company, with whom we met whenever it deems convenient, regular information and clarification on the functioning of the company and the progress of its business, particularly regarding: the policies and strategies defined by the Board of Directors, compliance with legal, regulatory and statutory provisions, the adequacy of accounting policies, accounting criteria and practices and the process of preparing financial information. Additionally, we were informed of the effectiveness of the internal control framework, risk management, actuarial, compliance and internal audit, as well as the policies within the scope of ASF Regulatory Standard No. 4/2022-R of April 26.

In particular, when monitoring the legal review of accounts, we met with the Auditor, whenever we consider appropriate, with the aim of analysing and discussing various issues in the life of the company and monitoring, in particular, the planning of the legal review of accounts, the course of works, the financial report, the implementation of IFRS 17 and relevant audit matters.

We have examined the Sole Integrated Management Report that includes the corporate governance report, the non-financial information, the individual and consolidated financial statements and the proposal for the distribution of individual net profit presented by the Board of Directors, as well as 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 Sole Integrated 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 distribution of net profit set out in the Sole Integrated 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, 15 May 2024.

SUPERVISORY BOARD,

Jorge Manuel de Sousa Marrão – Chairman

Teófilo César Ferreira da Fonseca ─ Member

Pedro Antunes de Almeida ─ Member

DECLARATION OF COMPLEMENTARY LIABLITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF LONGRUN PORTUGAL, SGPS, S.A.
FOR 2023

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, 15 May 2024.

SUPERVISORY BOARD

Jorge Manuel de Sousa Marrão – Chairman

Teófilo César Ferreira da Fonseca ─ Member

Pedro Antunes de Almeida ─ Member

CORPORATE GOVERNANCE REPORT

INTRODUCTION

LONGRUN PORTUGAL, SGPS, S.A., (hereinafter "Company") prepares its Corporate Governance Report in a clear and transparent manner, according to the rules in force, observing the best practices and applicable recommendations, in order to make public the principles and regulatory regulations within the scope of Corporate Governance.

This Corporate Governance Report for the 2023 financial year was prepared in compliance with the provisions of article 70, paragraph 2, subparagraph b) of the Commercial Companies Code and point iv), subparagraph a) of paragraph 1 of article 35 of Regulatory Standard no. 4/2023 – R, of August 16.

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. CAPITAL STRUCTURE

The Company's share capital, in the amount of 50,000.00 Euros, is represented by 50,000 nominative shares, with a par value of 1 Euro each, fully subscribed and paid up. All the shares confer identical rights and are fungible with each other.

The entire share capital of the Company is held by Millennium Gain Limited.

2. RESTRICTIONS ON TRANSFERABILITY OF SHARES

The shares representing the share capital of the Company are freely transferable.

3. NUMBER OF OWN SHARES, PERCENTAGE OF CORRESPONDING SHARE CAPITAL AND PERCENTAGE OF VOTING RIGHTS TO WHICH THE OWN SHARES WOULD CORRESPOND

On 31 December 2023, the Company did not hold any own shares.

4. REGIME SUBJECT TO THE RENEWAL OR REVOCATION OF DEFENSIVE MEASURES, IN PARTICULAR THOSE PROVIDING FOR THE 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 bylaws do not include limitations on the number of votes that can be held or exercised by a single shareholder individually or jointly.

5. SHAREHOLDER AGREEMENTS WHICH ARE KNOWN TO THE COMPANY AND WHICH MAY LEAD TO RESTRICTIONS ON THE TRANSFER OF SHARES OR VOTING RIGHTS

There are no shareholders' agreements that could lead to restrictions on the transfer of shares or voting rights in the Company.

II. Shareholdings held

6. IDENTIFICATION OF NATURAL OR LEGAL PERSONS HOLDING QUALIFYING HOLDINGS, INDICATING THE PERCENTAGE OF CAPITAL AND VOTES ATTRIBUTABLE AND THE SOURCE AND CAUSES OF IMPUTATION

Qualified holdings in the Company's capital stock as of 31 December 2023, indicating the percentage of capital and votes attributable and the source and causes of imputation are shown in the following Table:

Shareholder	No. of Shares	% of Share Capital	% of Voting Rights	Source and Causes of Imputation
Millennium Gain Limited	50,000	100%	100%	Incorporation

7. INDICATION OF THE NUMBER OF SHARES AND BONDS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

At 31 December 2023, the members of the management and supervisory bodies of the Company did not hold shares or bonds in the Company.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Composition of the General Meeting Board

8. IDENTIFICATION AND POSITION OF THE MEMBERS OF THE GENERAL MEETING BOARD AND THEIR TERM OF OFFICE

At 31 December 2023, the General Meeting Board for the 2023-2025 three-year period had the following members:

Position	Name
Chairperson	Maria Isabel Toucedo Lage
Secretary	Carla Cristina Curto Coelho

b) Exercise of voting rights

9. POSSIBLE RESTRICTIONS ON VOTING RIGHTS, SUCH AS LIMITATIONS ON THE EXERCISE OF VOTING DEPENDING ON THE OWNERSHIP OF A NUMBER OR PERCENTAGE OF SHARES, DEADLINES IMPOSED FOR THE EXERCISE OF VOTING RIGHTS OR SYSTEMS OF PROMINENCE OF PROPERTY RIGHTS

Article 8 of the Company's Bylaws provides that the General Meeting is made up of the shareholders present and represented in accordance with the law, and that each share corresponds to one vote.

10. INDICATION OF THE MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS WHO ARE IN ANY OF THE RELATIONSHIPS DESCRIBED IN PARAGRAPH 1 OF ARTICLE 20 OF THE SECURITIES CODE

The bylaws do not include any maximum percentage of voting rights that may be exercised by a single shareholder or even by a shareholder who is in any of the relationships described in paragraph 1 of article 20 of the Securities Code.

11. IDENTIFICATION OF SHAREHOLDER RESOLUTIONS THAT, BY STATUTORY IMPOSITION, CAN ONLY BE TAKEN WITH A QUALIFIED MAJORITY, IN ADDITION TO THOSE LEGALLY PROVIDED FOR, AND INDICATION OF THESE MAJORITIES

The General Meeting may decide when first called, provided that shareholders holding at least three quarters of the total shares representing the share capital are present or represented, and on second calling with whatever number of shareholders are present or represented and whatever the amount of share capital to which their shares correspond.

II. Administration

Board of Directors

a) Composition

12. IDENTIFICATION OF THE ADOPTED GOVERNANCE MODEL

The Company has a one-tier corporate governance structure with a Board of Directors and a supervisory body comprising a Supervisory Board and a Statutory Auditor Firm.

13. STATUTORY 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.

Vacancies or impediments occurring on the Board of Directors are filled by co-option until the first General Meeting makes the final decision.

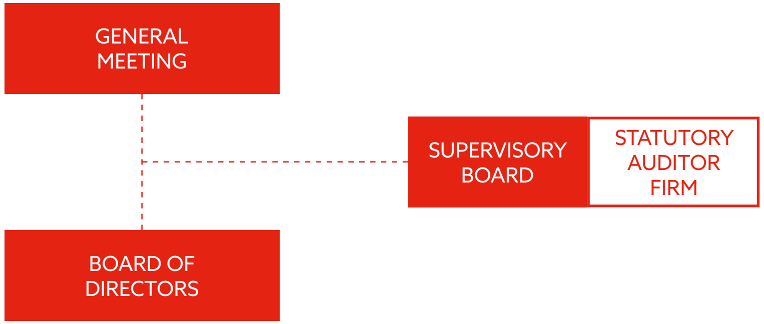
14. COMPOSITION OF THE BOARD OF DIRECTORS, INDICATING THE MINIMUM AND MAXIMUM STATUTORY NUMBER OF MEMBERS, STATUTORY TERM OF OFFICE, NUMBER OF MEMBERS, DATE OF APPOINTMENT AND TERM OF OFFICE OF EACH MEMBER

The Company's Bylaws provide that the Board of Directors has between two and five members, and that its Chairperson is appointed by the General Meeting. Directors serve a term of office of three calendar years, and may be re-elected on one or more occasions, and the calendar year in which they are appointed counts as a full year.

At 31 December 2023, the Board of Directors consists of:

Members of the Board of Directors (BD)	Position	Date of Appointment in Office	Term of Office
Lingjiang XU	Chairman	30-05-2023	2023/2025
Wai Lam William MAK	Member of the Board	30-05-2023	2023/2025
Hui CHEN	Member of the Board	30-05-2023	2023/2025

The following table represents the Corporate Governance structure of Longrun during the fiscal year 2023:



Board of Directors

The Board of Directors, as the Company's governing body, has, under the terms of Article 13(1) of the Company's Bylaws, the broadest powers of management and representation of the Company.

The Board of Directors may not decide unless a majority of its members are present or represented.

III. Supervision

Supervisory Board and Statutory Auditor

a) Composition

15. IDENTIFICATION OF THE SUPERVISORY BODY (SUPERVISORY BOARD, AUDIT COMMITTEE OR GENERAL AND SUPERVISORY BOARD) ACCORDING TO THE MODEL ADOPTED

The Company's supervision, pursuant to Article 413 (1) (a) of the Commercial Companies Code, is the responsibility of a Supervisory Board and a Statutory Auditor Firm, with the powers provided for by law and whose current mandate corresponds to the period 2023/2025.

The Company's Bylaws refer the powers of the Supervisory Board to those provided for by law.

16. COMPOSITION OF THE SUPERVISORY BOARD, INDICATING THE POSITION OF EACH MEMBER, DATE OF APPOINTMENT AND STATUTORY TERM OF OFFICE

The Supervisory Board is composed of 3 effective members and a substitute, with three-year renewable terms, having the following composition on 31 December 2023:

Members of the Supervisory Board	Position	Date of Appointment in Office	Term of Office
Jorge Manuel de Sousa Marrão	Chairman	30-05-2023	2023/2025
Teófilo César Ferreira da Fonseca	Member of the Board	30-05-2023	2023/2025
Pedro Antunes de Almeida	Member of the Board	30-05-2023	2023/2025
Carla Alexandra de Almeida Viana Gomes	Substitute (in the process of registering with the ASF)	13-11-2023	2023/2025

The members of the Supervisory Board fulfil the independence requirements set out in Article 414(5) of the Commercial Companies Code, as they are neither associated with any specific interest group within the Company, nor in any circumstances likely to affect in any way their impartiality of analysis or decision-making.

IV. Statutory Auditor Firm

17. IDENTIFICATION OF THE STATUTORY AUDITOR FIRM AND THE AUDIT PARTNER REPRESENTING IT

The Statutory Auditor Firm is Ernst & Young Audit & Associados – SROC, S.A., registered with the CMVM (Portuguese Securities Market Commission) under no. 20161480 and represented by its partner Ricardo Nuno Lopes Pinto, Statutory Auditor no. 1579.

18. INDICATION OF THE NUMBER OF YEARS IN WHICH THE AUDIT FIRM EXERCISES FUNCTIONS CONSECUTIVELY WITH THE COMPANY AND/OR GROUP

The Statutory Auditor Firm has been in office since 26 September 2014 and was reappointed on 30 May 2023 to hold office regarding the year ended on 31 December 2023.

19. DESCRIPTION OF OTHER SERVICES PROVIDED BY STATUTORY AUDITOR TO THE COMPANY

In addition to the work required of statutory auditors by law, Ernst & Young Audit & Associados – SROC, S.A. provides, recurrently, the following services required by law:

- Certification of the Annual Report on Solvency and Financial Situation under Regulatory Standard no. 2/2017-R, of 24 March from ASF; and

- Opinion on the suitability of the remuneration policy, as per paragraphs 3 and 4 of article 118 of Regulatory Standard no. 4/2022-R of 26 April, from ASF.

In addition to the aforementioned work, Ernst & Young Audit & Associados – SROC, S.A. does not provide, on a recurring basis, any other type of services to the Company or to companies that are in a domain relationship with it.

However, when other services are provided to the Company or to companies that are in a controlling relationship with it, this will occur in strict accordance with the legally defined procedures, namely in Law no. 140/2015, of 7 September.

C. INTERNAL ORGANIZATION

I. Bylaws

20. RULES APPLICABLE TO THE AMENDMENT OF THE BYLAWS OF THE COMPANY

Amendments to the bylaws of the Company shall be governed by the provisions of the Law in force.

II. Reporting of irregularities

21. MEANS AND POLICY FOR REPORTING OF IRREGULARITIES IN THE COMPANY

The Company has a culture of responsibility and compliance and recognises the importance of an appropriate framework for the reporting and processing of irregularities as a tool of good corporate practice and implements the appropriate means of receiving, processing and storing reports of irregularities allegedly committed by members of the governing bodies and employees of the Company, or of the companies in the Fidelidade Group.

Irregularities are intentional or negligent acts and omissions, related to the administration, accounting organisation and internal supervision of the Company, which are likely to:

a) Breach the law, regulations and other rules in force;

b) Jeopardise the assets of clients, shareholders and the Company;

c) Cause reputational damage to the Company, or to companies in the Fidelidade Group.

Employees, trustees, agents, or any other persons providing permanent or occasional services to the Company, or any Group entity, shareholders and any other persons may report irregularities.

III. Internal control and risk management

22. BODIES RESPONSIBLE FOR INTERNAL AUDIT AND/OR IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS

As an insurance holding company, Longrun does not carry on insurance or reinsurance business, and its activity is limited to the management of its holdings in Fidelidade - Companhia de Seguros, S.A. and the insurance companies it owns.

As Fidelidade - Companhia de Seguros, S.A. is the Group's most representative company, it defines the governance requirements applicable to the insurance Group.

The Legal Regime for Access and Exercise of Insurance and Reinsurance Activity (RJASR), approved by Law no. 147/2015, of 9 September, which transposes the Solvency II Directive into internal legal order, entered into force on 1 January 2016.

In this context, a global risk management system was implemented in order to meet the requirements set forth therein.

The implementation of this system, in addition to complying with the regulations applicable to the insurance activity, is understood as an opportunity to improve the risk assessment and management processes, thus contributing to the maintenance of the solidity and stability of the Company.

Thus, the risk management system is an integral part of the Company's daily activities, and an integrated approach is applied to ensure that its strategic objectives (customer interests, financial strength and process efficiency) are maintained.

On the other hand, the performance of the risk and solvency self-assessment exercise (ORSA) allows us to relate, in a prospective vision, risk, capital and return, in the context of the business strategy established by the Group.

Regarding the governance system, the insurer area of the Group lead by the Company has policies, processes and procedures appropriate to its business strategy and operations, ensuring a sound and prudent management of its activity. Accordingly, key functions are defined across the Group regarding risk management, internal auditing, actuarial work and compliance, within the scope of the risk management and internal control systems, which are carried out by the Risk Management Department, the Audit Department and the Compliance Department.

The other Structural Bodies are responsible for promoting the risk management and internal control process, in order to ensure that the management and control of operations are carried out in a healthy and prudent manner, and they are also responsible for ensuring the existence and updating of documentation related to their business processes, respective risks and control activities.

As part of the set of prudential recommendations from the supervisory authorities, in order to ensure the operational continuity of the processes, systems and communications, the insurer area of the Company has a Business Continuity Plan ("BCP") in order to ensure a structured damage assessment and an agile decision making on the type of recovery to be undertaken.

The measures adopted during the preparation phase for the application of the Solvency II regime, as well as its consolidation over the years of its validity, put the Company at a comfortable level of compliance with this new regime.

23. EXISTENCE OF OTHER FUNCTIONAL AREAS WITH COMPETENCES IN RISK CONTROL

In addition to the areas that perform key functions across the insurer area of the Group headed by the Company within the scope of the risk management and internal control systems, various corporate functions have been implemented and strengthened in the subsidiaries, in addition to the legal area, particularly in the areas of information systems, planning and control, accounting and investment.

This governance model, coupled with the fact that the implemented operational risk management and internal control processes promote the dissemination of a risk management culture throughout all subsidiaries, enables the relevant entity at Group level to adequately manage the risk management and internal control systems, at both individual and group levels, with appropriate reporting lines and procedures.

24. IDENTIFICATION AND DESCRIPTION OF THE MAIN TYPES OF RISKS (ECONOMIC, FINANCIAL AND LEGAL) TO WHICH THE COMPANY IS EXPOSED IN THE EXERCISE OF THE ACTIVITY

At this point, reference is made to the information provided in the 2023 Management Report, particularly in the Notes to the Financial Statements.

25. DESCRIPTION OF THE PROCESS OF IDENTIFICATION, EVALUATION, MONITORING, CONTROL AND RISK MANAGEMENT

The risk management system supports the Company in the identification, evaluation, management and monitoring of risks, allowing the adoption of appropriate and immediate actions in case 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 chooses to use a qualitative analysis in order to classify the foreseeable impact on its capital needs.

The ORSA exercise plays a key role in monitoring the Company's risk profile and capital adequacy according to regulatory capital requirements and internal capital needs.

IV. Website and Provision of Information on Society

26. ADDRESS(ES)

The Company does not have a website.

27. PLACE WHERE INFORMATION ON THE COMPANY, GOVERNING BODIES AND ACCOUNTABILITY DOCUMENTS IS FOUND

Information on the Company and its governing bodies, as well as its accounting documents are available at Largo do Calhariz, 30, 1200-086 Lisbon.

28. PLACE WHERE THE BYLAWS AND OPERATING REGULATIONS OF THE GOVERNING BODIES ARE FOUND

The Bylaws and operating regulations of the governing bodies are available at Largo do Calhariz, 30, 1200-086 Lisbon.

29. PLACE WHERE THE NOTICE FOR THE MEETING OF THE GENERAL MEETING AND ALL PREPARATORY AND SUBSEQUENT INFORMATION RELATED TO IT ARE DISCLOSED

The notices for meetings of the General Meeting and all preparatory and subsequent information related thereto are available at Largo do Calhariz, 30, 1200-086 Lisbon.

30. PLACE WHERE THE HISTORICAL COLLECTION IS MADE AVAILABLE WITH THE RESOLUTIONS TAKEN AT THE MEETINGS OF THE GENERAL MEETINGS OF THE COMPANY, THE CAPITAL STOCK REPRESENTED AND THE RESULTS OF THE VOTES, WITH REFERENCE TO THE PREVIOUS 3 YEARS

The historical collection with the resolutions taken at the meetings of the Company's General Meetings, the capital stock represented and the results of the votes, with reference to the previous 3 years, are available at Largo do Calhariz, 30, 1200-086 Lisbon.

D. REMUNERATION

I. Competence for determination

31. INDICATION AS TO THE COMPETENCE FOR DETERMINING THE REMUNERATION OF GOVERNING BODIES, MEMBERS OF THE EXECUTIVE COMMITTEE OR DELEGATED DIRECTORS AND DIRECTORS OF THE COMPANY

The General Meeting is responsible for setting the remuneration of the members of the governing bodies, as the Company has not established a Remuneration Committee.

II. Structure of remuneration

32. DESCRIPTION OF THE REMUNERATION POLICY OF THE MANAGEMENT AND SUPERVISORY BODIES

The members of the Board of Directors are not remunerated for the performance of their duties, unless the General Meeting so decides.

The remuneration of the members of the Company's management and supervisory bodies, if any, is set with reference to the applicable legal and regulatory standards, as well as the guiding principles of the policy for setting the remuneration of the members of the governing bodies of the Group companies.

III. Disclosure of remuneration

33. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S MANAGEMENT BODIES, FROM THE COMPANY, INCLUDING FIXED AND VARIABLE REMUNERATION AND, IN RELATION TO THIS, MENTION OF THE DIFFERENT COMPONENTS THAT GAVE RISE TO IT

The members of the Board of Directors earned the following remuneration in 2023:

Members of the Board of Directors	Fixed Remuneration (EUR)	Variable Remuneration (EUR)*
Lingjiang Xu	-	-
Wai Lam William Mak	-	-
Jorge Manuel Baptista Magalhães Correia	45,000	110,117
Hui Chen	-	-
TOTAL	**45,000**	**110,117**

*Paid in 2023 and relating to 2022

34. COMPENSATION PAID OR DUE TO FORMER EXECUTIVE DIRECTORS IN RESPECT OF THE TERMINATION OF THEIR DUTIES DURING THE FINANCIAL YEAR

No damages or compensation was paid to directors leaving office during their term of office.

35. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE SUPERVISORY BODIES OF THE COMPANY

The annual amount of gross remuneration earned, in aggregate and individually, by the members of the Company's supervisory body, is shown in the following Table:

Members of the Supervisory Board	(EUR)	Observations
Pedro Antunes de Almeida	6,000	From 01.01.2023 to 31.05.2023 (acting as Chairman)
Jorge Manuel de Sousa Marrão	7,000	From 01.06.2023 to 31.12.2023
Vasco Jorge Valdez Ferreira Matias	6,147	From 01.01.2023 to 31.05.2023
Teófilo César Ferreira da Fonseca	6,828	From 01.06.2023 to 31.12.2023
João Filipe Gonçalves Pinto	6,147	From 01.01.2023 to 31.05.2023
Pedro Antunes de Almeida	7,183	From 01.06.2023 to 31.12.2023
Anabela de Jesus Nunes Prates	-	Substitute
TOTAL	**39,305**	

36. INDICATION OF THE REMUNERATION IN THE REFERENCE YEAR OF THE CHAIRMAN OF THE GENERAL MEETING

The Chairman of the General Meeting Board does not receive any remuneration.

IV. Agreements with remuneration implications

37. REFERÊNCIA À EXISTÊNCIA E DESCRIÇÃO, COM INDICAÇÃO DOS MONTANTES ENVOLVIDOS, DE ACORDOS ENTRE A SOCIEDADE E OS TITULARES DO ÓRGÃO DE ADMINISTRAÇÃO QUE PREVEJAM INDEMNIZAÇÕES EM CASO DE DEMISSÃO, DESPEDIMENTO SEM JUSTA CAUSA OU CESSAÇÃO DA RELAÇÃO DE TRABALHO NA SEQUÊNCIA DE UMA MUDANÇA DE CONTROLO ACIONISTA DA SOCIEDADE

There are no agreements between the Company and the holders of the management body providing for compensation in the event of dismissal, unjustified dismissal or termination of the employment relationship following a change of control of the Company.

V. Stock options or stock options allocation plans

38. IDENTIFICATION OF THE PLAN AND ITS RECIPIENTS

There are no plans with these characteristics.

39. OPTION RIGHTS GRANTED FOR THE ACQUISITION OF SHARES (STOCK OPTIONS) TO WHICH THE COMPANY'S WORKERS AND EMPLOYEES ARE ENTITLED

There are no option rights granted for the acquisition of shares to which the employees are beneficiaries.

E. TRANSACTION WITH RELATED PARTIES

I. Control mechanisms and procedures

40. MECHANISMS IMPLEMENTED BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES

The Company has adopted a set of objective and transparent rules applicable to transactions with related parties, which are subject to specific approval mechanisms.

41. INDICATION OF THE TRANSACTIONS THAT WERE SUBJECT TO CONTROL IN THE REFERENCE YEAR

All transactions with related parties have been subject to control.

42. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSE OF THE PRIOR EVALUATION OF THE BUSINESS TO BE CARRIED OUT BETWEEN THE COMPANY AND HOLDERS OF QUALIFIED INTERESTS OR ENTITIES THAT ARE IN ANY CONTROLLING OR GROUP RELATIONSHIP WITH THEM, PURSUANT TO ARTICLE 21 OF THE SECURITIES CODE

The transactions to be carried out between the Company and holders of qualified interests or entities that are in a controlling or group relationship with them are subject to consideration and deliberation by the Board of Directors, and these transactions, like all others carried out by the Company, are subject to the supervision of the Supervisory Board.

II. Elements relating to transactions

43. INDICATION OF THE LOCATION OF THE ACCOUNTABILITY DOCUMENTS WHERE INFORMATION ON BUSINESS WITH RELATED PARTIES IS AVAILABLE

Information on business with related parties is disclosed in the financial statements.