LONGRUN
PORTUGAL, SGPS, S.A.

Solvency and Financial Condition Report

2019

Certified by the Statutory Auditor and Responsible Actuary

Summary

The legal framework on the taking-up and pursuit of the business of insurance and reinsurance approved by Law No. 147/2015, of 9 September, requires insurance undertakings and insurance groups to disclose publicly, on an annual basis, a report on their solvency and financial condition.

The qualitative information that insurance groups are required to disclose is set out in Chapter V of Title II of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014.

The quantitative information[1] to be disclosed together with this report is laid down in Articles 4 and 5 of Commission Implementing Regulation (EU) No. 2015/2452, of 2 December, amended and rectified by Commission Implementing Regulation (EU) No. 2017/2190, of 24 November.

In line with the description contained in Article 292 of the Delegated Regulation, a "clear and concise" summary of the items detailed in this report will be presented below.

Business and performance

Longrun operates in the Portuguese market through its different insurance companies (Fidelidade, Via Directa and Companhia Portuguesa de Resseguro). It also has a presence in the international market through Fidelidade branches (in Spain, France, Luxembourg, Macao-Life Segment, and Mozambique) and through its insurance subsidiaries, Fidelidade Angola, Garantia, Fidelidade Macao (Non-Life segment), the La Positiva Group and Fid Chile.

In 2019, Longrun's insurance business entered a new continent, South America, when it acquired a majority stake in the La Positiva Insurance Group, which has a leading position in Peru and also operates in Bolivia and Paraguay, as well as also creating a new insurer in Chile.

The acquisition of such a large company in a new market for the Group is significant in consolidating the internationalisation strategy, at a turning point from the previous focus on Portuguese-speaking markets. With the inclusion of these companies in Longrun, the number of Spanish-speaking staff and clients in the Group is similar to that of their Portuguese-speaking counterparts.

Longrun regards internationalisation as a strategic priority to diversify business, create synergies and transfer innovation between companies and, above all, between markets.

Longrun´s international insurance business is an important means of sustained growth and pursuit of its medium and long-term goals. The Group currently operates in four continents and ten countries, with several business units, including local branches, representative offices and subsidiaries.

These growth efforts have produced sound results and the international business currently accounts for a significant part of the Group's overall turnover.

[1] Quantitative information on monetary amounts is presented in thousands of euros, and in some circumstances the tables and graphs may present totals which do not correspond precisely to the sum of the parts, due to rounding up or down of those parts.

Longrun Portugal, SGPS, S.A.

€4,083 million
Total Premiums Written
(Includes amounts relating to investment contracts)
Life: €2,053 milllion
Non-Life: €2,029 million

25.5%
Market Shares (PT)
Life: 23.6%
Non-Life: 27.9%

28.3%
Weight of International Non-Life Operation

€20.4 billion
Net Assets

6,412
Employees

96.5%
Non-Life Combined Ratio
(Ratio adjusted to the technical costs of the insurance activity)

€177.6 million
Net Profits

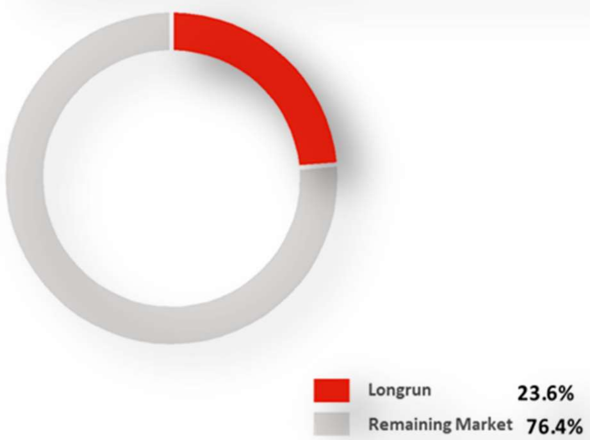
€2,635 million
Shareholders' Equity

7.3%
Return on Equity

In 2019, Longrun's insurance business held its position as national market leader in both the Life and Non-Life segments, recording an overall market share of 25.5% in the Portuguese market, although this corresponds to a decrease of 9.2 pp compared to the previous year, originating from the financial products component.

In the Life segment, which is heavily influenced by the behaviour of financial products, it is important to highlight that Longrun's insurance business increased its market share in Life Risk.

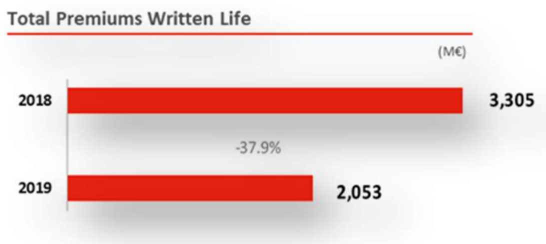
Life Segment - Market Share

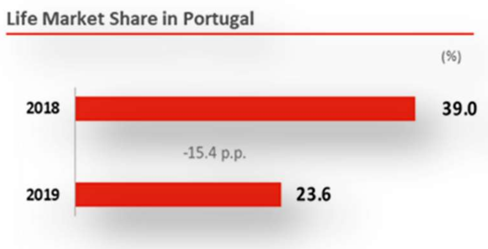


Longrun

Life Risk **18.3%**
Annuities **32.9%**
Life Capitalisation **22.6%**
Pension Plans **26.2%**

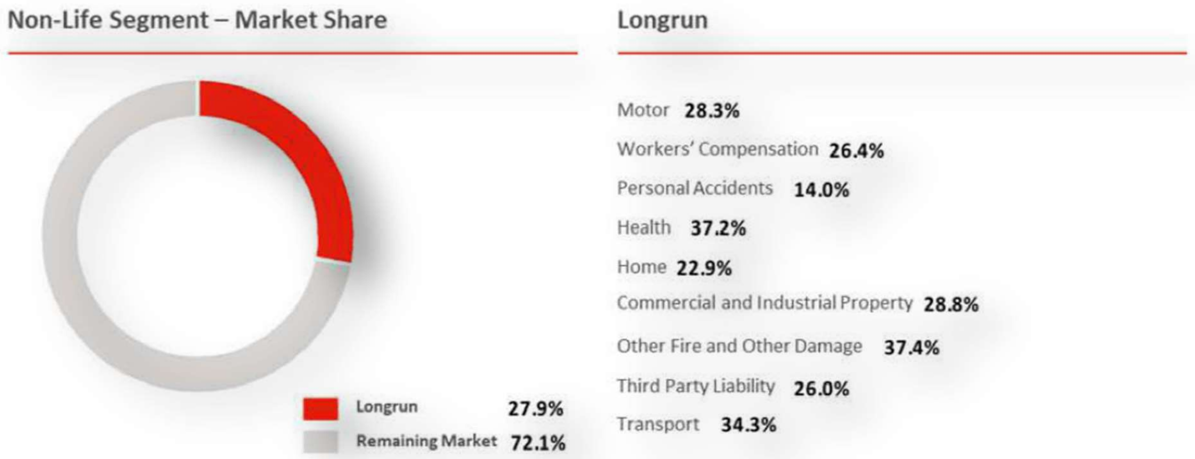
Longrun Portugal, SGPS, S.A.

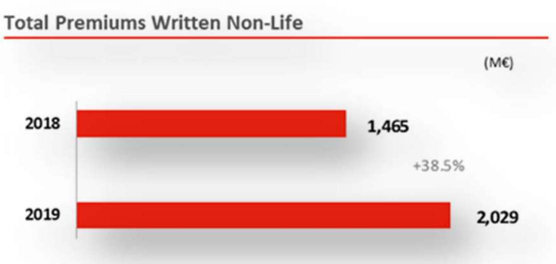


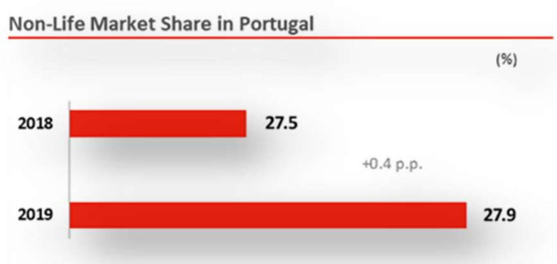


In fact, the success recorded for Life Risk products reflects not only the recent evolution in mortgages, but also the success of the focus on new solutions adapted to the current social and economic context. 2019 also saw further consolidation of the success of both the *Proteção Vital da Família* product, an innovative life insurance that accompanies families throughout their life cycle, and the *Proteção Vital 65+* product, an insurance dedicated to the needs of the over-65s.

In the Non-Life segment, the commercial performance of Longrun's insurers in the Portuguese market exceeded the positive trend of the market in general, with Longrun increasing its market share by 0.4 pp to 27.9%.







This evolution reflects the positive performance of virtually all the lines of business. Of particular note was the increase in share in some highly competitive lines of business, in particular Workers' Compensation (+0.3 pp), Motor (+0.3 pp) and Health (+0.6 pp).

The performance of Longrun's insurance business, through its insurance holdings, enabled it to consolidate its position of leadership in all lines of business, and it remained the clear market leader in Non-Life insurance in Portugal.

Longrun's consolidated investment portfolio (including Cash and Bank Deposits) totalled EUR 18.4 billion, corresponding to an increase of around 13% over 2018.

In its definition and application, the investment policy used by the companies in Longrun's consolidation perimeter considers the challenges currently facing the insurance business:

- The prolonged environment of low interest rates, which means assets must be sought which have a higher return than traditional fixed rate investments, although also ensuring that an appropriate level of risk is maintained;
- The need to optimise the capital structure, in line with the framework of the Solvency II regulations.

In 2019, the policy of diversifying by class of asset and geographical location was continued, as a means of maximising yields with an appropriate level of risk, in an environment of low interest rates.

System of governance

As an insurance holding company, Longrun, SGPS, SA., does not carry out insurance or reinsurance activities, and its activity is limited to management of the participations held in the insurance companies Fidelidade – Companhia de Seguros, SA, Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A.

Since Fidelidade – Companhia de Seguros, SA, is the most representative company of the Group, the governance requirements applied to the insurance Group are defined therein. Accordingly, the relevant body to which the Group's governance requirements apply is the Executive Committee of Fidelidade – Companhia de Seguros, S.A.

Fidelidade has processes to assess the fit and proper requirements of the people who effectively run the company, supervise it, are its managers or perform key functions within it.

The remuneration policy applicable to the management body and the way the practices in it are established promote sound and effective risk management and do not encourage excessive risk-taking.

In 2019, following the expansion of the Longrun group's international insurance business, Fidelidade approved the international governance model, which is now in the implementation phase.

The risk management and internal control systems are managed by bodies within Fidelidade's structure which perform functions across Longrun's insurance business in Portugal, and perform a supervisory role internationally.

Likewise, key functions of risk management, internal audit, actuarial and compliance, within the risk management and internal control systems, are carried out by Fidelidade bodies which perform functions across Longrun's insurance business in Portugal, and perform a supervisory role internationally.

Longrun's insurance business has implemented processes and procedures for managing risk by type of risk – strategic risk, underwriting risk (product design and pricing; underwriting; reserving; claims management processes; reinsurance and alternative risk transfer), market risk, counterparty default risk, concentration risk, liquidity risk and reputational risk.

Longrun has approved the ORSA Policy with the aim of establishing general principles for the own risk and solvency assessment. The ORSA plays a critical role in the management of the Longrun group companies, and the results obtained from it are taken into consideration in Risk Management, in Capital Management and in Decision Making.

The rules and principles that the internal audit function must comply with are established in the Internal Audit Policy.

The internal audit function is performed with independence, impartiality and objectivity, and mechanisms have been set up to preserve these principles.

Due to the nature, complexity and scale of the Companies' portfolios, the actuarial function is subdivided into life actuarial and non-life and health actuarial, which are independent in functional terms.

In relation to transactions with related parties, a series of objective and transparent rules, which are subject to specific approval mechanisms, are applicable to these.

The operational risk and internal control management processes described in this report enable the dissemination, to all the Group Companies, of a culture of risk management, thereby strengthening the protection of their stakeholders, in particular, the policy holders and beneficiaries.

Lastly, there were no material changes in the governance either of Longrun or of the Companies held by it during the period covered by this report.

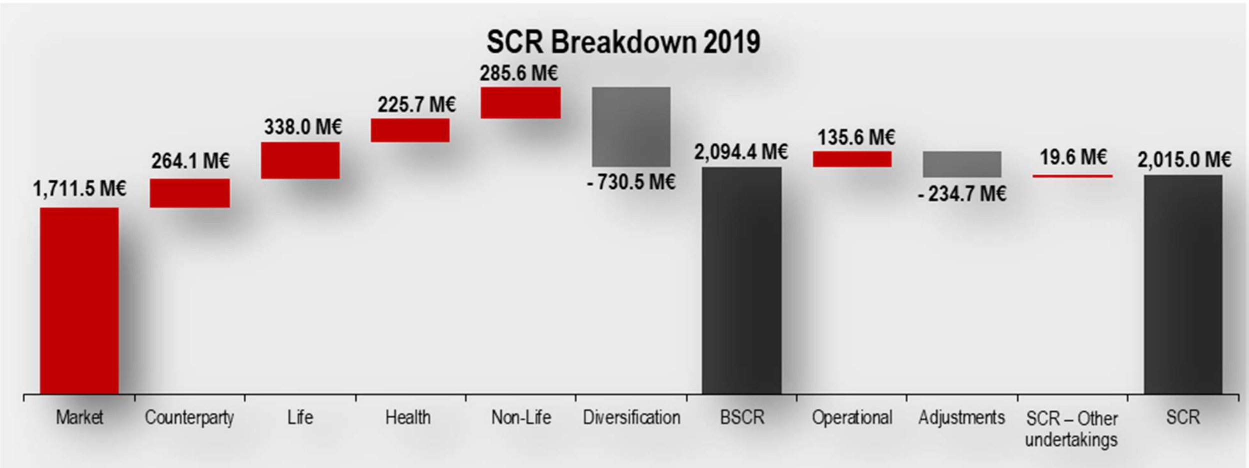
Risk profile

Risk management is an integral part of the daily activities of the Longrun group Companies. An integrated approach is used to ensure that the group Companies' strategic objectives (client interests, financial solidity and efficiency of processes) are upheld.

Accordingly, to outline Longrun's risk profile, the various risks to which the group is exposed are identified and these are then assessed.

The risk assessment is based on the 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 to classify the foreseeable impact on its capital needs.

Hence, the calculation of Longrun's solvency capital requirement (SCR) as at 31 December 2019 was as follows:



The market risk is clearly prominent in this requirement, followed by the Life and Non-Life underwriting risks, which are much lower.

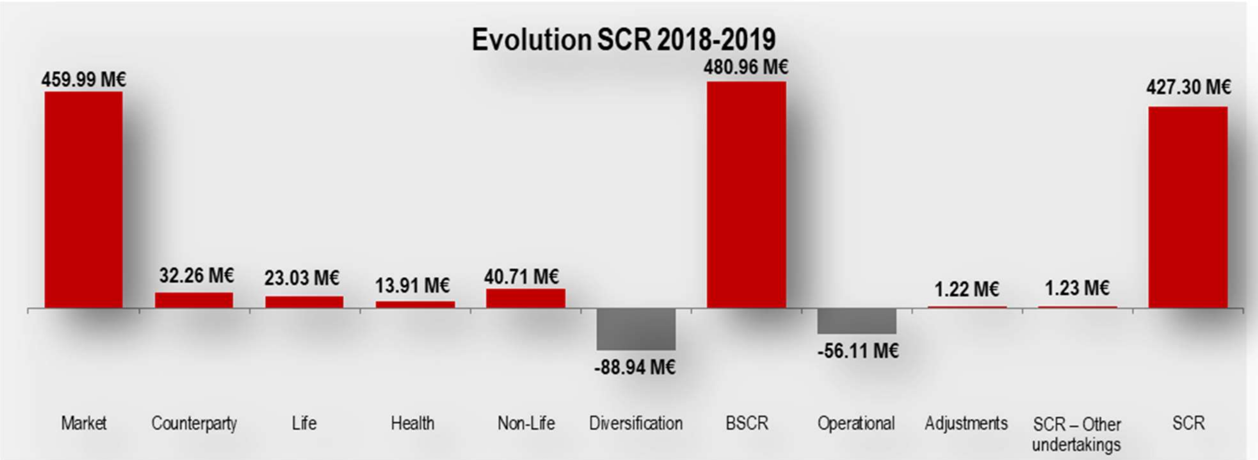
Various risk mitigation techniques are in use, or are being studied, at Fidelidade, for a set of risks to which Longrun is exposed.

Risks which do not fall within the standard formula are identified as part of the ORSA process.

In 2018, the group concluded the project it had in progress seeking to recognise adjustment for the loss-absorbing capacity of deferred taxes not only relating to the impact on deferred tax liabilities from the previous year, but also the impact on deferred tax assets, in this case using exclusively the effect deriving from temporary differences and not the recovery of tax losses.

It was also decided to limit the impact of the adjustment for the loss-absorbing capacity of deferred taxes, in the component that would imply an increase in deferred tax assets, as follows: the sum of the net current deferred tax asset and the adjustment cannot be greater than 15% of the SCR, considering that, in the event of the underlying scenario occurring, this would be the eligibility limit since it corresponds to Tier 3 own funds.

During the period covered by this report, there was an increase in Longrun's risk profile, consolidated in an increase in the solvency capital requirement (SCR) of around EUR 427 million, when compared with the figure at 31 December 2018.



This increase was mostly due to the evolution of the market risk.

The increase in the group's exposure to fixed income instruments, in particular corporate debt, combined with a lower exposure to sovereign debt of EU member states, and other similar debt, which has zero shock, largely explains the increase in the spread risk. Of the recorded change, EUR 185.2 million derives from exposures of the insurers in the Fid Perú group.

The change in the property risk is explained by the significant increase in exposure to property assets of around EUR 629 million. Of the recorded change, EUR 55.5 million derives from exposures of the insurers in the Fid Perú group.

The decrease in concentration risk is explained predominantly by the decrease in exposure to Caixa Geral de Depósitos.

The change in the currency risk is mostly explained by the increased exposure to some currencies for which there is no currency hedging and to increased unhedged exposure to the Hong Kong dollar. This increase was partly offset by the decrease in the amount relating to residual risk calculated in relation to the exposures to foreign currency hedged by risk mitigation techniques.

The other risks in the Market Risk module, the interest rate and equity risks, had much less significant changes.

The change in the counterparty default risk reflects the impact of inclusion of the insurers in the Fidelidade Peru Group.

The change in the life underwriting risk capital requirement is explained for the most part by the change in the longevity risk. This change is mainly due to the inclusion in the portfolio of annuities arising from the acquisition of La Positiva Vida.

The change in the health risk results from the inclusion of the insurers in the Fidelidade Peru Group and the natural evolution of the business in the other locations.

The change in the capital requirement for the non-life risk is basically the result of the increase in the Premiums and Reserves sub-module, due to the impact of the inclusion of La Positiva and the increase in business.

Valuation for solvency purposes

A description is provided of the bases, methods and main assumptions used for the valuation of assets for solvency purposes, and how these compare with those used in the financial statements. This information is divided into financial assets, real estate assets and other assets.

Recoverable amounts from reinsurance contracts and special purpose vehicles are also presented.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Financial assets	16,459,185	16,452,997	**6,188**	**13,115,809**
Real estate assets	717,299	714,361	**2,938**	**1,776,967**
Other assets	1,348,727	1,555,182	**-206,455**	**1,689,704**
Reinsurance recoverables	300,673	355,674	**-55,001**	**201,074**
Total	**18,825,884**	**19,078,214**	**-252,330**	**16,783,554**

The main differences are in the following classes of assets

Holdings in related undertakings, including participations

The difference (EUR -5,931 thousand) results from the valuation, for solvency purposes, of unlisted subsidiaries using the Adjusted Equity Method (AEM).

The total difference includes (among other less relevant impacts) the impact of the valuation of Luz Saúde using the Adjusted Equity Method (AEM) (the value of this holding for solvency purposes decreased by EUR 161,709 thousand) and of the valuation of Fidelidade Property Europe (increase of EUR 141,978 thousand in the solvency valuation). Also of note is the impact of reclassification of an ongoing investment, which is classified under an Other investments heading in the financial statements and, due to its nature, is classified under Solvency II as a holding.

Government bonds

The difference (EUR 26,535 thousand) results from the difference between the market value and the amortised cost in securities classified as held to maturity.

Collective investment undertakings

The difference (EUR 5,123 thousand) is the funds valuation adjustments where the look-through approach was applied. In the financial statements, the available valuation at the close of accounts date was considered. In some funds this did not correspond to the year-end valuation. For Solvency II purposes, it was possible to consider year-end valuation that was made available in the meantime by the collective investment undertakings.

Derivatives

The difference (EUR -1,086 thousand) is largely the result of splitting the heading into assets balance and liabilities balance. The level of detail in Solvency II was greater than that in the financial statements. This effect is also reflected in the corresponding account in liabilities.

Other investments

The difference (EUR -16,889 thousand) is the result of reclassification of an ongoing investment, which in the financial statements is classified under Other investments and, due to its nature, is classified as an equity holding under Solvency II, as previously mentioned in "Holdings in related undertakings, including participations".

Goodwill and Deferred acquisition costs

The difference (EUR -192,353 thousand) is due to the fact that the value of these assets for solvency purposes is zero.

Intangible assets

In order for these assets to have a value in the balance sheet for solvency purposes, they must be able to be sold separately and, moreover, it would be necessary to demonstrate that there is an active market in which similar intangible assets are traded. Given that the group's assets considered in this class do not meet these requirements, their value for solvency purposes is zero (EUR -119,871 thousand).

Deferred tax assets

The difference (EUR 139,442 thousand) results from the application of the tax rate to losses with taxable temporary differences implicit in the balance sheet for solvency purposes, that is, after adjustments with a negative impact on own funds.

Insurance and intermediaries receivables

The difference (EUR -34,829 thousand) relates to receivables for reimbursement of amounts paid out in claims. This amount is considered in the Non-Life technical provisions, given that its valuation for solvency purposes is net of these receivables.

The differences between the amounts for solvency purposes in 2018 and those in 2019 reflect the evolution of Longrun's activity in the period covered by this report and the inclusion of Fidelidade Peru, as no changes were made to the bases, methods and main assumptions used for the valuation of the assets for solvency purposes.

A description is provided of the bases, methods and main assumptions used for the valuation of technical provisions for solvency purposes, and how these compare with those used in the financial statements. This information is segmented into Life, Non-Life, Health – SLT (Similar to Life Techniques) and Health NSLT (Not Similar to Life Techniques).

Of its subsidiaries, only Fidelidade applied the transitional measure, pursuant to Article 25 of Law No. 147/2015, of 9 September, to technical provisions for liabilities similar to life regarding the homogeneous risk groups "Capital redemption products", with and without profit-sharing, and "Health – SLT", related to liabilities with workers' compensation contracts.

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life	12,324,380	12,421,343	-96,963	10,894,672
Non-Life	1,010,767	1,296,201	-285,434	827,221
Health – SLT	1,131,343	954,198	177,145	898,998
Health – NSLT	308,579	309,299	-720	221,320
Total	**14,775,069**	**14,981,041**	**-205,972**	**12,842,211**

The main differences result, on the one hand, from the use of different bases, methods and main assumptions for the valuation of the technical provisions for solvency purposes and in the financial statements, and, on the other, from the application of the transitional measure mentioned above.

The differences between the amounts for solvency purposes in 2018 and those in 2019 reflect the evolution of Longrun's insurance business in the period covered by this report and the inclusion of Fidelidade Peru, as no changes were made to the bases, methods and main assumptions used for the valuation of other liabilities for solvency purposes.

Pursuant to Article 25 of Law No. 147/2015, of 9 September, Fidelidade applied the transitional deduction to technical provisions on the first day of 2018. The table below shows the amount of that deduction at 31 December 2019:

Amounts in thousand euros

Lines of business / Homogeneous risk groups		Transitional Deduction				Difference
		Amount at 1/1/2016	Decrease	Amount at 31/12/2018	Recalculation 1/1/2019	
29 and 33	Life insurance liabilities - Health – SLT	325,545	-40,693	284,852	256,882	**-27,970**
30	Life insurance liabilities - Insurance with profit sharing - Capital redemption products	205,508	-25,689	179,819	137,145	**-42,674**
32	Life insurance liabilities - Other liabilities similar to life - Capital redemption products	393,792	-49,224	344,568	192,764	**-151,804**
Total		**924,845**	**-115,606**	**809,239**	**586,791**	**-222,448**

A comparison is also provided between the valuation of other liabilities for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Liabilities	Solvency II	Financial statements	Difference	Solvency II previous year
Other liabilities	1,319,557	1,091,234	**228,323**	**1,167,959**
Total	**1,319,557**	**1,091,234**	**228,323**	**1,167,959**

The main differences are in the following classes of liabilities:

Deferred tax liabilities

The difference (EUR 231,047 thousand) results from the application of the tax rate to gains with taxable temporary differences implicit in the balance sheet for solvency purposes, that is, after adjustments with a positive impact on own funds.

Derivatives

The difference (EUR -1,164 thousand) is largely the result of splitting the heading into assets balance and liabilities balance. The level of detail in Solvency II was greater than that in the financial statements. This effect is also reflected in the corresponding account in assets.

Financial liabilities other than debts owed to credit institutions

The difference (EUR 8,157 thousand) corresponds partly to the La Positiva PUT Option of EUR 85,752 thousand, which is valued at EUR 93,909 thousand under SII.

Insurance and intermediaries payables

The difference (EUR -6,433 thousand) relates to payables for reimbursement of amounts paid out in claims. This amount is considered in the Non-Life technical provisions, given that its valuation for solvency purposes is net of these payables.

Reinsurance payables

The difference (EUR -4,177 thousand) relates to reinsurance ceded payables for reimbursement of amounts paid out in direct insurance claims. For solvency purposes these payables are included in the Health – NSLT technical provisions (EUR 6,697 thousand), the valuation of which was net of these.

The differences between the amounts for solvency purposes in 2018 and those in 2019 reflect the evolution of Longrun's insurance business in the period covered by this report and the inclusion of Fidelidade Peru, as no changes were made to the bases, methods and main assumptions used for the valuation of other liabilities for solvency purposes.

Capital Management

Method 1 (accounting consolidation-based method) described in Article 270 of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September, was used to calculate the group's solvency, using the net data of any intra-group transactions.

The table below presents a comparison between the own funds, as these are set out in Longrun's financial statements, and the excess of assets over liabilities calculated for the purposes of solvency:

Amounts in thousand euros

	Solvency II	Financial statements	Difference	Solvency II previous year
Assets	18,825,884	19,078,214	-252,330	16,783,554
Technical Provisions	14,775,069	14,981,041	-205,972	12,842,211
Other liabilities	1,319,557	1,091,234	228,323	1,167,959
Excess assets over liabilities	**2,731,258**	**3,005,939**	**-274,681**	**2,773,384**

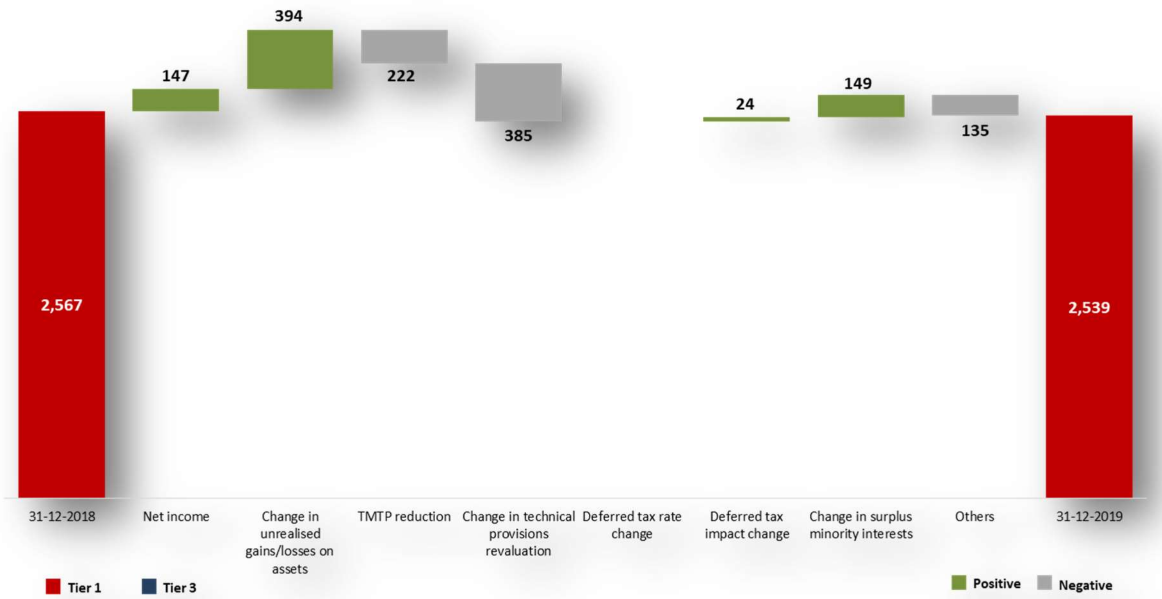
Regarding the structure, amount and tiering of basic own funds, Longrun does not have any ancillary own funds and all the basic own funds are classified as Tier 1.

The table below shows the amounts of own funds available and eligible to meet the solvency capital requirement (SCR) and the minimum capital requirement (MCR), classified by tier, relating to 31 December 2019 and 31 December 2018:

Amounts in thousand euros

	Eligible own funds to meet					
	SCR				MCR	previous year
	with financial sector	previous year	without financial sector	previous year		
Tier 1	2,538,859	2,668,592	2,538,405	2,668,592	2,538,405	2,668,592
Tier 2	0	0	0	0	0	0
Tier 3	0	0	0	0	0	0
Total	**2,538,859**	**2,668,592**	**2,538,405**	**2,668,592**	**2,538,405**	**2,668,592**

The graph below shows the main changes to Longrun's available own funds during the period covered by this report (amounts in million euros):



TMTP – Transitional measure on technical provisions

When calculating the Solvency Capital Requirement (SCR), the Companies in Longrun's insurance business use the standard formula and do not apply any internal model.

On the other hand, the Companies in Longrun's insurance business applied the transitional measure applicable to the equity risk set out in Article 20(2) and (3) of Law No. 147/2015, of 9 September.

Calculation of capital requirements of the currency risk sub-module and the counterparty default risk module includes the effect of hedging of exchange rate exposure of assets held in portfolio denominated in American dollars (USD), Hong Kong dollars (HKD) and Pounds sterling (GBP), via the use of futures and forwards exchange contracts.

To hedge the exchange rate exposure of assets in portfolio denominated in Yens (JPY) and Canadian Dollars (CAD) the Group used exchange rate forwards, and the effect of these was also reflected in those capital requirements.

The consolidated group solvency capital requirement (SCR) and the minimum consolidated group solvency capital requirement (MCR), and the respective coverage ratios, relating to 31 December 2019 and 31 December 2018, were:

Amounts in thousand euros

	Capital Requirements	Capital Requirements previous year	Coverage Ratio	Coverage Ratio previous year
SCR	2,014,961	1,587,656	126.00%	161.68%
SCR without financial sector	2,014,961	1,587,656	125.98%	161.64%
MCR	652,546	494,554	389.00%	518.91%

This fall in the coverage ratios is the result of a significant increase in the solvency capital requirement (SCR) largely due to the inclusion of Fidelidade Peru.

Lastly, it should be stressed that if Longrun did not apply the transitional deduction to technical provisions, the consolidated group solvency capital requirement (SCR) coverage ratio would be 104.31%.

A. Business and Performance

No activities or other significant events with a material impact on the Group occurred during the period covered by this report.

Notwithstanding, comparisons with the information included in the 2018 report are presented throughout this chapter.

A.1. Business

A.1.1. Name and legal form

Longrun Portugal SGPS, S.A. ("Longrun" or "Company"), with its head office in Lisbon, at Largo de São Carlos no. 3, was set up on 13 February 2014 and has as its corporate purpose the management of shareholdings in other companies, as an indirect means of exercising economic activities. From this date, it became part of the Group Fosun International Holdings Ltd.

A.1.2. Supervisory authority responsible for supervision of the group

The Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF, the Portuguese Insurance and Pension Funds Supervisory Authority), with its head office at Av. da República, 76, 1600-205 Lisbon, is the national authority responsible for the regulation and supervision of insurance, reinsurance, pension funds and respective management companies and insurance mediation companies, from both a prudential and a market conduct point of view.

For the purposes of supervision of Insurance Groups, the ASF is also the supervisor of the Longrun group.

A.1.3. Statutory auditor

The Statutory Auditor, at 31 December 2019, is Ernst & Young Audit & Associados – SROC, S.A., registered with the Portuguese Securities Market Commission under license no. 20161189 and represented by its partner Ricardo Nuno Lopes Pinto, Statutory Auditor no. 1579.

The Statutory Auditor was appointed on 15 May 2014 to perform its duties until the end of the three-year period 2014/2016 and was reappointed to perform its duties until the end of the three-year period 2017/2019.

A.1.4. Holders of qualifying holdings

The qualifying shares in Longrun's share capital, at 31 December 2019, are set out in the following table.

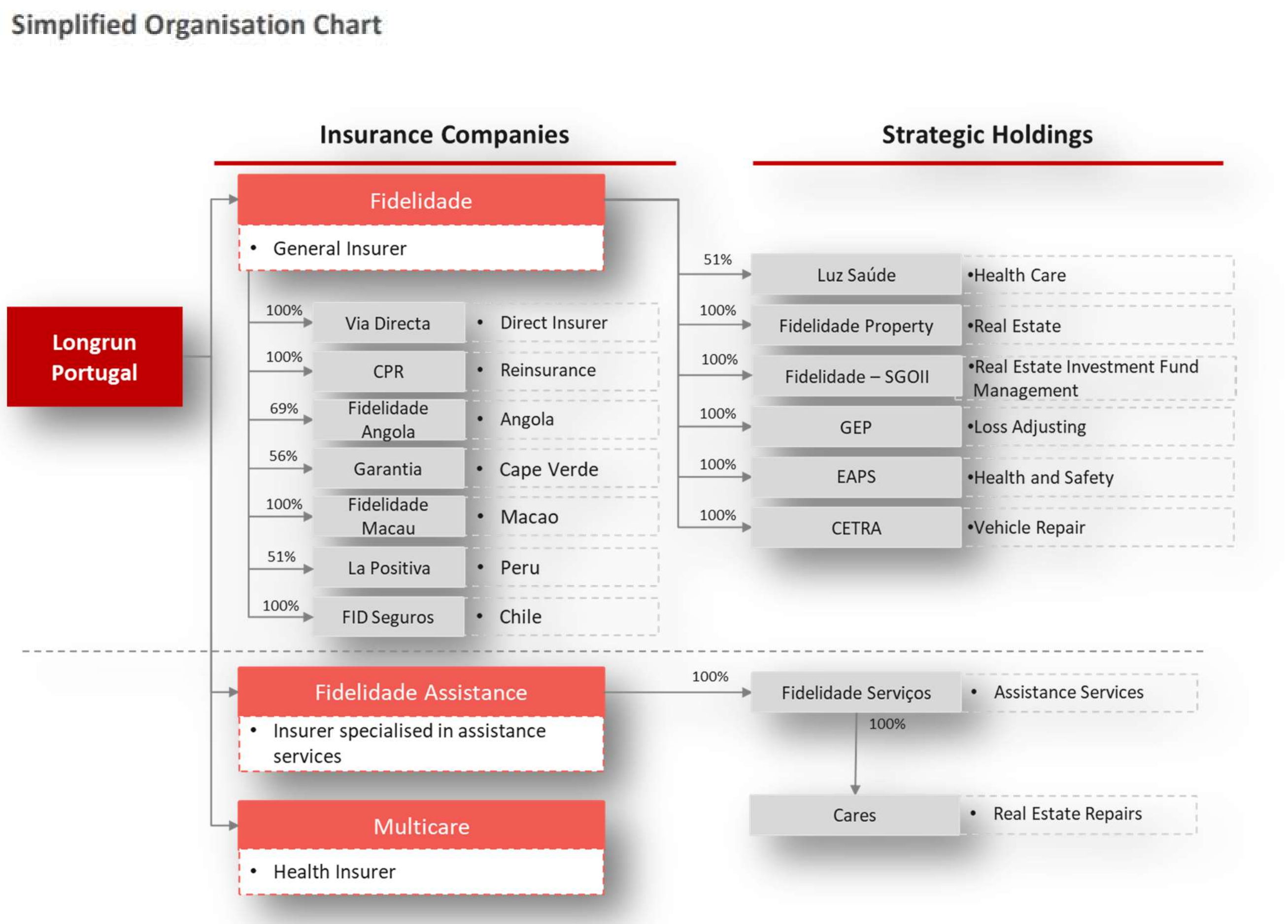
Shareholder	Number of Shares	% Share Capital	% Voting Rights	Source and Causes of Attribution
Millennium Gain Limited	50,000	100%	100%	Constitution
Total	**50.000**	**100%**	**100%**	**-**

A.1.5. Insurance group structure

Longrun operates in the Portuguese market through its different insurance companies (Fidelidade, Via Directa and Companhia Portuguesa de Resseguro). It also has a presence in the international market through Fidelidade branches (in Spain, France, Luxembourg, Macao-Life Segment, and Mozambique) and through its insurance subsidiaries, Fidelidade Angola, Garantia, Fidelidade Macao (Non-Life segment), the La Positiva Group and Fid Chile.

Lastly, Longrun has, through Fidelidade and Fidelidade Assistência, shares in companies providing related services, for example Luz Saúde, the leading healthcare provider group in Portugal.

These interests are in line with an approach of vertical integration in the insurance sector and fit within the strategy of guaranteeing operational excellence and quality of the service provided throughout the value chain and of increasing the Group's position as a global service provider of people protection.



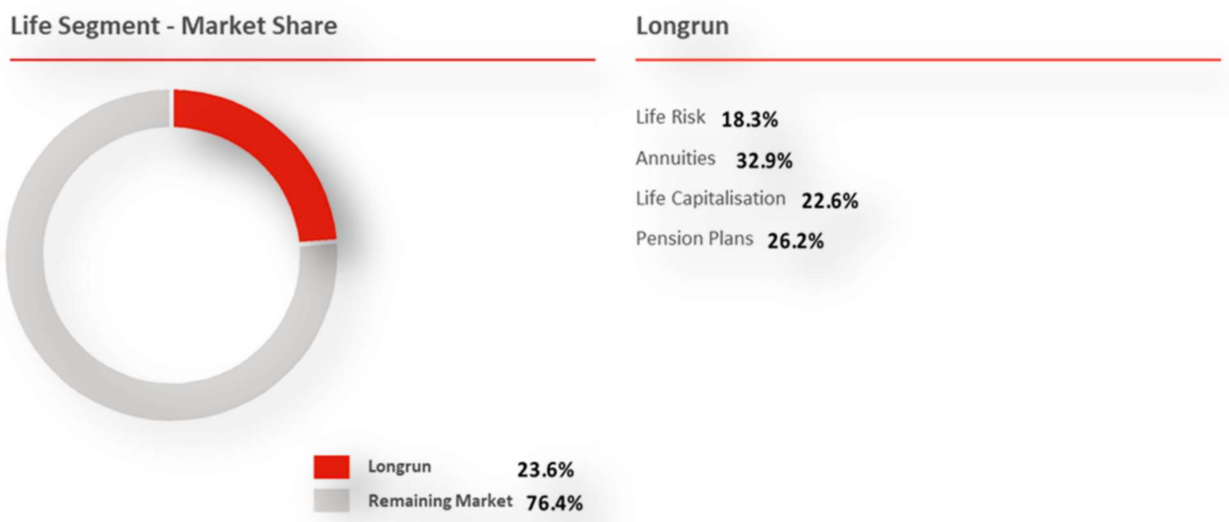
A.1.6. Group business

Longrun's insurance business acts globally in the Portuguese insurance market, selling products across all lines of business, adopting a multi-brand strategy and operating through the largest commercial network in the country, including increasing growth of remote channels.

In 2019, Longrun's insurance business held its position as market leader in both the Life and Non-Life segments, recording an overall market share of 25.5% in the Portuguese market, although this corresponds to a decrease of 9.2 pp compared to the previous year, originating from the financial products component.

In the Life segment, which is heavily influenced by the behaviour of financial products, it is important to highlight that Longrun's insurance business increased its market share for Life Risk products.

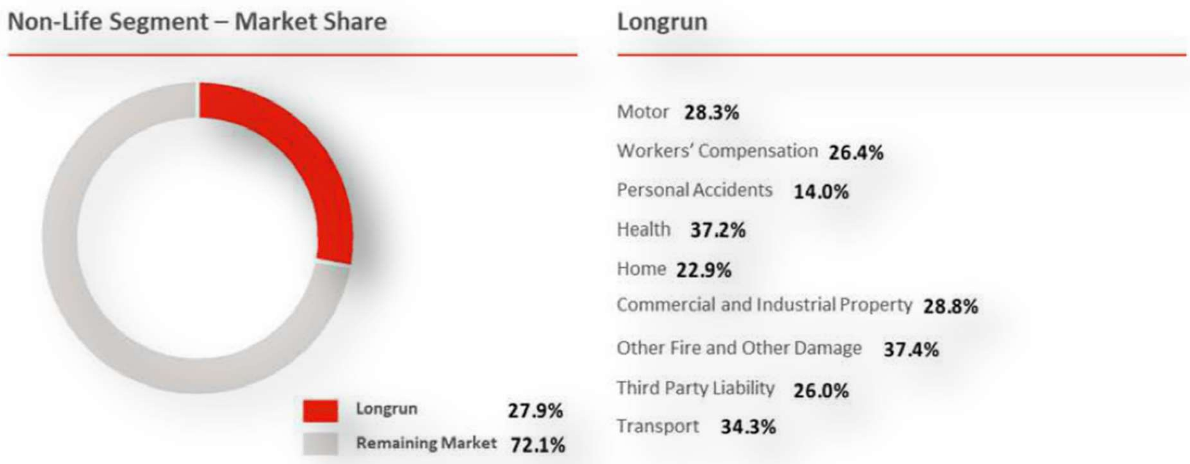
In fact, the success recorded for Life Risk products reflects not only the recent evolution in mortgages, but also the success of the focus on new solutions adapted to the current social and economic context. 2019 also saw further consolidation of the success of both the *Proteção Vital da Família* product, an innovative life insurance that accompanies families throughout their life cycle, and the *Proteção Vital 65+* product, an insurance dedicated to the needs of the over-65s.



In the Non-Life segment, the commercial performance of Longrun's insurance business in the Portuguese market surpassed the positive trend of the market as a whole, with Longrun strengthening its market share by 0.4 pp to 27.9%.

This evolution reflects the positive performance of virtually all the lines of business. Of particular note was the increase in share in some highly competitive lines of business, in particular Workers' Compensation (+0.3 pp), Motor (+0.3 pp) and Health (+0.6 pp).

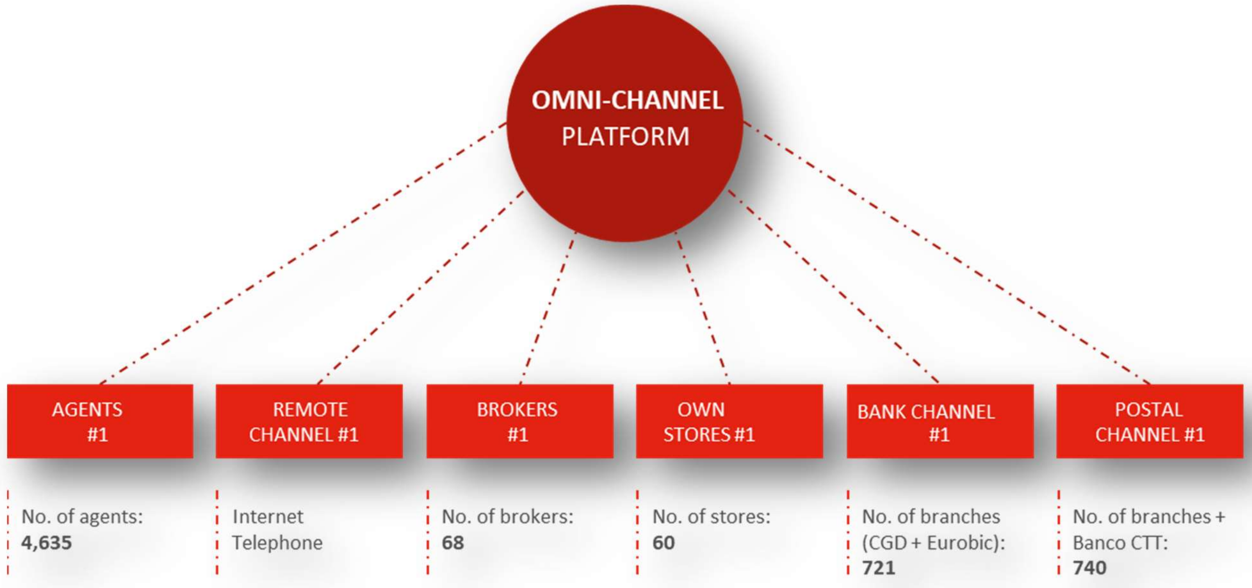
The performance of Longrun's insurance business, through its insurance holdings, enabled it to consolidate its position of leadership in all lines of business, and it remained the clear market leader in Non-Life insurance in Portugal.



Distribution Network

Longrun's insurance companies sell products in all business segments through the largest and most diversified distribution network of insurance products operating in the Portuguese market: Fidelidade own stores; agents; brokers; CGD and Eurobic bank branches; the CTT (postal service and bank); internet and telephone channels.

This large distribution network and its geographical presence throughout the country allow us to be close to our clients, offering services which are increasingly customised and differentiated.



Capitalising on its strong presence in the various distribution channels, Longrun's insurance business has been developing an Omni-Channel strategy, ensuring a coherent range of products and a perception of integration by the consumer, regardless of the channel being used, linked to extensive regional penetration, which can provide more personalised services that also enhance proximity.

Longrun's offer of brands

Longrun´s insurance business has a wide range of products and services available to its clients, resulting from its vast accumulated experience and from the constant search for insurance innovations.

The offer includes Life insurance (Risk, Annuities and Financial) and Non-Life insurance, which includes, among many others, products such as Motor Insurance, Workers' Compensation, Health and Home Insurance, complemented by a unique range of assistance in the different areas.

Longrun´s insurance business has also been developing a number of new products to offer more wide-ranging and innovative solutions. These include Fidelidade Pets, covering household pets, that reflects an effort to diversify the product range with a focus on the Family, and the *Proteção Vital 65+* insurance, designed for the over-65s.

In the corporate sector, the Group has launched Fidelidade Cyber Safety, a solution that seeks to safeguard companies' financial stability in the wake of a cyber-attack, representing further diversification in the products offered to Small and Medium-Sized Enterprises.

At the same time, after observing market dynamics and trends and focusing on satisfying clients' needs, Longrun´s insurance business has sought to identify and develop innovative solutions and business models, creating new value propositions in the different sectors where it provides insurance (Home, Mobility, Health, Leisure and Entertainment).

Of particular note here is the launch of the Smart Drive project, in the area of digital mobility, in partnership with Brisa, which includes telematics-based insurance products and mobility insurance for Via Verde clients.

Longrun's insurance companies in Portugal reach clients through three different brands: Fidelidade, Multicare and Ok! Teleseguros.

FIDELIDADE SEGUROS DESDE 1808	• Life and Non-Life products • Benchmark brand focused on all channels
MULTICARE FIDELIDADE	• Health Insurance • Broad offer of health insurance
OK! teleseguros	• Online sales of insurance • Focus of Non-Life products (ex. Motor, Property) sold through the remote channel

Focus on Operational Excellence and Service Quality

A focus on operational excellence and service quality has long been a priority, with a strong impact in terms of client satisfaction. The skill of the companies in Longrun's consolidation perimeter in these areas has been identified and recognised by clients.

In recent years, Longrun is proud to have had its subsidiaries recognised on several occasions as a brand of reference for the Portuguese. Fidelidade is the insurance company which has won the most awards in Portugal. These awards are the result of the path that Longrun has followed, in deciding that its insurance companies must be made up of people thinking about people.

SUPERBRANDS PORTUGAL 2019
Fidelidade and Multicare attained the status of Superbrands 2019

MARKTEST 2019
Brand with the Best Reputation in the Insurance category (Fidelidade)

MARKTEST 2019
Brand with the Best Reputation in the Health Insurance category (Multicare)

MARKTEST 2019
Brand with the Best Reputation in the Remote Channels category (OK! Teleseguros)

CONSUMERS' CHOICE 2019
OK! Teleseguros was the consumers' choice in the Remote Channels category

CONSUMERS' CHOICE 2019
Fidelidade was the consumers' choice in the Insurance category

EXCELLENTIA CONSUMERS' CHOICE 2019
Fidelidade was the Excellentia 2019 consumers' choice, an award given to the best Customer-Centric company

TRUSTED BRAND 2019
The Portuguese voted Fidelidade a Trusted Brand in 2019

FIVE STARS AWARDS
OK! Teleseguros received the Five Stars 2019 award in the "Remote Channels" category

MARKETEER AWARDS
The Fidelidade brand received the most votes in the Insurance category

PORTUGAL DIGITAL AWARDS 2019
The "Smart Drive" project, a partnership between Fidelidade and Brisa, was distinguished in the Best Digital Product & CX category

International Presence

Longrun´s international insurance business is an important means of sustained growth and pursuit of its medium and long-term goals. The Group currently operates in four continents and ten countries, with several business units, including local branches, representative offices and subsidiaries.

Initially, the process of internationalisation sought, in particular, to take advantage of markets with which Portugal had greater economic, cultural and language ties. From 2014, with the change in the shareholder structure, the Chinese community also became a priority in terms of developing the international business.

In recent years, with an additional focus on value creation, Longrun has been analysing specific opportunities for international expansion in countries with an attractive growth potential and where the Group can use the experience and knowledge it has gained over the last 200 years, in order to add value.

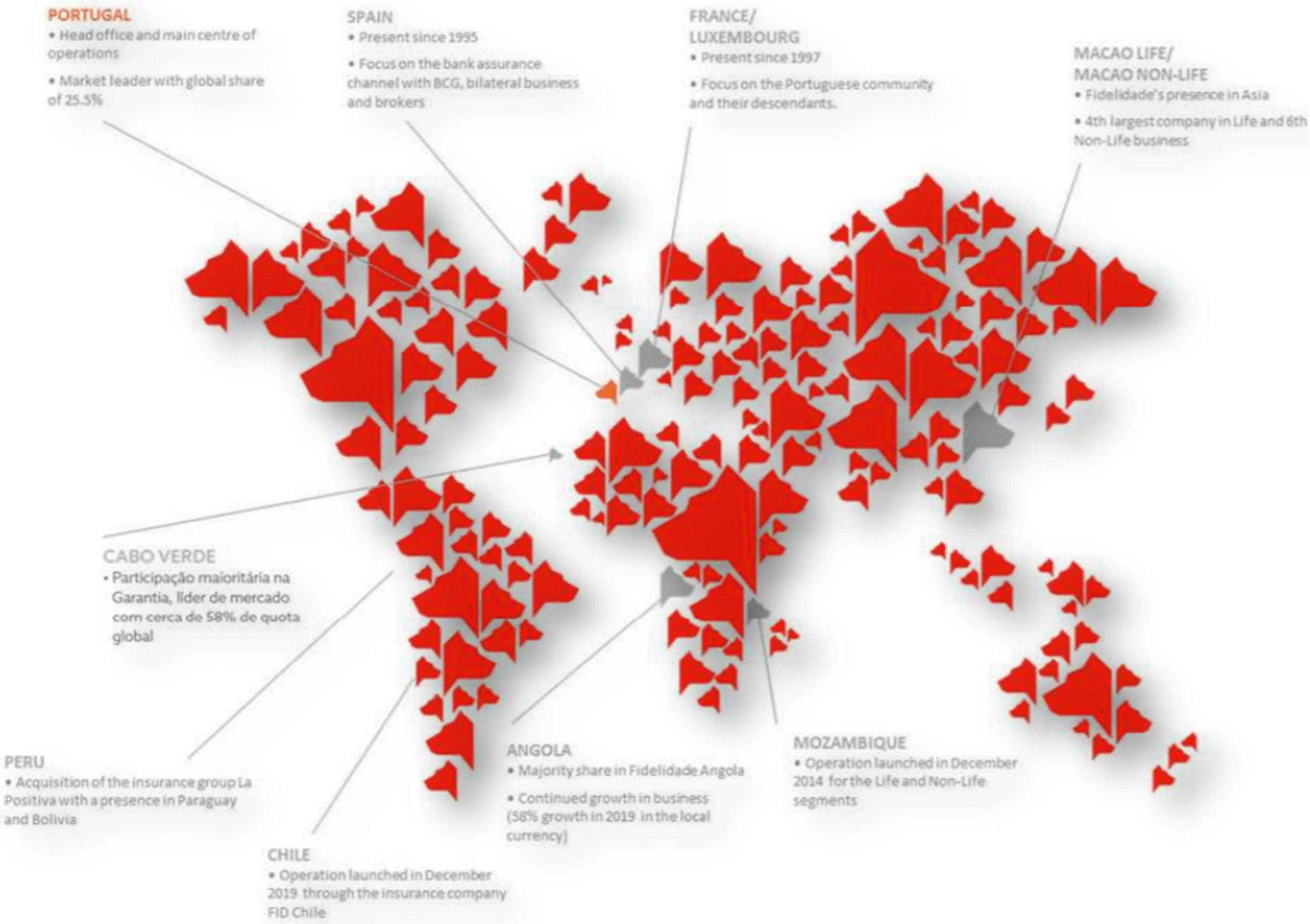
These growth efforts have produced sound results and the international business currently accounts for a significant part of the Group's overall turnover. In 2019, Longrun's insurance business entered a new continent, South America, when it acquired a majority stake in the La Positiva Insurance Group, which has a leading position in Peru and also operates in Bolivia and Paraguay, as well as also creating a new insurer in Chile.

The acquisition of such a large company in a new market for the Group is significant in consolidating the internationalisation strategy, at a turning point from the previous focus on Portuguese-speaking markets. With the inclusion of these companies in Longrun, the number of Spanish-speaking staff and clients in the Group is similar to that of their Portuguese-speaking counterparts.

Longrun regards internationalisation as a strategic priority to diversify business, create synergies and transfer innovation between companies and, above all, between markets.

However, it is also a commitment to developing markets where Longrun decides to operate, in terms of both developing people and creating infrastructures or providing services and solutions to the people, while always remaining aware that each operation must be financially and operationally sustainable.

Longrun Portugal, SGPS, S.A.



A.1.7. Events summary 2019

JANUARY	**La Positiva – Peru:** Completion of the process to acquire the La Positiva group, marking Fidelidade's entry into the Latin American market. **Fidelidade Access | Digital Clients Panel**: creation of a Facebook group with the aim of inviting clients to share ideas, opinions and suggestions on products and services and also Fidelidade's communication campaigns **Accidents Medical Care Unit – Coimbra**: Opening of a new healthcare provider within the area of workers' compensation, in Coimbra
FEBRUARY	**Fidelidade Cyber Safety**: launch of a new product aimed at Small and Medium-sized Enterprises that wish to safeguard their financial stability in the wake of a cyber-attack **Fidelidade Automóvel - New classic car product**: Launch of a new product aimed at clients who, in addition to their regular vehicle, own classic cars with the following features: quality, historical importance, rarity, or exclusivity
MARCH	**Fidelidade Studio:** Inauguration of a new space at the Campus of Nova School of Business and Economics, in Carcavelos, which seeks to create a new experience and increase proximity between the younger generation and the insurance sector
APRIL	**Artificial Intelligence (AI):** In partnership with Culturgest, organisation of the Cycle of Conferences "Artificial Intelligence: Applications, Implications and Speculations" to promote examination and reflection on current applications of Artificial Intelligence **Faustudo App:** Launch of the pilot project "Faustudo", an application for the provision of services in the home, which is fully digital, including to receive quotes, submit requests, make payments and evaluate service providers
MAY	**Brisa Partnership:** Establishment of a partnership with Brisa in the area of social mobility, covering telematics-based insurance products and mobility insurance for Via Verde clients **Multicare - 1 Million People:** Launch of a new communication campaign to commemorate reaching 1 million Health clients, making Fidelidade the No. 1 health insurer in Portugal
JUNE	**Multicare Santé:** Launch of the new product Multicare Santé, health insurance designed for the French community in Portugal that guarantees payment of health expenses as a complement to reimbursements from French Social Security **Real Estate Project Award:** The new offices of the law firm Vieira de Almeida & Associados, a project by Fidelidade Property, won the award in the sub-category "Urban Rehabilitation Offices" in the first edition of the *Expresso* and *SIC Notícias* Real Estate Awards

JULY	***A Fidelidade continua com Portugal***: Launch of the communication campaign "*A Fidelidade continua com Portugal*" [Fidelidade keeps going with Portugal], which was tailored to each of the different regions of Portugal with the aim of strengthening the brand's close relationship with every client and enhancing the commercial network throughout the country **China Reinsurance Partnership:** Establishment of a cooperation agreement with China Reinsurance, the largest reinsurer in China, which will allow Fidelidade to diversify its business scope and develop new international corporate growth opportunities
AUGUST	**GEP Cape Verde:** Start of "GEP Cabo Verde"'s international business, as a result of the expansion of the Fidelidade Group's loss adjusting management firm - GEP **Summer Festivals:** Fidelidade was the official insurance company at several summer festivals, including NOS Alive, NOS Primavera Sound and Vodafone Paredes de Coura
SEPTEMBER	**Just in Case:** Launch of the pilot project "Just in Case", an application that helps travellers prepare and plan their trips and provides assistance and travel insurance functions on demand **Cascais Padel Masters:** Fidelidade, together with Multicare, was the Official Insurer of the Cascais Padel Masters, a competition which is part of the World Padel Tour
OCTOBER	**Television Programme "*Por Falar Nisso*" [Speaking of Which]:** Multicare launched a television programme in partnership with Júlio Machado Vaz, a well-known professional in the field of psychiatry, with the aim of promoting careful and proactive reflection on the main issues, challenges and behaviours of modern society ***Pensar Maior* 2019 [Think Bigger 2019]**: Fidelidade held a national meeting of staff, shareholders and partners all in one place with the aim of enhancing the Group culture, summing up the decade and preparing for the future
NOVEMBER	**Fidelidade Automóvel – reformulation**: Restructuring of the motor product range with the aim of providing a solution for different client profiles and responding to their real needs **Legal Team Award:** Fidelidade's legal team was distinguished as "In-house Legal Team of the Year" in the insurance industry in the Iberian Peninsula in the III Edition of Iberian Lawyer's Gold Awards
DECEMBER	**Arya Real Estate portfolio**: Fidelidade sold the Arya portfolio of real estate assets that included several buildings used by central services, which will be relocated to the new headquarters being built at Entrecampos. **Fid Seguros - Chile:** Fidelidade continued its international expansion with the opening of FID Seguros in Chile, thereby strengthening its position in the Latin American market

A.2. Underwriting performance

A.2.1. Evolution of the Portuguese insurance market

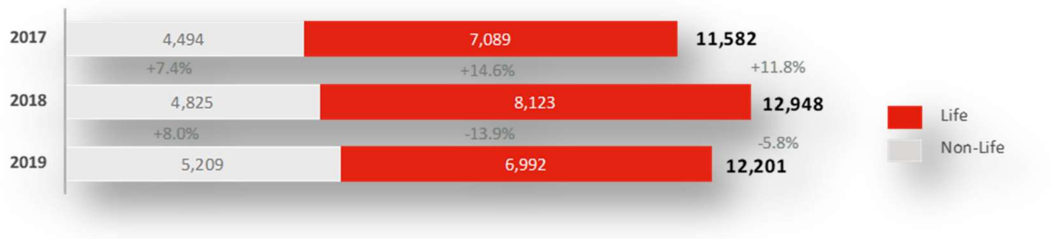
Evolution of the Portuguese Insurance Market

In 2019, following two consecutive years of growth, the Portuguese insurance sector recorded a decline in total direct insurance premiums, which stood at EUR 12.2 billion (a decrease of 5.8% compared to the previous year).

The Life segment, which recorded a decrease of 13.9% to EUR 7.0 billion, was the main catalyst for the decline in premiums recorded in the sector as a whole. After two consecutive years of growth (14.6% in 2018 and 6.2% in 2017), total premiums in this segment contracted once again in 2019, reflecting the performance of financial products.

Meanwhile, in contrast to the evolution in the Life segment, total premiums in the Non-Life segment continued the upward trend seen in recent years (7.1% in 2017 and 7.4% in 2018), recording a premiums increase of 8.0% compared to the previous year, with direct insurance premiums rising to EUR 5.2 billion.

Portuguese Insurance Market



Unit: million euros
Source: ASF

Evolution of the Life insurance market in Portugal

In 2019, the Life segment recorded a drop in direct insurance premiums of 13.9% compared to the previous year, which represents a decrease in premiums of around EUR 1.1 billion to EUR 7.0 billion. The performance of financial products was the main cause for this decline in total premiums for this segment.

Of note is the fall in contributions for products not linked to investment funds, which fell significantly compared to the previous year, reflecting the current climate of low interest rates, combined with a decrease in families' savings rates and the current prudential regulations applicable to the sector (Solvency II) which are more sensitive to the risks inherent to financial guarantees.

Insurance linked to investment funds, which is less sensitive to the aforementioned macroeconomic and prudential context, also recorded a fall in premiums, albeit less accentuated.

Meanwhile, Life Risk products consolidated the growth trend seen in recent years, as a result of buoyancy in the real estate market and the corresponding increase in new mortgage agreements.

Life Insurance Premiums

Unit: million euros
Source: ASF

Evolution of the Non-Life insurance market in Portugal

The Non-Life segment maintained the positive evolution seen in recent years, confirming signs of the economic recovery that began in 2015. Premiums in this segment grew at a higher rate than in the previous year (+8.0%, compared to +7.4% in 2018) and this increase was seen across all the main lines of business.

Non-Life Insurance Premiums

Unit: million euros
Source: ASF

The Workers' Compensation line of business continued to display double-digit growth (+11.8%), reflecting the effect of growth in economic activity, with a positive impact on the wage bill and a decrease in the unemployment rate, as well as tariff adjustments that the Companies have been implementing in recent years to rebalance the technical results. This important development in recent years has meant that this line of business is now the second most important in the Non-Life segment (overtaking the Health line of business).

Total premiums in the Motor and Health lines of business also continued to grow in 2019, consolidating the trend seen in previous years.

The Health line of business, boosted not only by greater awareness among the population of the importance of health insurance as a complement to the National Health Service but also by employers' increasing inclusion of health insurance in employees' benefits plans, recorded growth of 8.7% (compared to 7.4% in 2018), bringing direct insurance premiums to EUR 877 million.

The Motor line of business, which is still by far the most important Non-Life line of business, also grew at a noticeable pace (7.0%), recording EUR 1.8 billion. This increase in premiums, essentially due to growth in the average premium associated with the rise in vehicle ownership, meant that the Motor line of business maintained its structural weight in the total Non-Life premiums (35% of all Non-Life premiums).

The Fire and Other Damage line of business, where Home Insurance products are particularly significant, displayed robust growth of 6.9%, with total premiums of EUR 906 million. Increases in business investment and buoyancy in residential construction in 2019 were important factors in this evolution.

The other less significant lines of business in the Non-Life segment also grew when compared to the previous year. Their aggregate increased 6.4%, totalling EUR 692 million.

A.2.2. Group performance

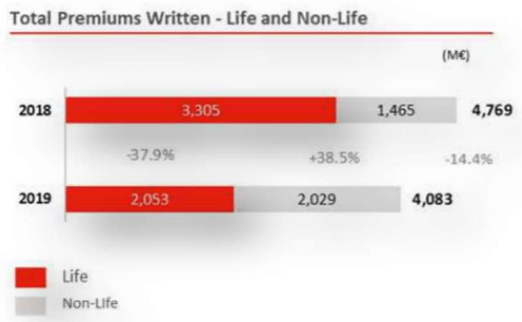
In 2019, a year marked by the trends previously referred to, the companies in Longrun's consolidation perimeter had positive performance, recording total premiums written of EUR 4,083 million.

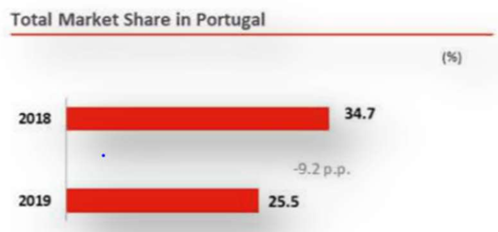
Key indicators in 2019 were:

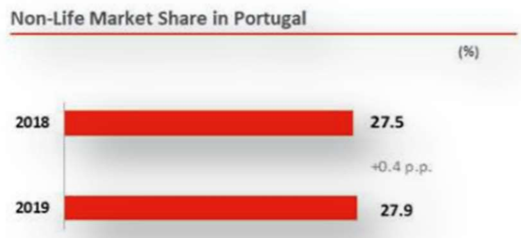
In Portugal, Longrun's insurance business registered EUR 3,109 million, which represented a decrease of 31.0% compared to 2018, originating from the Life segment and thus following the general trend in the market. This equated to a total market share of 25.5%, allowing Longrun, through its insurance companies, to maintain its position as market leader.

2019 was also marked by an important increase of 259.3% in premiums from the international business, which totalled EUR 974 million, reflecting, on one hand, strengthening of the existing international operations and, on the other, the contribution from the expansion into Latin America.

Longrun Portugal, SGPS, S.A.







Operational performance evolved positively in 2019, with the combined ratio falling from 97.2% to 96.5%, a decrease of 0.7pp.

Combined Ratio (*)

U: %

*Ratio adjusted to the technical costs of the insurance activity

Life Segment

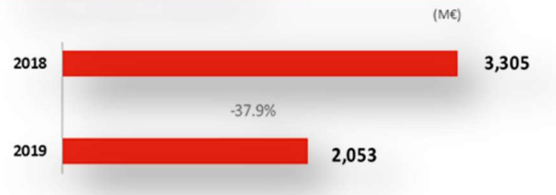
Key activity indicators – Life Segment

In 2019, Longrun's insurance companies saw a decrease in premiums in the Life segment, reflecting, on one hand, market conditions for financial products and the climate of low interest rates, and, on the other, the fact that in 2018 Longrun, through its insurance companies, recorded particularly high premiums, enabling it to achieve a market share of 39%.

Overall, Longrun's insurance business attained premiums of EUR 2,053 million, a decrease of 37.9% compared to 2018, as a result of business in Portugal, also reflecting the general decrease in the market.

Despite the fall in premiums, Longrun, through its insurance companies, remains the clear leader in the Portuguese market, with a market of share of 23.6%.

Total Premiums Written Life



Life Market Share in Portugal

Evolution of the Life segment by line of business

The Life segment is composed of Life Risk and Annuities products and Life Financial products, with the latter being responsible for the great majority of premiums, representing over 80% of the total.

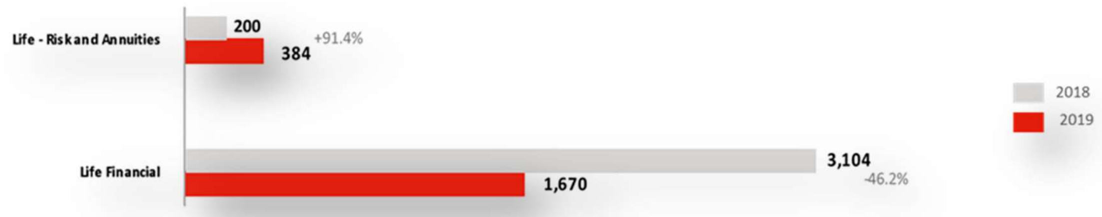
In 2019, growth in the Life Financial segment was the main catalyst for overall growth in the Life segment. In an environment dominated by low interest rates and a low rate of savings by families, Longrun followed the downward trend seen in the market in this segment.

On the other hand, of note this year is the positive performance in Life Risk and Annuities products, which grew in relation to 2018 to a total of EUR 384 million, benefiting both from increased sales of the "Proteção Vital 65+" product and from the positive contribution from the international business, resulting from the acquisition of a majority stake in the La Positiva Group.

Risk products are traditionally life insurance products associated with bank loans and mortgages, and these have therefore benefited from the upturn in the Portuguese economy that has enabled recovery of the real estate market and greater flexibility of the banks when granting credit.

Life Segment Premiums – Longrun's insurance companies

U: million euros



Evolution of the Life segment by distribution channel

The banking and postal channels continue to be the most significant for Life segment products. Compared to the previous year, these channels recorded a decrease of around 50%, following the general trend of falling premiums in the Life segment.

Focus on the bancassurance distribution model allowed the banking channel operation to continue to be a reference for Life products, offering products most suited to market needs.

On the other hand, there was consolidated growth in premiums from the international business, which tripled in relation to the previous year, heavily influenced by the positive contribution of the group's expansion into Latin America.

Life Segment

U: million euros

Distribution Channel	2019	2018	Var
Traditional	247	377	-34.5%
Bank and Postal	1,406	2,792	-49.6%
Longrun in Portugal	**1,653**	**3,169**	**-47.8%**
International	400	136	195.4%
Longrun	**2,053**	**3,305**	**-37.9%**

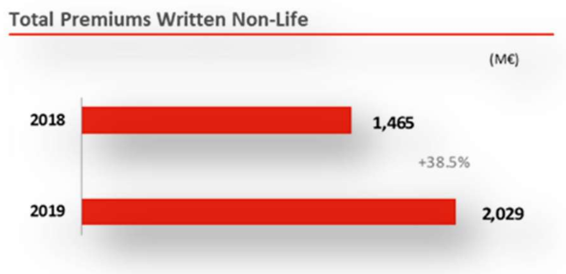
<u>Non-Life Segment</u>

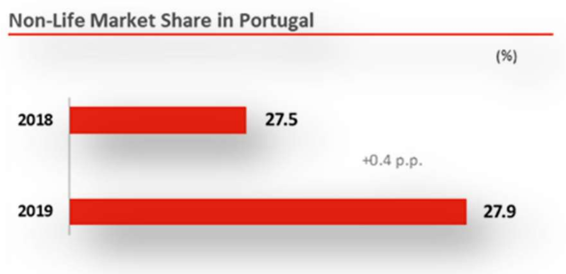
Key business indicators – Non-Life Segment

In 2019, Longrun's insurance companies recorded very positive performance in the Non-Life segment, with growth of 38.5% compared to the previous year, with premiums totalling EUR 2,029 million, as a result of both growth in the Portuguese market and the impact of the expansion into Latin America.

The commercial performance of Longrun's insurance companies in Portugal exceeded the positive trend of the market in general, allowing the leadership position to be strengthened and the market share to rise by 0.4 pp to 27.9%

Contributing to the Group's positive performance in the Non-Life segment was the enhancement of the range of products and services, with a strong emphasis on differentiation and innovation, and the creation of integrated solutions supported by the high level of vertical integration, responding to market expectations, in addition to the important contribution to the Non-Life portfolio from the Latin America operations.





Evolution of the Non-Life segment by line of business

Most of the Non-Life lines of business displayed positive performance throughout 2019, heavily influenced by the positive contributions both from the business in Portugal and from the expansion to the Latin American market.

The Workers' Compensation line of business displayed double-digit growth for the fifth year in a row, which, besides the positive contribution from the expansion to new markets, reflects the Group's competitive position in Portugal regarding capacity to respond, service levels, product quality and reputation.

The Motor line of business continues to be, clearly, the most significant activity in the Non-Life segment, representing around one third of the segment total. Through its insurance companies, Longrun recorded an important increase in premiums written in this line of business, as a result of both the improved structure of vehicle ownership in Portugal, based on the increase in numbers and their improved quality, and the positive contribution from the Latin America operation.

Restructuring of the "Fidelidade Automóvel" product, which is now more adjusted to different client profiles, the launch of the new product "Fidelidade Automóvel Clássicos", aimed at a more specific client segment, and the creation of the application for telematics-based insurance products (Smart Drive), in partnership with Brisa, also contributed to the positive performance of this line of business.

Health premiums also continued to rise, consolidating the position of the second most important line of business in the Non-Life segment. Contributing to this growth was the capacity to capitalise on the product and service innovations introduced in recent years, for example, the launch of Multicare 60+, an innovative health insurance designed specifically for the over-60s, and the "Orientação Médica Online" service, which was enhanced in 2019, expanding the existing areas and including new specialities, such as Dermatology.

Evolution of the Non-Life segment by distribution channel

All of the distribution channels of Longrun's insurance business in Portugal performed positively, and Non-Life product sales in 2019 were higher than those in the previous year.

The traditional channels (agents, own stores and brokers) continued to be the channels with the greatest share of product sales in the segment. Although the digitalisation process ensures proximity and immediate feedback from clients, Longrun, through its insurance subsidiaries, has always continued to place emphasis on improving the skills of its partners in the traditional channel, which explains this considerable growth compared to the previous year.

Similarly, the banking and postal channels performed positively and, as in the Life Risk segment, this was influenced by the positive effects from the granting of mortgages, in particular on Home insurance. At the same time, a range of initiatives have been implemented to boost sales of products not linked to credit, in an effort to take greater advantage of the sales potential of these outlets, with significant results.

Non-Life Segment

U: million euros

Distribution Channel	2019	2018	Change
Traditional	1,282	1,168	9.7%
Bank and Postal	119	109	9.0%
Remote	55	52	6.6%
Longrun in Portugal	**1,456**	**1,329**	**9.5%**
International	573	136	323.2%
Longrun	**2,029**	**1,465**	**38.5%**

<u>International Business</u>

Longrun's international insurance business is an important means of sustained growth and pursuit of its medium and long-term goals. The business currently operates in four continents (Europe, Africa, Asia and America).

The Fidelidade Group's international business grew by 259.4% in 2019, recording total premiums written of EUR 974.0 million, due not only to improvements in ongoing international operations, but also, predominantly, to the positive contribution of the expansion into Latin America.

Premiums Written International Activity – By geography

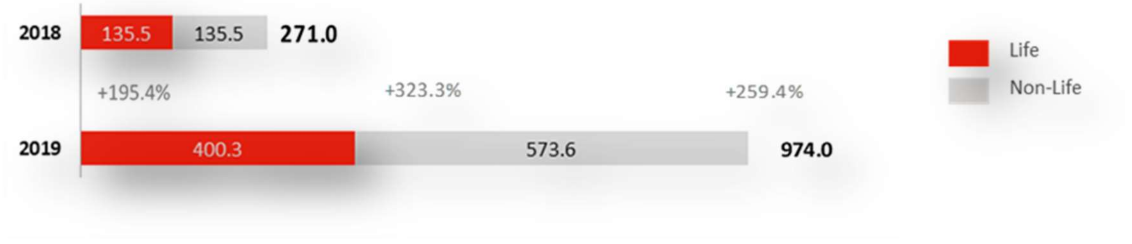
U: million euros

If we consider only the international operations that existed in 2018, Fidelidade grew from EUR 271 million to EUR 340 million, this being merely organic growth; this growth occurred both in the Non-Life segment (+14% to EUR 154 million in 2019) and in the Life segment (+38% to EUR 186 million in 2019). In addition, and with the acquisition of La Positiva – that is, with the contributions of the operations in Peru, Chile and Paraguay – the total premiums written abroad reached EUR 974 million in 2019.

This data therefore demonstrates the positive performance in 2019 of most of the markets where Fidelidade was already operating in 2018, both in Life and Non-Life, with the added contribution from the operations in Latin America, which Fidelidade entered in 2019.

Premiums Written International Business – Life and Non-Life

U: million euros



Operational and Financial Performance

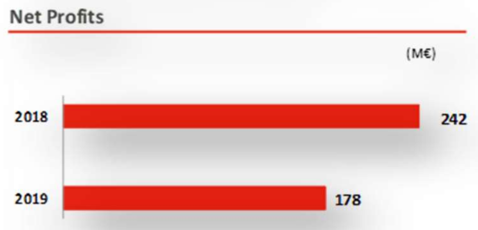
In 2019, Longrun, through its insurance companies, reported a net profit of EUR 178 million, which represented a decrease of 27% when compared to 2018. This trend was influenced by a fall in investment income, which suffered a decline of over 13% compared to 2018. This was directly related with the evolution of capital gains made on investments, since, in 2018, the Group's real estate portfolio restructuring programme was completed, leading to the sale of a number of investment properties.

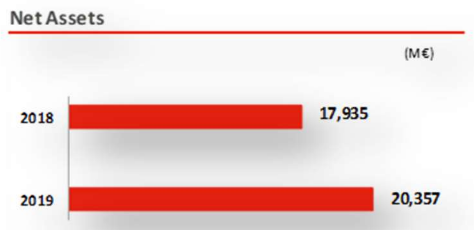
In 2019, the acquisition of the Entrecampos land (also known as the land of the former Funfair) was completed. In conjunction with a large-scale real estate project, this land will house the Group's new headquarters. The combined effects of the sale of investment properties and the acquisition of land for investment and own use, led to a reduction in the investment yield, which stood at 2.7% at the end of 2019.

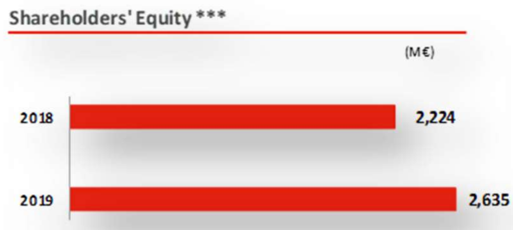
On the other hand, the combined ratio was 96.5% in 2019, 0.7 pp lower than in the previous year, influenced by the positive development of the claims ratio, reflecting cautious claims management and a strict underwriting policy.

*Adjusted ratio of the financial cost component with Workers' Compensation line of business

**Includes Investment income from Unit Link products, net gains and impairments. Unrealised gains not considered.







***Excludes monority interests

A.2.3. Premiums, claims and expenses by line of business

The following tables provide a breakdown of premiums, claims and expenses by line of business.

Amounts in thousand euros

Life Line of business	Insurance with profit sharing	Index-linked and unit-linked insurance	Other life insurance	Life reinsurance	Total	Previous year
Premiums written						
Gross	533,415	100,798	1,416,729	2,417	**2,053,359**	**3,304,671**
Reinsurer's share	1,059	0	89,087	42	**90,188**	**15,537**
Net	**532,356**	**100,798**	**1,327,642**	**2,375**	**1,963,171**	**3,289,134**
Premiums earned						
Gross	533,475	100,798	1,417,580	2,337	**2,054,190**	**3,304,579**
Reinsurer's share	1,044	0	89,872	42	**90,958**	**14,848**
Net	**532,431**	**100,798**	**1,327,708**	**2,295**	**1,963,232**	**3,289,731**
Claims incurred						
Gross	208,321	-9,829	1,721,957	2,654	**1,923,103**	**2,053,493**
Reinsurer's share	3	0	57,989	294	**58,286**	**7,079**
Net	**208,318**	**-9,829**	**1,663,968**	**2,360**	**1,864,817**	**2,046,414**
Changes in other technical provisions						
Gross	361,798	0	21,405	0	**383,203**	**157,011**
Reinsurer's share	8	0	3,437	93	**3,538**	**1,897**
Net	**361,790**	**0**	**17,968**	**-93**	**379,665**	**155,114**
Expenses incurred						
Expenses incurred	**19,547**	**-245**	**164,449**	**58**	**183,809**	**119,600**

Amounts in thousand euros

Health – SLT Line of business	Health insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Total	Previous year
Premiums written						
Gross	0	0	0	0	**0**	**0**
Reinsurer's share	0	0	0	0	**0**	**0**
Net	**0**	**0**	**0**	**0**	**0**	**0**
Premiums earned						
Gross	0	0	0	0	**0**	**0**
Reinsurer's share	0	0	0	0	**0**	**0**
Net	**0**	**0**	**0**	**0**	**0**	**0**
Claims incurred						
Gross	0	99,168	0	0	**99,168**	**103,848**
Reinsurer's share	0	0	0	0	**0**	**0**
Net	**0**	**99,168**	**0**	**0**	**99,168**	**103,848**
Changes in other technical provisions						
Gross	0	0	0	0	**0**	**0**
Reinsurer's share	0	0	0	0	**0**	**0**
Net	**0**	**0**	**0**	**0**	**0**	**0**
Expenses incurred						
Net	**0**	**2,172**	**0**	**0**	**2,172**	**2,124**

Amounts in thousand euros

Health – NSLT Line of business	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Total	Previous year
Premiums written					
Gross - Direct business	399,508	45,324	279,395	724,227	572,611
Gross - Proportional reinsurance accepted	1,030	653	219	1,902	2,290
Gross - Non-proportional reinsurance accepted	0	0	0	0	0
Reinsurer's share	13,923	14,263	2,373	30,559	16,496
Net	386,615	31,714	277,241	695,570	558,405
Premiums earned					
Gross - Direct business	392,926	44,377	270,368	707,671	568,727
Gross - Proportional reinsurance accepted	958	652	69	1,679	1,949
Gross - Non-proportional reinsurance accepted	0	0	0	0	0
Reinsurer's share	14,484	14,304	2,373	31,161	17,512
Net	379,400	30,725	268,064	678,189	553,164
Claims incurred					
Gross - Direct business	299,707	14,361	113,710	427,778	355,071
Gross - Proportional reinsurance accepted	1,170	347	-271	1,246	613
Gross - Non-proportional reinsurance accepted	0	0	0	0	0
Reinsurer's share	8,776	1,347	1,607	11,730	8,969
Net	292,101	13,361	111,832	417,294	346,715
Changes in other technical provisions					
Gross - Direct business	1,183	351	-331	1,203	-1,386
Gross - Proportional reinsurance accepted	0	0	-4	-4	4
Gross - Non-proportional reinsurance accepted	0	0	0	0	0
Reinsurer's share	0	0	0	0	0
Net	1,183	351	-335	1,199	-1,382
Expenses incurred					
Net	88,772	20,395	79,761	188,928	140,147

Longrun Portugal, SGPS, S.A.

Amounts in thousand euros

Non-Life Line of business	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total	Previous year
Premiums written											
Gross - Direct business	380,485	276,949	39,735	388,587	85,235	34,163	5,859	48,452	35,213	**1,294,678**	**887,506**
Gross - Proportional reinsurance accepted	106	24	29	6,522	1,307	11	3	565	68	**8,635**	**2,390**
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	**0**	**0**
Reinsurer's share	10,082	8,791	23,219	179,070	39,374	25,864	3	467	12,135	**299,005**	**142,677**
Net	**370,509**	**268,182**	**16,545**	**216,039**	**47,168**	**8,310**	**5,859**	**48,550**	**23,146**	**1,004,308**	**747,219**
Premiums earned											
Gross - Direct business	368,384	271,110	38,834	370,879	74,835	27,861	5,799	47,359	35,721	**1,240,782**	**875,607**
Gross - Proportional reinsurance accepted	108	24	15	6,161	1,190	356	3	587	63	**8,507**	**2,614**
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	**0**	**0**
Reinsurer's share	18,397	10,368	22,960	163,593	29,897	25,596	6	466	12,394	**283,677**	**144,050**
Net	**350,095**	**260,766**	**15,889**	**213,447**	**46,128**	**2,621**	**5,796**	**47,480**	**23,390**	**965,612**	**734,171**
Claims incurred											
Gross - Direct business	259,695	126,092	8,276	132,955	21,528	-405	134	37,357	7,128	**592,760**	**470,861**
Gross - Proportional reinsurance accepted	642	95	39	4,595	631	11	0	-62	62	**6,013**	**260**
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	**0**	**0**
Reinsurer's share	20,344	6,839	2,617	65,065	7,751	1,302	0	37	-1,856	**102,099**	**70,190**
Net	**239,993**	**119,348**	**5,698**	**72,485**	**14,408**	**-1,696**	**134**	**37,258**	**9,046**	**496,674**	**400,931**
Changes in other technical provisions											
Gross - Direct business	-5,687	514	-182	2,146	549	-63	158	-1,508	178	**-3,895**	**-9,391**
Gross - Proportional reinsurance accepted	42	6	0	15	4	0	0	175	9	**251**	**-74**
Gross - Non-proportional reinsurance accepted	0	0	0	0	0	0	0	0	0	**0**	**0**
Reinsurer's share	0	0	0	4	0	0	0	0	8	**12**	**0**
Net	**-5,645**	**520**	**-182**	**2,157**	**553**	**-63**	**158**	**-1,333**	**179**	**-3,656**	**-9,465**
Expenses incurred											
Net	**131,701**	**115,542**	**8,560**	**121,725**	**29,036**	**4,071**	**4,402**	**20,753**	**11,265**	**447,055**	**308,172**

A.3. Investment performance

In its definition and application, the investment policy used by the companies in Longrun's consolidation perimeter considers the challenges currently facing the insurance business:

- The prolonged environment of low interest rates, which means assets must be sought which have a higher return than traditional fixed rate investments, although also ensuring that an appropriate level of risk is maintained;
- The need to optimise the capital structure, in line with the framework of the Solvency II regulations.

Longrun's consolidated investment portfolio (including Cash and Bank Deposits) totalled EUR 18.4 billion, corresponding to an increase of around 13% over 2018.

In 2019, the policy of diversifying by class of asset and geographical location was continued, as a means of maximising yields with an appropriate level of risk, in an environment of low interest rates.

A.3.1. Income and expenses from investments

At 31 December 2019, the allocation of investments and other assets to insurance contracts or insurance contracts and other operations classified as investment contracts is as follows (amounts for solvency purposes):

Amounts in thousand euros

Investments and other assets	Life	Non-Life	Not allocated	Total	Previous year
Property, plant and equipment held for own use	0	35,791	141,752	**177,543**	**136,306**
Property (other than for own use)	0	56,125	208,365	**264,490**	**998,273**
Holdings in related undertakings, including participations	1,433,935	719,474	32,600	**2,186,009**	**352,963**
Equities - listed	446,839	308,161	19,158	**774,158**	**1,038,913**
Equities - unlisted	0	519	39,852	**40,371**	**1,882**
Government bonds	4,788,000	233,321	5,722	**5,027,043**	**4,939,426**
Corporate bonds	5,120,412	728,132	73,534	**5,922,078**	**4,587,265**
Structured notes	45,065	79,750	0	**124,815**	**87,336**
Collateralised securities	0	0	0	**0**	**0**
Collective investment undertakings	865,210	223,275	27,971	**1,116,456**	**739,116**
Derivatives	11,485	4,150	27,706	**43,341**	**20,884**
Deposits other than cash equivalents	1,144,477	122,347	94,692	**1,361,516**	**1,950,116**
Assets held for index-linked and unit-linked contracts	138,665	0	0	**138,665**	**40,294**
Loans and mortgages	0	0	3,216	**3,216**	**22,825**
Cash and cash equivalents	0	0	517,275	**517,275**	**942,113**
Total	**13,994,088**	**2,511,045**	**1,191,843**	**17,696,976**	**15,857,712**

The investments in the table above include investments allocated to unit-linked contracts, which break down as follows:

Amounts in thousand euros

Investments allocated to unit-linked contracts	Total	Previous year
Group companies debt instruments	0	0
Public debt instrument - domestic issuers	489	621
Public debt instrument - foreign issuers	14,105	9,322
Debt instrument - other domestic issuers	4,346	99
Debt instrument - other foreign issuers	63,894	4,277
Equity instruments - domestic issuers	35,274	7,586
Equity instruments - foreign issuers	9,230	7,507
Receivables	0	0
Transactions to be settled	-527	-205
Derivatives	192	28
Sight deposits	11,419	10,752
Term deposits	300	300
Total	**138,722**	**40,287**

In 2019, the following income was gained from investments:

Amounts in thousand euros

Investments	Dividends	Interest	Rents	Total	Previous year
Investments allocated to technical provisions - life segment					
Government bonds	0	76,764	0	76,764	95,047
Corporate bonds	0	143,345	0	143,345	125,925
Equities	13,866	0	0	13,866	18,691
Collective investment undertakings	14,076	0	0	14,076	6,345
Structured notes	0	5,303	0	5,303	84
Collateralised securities	0	0	0	0	0
Cash and cash equivalents	0	6,201	0	6,201	2,387
Loans and mortgages	0	1,267	0	1,267	1,210
Property	0	0	0	0	36
Derivatives	0	-4,861	0	-4,861	-1,482
Others	0	155	1	156	0
Credit Derivatives	0	0	0	0	0
Subtotal	**27,942**	**228,174**	**1**	**256,117**	**248,243**

Investments allocated to technical provisions - non-life segment					
Government bonds	0	4,863	0	**4,863**	**7,201**
Corporate bonds	0	29,073	0	**29,073**	**17,554**
Equities	12,737	0	0	**12,737**	**6,962**
Collective investment undertakings	3,240	0	0	**3,240**	**851**
Structured notes	0	92	0	**92**	**2**
Collateralised securities	0	0	0	**0**	**1**
Cash and cash equivalents	0	1,122	0	**1,122**	**2,038**
Loans and mortgages	0	0	0	**0**	**0**
Property	0	0	0	**0**	**10,822**
Derivatives	0	0	0	**0**	**0**
Others	0	6	9,892	**9,898**	**0**
Credit Derivatives	0	0	0	**0**	**0**
Subtotal	**15,977**	**35,156**	**9,892**	**61,025**	**45,431**
Investments not allocated					
Government bonds	0	147	0	**147**	**1,382**
Corporate bonds	0	3,757	0	**3,757**	**15,281**
Equities	2,212	0	0	**2,212**	**6,047**
Collective investment undertakings	-89	0	0	**-89**	**889**
Structured notes	0	0	0	**0**	**35**
Collateralised securities	0	0	0	**0**	**0**
Cash and cash equivalents	0	4,838	0	**4,838**	**2,844**
Loans and mortgages	0	0	0	**0**	**191**
Property	0	0	0	**0**	**50,953**
Derivatives	0	-1,558	0	**-1,558**	**-115**
Others	0	37	8,838	**8,875**	**0**
Credit Derivatives	0	0	0	**0**	**0**
Subtotal	**2,123**	**7,221**	**8,838**	**18,182**	**77,507**
Total	**46,042**	**270,551**	**18,731**	**335,324**	**371,181**

In 2019, the financial expenses resulting from investments were as follows:

Amounts in thousand euros

Investment expenses	Life	Non-Life	Not allocated	Total	Previous year
Costs allocated	10,880	8,818	52,818	**72,516**	**55,437**
Other investment expenses	872	183	244	**1,299**	**836**
Total	**11,752**	**9,001**	**53,062**	**73,815**	**56,273**

A.3.2. Information on gains and losses directly recognised in shareholders' equity

In 2019, the net gains and losses in financial instruments were as follows:

Amounts in thousand euros

Investments	As a charge to		Total	Previous year
	Income statement	Shareholders' equity		
Investments allocated to technical provisions - life segment				
Government bonds	129,330	1,026	130,356	201,122
Corporate bonds	158,600	103,623	262,223	244,958
Equities	3,453	24,130	27,583	290,152
Collective investment undertakings	24,630	2,586	27,216	7,878
Structured notes	6,435	1,671	8,106	1,480
Collateralised securities	0	0	0	0
Cash and cash equivalents	6,191	8,271	14,462	1,279
Loans and mortgages	1,267	0	1,267	1,210
Property	0	0	0	57
Derivatives	-4,545	-202,613	-207,158	-268,412
Others	21	64	85	0
Credit Derivatives	3	-4	-1	0
Subtotal	325,385	-61,246	264,139	479,724
Investments allocated to technical provisions - non-life segment				
Government bonds	5,286	1,998	7,284	17,787
Corporate bonds	22,407	14,738	37,145	30,383
Equities	-5,186	32,719	27,533	91,219
Collective investment undertakings	3,259	3,156	6,415	5,879
Structured notes	92	0	92	2
Collateralised securities	0	0	0	-14
Cash and cash equivalents	1,681	868	2,549	2,857
Loans and mortgages	0	0	0	0
Property	0	0	0	18,617
Derivatives	91	-33,146	-33,055	-42,959
Others	49,272	3,265	52,537	0
Credit Derivatives	0	0	0	0
Subtotal	76,902	23,598	100,500	123,771
Investments not allocated				
Government bonds	317	9	326	1,424
Corporate bonds	10,830	7,850	18,680	19,763
Equities	8,801	-131,337	-122,536	-62,744
Collective investment undertakings	18	-762	-744	1,594
Structured notes	0	0	0	36
Collateralised securities	0	0	0	0
Cash and cash equivalents	11,641	-1,855	9,786	7,352
Loans and mortgages	0	0	0	191
Property	-442	-286	-728	74,538
Derivatives	-3,985	-29,133	-33,118	-33,815
Others	26,687	-5,141	21,546	0
Credit Derivatives	0	0	0	0
Subtotal	53,867	-160,655	-106,788	8,339
Total	456,154	-198,303	257,851	611,834

A.3.3. Information on investment in securitisations

At 31 December 2019, the value of investment in securitisations is immaterial, and no information is therefore included in this chapter.

A.4. Performance of other activities

There are no other activities performed by the companies included in Longrun's consolidation perimeter with material relevance for the purposes of disclosure in this report.

A.5. Any other information

A.5.1. Group structure

As an insurance holding company, Longrun, SGPS, SA., does not carry out insurance or reinsurance activities, and its activity is limited to management of the participations held in the insurance companies Fidelidade – Companhia de Seguros, SA, Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A.

Since Fidelidade – Companhia de Seguros, SA, is the most representative company of the group, the governance requirements applied to the insurance group are defined therein.

The subsidiaries, grouped according to the nature of their main business, are the following:

Insurance

Fidelidade - Companhia de Seguros, S.A. is a public limited liability company resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. ("Império Bonança") in Companhia de Seguros Fidelidade-Mundial, S.A. ("Fidelidade Mundial"), in accordance with the public deed dated 31 May 2012, effective 1 January 2012, which produced accounting effects with reference to 1 January 2012. This operation was authorised by ASF through a resolution of its Board of Directors dated 23 February 2012. The Company's purpose is to perform the "Non-life" and "Life" insurance activity, as set out in the statute governing this activity.

Multicare - Seguros de Saúde, S.A., with its head office in Lisbon, at Rua Alexandre Herculano, nº. 53, was set up on 9 March 2007 and has the corporate purpose of performing insurance and reinsurance activities, in all legally authorised non-life insurance lines of business and operations, and may also perform activities related to insurance and reinsurance. The company is focused on the management of health insurance.

Fidelidade Assistência – Companhia de Seguros, S.A. (formerly Cares – Companhia de Seguros, S.A.), with its head office in Lisbon, at Avenida José Malhoa nº 13 - 7º, was set up on 17 February 1995, with the name Companhia de Seguros Tágus, S.A., and has the corporate purpose of performing insurance and reinsurance activities, in all legally authorised non-life insurance lines of business and operations, and may also perform activities related to insurance and reinsurance. In 2015, CARES – Companhia de Seguros, S.A. changed its name and image to Fidelidade Assistência – Companhia de Seguros, S.A. and now acts under the Fidelidade Assistance brand.

Via Directa - Companhia de Seguros, S.A. (OK Teleseguros), with its head office in Lisbon, at Avenida José Malhoa, nº 13 - 4º, was set up on 28 November 1997 and has the corporate purpose of performing insurance and reinsurance activities, in all legally authorised non-life insurance lines of business, and may also perform activities related to insurance and reinsurance.

Companhia Portuguesa de Resseguros, S.A., with its head office in Lisbon, at Largo do Calhariz nº 30, was set up on 22 September 1979 and has the corporate purpose of performing any operations regarding reinsurance of non-life lines of business, both in Portugal and abroad, in addition to participating in the redistribution in the market of certain risks of a specific type or dimension.

Fidelidade Angola – Companhia de Seguros, S.A, (formerly Universal Seguros, S.A.), with its head office in Luanda, at Rua 1º Congresso MPLA, n.º 11, 1º A, Ingombota, was set up on 2 June 2009 and has the corporate purpose of performing insurance activities in the life and non-life lines of business in the national territory of the Republic of Angola.

Garantia - Companhia de Seguros de Cabo Verde, S.A. resulted from the split of the former Instituto de Seguros e Providência Social, EP which occurred on 30 October 1991, pursuant to Decree-Law No. 136/91, of 2 October, with all the assets and liabilities related to the insurance business being transferred to it. The Company has its head office in Chã de Areia, C.P. 138, Cidade da Praia, in the Republic of Cape Verde, and branches in the Sal, São Vicente, Boavista, São Nicolau, Fogo and Santo Antão islands. In order to attract clients to purchase insurance policies, the company also has a network of agents. The Company is engaged in the activity of direct insurance and reinsurance in all lines of business and operations, and may also perform related and complementary activities.

Fidelidade Macau – Companhia de Seguros, S.A., with its head office in Macao at Avenida da Praia Grande, nº 567, BNU Building, 14º, was set up on 30 September 2015 and has the corporate purpose of performing the insurance and reinsurance activities, in all legally authorised non-life insurance lines of business and operations, and may also perform activities related to insurance and reinsurance.

La Positiva Seguros Y Reaseguros S.A.A., with its head office in Lima, Peru, at Calle Francisco Masías N° 370, San Isidro District, Province and Department of Lima, was set up on 27 September 1937 and has the corporate purpose of providing the services of a general risk insurance and reinsurance company, assuming as insurer and reinsurer all the risks that, in accordance with the law, may be subject to that contract, both in Peru and abroad. It may also develop any other subsidiary or business that, in line with the General Law of the Financial System, the Insurance System and the Banks and Insurance Supervisory Organisation, a general risk insurance and reinsurance company may undertake, while complying with the requirements of the legal regulations.

Fid Chile Seguros Generales, S.A. with its head office in Santiago, Chile, at Av. Vitacura 2939, piso 16, oficina 1601, Las Condes, was set up on 15 November 2019 and has the corporate purpose of performing, on the basis of premiums, insurance and reinsurance operations for the risks included in the first group referred in to Article 8 of Decree with legal force no. 251 of 1931 or the subsequent legal or regulatory provisions that may replace or modify it, and any other business that the applicable law or the Financial Market Commission, by means of a general rule, declares to be related with or complementary to the business of the insurance companies of the first group.

Property

Fidelidade – Property Europe, S.A., using this name since 2014, with its head office in Lisbon, at Largo do Calhariz, nº 30, was set up on 19 November 1991 with the main object of renting own property which it has acquired or built and the provision of related services. On 24 November 2004 a public deed was signed for the merger by incorporation of Caixa Imobiliário - Sociedade de Gestão e Investimento Imobiliário, S.A., in Mundial Confiança - Sociedade de Gestão e Investimento Imobiliário, S.A., which changed its name to Fidelidade-Mundial, Sociedade de Gestão e Investimento Imobiliário, S.A., and this name was changed in 2013 to Fidelidade – Investimentos Imobiliários, S.A..

Fidelidade – Property International, S.A., with its head office in Lisbon, at Largo do Calhariz, nº 30, was set up on 5 November 2014 with the main object of purchasing and selling real estate, including purchase for re-sale, renting or the setting up of other real rights over property and, also, developing, promoting and administering real estate projects, in the area of construction and rehabilitation, in addition to the provision of related services.

Fundo de Investimento Imobiliário Fechado Saudeinveste was set up on 10 December 2002 with the investment aim of achieving medium and long-term capital appreciation, through investment in a diversified range of assets, predominantly real estate. This fund was managed by Fundger – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A. until September 2018, and as of 1 October it has been managed by Fidelidade - Sociedade Gestora de Organismos de Investimento Imobiliário, S.A..

Fundo de Investimento Imobiliário Fechado IMOFID (formerly Bonança I), was set up on 22 December 1993 with the investment aim of achieving medium and long-term capital appreciation, through investment in a diversified range of assets, predominantly real estate. This fund was managed by Fundger – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A. until September 2018, and as of 1 October it has been managed by Fidelidade - Sociedade Gestora de Organismos de Investimento Imobiliário, S.A..

FPI (AU) 1 PTY LIMITED, with its head office at Grosvenor Place Level 18, 225 George Street, Sydney, NSW 2000, Australia, was set up on 17 December 2014 with the corporate purpose of purchasing property.

FPI (UK) 1 LIMITED, with its head office at Legalinx Limited, One Fetter Lane, London, EC4A 1BR, England, was set up on 18 December 2014 with the corporate purpose of purchasing property.

FPE (IT) Società per Azioni, with its head office at Via Maria Teresa 11 Cap 20123, Milan, Italy, was set up on 2 July 2015 with the corporate purpose of purchasing property.

FPE (Lux) Holding S.à r.l., a special purpose vehicle with its head office at 18, rue Robert Stümper, L-2257 Luxembourg, was set up on 2 February 2016.

Thomas More Square (Lux) Holdings S.à r.l., a special purpose vehicle with its head office at 18, rue Robert Stümper, L-2257 Luxembourg, was set up on 6 January 2016.

Thomas More Square (Lux) S.à r.l., a special purpose vehicle with its head office at 18, rue Robert Stümper, L-2257 Luxembourg, was set up on 6 January 2016.

Godo Kaisha Moana, a special purpose vehicle with its head office at Tokyo Kyodo Accounting Office 3-1-1, Marunouchi, Chiyoda-ku, Tokyo, Japan, was set up on 27 March 2014.

Godo Kaisha Praia, with its head office at Tokyo Kyodo Accounting Office 3-1-1, Marunouchi, Chiyoda-ku, Tokyo, Japan, was set up on 27 March 2014 with the corporate purpose of the sale and purchase of property and property investments and management.

Fundo Broggi, set up on 24 March 2017 under Italian law, is an alternative real estate closed-end fund. The fund is managed by IDeA FIMIT - Società di Gestione del Risparmio S.p.A., an Italian investment funds management company.

Broggi Retail S.R.L. is an Italian company, 100% held by IDeA FIMIT - Società di Gestione del Risparmio S.p.A., in its capacity as Fundo Broggi's management company, and in the interest of Fundo Broggi. Its corporate purpose is, among others, the management, restructuring, appreciation and maintenance of real estate assets, both its own and those of third parties.

Fidelidade - Sociedade Gestora de Organismos de Investimento Imobiliário, S.A. with its head office in Lisbon, at Largo do Chiado, nº 8, 1º andar, was set up on 8 February 2018 with the corporate purpose of managing, on behalf of the participants and in their exclusive interest, one or more public or private, closed or open real estate investment undertakings, and managing the property included in the applications portfolios or collective interest bodies managed by it.

FPE (BE) Holding S.A., with its head office at 97 Rue Royale, 4th floor, 1000 Brussels, Belgium, was set up on 15 March 2019 with the corporate purpose of performing, in its own name, all business and transactions of holdings and real estate investment entities. This may include, in particular, various transactions related with shares and other securities, management of investment in securities, granting of loans to subsidiaries in certain circumstances and different types of real estate transactions.

Healthcare

Luz Saúde, S.A., with its head office in Lisbon, at Rua Carlos Alberto da Mota Pinto, 17 - 9º, was set up on 6 July 2000 with the legal character of a "Holding Company", pursuant to Decree-Law No. 495/88, of 30 December, and is one of the largest healthcare groups in terms of revenues in this expanding market in Portugal. The Group provides services via 18 units in the North, Centre and South of the country, and has a strong presence in Lisbon, where it operates Hospital da Luz, the largest private hospital in Portugal, and in Oporto, where it operates the Hospital da Arrábida.

Other Sectors

Cetra - Centro Técnico de Reparação Automóvel, S.A. (Fidelidade Car Service), with its head office in Lisbon, at Rua Cidade de Bolama, nº 1 - B, was set up on 12 February 1973 with the corporate purpose of performing all and any type of activity related to motor vehicles, including repairs, loss adjustments, assessments and salvage recovery, in addition to vehicle leasing operations. The company may also perform related or complementary operations.

E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A. (Safemode), with its head office in Lisbon, at Rua Nova da Trindade, nº 3, was set up on 11 November 1996 with the corporate purpose of providing risk analysis and prevention services, in addition to technical consultancy and training to improve hygiene, safety and health conditions in the workplace, laboratory support, environmental recovery planning and monitoring of interventions and the management of industrial premises for treatment, recovery or recycling operations.

GEP - Gestão de Peritagens Automóveis, S.A., with its head office in Lisbon, at Avenida 5 de Outubro nº 35 8º Piso, was set up on 11 November 1996 with the corporate purpose of providing services to assess damage to light and heavy motor vehicles, motorbikes and bicycles, including their trailers and coupled items.

Fidelidade - Serviços de Assistência, S.A., with its head office in Lisbon, at Avenida José Malhoa, nº 13 – 7º, was set up on 29 January 1991 with the corporate purpose of representing and assisting foreign insurers and, in addition, providing support services for the management of claims of national and foreign insurers. In 2015, Cares RH - Companhia de Assistência e Representação de Seguros, S.A., changed its name to Fidelidade - Serviços de Assistência, S.A..

Cares - Assistência e Reparações, S.A. (formerly Cares Multiassistance, S.A.), with its head office in Lisbon, at Rua de Ponta Delgada, nº 44 A e B, was set up on 19 June 2002 with the corporate purpose of providing services of organisation, assessment and management of any repair or restoration work.

FCM Beteiligungs GmbH, with its head office at Garstedter Weg 14, 22453 Hamburg, Germany, was set up on 6 May 2014 with the corporate purpose of acquiring, alienating, holding or managing its own investments in other companies in Germany and abroad, and is active in the import, export, wholesale and retail of textiles and all types of fashion items, including related complementary businesses, in particular, with the management of Tom Tailor GmbH, in Hamburg. The company may act in its own name in these activities.

FID I (HK) LIMITED and **FID III (HK) LIMITED** are special purpose vehicles with their head office at Level 54 Hopewell Centre 183, Queen's Road East, Hong Kong, and were set up on 4 November 2014.

Fidelidade - Consultoria e Gestão de Risco, Lda., with its head office at Rua 1393, nº 47 (Parallel to Rua José Craveirinha), District of Polana - Maputo, Mozambique, was set up on 23 July 2015 with the purpose of performing health and safety at work activities, and providing risk analysis and prevention services, technical consultancy and human resources management and training services, laboratory support, planning and monitoring of environmental recovery interventions and facilities management.

Fidelidade - Assistência e Serviços, Lda., with its head office at Rua 1393, nº 47 (Parallel to Rua José Craveirinha), District of Polana - Maputo, Mozambique, was set up on 23 July 2015 with the main purpose of providing assistance services and claims management support services, as well as the provision of accounting services, human resource management and IT support, and also the provision of services for the organisation, evaluation, expert assessment and management of any repair work, restoration, installation and improvements to be made to any property, and the hiring of any entities to perform such work, acquisition and supply of various materials, products and tools, and the provision of any services which are related or complementary to these activities.

FID Loans 1 (Ireland) Limited and **FID Loans 2 (Ireland) Limited** are special purpose vehicles, with their head office at 1st Floor, 118 Lower Baggot Street, Dublin 2, Ireland, and were set up on 13 June 2017.

Universal - Assistência e Serviços, Lda., with its head office at Rua Pedro de Castro Van Dunen Loy s/n, Morro Bento, Luanda, was set up on 21 April 2017 with the purpose of providing assistance services and claims management support services, and services in accounting, technical consultancy, human resource management, training, IT support, risk analysis and prevention, laboratory support, planning and monitoring of environmental recovery interventions, and facilities management. It also provides services for the organisation, evaluation, expert assessment and management of any repair work, restoration, installation and improvements to be made to any property, and the hiring of any entities to perform such work, acquisition and supply of various materials, products and tools, and the provision of any services which are related or complementary to these activities.

FID LatAm SGPS, S.A., with its head office in Lisbon, at Largo do Calhariz, nº 30, was set up on 19 February 2018 with the corporate purpose of managing shares in other companies, as an indirect means of exercising economic activities.

GEP Cabo Verde Gestão de Peritagens, Lda., with its head office at Rua Serpa Pinto, nº 9 – 4º andar Dto, Plateau, Ilha de Santiago, Cape Verde, was set up on 5 June 2018 with the main corporate purpose of providing and managing motor vehicle and property loss adjusting services and inquiries, providing claims management assistance and support services, providing and managing any repair, restoration, assembly and improvement works to be made to any property, and hiring any entities to perform such works, acquiring and supplying various materials, products and tools, and performing any operations that are related or complementary to these activities.

FID Perú, S.A., with its head office in Lima, Peru, at Av. Victor Andrés Belaunde 147, San Isidro District, Province and Department of Lima, was set up on 9 July 2018 with the corporate purpose of investments and the holding of securities, including, but not limited to, shares in other companies, either national or foreign, in any form.

FID Chile, SpA., with its head office in Santiago, Chile, was set up on 16 October 2018 with the corporate purpose of making all kinds of investments, in tangible and intangible assets, all kinds of securities and property, and setting up and participating in other companies and/or legal persons of any kind, regardless of their purpose, managing those investments and assessing their results, and carrying on any other type of investment that the partners agree.

FID Chile & MT JV SpA, with its head office in Santiago, Chile, was set up on 14 January 2019 with the corporate purpose of forming and creating one or more companies the purpose of which is to develop the insurance business in Chile, participating in those companies, receiving income from those participations, and carrying on any other type of investment that the partners agree.

FID I&D, S.A., with its head office in Lisbon, at Largo do Calhariz, nº 30, was set up on 27 December 2019 with the purpose of providing consultancy services and services for the development of new digital solutions and platforms, analytical models, new solutions based on artificial intelligence models and Machine Learning and other advanced analytics models, as well as the sale and distribution of those solutions and models.

A.5.2. Information on the scope of the group

For the preparation of Longrun's consolidated financial statements, the subsidiaries listed in point A.5.1 above were considered in the company's consolidation perimeter.

For the determination of consolidated data for solvency purposes, and taking into account both the provisions of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, and the understanding of the ASF, the following subsidiaries were not considered in the consolidation perimeter:

- Luz Saúde, S.A., Sociedade Aberta
- Fundo de Investimento Imobiliário Fechado Saudeinveste
- Fundo de Investimento Imobiliário Fechado Bonança I
- Fundo Broggi
- FCM Beteiligungs GmbH
- FID III (HK) LIMITED
- FID Loans 1 (Ireland) Limited
- FID Loans 2 (Ireland) Limited
- Fidelidade SGOII
- FIDELIDADE - PROPERTY EUROPE, S.A.

- Audatex Portugal S.A.
- FIDELIDADE - PROPERTY INTERNATIONAL, S.A.
- FPI (UK) 1 LIMITED
- FPI (AU) 1 PTY LIMITED
- FPE (IT) Societa per Azioni
- FPE (Lux) Holding S.a r.l.
- Thomas More Square (Lux) Sarl
- Thomas More Square (Lux) Holdings Sarl
- Godo Kaisha Praia
- Godo Kaisha Moana
- Broggi Retail S.R.L.
- Fid Chile SpA
- SERFUN PORTUGAL, SGPS, S.A.
- FID CHILE & MT JV SpA
- FPE (BE) HOLDING S.a.r.l.
- FID CHILE SEGUROS GENERALES, S.A.
- FID I & D, S.A.

Taking into account these differences between the scope of the Group used in the consolidated financial statements and the scope of the consolidated data for solvency purposes, consolidated financial statements were prepared for comparative purposes, considering the consolidation perimeter for solvency purposes, that is, not including Luz Saúde, Fundo Saudinveste, Fundo Bonança I, Fundo Broggi, FCM Beteiligungs GmbH, FID III (HK) Limited, FID Loans 1, FID Loans 2 e Fidelidade SGOII, for comparative purposes.

Thus, the table below summarises the main differences between Longrun's consolidated financial statements (Accounting Financial Statements) and the consolidated financial statements considering the consolidation perimeter for solvency purposes described above (Solvency II Financial Statements):

Amounts in thousand euros

	Financial Statements		Difference	Accounting Financial Statements	Financial Statements
	Accounting Perimeter	Solvency II Perimeter		(previous year)	Solvency II (previous year)
Total Assets	20,357,438	19,078,214	1,279,224	17,935,332	17,124,878
Total Liabilities	16,833,322	16,072,275	761,047	15,020,094	14,556,699
Excess assets over liabilities	**3,524,116**	**3,005,939**	**518,177**	**2,915,238**	**2,568,179**

Accordingly, in Chapter D of this report, the valuation of assets, technical provisions and other liabilities for solvency purposes is compared to the consolidated financial statements considering the consolidation perimeter for solvency purposes described above (Solvency II Financial Statements).

Likewise, in Chapter E, the excess of assets over liabilities calculated for solvency purposes is compared to that resulting from the Solvency II Financial Statements.

A.5.3. Intra-group operations and transactions

The main movements in the Group's subsidiaries during 2019 were as follows:

On 4 January 2019, the Group acquired 194,224,590 shares in the company Positiva Seguros y Reaseguros S.A.A. for EUR 94,087,966, representing a participation of 51% in the company's share capital.

On 14 January 2019, the company Fid Chile & MT JV SpA was set up with share capital of EUR 6,096,320 and with a participation of the Group of 97.86%.

Throughout the year, capital increases were made to the share capital of the company Fid Chile & MT JV SpA., in the amount of EUR 6,972,270, bringing it to a total of EUR 13,068,590 and a participation of 99% at 31 December 2019.

During 2019, the Group acquired shares in Luz Saúde, S.A., increasing its participation in the share capital from 50.36% at 31 December 2018 to 50.85% at the end of 2019, for EUR 2,672,121.

Throughout the year, the Group made capital increases to the share capital of the company FID Chile, SpA., in the amount of EUR 13,167,630, bringing it to a total of EUR 13,168,935 at 31 December 2019.

In February 2019, the Group acquired shares in Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A., increasing its participation in the share capital from 33.67% at 31 December 2018 to 34.78% at the end of the year, for EUR 25,000.

In February 2019, the company FID I (HK) LIMITED was fully liquidated.

On 15 March 2019, the company FPE (BE) Holding was set up with share capital of EUR 145,000,000 with the Group holding 100% of its shares.

In 2019, there were increases in the supplementary contribution of FID LatAm SGPS, S.A., of EUR 80,702.

During 2019, the Group granted supplementary contributions to Fidelidade - Property Europe, S.A., of EUR 518,000,000.

From June to December 2019, the Group increased the capital of the company FID Loans 1 (Ireland) Limited, by EUR 90,000,000, bringing it to a total of EUR 340,000,000 at the end of the year.

In June 2019, the Group increased the share capital of the company FID Perú, S.A. by EUR 11,947,749, bringing it to a total of EUR 137,491,143.

In July 2019, the Group increased the share capital of the company Fidelidade Angola - Companhia de Seguros, S.A by EUR 2,236,138, increasing its shareholding from 70% to 70.03%.

In September 2019, the company FID Loans 2 (Ireland) Limited was fully liquidated.

In December 2019, the Group granted a supplementary contribution to the company E.A.P.S. - Empresa de Análise, Prevenção e Segurança, S.A., of EUR 400,000.

In December 2019, the Group granted a supplementary contribution to the company FPE (IT) Società per Azioni of EUR 1,600,000.

On 15 February 2019, the company Fid Chile Seguros Generales S.A. was set up, with share capital of EUR 7,142,971, with the Group holding 99%. The company obtained authorisation to commence its business in November 2019.

In December 2019, the Group granted a supplementary contribution to the company Cares - Assistência e Reparações, S.A. of EUR 600,000.

On 27 December 2019, the company FID I&D, S.A. was set up, with share capital of EUR 50,000, with the Group holding 100%.

a) Equity–type transactions, debt and asset transfer

Investor / lender name	Issuer / borrower name	Transaction type	Transaction issue date	Transaction maturity date	Currency	Contractual amount of transaction/ Transaction price	Amount of redemptions/ prepayments/ paybacks during reporting period	Amount of dividends/interest/ coupons and other payments made during reporting period	Balance of contractual amount of transaction at reporting date	Coupon/Interest rate
Fidelidade - Companhia de Seguros, S.A.	Garantia - Companhia de Seguros de Cabo Verde, S.A.	Shares and equity securities — Shares / participations	30/06/2019	31/12/9999	CVE	0	0	444	0	
Fidelidade - Companhia de Seguros, S.A.	GEP - Gestao de Peritagens Automoveis, S.A.	Shares and equity securities — Shares / participations	30/06/2019	31/12/9999	EUR	0	0	140	0	
FIDELIDADE ASSISTENCIA - COMPANHIA DE SEGUROS, S.A.	Fidelidade - Servicos de Assistencia, S.A.	Bonds / Debts — uncollateralised	01/05/2018	31/12/9999	EUR	5,664	39	76	5,625	2.00 %
Fidelidade - Companhia de Seguros, S.A.	E.A.P.S. - Empresa de Analise, Prevencao e Seguranca, S.A.	Shares and equity securities — Shares / participations	01/12/2019	31/12/9999	EUR	400	0	0	0	
Fidelidade - Companhia de Seguros, S.A.	Fidelidade Angola, S.A.	Shares and equity securities — Shares / participations	01/07/2019	31/12/9999	AOA	2,236	0	0	0	

b) Derivatives, including the guarantees supporting any derivatives instruments

In the Longrun group structure there are no intra-group derivative transactions.

c) Reinsurance

Name of cedent	Name of reinsurer	Type of reinsurance contract / treaty	Line of business	Validity Period (start date)	Validity Period (expiry date)	Currency	Maximum cover by reinsurer under contract / treaty	Net Receivables	Total reinsurance recoverable	Reinsurance result (for reinsured entity)
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Fire and other damage to property insurance	01/01/2019	31/12/2019	MZN	0	17	229	74
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	11,080	0	0	-1
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	20/10/2016	01/01/2019	EUR	2,607	0	0	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	EUR	250	0	0	3
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2014	01/01/2019	EUR	0	0	18	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	EUR	250	-3	0	-4
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/02/2017	01/01/2019	EUR	61,800	0	1	1
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	04/04/2017	01/01/2019	EUR	56,800	0	0	-2
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	15/02/2017	01/01/2019	EUR	3,000	0	234	-153
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2018	30/06/2019	EUR	0	0	0	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2012	01/01/2019	EUR	0	0	150	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2016	01/01/2019	EUR	0	0	963	-3,216
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	06/01/2019	05/04/2019	EUR	4,578	0	0	-31
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	35,500	0	0	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2017	01/01/2019	EUR	0	0	57	41
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	54,806	0	0	2
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2019	30/06/2020	EUR	0	0	0	-1,193
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2019	30/06/2020	EUR	0	0	0	550
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	9,299	0	2	0

Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	General liability insurance	01/01/2019	31/12/2019	MZN	0	4	3	16
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	General liability insurance	01/01/2014	01/01/2019	EUR	6,000	-4	109	-11
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	General liability insurance	01/01/2019	31/12/2019	EUR	6,750	-18	0	-100
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	General liability insurance	01/01/2016	01/01/2019	EUR	6,000	-4	0	-13
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	General liability insurance	01/01/2019	31/12/2019	EUR	3,000	-44	0	-39
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional general liability reinsurance	01/01/2019	31/12/2019	EUR	0	0	0	-75
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per event)	Proportional general liability reinsurance	01/01/2016	01/01/2019	EUR	600	0	0	-104
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Income protection insurance	01/01/2018	01/01/2019	EUR	25,000	-4	0	-7
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Income protection insurance	01/01/2019	31/12/2019	EUR	30,000	-14	0	-36
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Income protection insurance	01/01/2016	01/01/2019	EUR	25,000	0	1	-1
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Income protection insurance	01/01/2019	31/12/2019	MZN	0	3	3	14
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Marine, aviation and transport insurance	01/01/2019	31/12/2019	MZN	0	6	0	26
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Proportional marine, aviation and transport reinsurance	01/01/2019	31/12/2019	EUR	500	0	0	160
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Medical expenses insurance	01/01/2019	31/12/2019	MZN	0	20	0	87
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Motor vehicle liability insurance	01/01/2019	31/12/2019	MZN	0	-47	187	-199
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Motor vehicle liability insurance	01/01/2014	01/01/2019	EUR	45,000	-4	93	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Motor vehicle liability insurance	01/01/2015	01/01/2019	EUR	47,500	-1	0	0
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Motor vehicle liability insurance	01/01/2019	31/12/2019	EUR	57,500	272	440	26
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Non-proportional property reinsurance	01/01/2019	31/12/2019	EUR	2,250	0	0	-27
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per event and per risk)	Non-proportional health reinsurance	01/01/2019	31/12/2019	EUR	600	0	0	-37
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per event and per risk)	Non-proportional health reinsurance	01/01/2019	31/12/2019	EUR	2,760	0	0	-16
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Other motor insurance	01/01/2019	31/12/2019	MZN	0	1	238	6

Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Workers' compensation insurance	01/01/2016	01/01/2019	EUR	20,000	12	58	-33
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Workers' compensation insurance	01/01/2018	01/01/2019	EUR	30,000	23	121	-66
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Workers' compensation insurance	01/01/2015	01/01/2019	EUR	20,000	9	0	-25
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Excess of loss (per risk)	Workers' compensation insurance	01/01/2019	31/12/2019	EUR	30,000	-37	0	163
Fidelidade - Companhia de Seguros, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Quota-share	Workers' compensation insurance	01/01/2019	31/12/2019	MZN	0	19	422	81
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Assistance	01/01/2019	31/12/2019	MZN	0	-196	3	-51
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Assistance	01/01/2019	31/12/2019	EUR	0	-2,722	-20,664	-33,682
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	0	708	0	-1,621
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	General liability insurance	01/01/2019	31/12/2019	EUR	0	9	0	-45
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	01/01/2019	31/12/2019	EUR	0	37	0	0
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Income protection insurance	01/01/2019	31/12/2019	EUR	0	104	0	-1,078
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Legal expenses insurance	01/01/2019	31/12/2019	EUR	0	1,174	-2,331	-2,432
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Legal expenses insurance	01/01/2019	31/12/2019	MZN	0	-7	0	-2
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Marine, aviation and transport insurance	01/01/2019	31/12/2019	EUR	0	5	0	-10
Fidelidade - Companhia de Seguros, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Workers' compensation insurance	01/01/2019	31/12/2019	EUR	0	-386	0	-5,498
Fidelidade - Companhia de Seguros, S.A.	MULTICARE SEGUROS SAUDE SA	Quota-share	Health reinsurance	01/01/2018	01/01/2019	EUR	0	-567	9,481	-3,533
Fidelidade - Companhia de Seguros, S.A.	MULTICARE SEGUROS SAUDE SA	Quota-share	Health reinsurance	01/01/2017	01/01/2019	EUR	0	-34	561	-209
Fidelidade - Companhia de Seguros, S.A.	MULTICARE SEGUROS SAUDE SA	Quota-share	Health reinsurance	01/01/2019	31/12/2019	EUR	0	-3,312	55,370	-20,634
Fidelidade - Companhia de Seguros, S.A.	MULTICARE SEGUROS SAUDE SA	Quota-share	Medical expenses insurance	01/01/2019	31/12/2019	MZN	0	-530	0	-368
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	11,080	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	04/04/2016	01/01/2019	EUR	56,800	0	0	-2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2019	30/06/2020	EUR	0	0	0	-1,306

COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	EUR	80	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	EUR	27,364	1	0	-28
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	15/03/2017	31/12/2019	USD	3,750	0	0	-2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	09/01/2018	08/01/2019	USD	6,914	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	09/01/2018	08/01/2019	USD	6,914	0	0	-4
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	08/03/2019	07/03/2020	USD	0	0	1	-75
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	1	1	-33
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	MZN	0	0	2	11
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	MZN	0	0	1	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	MZN	0	0	2	1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	0	10	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	1	2	-20
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	MZN	0	0	6	8
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	02/06/2016	01/01/2019	USD	30,565	0	78	4
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	20/10/2016	01/01/2019	EUR	2,607	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	USD	0	0	-1	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	USD	0	0	-3	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2016	01/01/2019	USD	0	0	4	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2016	01/01/2019	USD	0	0	0	0

COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2016	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	9,299	0	2	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	1	1	-24
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	0	2	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	15/02/2017	01/01/2019	EUR	3,000	0	372	4
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	MZN	0	0	0	-8
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	MZN	0	-1	13	175
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	MZN	0	0	3	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2016	01/01/2019	USD	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	55,200	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	11/12/2015	01/01/2019	EUR	0	0	1	1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	16/12/2013	01/01/2019	MOP	22,705	-31	55	-634
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2017	01/01/2019	EUR	0	0	48	648
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2016	01/01/2019	EUR	0	0	804	-3,524
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	USD	13,110	0	1	-18
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	EUR	35,500	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	28/08/2019	27/08/2020	USD	3,052	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	17/04/2019	16/04/2020	USD	4,373	0	0	-2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional fire and other damage to property reinsurance	01/01/2017	01/01/2019	MZN	0	0	3	0

COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	USD	3,402	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2018	01/01/2019	USD	3,402	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/01/2019	31/12/2019	USD	0	0	0	-65
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	09/01/2017	01/01/2019	USD	6,914	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/12/2017	01/01/2019	EUR	18,506	16	0	10
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	06/10/2019	05/10/2020	EUR	0	0	0	-10
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	06/10/2018	05/10/2019	EUR	0	0	0	-31
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	03/05/2018	02/05/2019	USD	0	0	0	-5
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional general liability reinsurance	01/01/2019	31/12/2019	MZN	0	0	0	-9
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/01/2019	31/12/2019	EUR	4,000	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional general liability reinsurance	01/01/2018	01/01/2019	MZN	0	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/07/2019	30/06/2020	EUR	0	0	0	-2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional general liability reinsurance	01/01/2017	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/07/2019	30/06/2019	EUR	0	0	0	-81
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/01/2018	01/01/2019	EUR	4,000	0	0	-5
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/01/2017	01/01/2019	EUR	4,000	0	0	-5
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/07/2019	30/06/2020	EUR	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/07/2014	01/01/2019	EUR	0	0	15	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	15/05/2019	14/05/2020	USD	0	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional general liability reinsurance	01/07/2012	01/01/2019	EUR	0	0	125	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional marine, aviation and transport reinsurance	19/02/2018	01/01/2019	EUR	0	0	0	3
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional marine, aviation and transport reinsurance	01/01/2019	31/12/2019	MZN	0	0	0	-18

COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional marine, aviation and transport reinsurance	01/01/2018	01/01/2019	MZN	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional medical expenses reinsurance	27/04/2019	26/04/2020	USD	2,220	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional medical expenses reinsurance	27/04/2018	26/04/2019	USD	2,220	0	0	-2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional medical expenses reinsurance	01/01/2019	31/12/2019	MZN	0	1	0	-6
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional motor vehicle liability reinsurance	14/01/2019	13/01/2020	USD	82	0	0	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Non-proportional health reinsurance	01/01/2018	01/01/2019	MZN	0	0	0	-51
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Non-proportional health reinsurance	01/01/2019	01/01/2019	MZN	0	0	0	-33
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2019	31/12/2019	MZN	0	0	25	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2019	31/12/2019	MZN	0	1	30	-106
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2018	01/01/2019	MZN	0	0	27	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2018	01/01/2019	MZN	0	-6	32	255
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2017	01/01/2019	MZN	0	0	63	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2017	01/01/2019	MZN	0	0	7	12
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2016	01/01/2019	USD	0	0	1	-1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2016	01/01/2019	USD	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2015	01/01/2019	USD	0	0	0	0
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional other motor reinsurance	01/01/2015	01/01/2019	USD	0	0	0	2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional workers' compensation reinsurance	19/04/2018	18/04/2019	USD	1,764	0	0	1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional workers' compensation reinsurance	01/01/2019	31/12/2019	MZN	0	3	52	-68
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional workers' compensation reinsurance	01/01/2018	01/01/2019	MZN	0	-1	64	2
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional workers' compensation reinsurance	01/01/2017	01/01/2019	MZN	0	-1	174	13

COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional workers' compensation reinsurance	01/01/2016	01/01/2019	USD	0	0	1	1
COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Proportional workers' compensation reinsurance	01/01/2015	01/01/2019	USD	0	0	0	0
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	6,500	0	0	-73
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	0	-5	0	-42
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	0	-18	140	-78
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	790,000	-8	0	-95
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2018	01/01/2019	EUR	0	1	80	13
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2017	01/01/2019	EUR	0	0	111	-1
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2016	01/01/2019	EUR	0	0	76	16
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess	Fire and other damage to property insurance	01/01/2015	01/01/2019	EUR	0	0	29	0
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event and per risk)	Income protection insurance	01/01/2019	31/12/2019	EUR	910	0	0	-5
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2015	01/01/2019	EUR	2,000	0	32	33
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2014	01/01/2019	EUR	2,000	0	31	32
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2019	31/12/2019	EUR	2,000	0	347	-541
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2018	01/01/2019	EUR	2,000	0	1,026	636
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2017	01/01/2019	EUR	2,500	0	795	104
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2016	01/01/2019	EUR	2,000	0	588	598
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2012	01/01/2019	EUR	2,000	2	549	1
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Assistance	01/01/2019	31/12/2019	EUR	0	-404	-3,270	-4,785
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Legal expenses insurance	01/01/2019	31/12/2019	EUR	0	-39	-270	-289
VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	MULTICARE SEGUROS SAUDE SA	Quota-share	Medical expenses insurance	01/01/2019	31/12/2019	EUR	0	-2	120	-57
MULTICARE - SEGUROS DE SAUDE, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Medical expenses insurance	01/01/2016	31/12/2019	EUR	0	-58	0	-672

FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Fire and other damage to property insurance	01/01/2019	31/12/2019	USD	6,650	-860	9	-919
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Proportional general liability reinsurance	01/01/2019	31/12/2019	USD	0	-157	1	-156
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Income protection insurance	01/01/2019	31/12/2019	USD	0	-51	1	-50
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Marine, aviation and transport insurance	01/01/2019	31/12/2019	USD	0	554	0	1
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Marine, aviation and transport insurance	01/01/2019	31/12/2019	USD	2,364	-156	0	-140
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Marine, aviation and transport insurance	01/01/2019	31/12/2019	USD	2,363	0	0	0
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	Marine, aviation and transport insurance	01/01/2019	31/12/2019	USD	280	-1,473	514	-70
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2019	31/12/2019	USD	0	-459	18	-483
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Workers' compensation insurance	01/01/2019	31/12/2019	USD	0	-211	591	354
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Assistance	01/01/2019	31/12/2019	AOA	0	67	7	-32
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Assistance	01/01/2019	31/12/2019	AOA	0	35	15	-13
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Legal expenses insurance	01/01/2019	31/12/2019	AOA	0	0	0	0
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Quota-share	Medical expenses insurance	01/01/2019	31/12/2019	AOA	0	36	8	-13
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	MULTICARE SEGUROS SAUDE SA	Stop loss	Health plan	01/01/2019	31/12/2019	EUR	0	-826	109	-418
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	01/09/2019	31/08/2020	EUR	28,322	-11	7	-3
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	3,108	0	0	-1
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	24,263	0	0	-4
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	01/01/2019	30/06/2019	EUR	6,054	0	0	-1
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	11/08/2019	10/08/2020	EUR	26,605	0	6	-3
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	20/06/2019	19/06/2020	EUR	11,363	12	11	-23
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	30/11/2019	29/11/2020	EUR	97,686	-48	56	-38
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	03/05/2019	02/05/2020	EUR	126,836	0	18	-67

FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Fire and other damage to property insurance	01/01/2019	31/12/2019	EUR	73,089	0	0	-60
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Proportional fire and other damage to property reinsurance	01/07/2016	01/01/2019	EUR	11,146	0	0	-1
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Medical expenses insurance	11/11/2019	17/11/2019	EUR	9,094	-1	0	-1
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Medical expenses insurance	01/03/2019	28/02/2020	EUR	1,484	0	1	-5
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Facultative proportional	Miscellaneous financial loss	08/07/2019	30/06/2020	EUR	19,798	0	8	-10
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	COMPANHIA PORTUGUESA RESSEGUROS, SA	Facultative proportional	Proportional fire and other damage to property reinsurance	16/12/2013	31/05/2020	EUR	21,386	-63	45	-525
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other non-proportional treaties	Fire and other damage to property insurance	01/01/2019	31/12/2019	CVE	4,535	-9	52	-404
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Quota-share	General liability insurance	01/01/2019	31/12/2019	CVE	499	8	105	-82
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other non-proportional treaties	Income protection insurance	01/01/2019	31/12/2019	CVE	3,628	-53	46	-27
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other proportional treaties	Marine, aviation and transport insurance	01/01/2019	31/12/2019	CVE	544	3	5	-62
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other non-proportional treaties	Marine, aviation and transport insurance	01/01/2019	31/12/2019	CVE	1,333	-2	4	-65
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other non-proportional treaties	Marine, aviation and transport insurance	01/01/2019	31/12/2019	CVE	2,267	-1	6	-21
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Stop loss	Medical expenses insurance	01/01/2019	31/12/2019	CVE	30	0	0	0
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Motor vehicle liability insurance	01/01/2019	31/12/2019	CVE	765	-32	246	-28
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Other non-proportional treaties	Other life insurance	01/01/2019	31/12/2019	CVE	136	3	0	12
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Excess of loss (per event)	Workers' compensation insurance	01/01/2019	31/12/2019	CVE	871	-21	213	102
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Facultative proportional	Assistance	01/01/2019	31/12/2019	CVE	33	3	0	-224
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	MULTICARE SEGUROS SAUDE SA	Stop loss	Medical expenses insurance	01/01/2019	31/12/2019	CVE	3	6	0	-7

d) Internal cost sharing, contingent liabilities (other than derivatives) and off balance sheet items and other types of intragroup transactions

Investor / buyer / beneficiary name	Issuer / seller provider name	Transaction type	Trigger event	Transaction issue date	Currency	Value of transaction/ collateral/ guarantee
Fidelidade - Companhia de Seguros, S.A.	E.A.P.S. - Empresa de Analise, Prevencao e Seguranca, S.A.	Internal cost sharing	Assignment of employees	31/12/2019	EUR	68
FIDELIDADE ASSISTENCIA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Internal cost sharing	Assignment of employees	31/12/2019	EUR	661
MULTICARE - SEGUROS DE SAUDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Internal cost sharing	Assignment of employees	31/12/2019	EUR	3,408
Fidelidade - Companhia de Seguros, S.A.	E.A.P.S. - Empresa de Analise, Prevencao e Seguranca, S.A.	Internal cost sharing	External supplies and services	31/12/2019	EUR	1,200
FIDELIDADE ASSISTENCIA - COMPANHIA DE SEGUROS, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Internal cost sharing	External supplies and services	31/12/2019	EUR	1
FIDELIDADE - SERVICOS DE ASSISTENCIA, S.A.	FIDELIDADE ASSIST COMP SEGUROS SA	Internal cost sharing	External supplies and services	31/12/2019	EUR	564
MULTICARE - SEGUROS DE SAUDE, S.A.	FIDELIDADE COMPANHIA SEGUROS SA	Internal cost sharing	External supplies and services	31/12/2019	EUR	28
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	Universal - Assistencia e Servicos, Lda.	Internal cost sharing	External supplies and services	31/12/2019	EUR	507

B. System of Governance

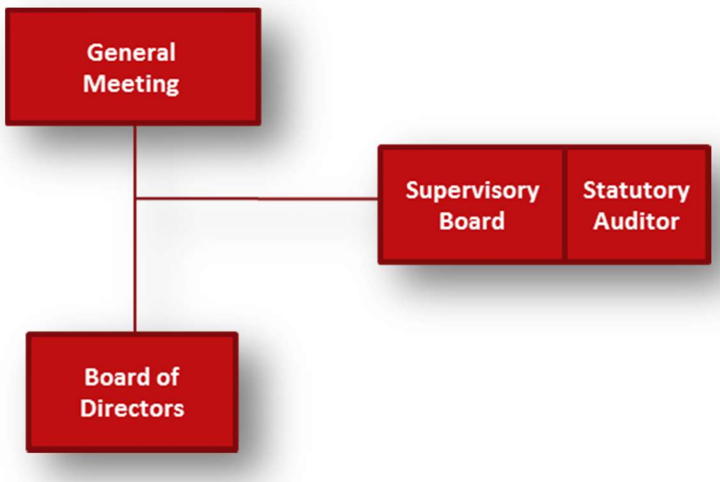
B.1. General information on the system of governance

B.1.1. Corporate governance structure

Corporate governance involves a series of relationships between the management of the company, its shareholders and other stakeholders, by means of which the company's objectives are defined, and also the means by which these will be achieved and monitored.

Longrun adopts a unitary corporate governance model with a Board of Directors and a supervisory body composed of a Supervisory Board and a Statutory Auditor.

The following table represents Longrun's Corporate Governance structure during 2019.



The main competences of the bodies included in the corporate governance structure are:

General Meeting

No Presiding Board of the General Meeting was elected for the current mandate.

The Articles of Association do not provide for any maximum percentage of voting rights that may be exercised by a single shareholder or even by a shareholder who has with the former any of the relationships set out in Article 20(1) of the Securities Code.

The General Meeting can deliberate at its first convening, provided that shareholders holding at least three quarters of the total shares representing the share capital are present or represented. At the second convening it can deliberate regardless of the number of shareholders present or represented and regardless of the amount of capital to which their shares correspond.

Board of Directors

The members of the Board of Directors are elected by the General Meeting.

Vacancies or impediments in the Board of Directors are filled by co-opting until a resolution is submitted to the first subsequent General Meeting.

Pursuant to the Company's Articles of Association, the Board of Directors is composed of between two and five members, and the Chairman of the Board of Directors is appointed by the General Meeting. The Board Members' mandate is for three calendar years, and they may be re-elected once or more times. The year of their appointment counts as one full calendar year.

As one of the Company's corporate bodies, the Board of Directors has, pursuant to Article 13(1) of the Company's Articles of Association, the broadest of powers to manage and represent the company.

The Board of Directors may not deliberate if the majority of its members is not present or represented.

Supervisory Board and Statutory Auditor

The supervision of the Company, pursuant to Article 413(1) a) of the Code of Commercial Companies, is the responsibility of a Supervisory Board and a Statutory Auditor, with the competences set out in law and whose current mandate corresponds to the period 2017/2019.

The company's Articles of Association establish the duties of the Supervisory Board as those provided for in law.

Statutory Auditor

As mentioned in A.1.3., the Statutory Auditor is Ernst & Young Audit & Associados – SROC, S.A.

Besides the required statutory audit work, Ernst & Young Audit & Associados – SROC, S.A. does not provide any other type of services on a recurring basis to the Company or the companies controlled by it.

However, when these other services are provided to the Company or the companies controlled by it, this is in strict compliance with the procedures defined in law, namely in Law No. 140/2015, of 7 September.

B.1.2. Internal governance

Internal governance is the responsibility of the management body and its main concerns are to define the group's business objectives and risk appetite, the organisation of business, the granting of responsibilities and authority, the reporting lines and the information that must be provided, as well as the organisation of the internal control system.

As an insurance holding company, Longrun, SGPS, SA., does not carry out insurance or reinsurance activities, and its activity is limited to management of the participations held in the insurance companies Fidelidade – Companhia de Seguros, SA, Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A.

Since Fidelidade – Companhia de Seguros, SA, is the most representative company of the Group, the governance requirements applied to the insurance Group are defined therein. Accordingly, the relevant body to which the Group's governance requirements apply is the Executive Committee of Fidelidade – Companhia de Seguros, S.A.

The risk management and internal control systems are managed by bodies within Fidelidade's structure which perform functions transversal to the Group.

Various corporate functions have been implemented and strengthened in the Group, including the following areas: information systems, planning and control, accounting and investment.

Additionally, the operational risk and internal control management processes described in this report enable the dissemination, to all the companies, of a culture of risk management, thereby strengthening the protection of their stakeholders, in particular, the policy holders and beneficiaries.

Regarding the Group's solvency, as described in points B.3.3, and E.1.1. of this report, there are adequate mechanisms to identify and measure all the material risks incurred and adequately relate the eligible own funds to the risks.

In relation to transactions with related parties, a series of objective and transparent rules, which are subject to specific approval mechanisms, are applicable to these.

Conditions are, therefore, created for the relevant body at Group level to adequately manage the risk management and internal control systems, both at the individual and Group level, with appropriate reporting lines and procedures for providing information.

B.1.3. Key functions

Key functions are established within the risk management and internal control systems in Longrun's insurance business. Longrun has policies, processes and procedures adapted to its business strategy and operations, guaranteeing sound and prudent management of its business. Accordingly, risk management, internal audit, actuarial and compliance key functions are defined. These are transversal to the Group and are guaranteed by the Risk Management Division, the Internal Audit Division and the Compliance Division.

Besides the areas that perform key functions that are transversal to the Group within the risk management and internal control systems, in addition to the legal area, several other corporate functions have been implemented and strengthened in the Fidelidade Group, including information systems, planning and control, accounting and investment.

The key functions established within the risk management and internal control systems are given to the following bodies:

Divisions	**Risk Management Division**	**Audit Division**	**Compliance Division**
Key functions	**Risk Management Function** **Actuarial Function**	**Internal Audit Function**	**Compliance Function**

The following functions are defined for these bodies:

B.1.3.1. Risk Management Function

- Ensuring information is produced and made available to support decision-making, both by the Executive Committee and by the different Divisions;
- Ensuring the development, implementation and maintenance of a risk management system which enables all material risks to which the Insurers and the group are exposed to be identified, assessed and monitored;
- Drawing up, proposing and revising the Capital Management Policy, the medium-term Capital Management Plan and the respective Contingency Plans;
- Drawing up, proposing and revising the ORSA Policy and coordinating the performance of the annual exercise;
- Assessing and monitoring the current and future solvency situation;
- Drawing up, proposing and revising the Asset and Liability and Liquidity Risk Management Policy;

- Participating in the drawing up and revision of the Investments Policy;
- Identifying, assessing and monitoring the market risks and counterparty credit risks;
- Monitoring compliance with the defined level of liquidity and coverage of estimated payments by estimated receipts;
- Identifying, assessing and monitoring operational risks incurred in the insurance group, as well as identifying and characterising the existing control tools;
- Diagnosing and identifying improvements in the operational and control systems;
- Assessing and monitoring the risk mitigation instruments, namely Reinsurance;
- Participating in the revision of the Underwriting and Reinsurance Policies;
- Identifying, assessing and monitoring underwriting risks and the credit risk of instruments to mitigate those risks, and preparing information to support decision-making.

B.1.3.2. Actuarial Function

- Monitoring the accounting Technical Provisions, assessing their level of prudence;
- Undertaking an actuarial assessment of the portfolios, including calculation of the fair value of liabilities of a technical nature;
- Ensuring consultancy and actuarial technical assistance to the bodies and institutions which request it, as part of contracts for the provision of actuarial-type services, in particular, on the subject of pension funds, benefits plans or any other private pension plan frameworks.
- Drawing up, proposing and revising the Provisioning Policies;
- Coordinating calculation of the technical provisions;
- Assessing the adequacy and quality of the data used in the technical provisions calculation;
- Ensuring that appropriate methodologies, basic models and assumptions are used in the technical provisions calculation;
- Comparing the technical provisions best estimate with the actual amounts;
- Informing the management body of the level of reliability and adequacy of the technical provisions calculation;
- Supervising the technical provisions calculation whenever the insurer does not have sufficient data and with the quality needed to apply a reliable actuarial method and, for that reason, if approximate values are used;
- Issuing an opinion on the global underwriting policy;
- Issuing an opinion on the adequacy of reinsurance agreements;
- Contributing to the effective application of the risk management system, particularly regarding the risk modelling on which the solvency capital requirement and minimum capital requirement are based, and also regarding the own risk and solvency assessment.

B.1.3.3. Internal Audit Function

- Drawing up, implementing and maintaining an Annual Audit Plan based on a methodical analysis of risk, covering all significant activities and the governance system of the Insurers in the Fidelidade Portugal Group, including planned developments regarding activities and innovations;
- Assessing compliance with the principles and rules defined as part of the internal control and operational risk management, identifying possible insufficiencies and suggesting action plans to mitigate the inherent risk or optimise the control in terms of effectiveness;
- Carrying out audit actions based on a specific methodology which, since it always has risk assessment in mind, can help to determine the probability of the risks occurring and the impact they may have on the Fidelidade Group;

- By means of an IT application, presenting the Executive Committee with audit reports produced, demonstrating the conclusions obtained and recommendations issued;
- Drawing up the Annual Audit Report, with a summary of the main deficiencies detected and issued recommendations in the audit actions, and presenting it to the Executive Committee and the Supervisory Bodies;
- Analysing the level of implementation of recommendations issued;
- Aiding the Executive Committee, when requested by the latter, in uncovering the facts relating to potential disciplinary breaches by employees and irregularities performed by agents or service providers;
- Performing ad hoc audits, as requested by the Executive Committee or another Structural Body;
- Working with the External Audit and with the Statutory Auditor.

B.1.3.4. Compliance Function

- Ensuring the coordination and monitoring of compliance issues;
- Ensuring the coordination of the compliance function, with a view to compliance with legislation and other regulations, and with internal policies and procedures, seeking to prevent sanctions of a legal or regulatory nature and financial losses or reputational harm;
- Drawing up and proposing the Companies' Compliance Manual and ensuring it is maintained and disseminated.

B.1.4. Committees

The management of the risk management and internal control systems is also ensured by the following committees that perform functions across the Group:

<u>Risk Committee</u>

The Risk Committee is responsible for commenting on Risk Management and Internal Control issues which are submitted to it by the Executive Committee, relying on the definition of the risk strategy to be followed by the Companies. Accordingly, the Risk Committee proposes to the Executive Committee risks policies and global objectives to be considered in the Companies' Risk Management and Internal Control.

<u>Underwriting Policy Acceptance and Supervision Committee</u>

The main function of this Committee, which covers all channels and products, is to deliberate on the acceptance of risks which exceed the competences of the Business Divisions or which require its intervention due to their specific nature.

<u>Products Committee (Life and Non-Life)</u>

The Products Committee's main mission is to coordinate the release of products of all Group companies, ensuring that the offer is consistent with the multi-channel and value creation strategy, ensuring alignment of the new offer and the existing offer with the group's strategic planning and risk appetite defined by the Executive Committee.

<u>Assets and Liabilities Management Committee</u>

The Assets and Liabilities Management Committee (ALCO) was created in August 2018. The main objectives of this Committee are to supervise the asset / liability matching, the investments portfolio and the market risks (namely interest rate risk, currency risk and liquidity risk). Another aim is to establish an optimal structure for the group's balance sheet to allow maximum profitability, limiting the level of risk possible and monitoring the performance of the group's investments in terms of risk and return and the implementation of the ALM strategy, as well as market and liquidity risks.

B.1.5. Remuneration rights of the members of the management body

The fixing of the remunerations of the members of the corporate bodies is the responsibility of the General Meeting, since no Remunerations Committee has been set up in the Company.

The members of the Board of Directors are not remunerated for the performance of their functions.

The remuneration of the members of the management and supervisory bodies, if any, is fixed with reference to the applicable legal and regulatory standards, and to the principles guiding the policy for fixing the remunerations of the members of the corporate bodies of the Group companies.

The members of the Board of Directors are not remunerated.

No indemnity or compensation was paid as a result of any cessation of the functions of a Board Member during the year.

No Presiding Board of the General Meeting has been elected.

There are no agreements between the Company and the members of the Management Body that provide for compensation in the event of removal, dismissal without just cause or cessation of the employment relationship, following a change of control in the Company.

The members of the Company's management and supervisory bodies do not benefit from any share allocation or stock option plans.

B.1.6. Transactions with related parties

The Company has adopted a set of transparent and objective rules which are applicable to transactions with related parties, which are subject to specific approval mechanisms.

All transactions with related parties were subject to control.

Operations to be performed between the Company and holders of qualifying shares or entities which are in any kind of relationship with them are subject to assessment and a decision of the Board of Directors, and these operations, like all others performed by the Company, are subject to supervision by the Supervisory Board.

Information on business with related parties can be found in the Financial Statements.

B.1.7. Assessment of the adequacy of the system of governance

Longrun considers that its system of governance is adequate for the nature, scale and complexity of the risks to which it is exposed, and complies with the requirements set out in the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance.

B.2. Fit and proper requirements

The Fit & Proper Policy currently in force, which falls within the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance (RJASR), aims to establish general principles for assessing whether the persons who effectively run the company, supervise it, are its managers or perform key functions within it are fit and proper.

The fit and proper requirements assessed in the terms and for the purposes of this Policy are:

- Integrity;
- Professional Qualification;
- Independence, Availability and Capacity.

Professional qualification is assessed in the light of academic qualifications, specialist training and professional experience.

When assessing academic qualifications and specialist training, value is particularly given to knowledge obtained in the fields of insurance and general finance or any other area which is relevant for the activity to be performed.

When assessing professional experience, the nature, size and complexity of activities previously performed is compared to those that will be performed in the future.

In the specific case of Top Management, meaning management positions with direct reporting to the executive management body, 5 years' previous professional experience is required.

In the case of key functions, the following professional qualifications are required:

	Academic Qualifications	Specialist Training	Professional Experience
Internal Audit (head)	Degree in Business Management, Economics, Auditing or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	15 years of experience in the area
Internal Audit (team member)	Degree in Economics, Management, Business Management or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate level) in Financial Markets or similar areas is also relevant.	2 years' minimum experience in the area or similar, depending on the specific function the employee is performing
Compliance (head)	Law Degree	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	15 years of experience in the area or similar
Compliance (team member)	Law Degree	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate level) in European Studies, Business Management, Compliance or similar areas is also relevant.	5 years of experience in the area or similar
Risk Management (head)	Higher education in Business Organisation and Management, Mathematics, Actuarial Studies, Economics, Statistics or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	15 years of experience in the area or similar
Risk Management (team member)	Higher education in Mathematics, Management, Actuarial Studies, Finance, Economics, Actuarial Science, Statistics, Sociology, Engineering or similar.	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate level) in Banking and Insurance Management and in Markets and Financial Assets is also relevant.	4 years' minimum experience, depending on the specific function the employee is performing

Actuarial Function (head)	Higher education in Mathematics, Actuarial Studies, Economics or Statistics	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate level) in Actuarial Science is also relevant.	10 years' experience in actuarial
Actuarial Function (team member)	Higher education in Mathematics, Actuarial Studies, Economics or Statistics	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate level) in Actuarial Science is also relevant.	5 years' experience in actuarial

In line with the Fit and Proper Policy, the scope of application of which is singular, covering the various insurance companies within the Longrun, SGPS, S.A., universe and Longrun itself, persons who effectively run the company, supervise it, are its managers or perform key functions within it must possess and demonstrate the capacity to at all times guarantee sound and prudent management of the insurance company, with a view, in particular, to safeguarding the interests of policyholders, insured persons and beneficiaries.

For this reason, they must comply with the requirements of qualifications (fit), integrity (proper), independence and availability. Additional requirements are provided for collegiate bodies.

The following persons are subject to the assessment: members of the management body, members of the supervisory body, the statutory auditor who is responsible for issuing the statutory auditor's report and the responsible actuary.

The following persons are also subject to the assessment: persons who perform other functions which give them significant influence over the management of the Companies, Top-Level Managers, persons who are responsible for or perform risk management, compliance, internal audit and actuarial functions, representatives of the Companies' branches and, where key functions are outsourced, the internal interlocutor for those functions.

The Companies must confirm that the persons subject to the assessment fulfil the fit and proper requirements to perform their respective functions. The Policy therefore sets out the process for assessing those requirements, divided into three major areas: (1) Assessment; (2) Registration; (3) Appointment.

The Assessment Committee is responsible for assessing the fit and proper requirements of the members of the Management and Supervisory Bodies, the Statutory Auditor and the Responsible Actuary. The Assessment Committee is also responsible for assessing the heads of the risk management, compliance and internal audit functions, and also the head of the People and Organisation Division.

The responsibility for assessing other persons – top-level managers, the persons responsible for the actuarial function, branch representatives, staff who perform key functions and those responsible for important or critical functions or activities which are outsourced – lies with the People and Organisation Division.

The assessment is carried out prior to the commencement of functions (initial assessment) and continuing compliance with the fit and proper requirements is confirmed every three years thereafter (successive assessment), by means of a statement presented for the purpose by the interested party, whenever that compliance continues.

Since the appointed persons must inform the insurance company of any facts subsequent to the appointment or to the registration which change the content of the statement initially presented, an extraordinary assessment will be carried out whenever they become aware of any subsequent circumstances which may lead to the requirements not being fulfilled within the scope of their functions.

B.3. Risk management system including the own risk and solvency assessment

The risk management and internal control systems are managed by the Risk Management Division, the Audit Division, the Compliance Division, the Risk Committee, the Products Committee (Life and Non-Life), the Underwriting Policy Acceptance and Supervision Committee and the Assets and Liabilities Management Committee.

B.3.1. Risk management processes

The following sub-paragraphs describe the group's risk management processes for each category of risk, including how these are identified, monitored and managed.

B.3.1.1. Strategic Risk

The group's strategy is attained by means of a chain of responsibilities beginning with the Executive Committee, which defines the high-level strategic objectives, passing to the heads of each Division, who are responsible for outlining plans to achieve those objectives, and ending with the group's employees, who seek to achieve the proposed objectives on a daily basis within the scope of their functions.

The strategic decisions taken by the group are based on well-defined processes of approval and of implementation and monitoring, which have proved to be both effective in terms of implementing the strategy and adequate as a reaction to external factors which may affect the group's activity.

B.3.1.2. Underwriting Risk – Product Design and Pricing

The Business Divisions are responsible for managing and assessing this risk. The Business Divisions ensure the technical development of new products, or reformulation of existing ones, by defining their technical characteristics and technical documentation, and by establishing their prices, rules for delegation of powers and underwriting policies, and by drawing up technical information to support the sales activity.

For each product, there is a process of identifying the needs which are intended to be met and defining the group's strategic objectives which are intended to be achieved with its launch / reformulation.

The launch of new products, reformulation of existing ones and pricing updates are approved in advance by the Product Committee (Life and Non-Life).

When a new product is launched, or when significant changes are made to the characteristics of existing products, training programmes and communication plans are scheduled with the aim of introducing the product to the commercial networks, emphasising, in particular, its characteristics and the underwriting policies that have been defined.

Analyses are periodically undertaken of products/prices, and also of the composition and behaviour of the respective portfolios, with the purpose of assessing how adequate they are in terms of contractual conditions versus profitability.

B.3.1.3. Underwriting Risk – Underwriting

The Business Divisions are responsible for managing and assessing the risks associated with underwriting the group's products, and the power to give discounts is delegated to the sales areas only in situations where knowledge of the risk is high and the technical risk is low.

The aim of the group's Underwriting Policy is to classify the risks according to the level of exposure to and knowledge of the risk. This policy takes the form of underwriting rules and delegation of available competences.

The group has an Underwriting Policy Acceptance and Supervision Committee, the mission of which is to analyse and accept risks the acceptance of which, as defined in the Underwriting Policy, is not delegated to the Business Divisions.

The Business Divisions are responsible for underwriting risks the acceptance of which is not delegated.

In order to guarantee that the underwriting policies are adequately followed, in the products' sales phase, the Operations and Quality Division and the Corporate Business Division, in the case of Non-Life products, and the Life Business Division, in the case of Life products, check compliance with the underwriting rules defined. Besides this check, the Business Divisions and the Statistics and Technical Studies Division, in the case of Non-Life products, regularly monitor the adequacy of the underwriting policies, by means of statistical indicators of the portfolio's development, the drawing up of risk profiles and occasional analyses of contracts.

There is a system of Portfolio Selection and Checking which occurs monthly, aimed at checking and monitoring clients in the portfolio, in order to safeguard profitability of the business.

There is also a process to monitor underwriting quality, which seeks, on one hand, to identify situations of false declarations or omission of declarations in the issue of contracts and, on the other, to rectify these situations, ensuring articulation between all those involved: the Business Divisions, Commercial Divisions and Operations and Quality Division. This monitoring process, which seeks to assess irregular types of behaviour, is performed weekly and is mainly supported by cross-referencing with sources of external or internal historical data and identifying anomalous patterns.

B.3.1.4. Underwriting Risk – Reserving

The group's Provisioning Policy establishes the methodologies for calculating provisions, broken down by line of business and in accordance with the liabilities to be estimated. Accordingly, different provisions methodologies are defined for each line of business, based on recognised actuarial methods.

In order to guarantee the reliability of the information used in the process for establishing provisions for the group's obligations, the quality of the information is validated by reconciling the accounting information with the operational information.

Alongside this process, an analysis is conducted, for the Life segment, of the provisions set up, considering the methodologies used for calculating the provisions and the insurer's historical experience relating to each of the obligations, and compliance with the rules in force regarding the calculation of provisions is also validated. Forecasts are made annually of the technical results for the different lines of business with the aim of assessing the adequacy of the technical bases in force.

For the Non-Life segment, the group also regularly assesses compliance of the provisions by analysing the responsibilities in terms of uncertainty, length of contract, nature of claims and expenses with settlement of claims. Compliance with the rules in force regarding the calculation of provisions is also validated. In addition, a range of micro and macro-economic scenarios are used to confirm the adequacy of the amount of the provision.

B.3.1.5. Underwriting Risk – Claims Management Processes

The Business Divisions are the main players in the management and assessment of risk associated with the group's claims processes.

The group's Claims Management Policy is formalised in procedures manuals of the divisions responsible for its management, namely, the Business Divisions.

In order to promote better following up of claims management, regarding claims which are slow or complex to resolve, time limits are defined for settlement. If these are exceeded, the claims are sent for analysis by specialised sectors.

Regular statistical information is prepared on this matter to ensure control of the time limits for settling claims and supervision of those which are covered by reinsurance treaties.

B.3.1.6. Underwriting Risk – Reinsurance and Alternative Risk Transfer

The Reinsurance Division negotiates and manages reinsurance treaties, closely accompanied by the Executive Committee, which approves the conditions negotiated prior to their acceptance.

In terms of the group's Reinsurance Policy, the Reinsurance Division operates in line with the objectives and strategic guidelines defined in conjunction with the Executive Committee and based on an analysis of business needs conducted with the technical and actuarial areas.

The Reinsurance Policy is implemented by the Reinsurance Division, with the drawing-up of proposals, negotiation of treaty conditions, approval of these and their signing and renewal, and monitoring and follow-up of the various reinsurance contracts existing in the group.

As part of the monitoring of this risk, the Reinsurance Division carries out constant follow-up of the treaties, manages the run-off portfolio, controls risk peaks and periodically analyses the technical results by treaty. In order to study annual and multi-annual trends, these analyses include a comparison with the information relating to previous years (minimum 5 years), thus allowing the evolution of the reinsurance technical results to be monitored. This information is used for subsequent negotiations with the reinsurers.

B.3.1.7. Market Risk

The group's objectives, rules and procedures on market risk management are governed by means of its Investments Policy, which was revised in December 2019.

The Investments Policy defines:

- the main guidelines for managing investments and how the group assesses, approves, implements, controls and monitors its investment activities and the risks resulting from those activities;
- activities related to the group's investment process, including Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA), the decision-making process and control and reporting activities;
- the duties and responsibilities of those involved in the investment process.

The Investments Policy 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.

Considering these aspects, the group's investment management cycle is composed of the following critical activities:

- Defining – Defining and approving the general investment management cycle, including the global investment strategy, investment policies, asset and liability and liquidity management, and strategic asset allocation (SAA;
- Investing – Performing all investment activities, in line with the strategies and policies defined (identifying, assessing and approving investment opportunities, and placing, settling and allocating investments);
- Monitoring – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;
- Managing – Reviewing the strategies, policies, benchmarks and limits in line with current and future market conditions/expectations and internal risk capacity;
- Controlling – Ensuring compliance with all the strategies, policies, procedures and responsibilities assigned.

B.3.1.8. Counterparty Default Risk

The group is essentially exposed to Counterparty Default Risk when selecting and accompanying investments in the different classes of assets and also reinsurers.

Securities issuers are assessed in order to measure their credit quality. This assessment uses information on their rating (among others) and evaluates the portfolio's compliance with the limits of exposure to this issuer defined in the Investments Policy.

However, the risk is constantly monitored, and an effort is made to follow the opinions / outlooks of the international ratings agencies so as to prevent a decline in the rating of the securities held. On the other hand, establishing internal limits by class of asset, rating, duration, industry, geography and currency, and not authorising situations of risk accumulation, means that proper spreading of risk can be guaranteed over time.

Regarding reinsurance, decisions concerning the selection of reinsurers are taken in line with the Reinsurance Policy, which only authorises contracts with reinsurers with a minimum credit rating of "A-".

B.3.1.9. Concentration Risk

Management of this risk is connected with the processes for managing other risks, since it is transversal to the different areas.

In order to follow the portfolio's level of exposure to the various sources of concentration risk mentioned, the Business Divisions conduct periodic qualitative analyses of the portfolio.

As part of the group's underwriting policies, procedures are defined which aim to mitigate Concentration Risk, in particular, when situations are detected in which there are two or more policies which cover risks situated at a location considered to be a common risk, these are classified as situations of risk accumulation and require a specific analysis.

Regarding the Concentration Risk associated with investments, as previously stated, the Investments Policy in force defines different exposure limits namely by industry and geography. These limits are revised periodically and amended when necessary.

Management of this risk associated with reinsurance requires the Reinsurance Division to produce an annual report with a summary of the group's reinsurance objectives for the following year. The report also includes a summary of the conditions of the reinsurance treaties in force and the percentages of exposure to each reinsurer, organised by lines of business, in accordance with the Reinsurance Policy.

B.3.1.10. Liquidity risk

In a short-term perspective, responsibility for managing investments liquidity is given to the Investments Division.

The group's aim in terms of liquidity is a treasury capable of managing all of the group's funding needs (cash outflows) in an appropriate timeframe, without resorting to credit or unplanned selling off of assets, and particularly the capacity to generate significant liquidity in a short space of time.

In a medium / long-term perspective, the group conducts a monthly ALM analysis of the companies Fidelidade, Via Directa, Multicare, Fidelidade Assistance and CPR, which includes analysis of the liabilities and assets linked to the Life and Non-Life segments.

The analyses performed cover the interest rate gap, considering the yield to maturity and the modified duration of the liabilities and of the respective assets, including the convexity effect, and short and long-term cash flow matching.

This analysis also includes a comparison between the liquidity-generating capacity and the estimated cash flow.

The articulation between functions related to investment, asset and liability management and liquidity is established in the group's Investments Policy.

B.3.1.11. Reputational risk

Management of the group's Reputational Risk is fundamentally based on:

- The existence of a function responsible for corporate communication and media relations;
- The existence of a brand communication function;
- The function of clients' complaints management, which includes providing management information to the heads of the different group areas and the Executive Committee;
- Planning and monitoring of the group's Human Resources;
- The Corporate Social Responsibility programme.

In recent years, Fidelidade is proud to have been recognised by the Portuguese on several occasions as a brand of reference. It is the insurance group which has won the most awards in Portugal. These awards are the result of the path that Fidelidade has followed, in choosing to be an insurance company made up of people thinking about people.

SUPERBRANDS PORTUGAL 2019
Fidelidade and Multicare attained the status of Superbrands 2019

MARKTEST 2019
Brand with the Best Reputation in the Insurance category (Fidelidade)

MARKTEST 2019
Brand with the Best Reputation in the Health Insurance category (Multicare)

MARKTEST 2019
Brand with the Best Reputation in the Remote Channels category (OK! Teleseguros)

CONSUMERS' CHOICE 2019
OK! Teleseguros was the consumers' choice in the Remote Channels category

CONSUMERS' CHOICE 2019
Fidelidade was the consumers' choice in the Insurance category

EXCELLENTIA CONSUMERS' CHOICE
Fidelidade was the Excellentia 2019 consumers' choice, an award given to the best Customer-Centric company

TRUSTED BRAND 2019
The Portuguese voted Fidelidade a Trusted Brand in 2019

FIVE STARS AWARDS
OK! Teleseguros received the Five Stars 2019 award in the "Remote Channels" category

MARKETEER AWARDS
The Fidelidade brand received the most votes in the Insurance category

PORTUGAL DIGITAL AWARDS 2019
The "Smart Drive" project, a partnership between Fidelidade and Brisa, was distinguished in the Best Digital Product & CX category

B.3.1.12. Operational Risk

Procedures are implemented specifically for managing both operational risk and internal control, namely:

- Documentation and classification of existing control activities, linking them to the risks previously identified in the business processes;
- Decentralised recording of events and subsequent losses, including near misses, resulting from risks associated with the business processes, and also own assessment of risks and control activities.

This risk is discussed further in Chapter B.4.1. Information on the internal control system.

B.3.2. Risk Management Function

The risk management function is part of the risk management system, and is performed by the Risk Management Division, a first-line body in the corporate structure, reporting directly to the Company's Executive Committee. This function is performed across all the Longrun Group's insurance companies.

The mission of the risk management function is based on defining, implementing and maintaining a risk management system which enables identification, measuring, monitoring and reporting of risks, individually or collectively, including risks not contemplated in the solvency capital requirement, enabling the Executive Committee and the various Divisions involved to incorporate this knowledge into their decision-making process.

The activities carried out by the Risk Management Division, in 2019, were fundamentally based on the enhancement and consolidation of several matters related with the three solvency pillars, and technical aspects and certification of information produced within this scope.

The following activities can be highlighted:

- Conducting the annual own risk and solvency assessment (ORSA) and reporting the results to the ASF in the respective supervisory report;
- Preparing and sending annual information, with reference to 31 December 2018, incorporated in the Quantitative Reporting Templates (QRT), which has been subject to certification by the statutory auditor and the responsible actuary pursuant to the regulations issued by the ASF, and also the Regular Supervisory Report;
- Reporting to the ASF and publicly disclosing the Solvency and Financial Condition Report relating to 31 December 2018, accompanied by certification by the statutory auditor and the responsible actuary;
- Preparing and sending the quarterly quantitative reporting under Solvency II.

It is also important to mention the activities related with the review of the system of governance, namely, the review and maintenance of policies and the review of processes and data quality, with the implementation of capital optimisation measures, namely improvements in the ALM process and recognition of adjustment for the loss-absorbing capacity of deferred taxes, and the conducting of the ROCI Cycle – 2019.

B.3.3. Own risk and solvency assessment

The companies in the Longrun insurance group have an ORSA Policy with the aim of establishing the general principles for the own risk and solvency assessment regarding:

- Processes and procedures;
- Functions and responsibilities;
- Criteria and methodologies;
- Reporting;

- Articulation with the strategic management process and use of the ORSA results.

According to the Policy, the ORSA aims to provide a level of security which is acceptable to the Companies' management bodies regarding compliance with the strategic objectives, within the framework of the risk appetite established.

Accordingly, considering the risk appetite defined, the ORSA seeks to provide a prospective vision of the capacity of the available capital, of both the Companies and Longrun, to support different levels of risk, resulting both from strategic decisions and from scenarios involving external factors.

The ORSA is, therefore, an integrated process in the Companies' strategic management, which enables a global vision to be gained on a regular basis of all the relevant risks which are a threat to the pursuit of the strategic objectives and the consequences of these in terms of (future) capital needs.

This process also contributes to promoting the Companies' risk culture, by identifying the risks the Companies are exposed to (including those not considered in the capital requirements), introducing the concept of economic capital in the management processes and communicating the risks, thereby allowing those receiving this information to incorporate this knowledge into their decision making.

In order to comply with these objectives, the ORSA process is divided into five major activities: (1) definition of the business strategy and risk appetite; (2) global solvency needs assessment; (3) stress tests and analysis of scenarios; (4) prospective assessment of the global solvency needs; (5) reporting. In addition to these five major activities, a further activity is defined: continual monitoring of the group Companies' solvency position.

The Executive Committee is responsible for steering the entire ORSA process, including approving it. The CRO (the member of the Executive Committee responsible for risk management) and the Risk Committee are responsible for regularly monitoring the ORSA process, by means of regular monitoring meetings. The Risk Management Division and the Strategic Planning and Corporate Performance Division are involved in carrying out the process.

When performing the ORSA, the group Companies begin by conducting an assessment (which is qualitative and, whenever so justified, quantitative) of the possible differences between the Company's risk profile and the assumptions underlying the calculation of the SCR using the standard formula.

The global solvency needs are then calculated taking into account the risk profile of the Longrun insurance group. The concept of Economic Capital is used to produce this calculation, which is based on the standard formula for calculating the solvency capital requirement (SCR), and the changes that the group deems relevant to better reflect its risk profile are introduced. In this process, all the risks that the Company is or may be exposed to are identified. These risks are assessed quantitatively and/or qualitatively.

As a complement to the assessment of the global solvency needs, a series of stress tests and sensitivity analyses are planned in order to validate the defined strategy in extreme scenarios.

To provide a prospective vision of the risk profile of the Companies and of the Group and, consequently, of its global solvency needs, forecasts are produced, for a time period which coincides with the period defined in strategic planning, of its financial position, the result of its operations, the changes in its own funds and its solvency needs

The ORSA is conducted annually and may also be carried out extraordinarily in certain situations. Reports are produced both for the supervisor and for internal use.

Also within the scope of the ORSA process, continual assessment is carried out of the regulatory capital requirements and the requirements applicable to the technical provisions. This consists of the production of a monthly report containing the estimated Solvency II position, adjusted by the effect of capital optimisation measures in progress or being studied.

The ORSA plays a key role in the management of the Longrun group companies, and the results obtained from it are taken into consideration in the various group Companies' Risk Management, in Capital Management and in Decision Making.

One of the key elements of the ORSA is to identify and measure the risks to which the Companies are exposed and project their evolution for the period under analysis.

Therefore, based on the results obtained, the group defines possible actions to be taken:

- *Assuming the risks;*
- *Taking additional mitigation measures (controls/ capital, etc.);*
- *Transferring the risks; or*
- *Eliminating activities which lead to risks which the Longrun group is not willing to run.*

The ORSA also provides support for the main activities related with Capital Management, namely:

- *Assessing, together with risk management, the risk appetite structure in relation to the business strategy and capital management strategy;*
- Contributing to the commencement of the strategic planning process, through the performance of a capital adequacy assessment in the most recent period, involving both regulatory capital and economic capital;
- *Monitoring capital adequacy.*

Considering the results obtained in the ORSA, and if the capital requirements are not in line with those defined, both in regulatory terms and in terms of other limits defined internally, the group defines the corrective actions to be implemented, in order to restore the adequate/intended level of capital.

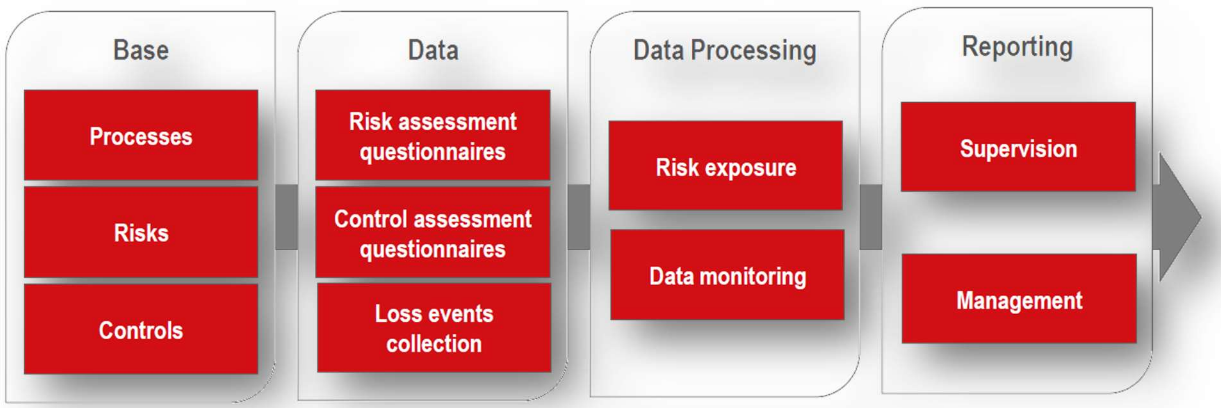
B.4. Internal control system

B.4.1. Information on the internal control system

The Risk Management Division is responsible for managing operational risk and the Companies' internal control system.

In turn, the Audit Division is responsible for assessing the adequacy of the system of operational risk management and the internal control system, in order to report fragilities / deficiencies detected and make recommendations for their improvement.

Management of the Companies' operational risk and their internal control is performed according to the following flow diagram:



Business processes

All the Companies' business processes are documented considering a pre-defined "tree" of processes containing three levels (macroprocess; process; sub-process) that represent the activities of all the insurance companies.

Documentation and updating of the Companies' business processes are a requirement for the risk management and internal control systems.

Risks and controls

For the documented business processes, the significant risks to which they are exposed are identified, classified in line with a pre-defined risk matrix. Existing mitigation mechanisms (controls) are identified for these risks.

The risks and controls existing in the Companies are thus documented and characterised.

Assessment

To assess the Companies' operational risk, quantitative information is collected on the risks previously identified by means of own assessment of risk questionnaires and the recording of loss events and subsequent losses.

The assessment of the internal control system is supported by a process of own assessment of the controls, which occurs by means of responses to questionnaires. These questionnaires aim to assess the effectiveness of the controls in mitigating risk.

It is important to mention that the Companies' various Structural Bodies are responsible for enhancing the risk management and internal control process, in order to ensure that the management and control of operations is performed in a sound and prudent manner. They are also responsible for ensuring that documentation on the business processes, respective risks and control activities exists and is up to date.

B.4.2. Information on activities performed by the compliance function

The Compliance Division's main mission is to contribute so that the management bodies, management structure and staff of the Group Companies comply with the legislation, rules, codes and standards in force at a given time, both externally and internally, in order to avoid situations of non-conformity that may harm the Group companies' image and their reputation in the market, and/or that may give rise to financial losses.

Among the compliance function's processes and controls, carried out by the Compliance Division throughout 2019, the following can be highlighted:

- Analysis of main changes to regulations
- Recording of compliance incidents
- Analysis of new products and advertising and marketing material
- Analysis of internal processes

The compliance policy is duly formalised in the "Compliance Manual". This document, which is disseminated to all employees and is available on the intranet, defines the compliance strategy, the mission and structure of the body responsible for implementation of the compliance function, the work and control processes associated with the performance of the compliance function, and the rules of ethical and professional conduct which, reflecting the values which govern the actions of the Longrun group, lead to the behaviour which is expected of and mandatory for all employees.

B.5. Internal Audit Function

As stated above, the internal audit function is given to the Audit Division, which is a first-line body in the corporate structure, reporting directly to the Executive Committee. Its mission is to guarantee assessment and monitoring of the group's risk management and internal control systems. Its general purpose, therefore, is to contribute to creating value and improving circuits and procedures, seeking to increase the effectiveness and efficiency of operations, the safeguarding of assets, trust in the financial reporting and compliance with laws and regulations.

The rules and principles that the internal audit function must obey are established in the Internal Audit Policy, approved in December 2019.

This Policy sets out the competence and scope of intervention of the internal audit function, which is performed by the Audit Division within the scope of the Fidelidade Group's insurance undertakings.

Three mechanisms are used to preserve the independence, impartiality and objectivity of the internal audit function. Firstly, persons who perform the internal audit function are not responsible for any other operational functions. Secondly, the internal audit function communicates its conclusions directly and exclusively to the Chairman of the Executive Committee and of the Board of Directors. Lastly, all the audit work carried out, in particular the conclusions obtained and the recommendations issued, is duly documented and filed, and there is a specific IT application to send audit reports to the Directors and to the Heads of the Divisions audited, with no possibility of these being changed.

To perform its function, the Audit Division has access to all the structural bodies, and to all the documentation, and the management bodies, top-level managers and staff of the various insurance companies must cooperate with the Audit Division, providing it with all the information they have and that is requested of them.

The internal auditors, for their part and in the performance of their functions, must follow the deontological principles set out in the Internal Audit Policy, in particular those of independence, integrity, confidentiality, objectivity and competence. The Policy also rules on the reporting of conflicts of interest.

Regarding the audit process, there are definitions of the types of internal audit, modes of intervention (in person and at a distance) and the scope of auditing activities (global or sectorial) which must be included in the annual audit plan to be submitted for the appreciation and ratification of the management body.

When performing the internal audits, the auditors must observe the procedures established in the Policy regarding the naming of the team, the establishment of the audit schedule and the preparation and conducting of the audit.

In terms of reporting, principles are set out which must govern the drawing up of the reports, their minimum content, the persons to whom they are addressed and the type of reports (preliminary report and final report). There are also provisions on internal audit's monitoring of the application of any improvement actions proposed, with the production of follow-up reports whenever justified.

Lastly, the Audit function is responsible for producing the Annual Audit Report, which contains an analysis of compliance with the Annual Audit Plan, identifies the work undertaken and provides a summary of the conclusions obtained and recommendations issued. The Annual Audit Report is submitted to the Executive Committee for analysis and approval.

B.6. Actuarial Function

Due to the nature, complexity and scale of the Companies' portfolios, the actuarial function is subdivided into life actuarial and non-life and health actuarial.

The actuarial function coordinates and monitors the calculation of the accounting technical provisions, and, for such purpose, assesses both the methodologies applied and the amounts set out in the financial statements.

In the life segment, considering that most of the technical provisions are calculated automatically by policy management systems, configured in line with the technical notes of the products and with the ASF rules, tests are conducted monthly to assess the adequacy of the respective technical provisions.

When calculating the technical provisions of the non-life and health segments, the ASF rules are observed, namely regarding the identification of the provisions to be set up and the calculation rules to be observed in each of the technical provisions.

The actuarial function involves the calculation of the technical provisions for solvency purposes, with calculation of the best estimate and risk margin.

The calculations are made as part of the reporting to the ASF, evolution over time is analysed and comparisons are made with the statutory reporting amounts, and any differences are identified and documented.

The actuarial function reports to the management body on the results obtained from monitoring the provisions levels.

The Life and Non-Life and Health actuarial functions produce annual actuarial reports related to the annual period being analysed.

The information used by the actuarial function is subject to validation processes which include, among others, comparisons with previous positions and with the statutory reporting amounts, and any divergences are identified and justified, and, if necessary, corrected.

The actuarial function monitors the prospective valuation of the technical provisions for solvency purposes, assessing its reasonableness, taking into account the strategic objectives assumed by the Companies, the factors for converting the valuation of the technical provisions in the financial statements to their valuation for solvency purposes and the application of measures, either regulatory (transitional deduction to technical provisions) or management measures (changes in the contract boundaries of group risk life insurance contracts and changes in the characteristics and guarantees of new products sold in the life savings segment).

Within the Group there is a policy for designing and approving new products and for reformulating existing ones, which sets out the actuarial function's articulation with the business and marketing areas which are responsible for proposals for new products and respective specifications. The same applies to changes to existing products, where the actuarial function intervenes by giving its opinion on the proposed changes.

This system is implemented as a general rule in the European insurance companies and is gradually being implemented in other locations.

The actuarial function provides support to the reinsurance area in the negotiation of reinsurance treaties, providing information with risk and profitability metrics and sensitivity analyses and portfolio statistics, and monitoring the evolution of the reinsurance treaties, including their conditions in the actuarial analyses conducted. The adequacy of the treaties for the Companies' obligations is subject to actuarial analysis.

B.7. Outsourcing

B.7.1. Outsourcing policy

In line with the Outsourcing Policy, the scope of application of which is singular, covering the various insurance companies within the Longrun SGPS, S.A., universe, general principles are established which are applicable to the outsourcing of critical or important functions or activities, and the main process activities leading to their contracting either from within the group or outside of it: (1)

Identification and documentation of the critical or important functions or activities, (2) Selection of the service provider; (3) Contract formalisation; (4) Notification to the ASF.

Insofar as the Companies maintain full responsibility for any functions or activities which may be outsourced, definitions are provided of the main aspects to be implemented related with the monitoring inherent to the outsourced function or activity, and the responsibilities of each of the participants are identified, both in the outsourcing process and in the subsequent monitoring of the service provider.

The Outsourcing Policy also establishes the principles and process applicable to new outsourcing of critical or important functions or activities.

B.7.2. Outsourced critical or important functions or activities

Regarding the application of the Outsourcing Policy, within the Group a range of outsourced functions or activities considered critical or important have been identified, most of which are outsourced intra-group, and which are related with key functions, investments, accounting, information technology, claims and call centres.

Of the range of functions or activities considered critical or important that are outsourced in the group, of note are the activities related with asset management regarding, on the one hand, a Senior Secured Loans portfolio and, on the other, three Investment Grade Fixed Income Securities portfolios. The jurisdictions of the providers of these services are located in the United Kingdom, Hong Kong and Germany.

Fidelidade Assistência, Multicare, Via Directa and CPR outsource services related with key functions of risk management, internal audit, actuarial and compliance, in line with the RJASR. These key functions are subcontracted to Fidelidade – Companhia de Seguros, S.A..

The Contact Centre management and operation services are provided at premises in Évora and Lisbon by a service provider with its headquarters in Portugal.

B.8. Any other information

B.8.1. Option to produce a single own risk and solvency assessment document

As soon as the regulations have been created for such, the Group intends to request permission to produce a single own risk and solvency assessment document.

C. Risk Profile

Risk management is an integral part of the daily activities of the Longrun group Companies. An integrated approach is applied in order to ensure that the group Companies' strategic objectives (clients' interests, financial strength and efficiency of processes) are maintained.

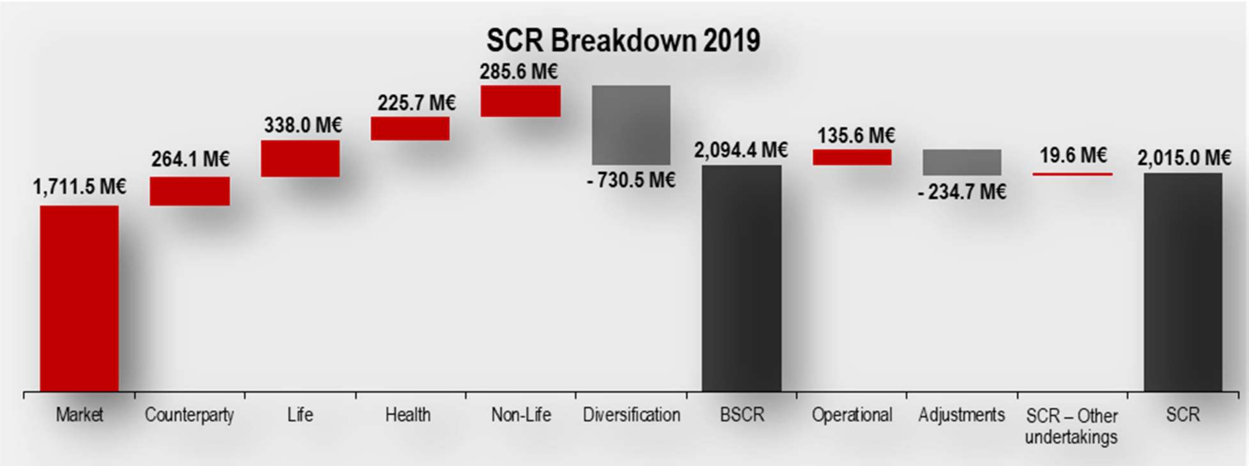
On the other hand, this integrated approach ensures value creation via the identification of adequate balance between risk and return, simultaneously guaranteeing the Companies' obligations to their stakeholders.

Risk management assists the Companies in identifying, assessing, managing and monitoring risks, in order to ensure that adequate and immediate measures are adopted in the event of material changes in their risk profile.

Accordingly, to outline Longrun's risk profile, the various risks to which the group is exposed are identified and these are then assessed.

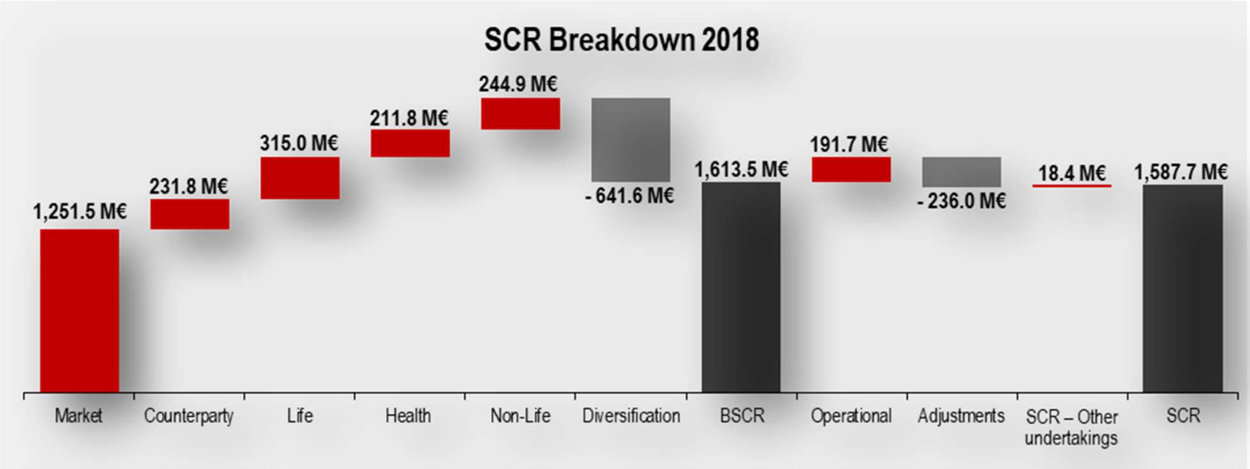
The risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks, not included in that formula, the group has opted to use a qualitative analysis to classify the foreseeable impact on its capital needs.

Hence, the calculation of Longrun's solvency capital requirement (SCR) with reference to 31 December 2019 was as follows:

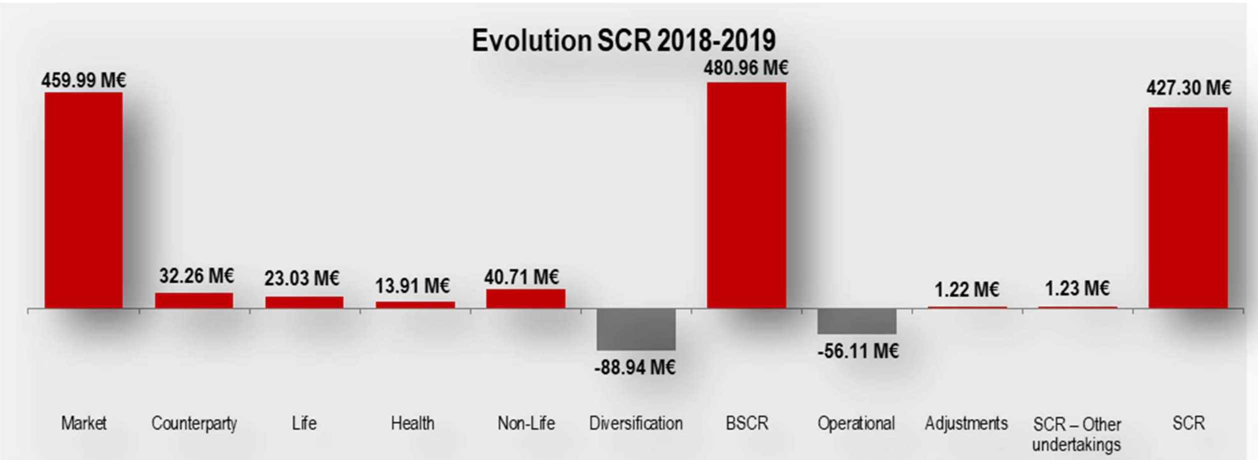


The market risk is clearly prominent in this requirement, followed by the much lower underwriting risks (of which the Life underwriting risk is more significant) and counterparty default risk. Operational risk is the lowest of the risk modules that make up the SCR calculated on the basis of consolidated data in line with Article 336 a) of Delegated Regulation (EU) 2015/35.

The same calculation relating to 31 December 2018 was as follows:



The difference, of EUR 427.30 million, is shown in the graph below:



The following elements can be highlighted in this evolution:

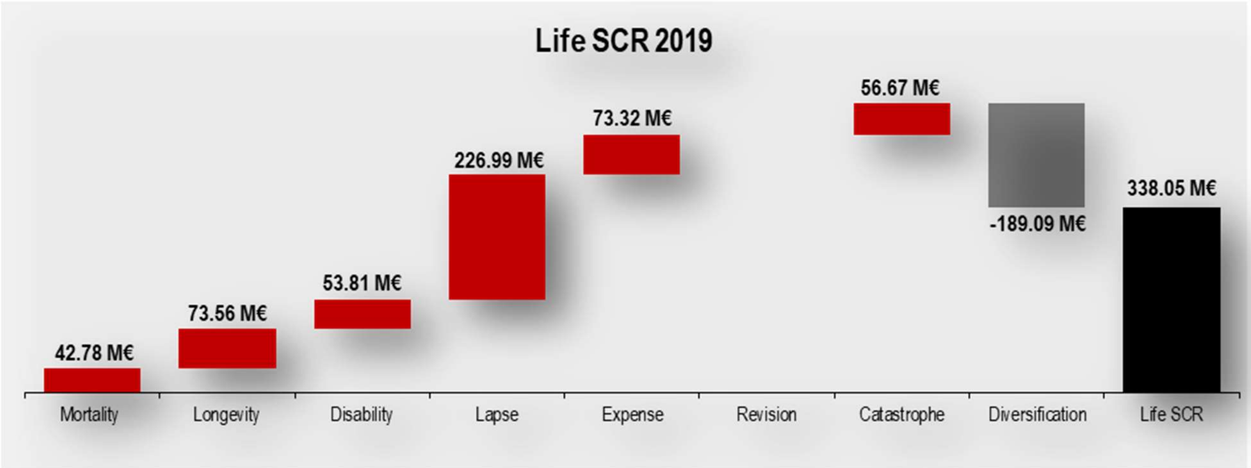
- the increase in market risk, as detailed in Chapter C.2.;
- the decrease in operational risk, explained in Chapter C.5.;
- the increase in counterparty default risk, presented in Chapter C.3.; and
- the increase in non-life underwriting risk, presented in Chapter C.1.2.

These risks will now be analysed, in particular with regard to their nature and impact on Longrun.

C.1. Underwriting risks

C.1.1. Life underwriting risk

The life underwriting risk is the second most significant for Longrun.



Analysing the sub-modules that make up this risk, the lapse risk is the most important within the life underwriting risk module.

Its importance results from the impact of temporary annual renewable contracts linked to mortgages which Fidelidade is not entitled to cancel or change the prices of, so that the contract boundaries considered for the purpose of assessing the technical provisions are, for these contracts, the maturity of the mortgage associated with each of them.

The second most important sub-module, although carrying much less weight than the lapse risk, is the longevity risk. This change is mainly due to the inclusion in the portfolio of annuities arising from the acquisition of La Positiva Vida.

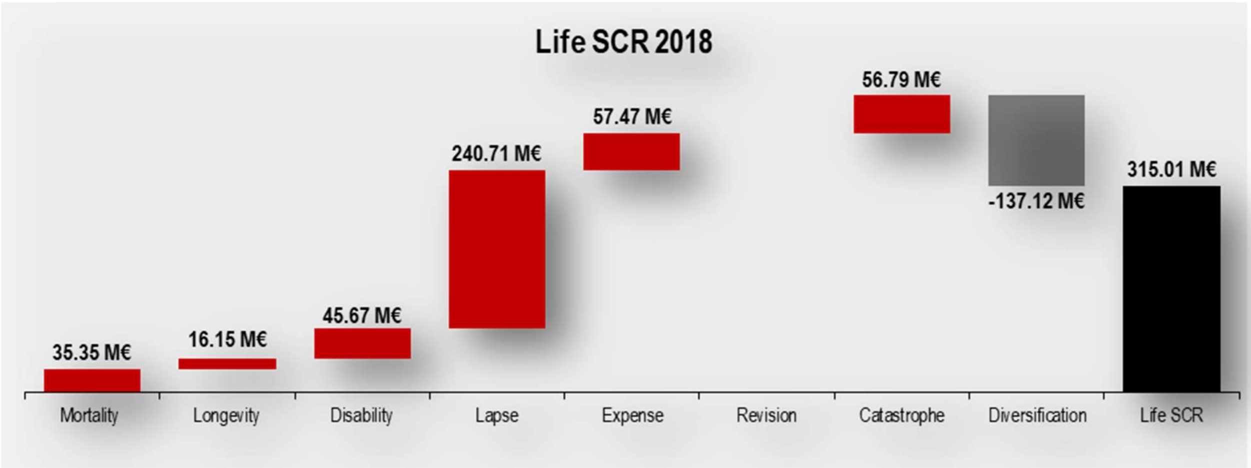
The third most significant sub-module is the expense risk, which basically results from the fact that, when calculating the capital requirements of this risk sub-module, the group considered as expenses, for the total amount of the Life liabilities, as per the understanding of the ASF, the commissions to be paid for the intermediation activity of brokers, within the scope of Article 31 of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, and, consequently, these were subject to the shocks applicable to this risk.

The next risk is the catastrophe risk. This risk is significantly related with the mortality risk which results from the significant weight in sums insured associated with life risk contracts.

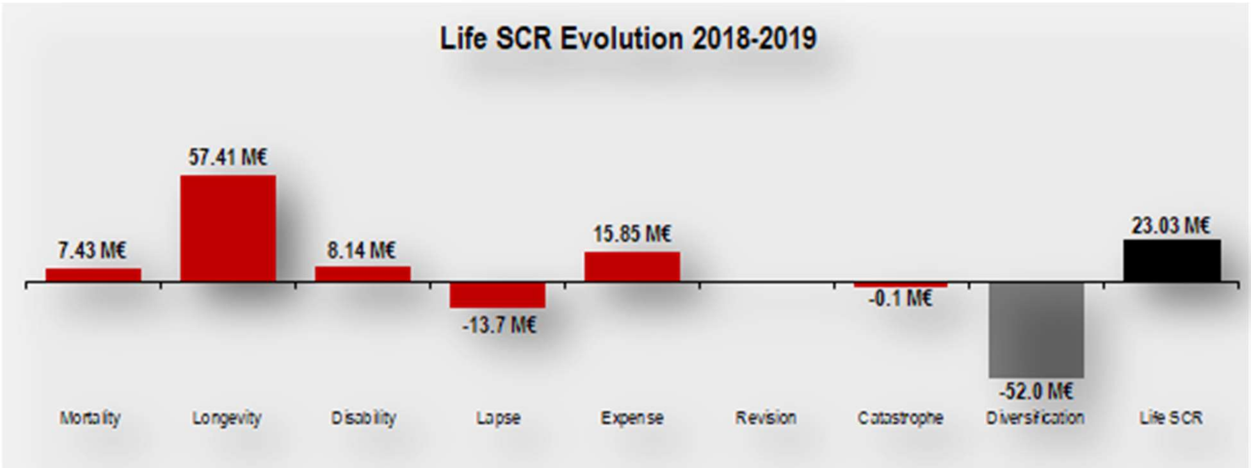
Lastly, we have the mortality and disability risks, both with their origins in Life Risk insurance contracts.

The revision risk is zero since there is no exposure to this risk in the Portuguese market.

The Life SCR at 31 December 2018 was:



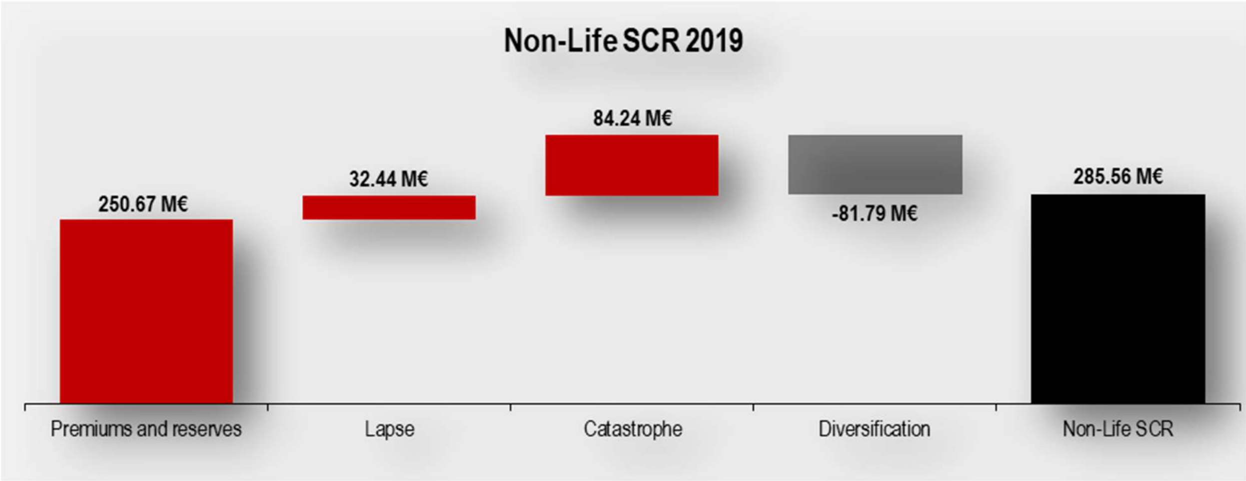
The difference of EUR 23.03 million is shown in the graph below.



The change in the life underwriting risk capital requirement, of EUR 23.03 million, is explained for the most part by the change in the longevity risk. This change is mainly due to the inclusion in the portfolio of annuities arising from the acquisition of La Positiva Vida.

C.1.2. Non-Life underwriting risk

The non-life underwriting risk is the third most significant for Longrun.



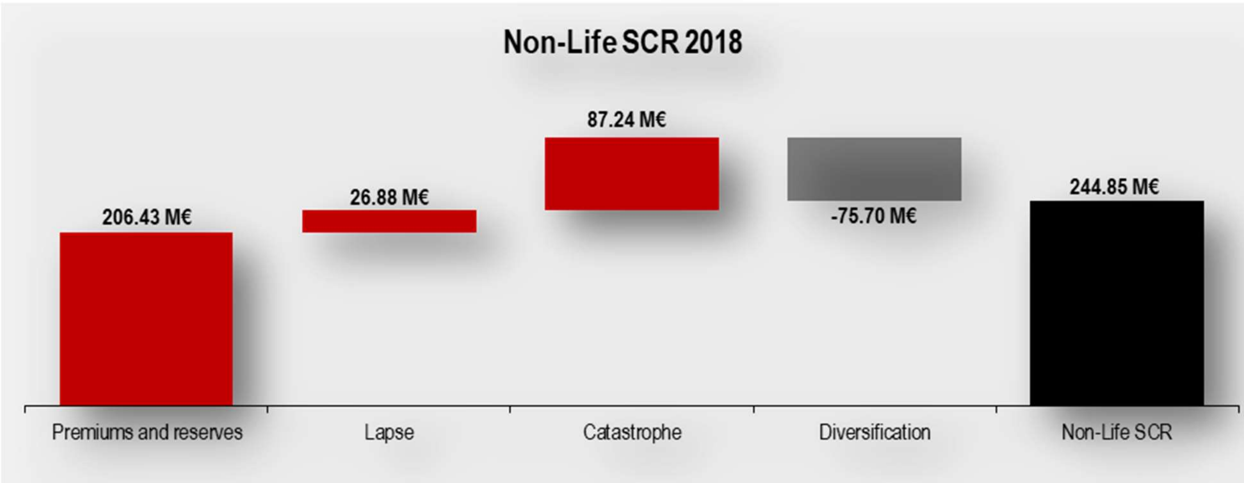
Within this sub-module, the premium and reserve risk is the most important.

The weight of this risk basically results from the volume of premiums and reserves relating to motor insurance contracts (liability and other covers), fire and other damage insurance and general liability insurance.

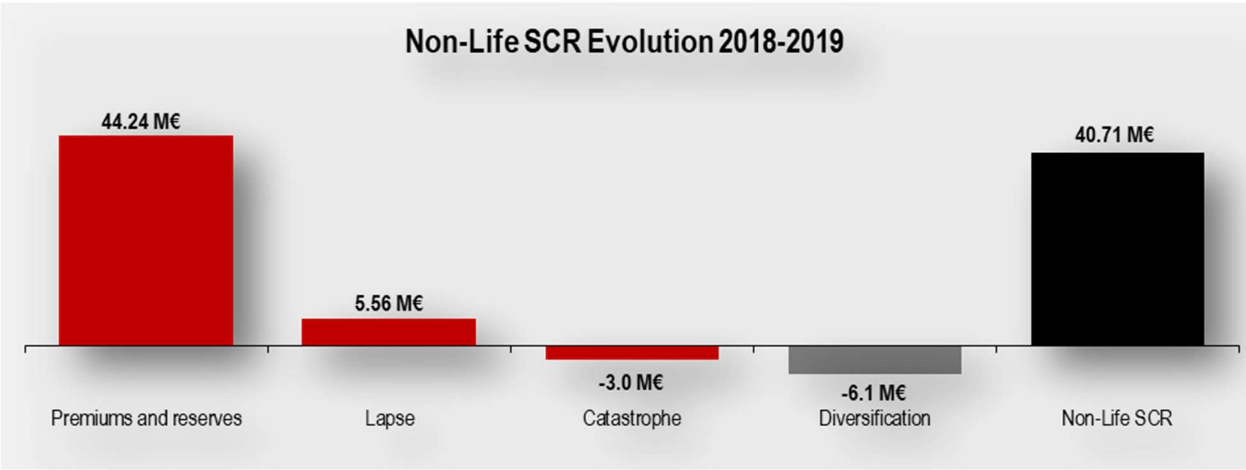
With a much lower figure, there is the catastrophe risk, which basically arises from the significant amount of sums insured with seismic phenomena coverage. However, in the event of a seismic phenomenon, because of the existing reinsurance contracts only a part of the liability will be assumed by the Companies. The effect of this risk is not significant for this reason. It is also important to state that the mitigating effect of these reinsurance contracts is considered in the counterparty default risk module.

Regarding the lapse risk, its weight is less significant, given that the insurance contracts have a contract boundary up to the next renewal date.

The Non-Life SCR at 31 December 2018 was:



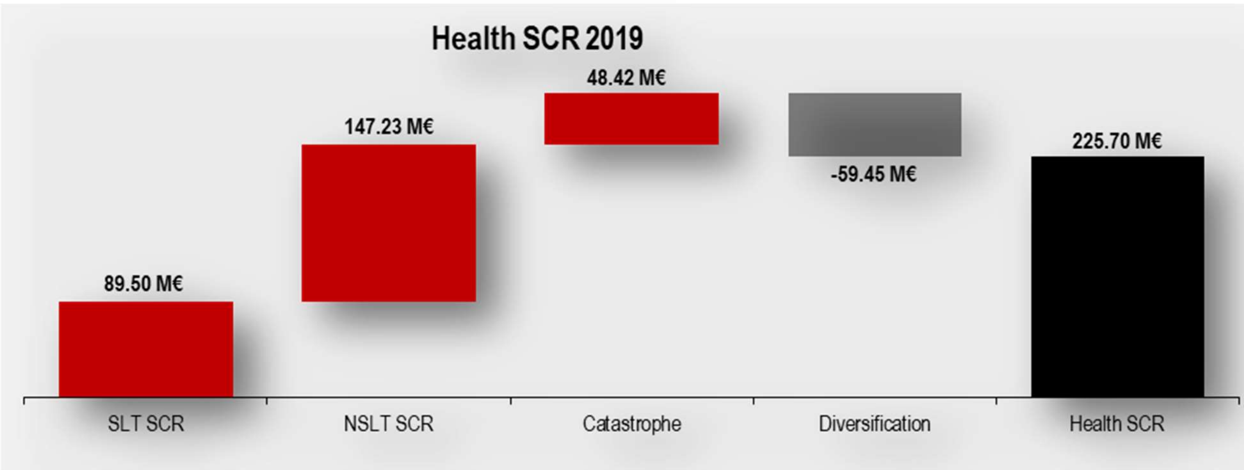
The difference of EUR 40.71 million is shown in the graph below.



The change in the capital requirement for this risk is basically the result of the increase in the Premiums and Reserves sub-module, due to the impact of the inclusion of La Positiva and the increase in business.

C.1.3. Health underwriting risk

In terms of weight, this is the fifth risk in the hierarchy of the underwriting risk modules.

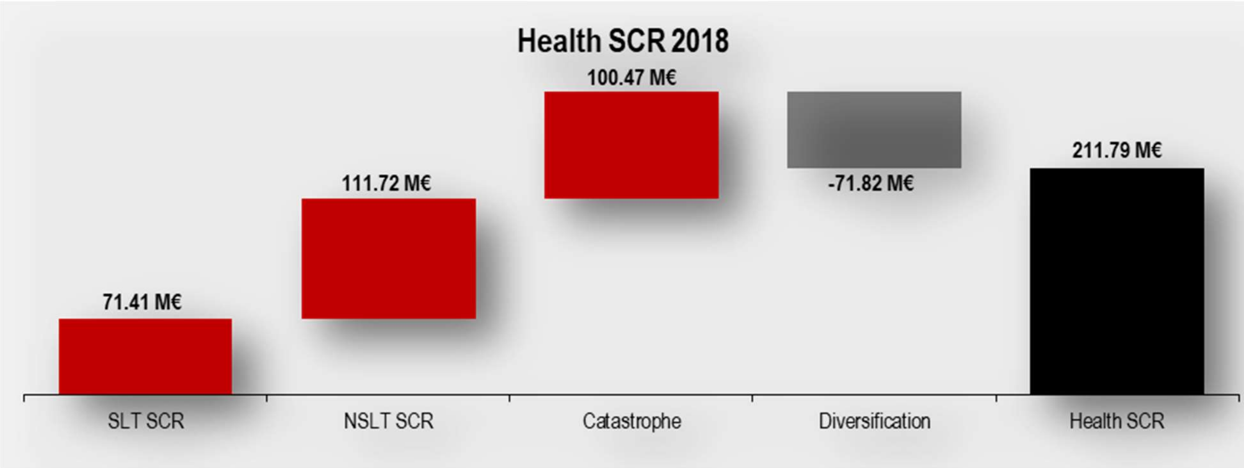


The most significant sub-module is the NSLT (not similar to life techniques) health sub-module, which originates from the premium and reserve risk in the workers' compensation and personal accidents lines of business, given that health insurance is 100% reinsured with Multicare.

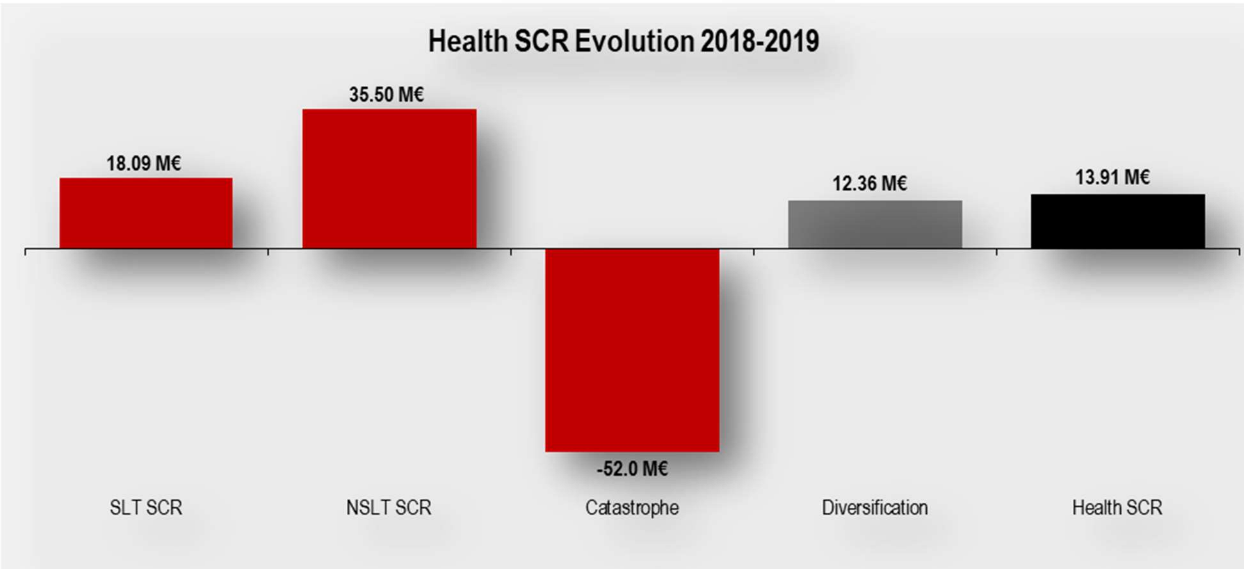
The SLT (similar to life techniques) health sub-module is basically composed of longevity risk resulting from pensions and permanent assistance expenses in the workers' compensation line of business.

With a lower figure is the catastrophe risk sub-module, mainly as a result of the concentration of accidents, given the sums insured involved.

The Health SCR at 31 December 2018, was:



The difference, of EUR 13.91 million, is shown in the graph below.



The change in the SCR SLT and SCR NSLT modules results from the inclusion of the insurers in the Fidelidade Peru Group and the natural evolution of the business in the other locations. The reduction in the catastrophe risk reflects the reduction in the exposure to risk used as a reference to calculate the concentration risk.

C.1.4. Mitigation measures – underwriting risk

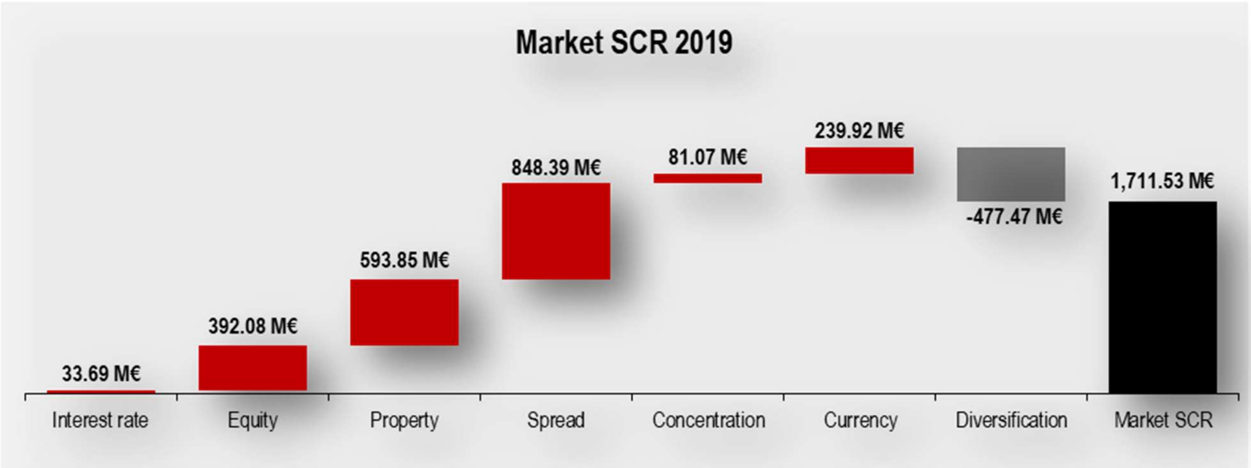
For a number of lines of business, the group uses reinsurance contracts which guarantee mitigation of underwriting risks for life, non-life and health. This mitigation is taken into account when calculating the respective capital requirements.

Regarding the lapse risk associated with the life segment, the group is studying ways to mitigate this risk given its relevance fundamentally in relation to temporary annual renewable (TAR) group life insurance contracts in which the contract boundary is linked to the maturity of the underlying mortgages.

The method being studied may involve reinsuring part of the lapse risk, considering the objective of reducing it to the optimal point at which selection of other lapse risk scenarios is avoided.

C.2. Market risk

Market risk is Longrun's most significant risk and is clearly above the other risk modules.



Within this module, the most important sub-module is the spread risk, which is a result of the group's high exposure to fixed income financial instruments, other than European government bonds.

The second most important market risk sub-module is the property risk, reflecting the investment strategy being pursued, where there is significant exposure to the real estate market.

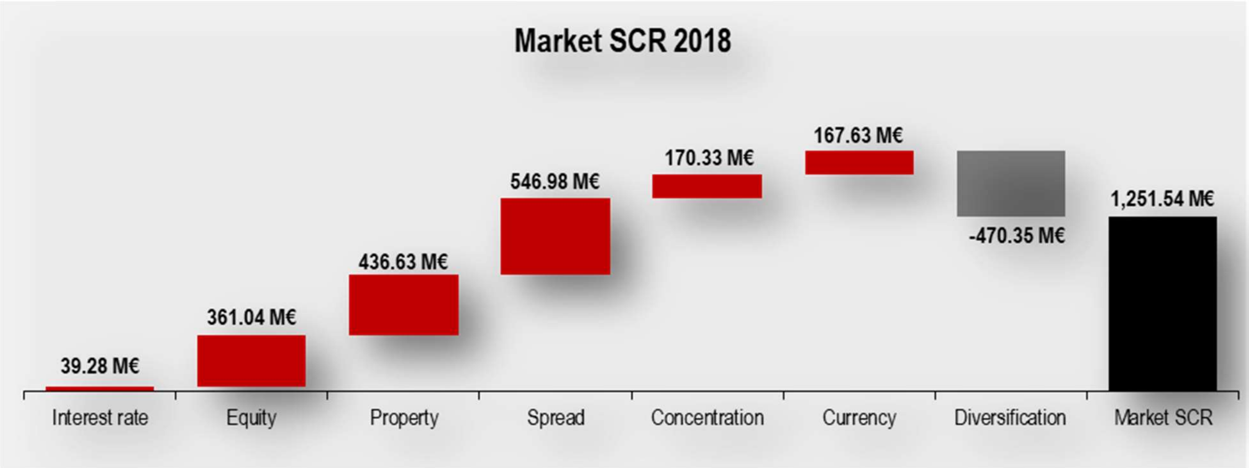
The third most important sub-module is equity risk, as a result of the Company's significant exposure to equity markets.

Currency risk is the fourth most important sub-module in the market risk module. The value of the currency risk reflects the hedging for the most significant exposures to foreign currency.

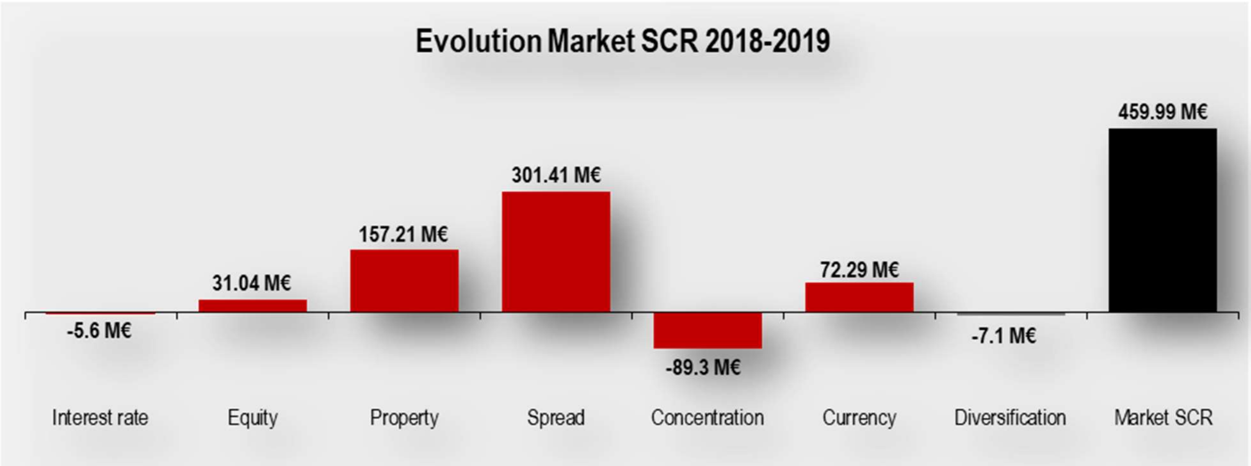
Concentration risk has a lower value. The greatest exposures in this risk are to the Fosun International Limited economic group (influenced by direct participations of Fidelidade), to HSBC and to Santander.

In the case of interest rate risk, its low value is a result of the Asset and Liability management monitoring of the duration gap.

The Market Risk SCR at 31 December 2018 was:



The difference, of EUR 459.99 million, is shown in the graph below.



The increase in the group's exposure to fixed income instruments, in particular corporate debt, combined with a lower exposure to sovereign debt of EU member states, and other similar debt, which has zero shock, largely explains the increase in the spread risk. Of the recorded change, EUR 185.2 million derives from exposures of the insurers in the Fid Perú group.

The change in the property risk is explained by the significant increase in exposure to property assets of around EUR 629 million. Of the recorded change, EUR 55.5 million derives from exposures of the insurers in the Fid Perú group.

The decrease in concentration risk is explained predominantly by the decrease in exposure to Caixa Geral de Depósitos.

The change in the currency risk is mostly explained by the increased exposure to some currencies for which there is no currency hedging and to increased unhedged exposure to the Hong Kong dollar. This increase was partly offset by the decrease in the amount relating to residual risk calculated in relation to the exposures to foreign currency hedged by risk mitigation techniques.

The other risks, interest rate and equity, had much less significant changes.

C.2.1. Mitigation measures – market risk

Various risk mitigation techniques are in use, or are being studied for a set of risks to which Longrun is exposed. The following can be highlighted:

Market Risk - Currency

Using futures and forwards contracts Fidelidade hedges the currency exposure of its assets portfolio:

- the exposure to assets denominated in American Dollars (USD) and in Hong Kong Dollars (HKD), given the high correlation between USD and HKD, is mitigated by using futures and forwards contracts in USD;
- the exposure to assets denominated in Pounds Sterling (GBP) is mitigated by using futures contracts in GBP;
- the exposure to assets denominated in Yens (JPY) is mitigated by using forwards in JPY.

The futures contracts in question have a duration of three months, and the Group intends to replace them with similar contracts, at the end of that period.

The effect of this mitigation when calculating the capital requirement associated with currency risk is also reflected in the counterparty default risk module, considering exposure to *Chicago Mercantile Exchange* and the other counterparties.

Life underwriting risk

Regarding the lapse risk associated with the life segment, Fidelidade (the individual company originally exposed to this risk) continues to study ways to mitigate this risk given its relevance in relation to a series of temporary annual renewable (TAR) group life insurance contracts linked to mortgages in which the contract boundary has been extended.

The method being studied may involve reinsuring part of the lapse risk, considering the objective of reducing it to the optimal point at which selection of other lapse risk scenarios is avoided.

Underwriting risks

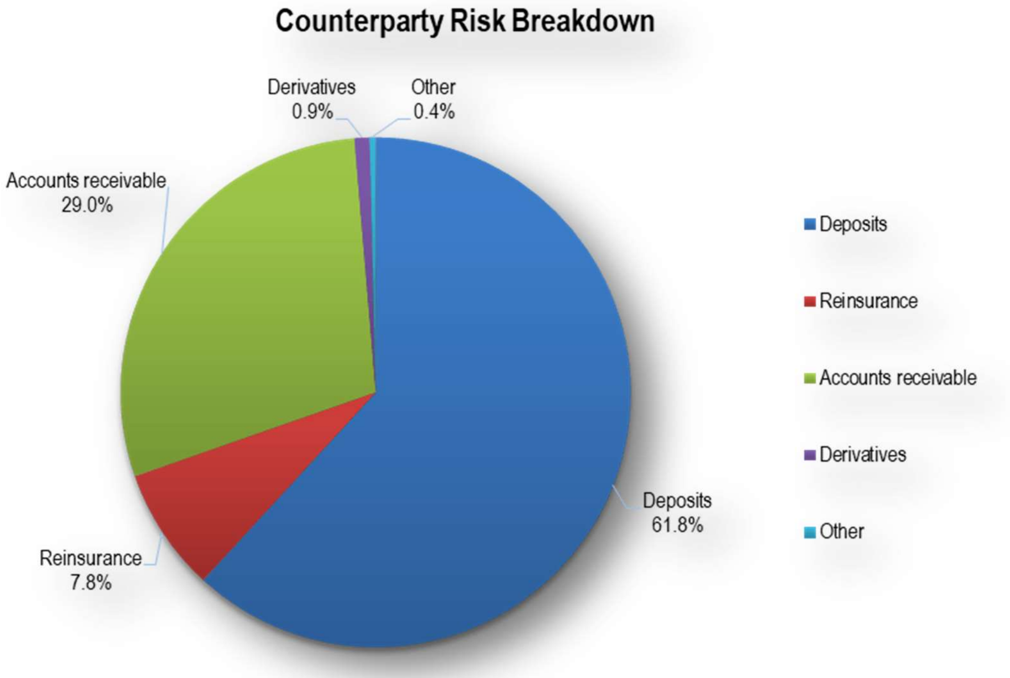
For a number of lines of business, the companies use reinsurance contracts which guarantee mitigation of underwriting risks for life, non-life and health. This mitigation is taken into account when calculating the respective capital requirements.

The effect of this mitigation when calculating the capital requirement associated with underwriting risks is also reflected in the counterparty default risk module.

C.3. Counterparty Default risk

The counterparty default risk module is the fourth highest of all the risks assessed by Longrun.

The breakdown of this risk by counterparty type is:



The solvency capital requirement for counterparty default risk results essentially from the component relating to deposits (around 61.8%), in which exposure to Caixa Geral de Depósitos carries significant weight, and from the component relating to "accounts receivable" (around 29.0%). Of the remaining exposures, the most significant relate to exposures to counterparties to which the group transfers part of the underwriting risks through reinsurance contracts.

C.4. Liquidity risk

This risk is managed at Longrun so that there is always capacity to meet the group's obligations and liabilities.

Accordingly, an ALM analysis of the Assets and Liabilities of the individual companies (Fidelidade, Via Directa, Multicare, Fidelidade Assistance and CPR) is prepared monthly.

The analyses conducted cover the interest rate gap, considering the yield to maturity and modified duration of the liabilities and the respective assets, including the convexity effect, and short and long-term cash flow matching.

This analysis also includes a comparison between the cash flow matching and liquidity-generating capacity of assets without maturity, namely shares, funds and property.

Liquidity-generating needs are analysed following the ALM process. Based on the ALM report, the adequacy of the portfolio size is tested, in particular, compared to the known liabilities, taking into account the movements of liabilities maturities foreseeable in the current month. The result of this diagnosis is the application or generation of liquidity, identifying portfolios and amounts of liquidity to be generated or applied that lead to recommendations on the need to purchase or sell assets.

Given the above, there is considered to be adequate mitigation of this risk in the group, which allows for the conclusion that this risk is low.

Regarding liquidity risk, “expected profits included in future premiums” (EPIFP) is considered to be the current expected value of future cash flows resulting from the inclusion in the technical provisions of premiums relating to existing insurance and reinsurance contracts, which should be received in the future, but which may not be received for some reason other than the occurrence of insured events, regardless of the legal or contractual rights of the policyholder to terminate the policy.

The EPIFP, at 31 December 2019, was:

Amount in thousand euros

Expected profits included in future premiums	
Total	**555,292**

This figure only refers to the life risk line of business, and the methods and main assumptions described in point D.2.1 of this report are used.

Premiums considered when calculating this profit are net of reinsurance liabilities.

Lastly, the valuation referred to in Article 260(1) d) ii) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, is not adjusted to the characteristics of the products associated with this line of business.

C.5. Operational risk

Operational risk is the risk of losses resulting either from the inadequacy or failure of internal procedures, persons, or systems or from the occurrence of external events.

This is the risk module with the least weight of all the risks assessed by Longrun. Its decrease reflects the evolution of the Group’s business in the life segment.

In their management of operational risk and internal control, the Companies identify, within their processes, the most significant operational risks to which they are exposed, and they document the controls which exist to mitigate these.

To assess the Companies’ operational risk, quantitative information is collected on the risks previously identified and an assessment is carried out of the internal control system, supported by a process of own assessment of the control activities documented.

C.6. Other material risks

As part of the ORSA process, risks are identified which do not fall within the standard formula.

Risk	Fidelidade	Fidelidade Assistance	Multicare	Via Directa	CPR
Reputational	Low	Low	Low	Low	Low
Strategic	Low	Low	Low	Low	Low
Business	Low	Low	Low	Low	Low
Legal	Medium	Low	Low	Low	Low
Liquidity	Low	Low	Low	Low	Low

Low – impact less than 10% of the BSCR
Medium – impact between 10% and 20% of the BSCR
High – impact greater than 20% of the BSCR

The following risks are recognised by the group as possible material risks.

C.6.1. Reputational risk

Management of the group's reputational risk is fundamentally based on:

- The existence of a function responsible for corporate communication and media relations;
- The existence of a brand communication function;
- The function of clients' complaints management, which includes providing management information to the heads of the different areas of the Companies and the Executive Committee;
- Planning and monitoring of the Companies' Human Resources;
- The Corporate Social Responsibility programme.

In addition, being aware of the growing importance of reputation for an organisation's standing and success, the group also set up a Communication Coordination Committee, which meets regularly and is led by the Chairman of the Executive Committee, in order to better articulate all of the Companies' internal and external communication flows.

Actions carried out in this area have had an impact, as can be seen from the many awards given for excellent service/client satisfaction. This risk is therefore considered to be adequately mitigated and is therefore classified as low.

C.6.2. Strategic risk

The group's strategy is attained by means of a chain of responsibilities beginning with the Executive Committee, which defines the high-level strategic objectives (this process is accommodated within a governance model which involves the Board of Directors, the Investments Committee and the Advisory Board), passing to the heads of each Division, who are responsible for outlining plans to achieve those objectives, and ending with the Companies' employees, who seek to achieve the proposed objectives on a daily basis within the scope of their functions.

The strategic decisions taken by the group are based on well-defined processes of approval and of implementation and monitoring, which have proved to be both effective in terms of implementing the strategy and adequate as a reaction to external factors which may affect the Companies' activity. This risk is therefore considered to be low.

C.6.3. Business (continuity) risk

Like any other insurance undertaking operating in Portugal, the Companies may be exposed to potential market events. However, this risk is classified as low, given the group's strong position in the Portuguese insurance market, which has also been increasing.

When analysing this risk, the possibility of the Companies suffering losses as a consequence of centralising the development of their business in a given sector or geographical area or with specific clients was also considered.

The group's business concentration risk is considered low, given the high level of diversification in the type of products sold and the sales channels used and in the group's clients. However, it should be noted that there is still a high level of concentration geographically speaking, with most of the business being in Portugal. Nevertheless, the group is in the process of expanding its business internationally, in particular in markets outside Europe where it has already been carrying on its business.

C.6.4. Legal risk

Although this risk is included in the definition of operational risk, the decision was made to analyse it separately, given both its importance and the method of assessment / measurement set out in the standard formula for operational risk, which does not allow for it to be highlighted.

The group is constantly adapting to the rules in force (at both national and international level) and to the impacts that these have on its business. However, there is a risk, which is considered medium, resulting from potential regulatory changes.

Regarding fiscal changes to which the group may become subject, we may highlight those related with deferred taxes, namely in terms of the tax rate and/or period for reporting tax losses.

Linked to this risk there is also the risk of possible changes to the level of tax benefits related with certain investment products. If these changes occur, some products may lose the competitive advantage associated with them, which leads to a risk related to sales of these products. Although this situation has already occurred in the past with some products, without any significant impact for the group, this risk must still be considered.

In addition, the Longrun group is exposed to compliance risks during the normal course of its operations. One example of this risk is the recent decision by the Competition Authority (AdC), on 28 December 2018, in an ongoing case against several insurance companies. In this decision, the AdC concluded that contacts established between different insurance companies in the past, in relation to the renewal of certain corporate policies that are characterised by heavy deficits, in some lines of business, are contrary to competition law, and a global penalty of EUR 12 million was set. No natural persons were subject to sanctions.

In conclusion, and considering all the points covered above, the legal risk associated with the Companies is considered medium in the case of Fidelidade, due to the impacts that potential changes in the tax legislation would have, and low for the other companies.

C.7. Any other information

C.7.1. Adjustment for the loss-absorbing capacity of deferred taxes

Since 2018, the European insurance and reinsurance companies have recognised adjustment for the loss-absorbing capacity of deferred taxes not only relating to the impact on deferred tax liabilities, but also the impact on deferred tax assets, in this case using exclusively the effect deriving from temporary differences and not the recovery of tax losses.

The companies also decided to limit the impact of the adjustment for the loss-absorbing capacity of deferred taxes, in the component that would imply an increase in deferred tax assets, as follows: the sum of the net current deferred tax asset and the adjustment cannot be greater than 15% of the SCR, considering that, in the event of the underlying scenario occurring, this would be the eligibility limit since it corresponds to Tier 3 own funds.

The calculation of the loss-absorbing capacity of deferred taxes at group level results from that set out in the Solvency II rules, in particular in the "Guidelines on the loss-absorbing capacity of technical provisions and deferred taxes" and takes into account the internal restrictions at the individual level.

C.7.2. Risk sensitivity

The sensitivity of the solvency ratio, at 31 December 2019, to the main risks to which Longrun is exposed, expressed as an absolute impact on that ratio (in percentage points), is presented in the table below:

Risk Type	Effect of changes on:		Total effect
	Eligible funds	Capital requirement	
Value of equity -20%	-8.3	+2.8	-5.7
Value of property -10%	-8.1	+0.7	-7.5
Spread +100bps	-19.0	-2.0	-20.7
Interest rate –100 bps increase	+3.0	+2.0	+5.1
Interest rate –50 bps decrease	-4.2	-1.6	-5.8

At 31 December 2018, the solvency sensitivity ratio was:

Risk Type	Effect of changes on:		Total effect
	Eligible funds	Capital requirement	
Value of equity -20%	-9.1	-8.5	-17.1
Value of property -10%	-7.4	+1.9	-5.6
Spread +100bps	-12.3	-6.7	-18.5
Interest rate –100 bps increase	+0.3	+0.7	+1.1
Interest rate –50 bps decrease	-0.9	-1.3	-2.2

Explanation of the Solvency II sensitivity analyses:

Risk	Scenario
Equity	Impact of a 20% decrease in the value of equity, including equity funds.
Property	Impact of a 10% decrease in the value of property, including Real Estate Funds.
Spread	Impact of a 100 bps (basis points) increase in debt securities.
Interest rate	Parallel increase of 100 bps (basis points) along the whole curve
	Parallel decrease of 50 bps (basis points) along the whole curve

C.7.3. Risk concentration

The following table presents the significant concentrations of risk between entities in the scope of group supervision and third parties which exceed 10% of the group's solvency capital requirement.

Amounts in thousand euros

Country of exposure	Type of Exposure				
	Assets – shares and equity securities	Assets - bonds	Assets - others	Liabilities - insurance	
	Exposure amount			Exposure amount	Maximum amount payable by reinsurer
CL	7,299,976	0	0	0	0
PT	2,135,436	2,301,064	518,696	42,084,309	0
IT	0	1,895,673	0	0	0
GB	0	796,888	302,431	0	0
PE	0	983,048	67,180	0	0
IE	928,737	0	0	0	0
ES	4,315	590,467	16,538	0	0
AO	0	0	611,198	0	0
CV	358,571	0	0	0	0
VG	0	269,980	0	0	0
FR	0	251,489	0	0	0
MZ	0	0	241,489	0	0
HK	0	125,364	0	0	0
LU	0	0	76,486	0	0
MO	0	0	55,687	0	0
US	19,561	549	0	0	0
DE	786	1,495	20,657	0	0
AT	3,519	0	0	0	0
CN	0	605	389	0	0

The amount of exposure for ‘Liabilities – insurance’ corresponds to the sums insured per entity.

Regarding the ‘Assets’ exposures, the greatest concentration relates to shares and equity securities of Fidelidade Chile (EUR 7,299,976 thousand), Portuguese and Italian public debt (EUR 2,181,947 thousand and EUR 1,724,315 thousand respectively), and shares and equity securities of Fidelidade Property Europe (EUR 1,431,082 thousand), representing approximately 63.6% of the group’s total assets.

The fifth largest exposure within ‘Assets’ exposures is approximately 3.0% of the group’s total assets.

C.7.4. SCR other undertakings

The SCR – other undertakings remained almost the same as the previous year, with only a small rise of EUR 1.01 million.

D. Valuation for solvency purposes

In this chapter we present information on the valuation of the assets, technical provisions and other liabilities for solvency purposes and compare this valuation with that used in the financial statements.

The same information, for solvency purposes, is presented in relation to 31 December 2018.

During the period covered by this report, there were no material changes, when compared with the period covered by the previous report, in the bases, methods and main assumptions used for the valuation of assets or in the relevant assumptions used to calculate the technical provisions.

The following paragraphs describe the bases, methods and main assumptions used for the valuation for solvency purposes, which breaks down as follows:

Amounts in thousand euros

		Solvency II	Financial statements	Difference	Solvency II previous year
Assets					
D.1	**Total Assets**	**18,825,884**	**19,078,214**	**-252,330**	**16,783,554**
Liabilities					
D.2	Technical Provisions	14,775,069	14,981,041	**-205,972**	**12,842,211**
D.3	Other liabilities	1,319,557	1,091,234	**228,323**	**1,167,959**
Total Liabilities		**16,094,626**	**16,072,275**	**22,351**	**14,010,170**
Excess of assets over liabilities		**2,731,258**	**3,005,939**	**-274,681**	**2,773,384**

D.1. Assets

The valuation of the assets for solvency purposes and a comparison with that used in the financial statements is presented in this report, segmented into:

- Financial assets;
- Real estate assets;
- Other assets.

This chapter also includes the amounts recoverable from reinsurance contracts and special purpose vehicles.

The following table summarises the comparison, which is discussed further in the sub-chapters below.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Financial assets	16,459,185	16,452,997	**6,188**	**13,115,809**
Real estate assets	717,299	714,361	**2,938**	**1,776,967**
Other assets	1,348,727	1,555,182	**-206,455**	**1,689,704**
Reinsurance recoverables	300,673	355,674	**-55,001**	**201,074**
Total	**18,825,884**	**19,078,214**	**-252,330**	**16,783,554**

D.1.1. Financial assets

The following table presents the valuation of the financial assets for solvency purposes, by class of asset.

Amounts in thousand euros

Assets	Solvency II	Solvency II previous year
Holdings in related undertakings, including participations	2,186,010	352,964
Equities — listed	774,157	1,038,913
Equities — unlisted	40,370	1,882
Government bonds	5,027,043	4,939,426
Corporate bonds	5,922,078	4,587,266
Structured notes	124,815	87,336
Collateralised securities	0	0
Collective investment undertakings	841,189	96,728
Derivatives	43,341	20,883
Deposits other than cash equivalents	1,361,517	1,950,117
Other investments	0	0
Assets held for index-linked and unit-linked contracts	138,665	40,294
Total	**16,459,185**	**13,115,809**

For solvency purposes, financial assets are valued in line with the following bases, methods and assumptions.

Financial assets are registered at fair value, which corresponds to the amount for which a financial asset could be sold or a liability settled between independent, knowledgeable parties interested in concluding the transaction in normal market conditions (exit price).

Within the scope of the Solvency II rules, to determine the fair value of financial instruments, assets are classified in line with IFRS 13 (Fair Value Measurement) in the following categories:

QMP – Quoted market price in active markets for the same assets

In this category, the fair value is determined considering the bid price in the active market available on the electronic platform.

QMPS – Quoted market price in active markets for similar assets

In this category, fair value is determined by considering the prices obtained from the market maker. Longrun's portfolio assets in this situation are essentially private placements.

AVM – Alternative valuation methods

Longrun does not make valuations from financial models.

AEM – Adjusted equity method

Assets considered in this category are initially recognised at cost and are periodically subjected to revaluation in line with the financial statements disclosure.

IEM – IFRS equity methods

Not currently applicable.

The following table presents a comparison of the valuation of financial assets for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference
Holdings in related undertakings, including participations	2,186,010	2,191,941	**-5,931**
Equities — listed	774,157	774,157	**0**
Equities — unlisted	40,370	40,332	**38**
Government bonds	5,027,043	5,000,508	**26,535**
Corporate bonds	5,922,078	5,922,102	**-24**
Structured notes	124,815	124,815	**0**
Collateralised securities	0	0	**0**
Collective investment undertakings	841,189	837,588	**3,601**
Derivatives	43,341	44,427	**-1,086**
Deposits other than cash equivalents	1,361,517	1,361,515	**2**
Other investments	0	16,889	**-16,889**
Assets held for index-linked and unit-linked contracts	138,665	138,723	**-58**
Total	**16,459,185**	**16,452,997**	**6,188**

The differences, by class of asset, are:

Holdings in related undertakings, including participations

This results from the valuation, for solvency purposes, of unlisted subsidiaries using the Adjusted Equity Method (AEM), (net, the total value of these holdings for solvency purposes fell by EUR 5,931 thousand).

The total difference includes (among others which are less relevant) the impact of the valuations of Luz Saúde using the Adjusted Equity Method (AEM) (fall in the value of the holding for solvency purposes by EUR 161,709 thousand) and of Fidelidade Property Europe (increase of EUR 141,978 thousand in the solvency valuation). Also of note is the impact of reclassification of an ongoing investment, which is classified under an Other investments heading in the financial statements and, due to its nature, is classified under Solvency II as a holding.

Equities - unlisted

This results from the valuation, for solvency purposes, of unlisted securities using the Adjusted Equity Method (AEM).

Government bonds

This results from the difference between the market value and the amortised cost in securities classified as held to maturity.

Corporate bonds

This results from valuation adjustments to standardise exchange rates on assets held outside the Euro area and the price of an asset held in several locations.

Collective investment undertakings

This results from funds valuation adjustments where the look-through approach was applied. In the statutory financial statements, the available valuation at the close of accounts date was considered. In some funds this did not correspond to the year-end valuation. For Solvency II purposes, it was possible to consider the year-end valuation that was made available in the meantime by the collective investment undertakings.

Derivatives

This is largely the result of splitting the heading into assets balance and liabilities balance. The level of detail in Solvency II was greater than that in the financial statements. This effect is also reflected in the corresponding account in liabilities.

Deposits other than cash equivalents

This results from valuation differences in LPS investments from Mozambique and from Fidelidade Macau. The main difference is the applied exchange rate, given that the investment information is received in MZN/MOP and converted into EUR at different times for the statutory financial statements and for Solvency II. In addition, there are other minimal differences.

Other investments

This results from reclassification of an ongoing investment, which in the statutory financial statements is classified under Other investments and, due to its nature, is classified as an equity holding under Solvency II, as previously mentioned in "Holdings in related undertakings, including participations".

Assets held for index-linked and unit-linked contracts

This results from the closing quoted prices at 31 December 2019 being obtained at different times. In the financial statements the valuation at 31 December 2019 was made some hours before the close of some financial markets which have an extended operation. For Solvency II it was possible to consider the final value after the close of all financial markets.

D.1.2. Real estate assets

The following table presents the valuation of real estate assets for solvency purposes, by class of asset.

Amounts in thousand euros

Assets	Solvency II	Solvency II previous year
Property, plant and equipment held for own use	177,544	136,306
Property (other than for own use)	264,489	998,273
Collective investment undertakings	275,266	642,388
Total	**717,299**	**1,776,967**

For solvency purposes, real estate assets are valued in line with the following bases, methods and assumptions.

The group's real estate assets are accounted for at their Market Value, which is the price for which the property could be sold, at the valuation date, in a private agreement between an independent and interested vendor and purchaser, it being implied that: i) the asset is put up for sale on the market; ii) the conditions of sale permit a regular sale; iii) the period for negotiating the sale is normal, considering the nature of the property.

Following this, one of the following valuation methods is used to determine the Market Value:

Market Approach

The Market Approach consists of determining the value of a property by comparing it with identical or similar properties, according to the information available on the market regarding transaction values or prices practiced for comparable properties.

In line with this approach, the value of the property is the result of adjustment to the values and prices obtained on the market, in the light of the location and physical characteristics of the property being valued.

Cost Approach

The Cost Approach consists of applying the principle that a purchaser will not pay more for an asset than the cost of obtaining another with the same level of utility, whether through purchase or 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 and deducting for deterioration and all other relevant forms of obsolescence.

Income Approach

The Income Approach considers information relating to the income and operating expenses of the property being valued, determining the value by a capitalisation process. In this approach, taking into account the principle of replacing the asset, it is assumed that at a given rate of return required by the market, the revenue flow generated by the property will lead to its most probable fair value.

Accordingly, the estimate of the property's value results from converting the income it generates (usually the net revenue) by applying a given capitalisation rate or update rate, or even both, which reflects the expected level of return on the investment.

In order to comply with the regulations applicable to the Portuguese insurance sector, the following method is applied to value the real estate assets of the companies in the Longrun group:

- It is necessary to follow the property valuation criteria defined for insurance sector entities within the scope of the *Conselho Nacional de Supervisores Financeiros* (CNSF) [National Board of Financial Supervisors], namely as set out in the future regime[2] of the document "*A Avaliação e Valorização de Imóveis – Uma Abordagem Integrada para o Sistema Financeiro Português*" [Appraisal and Valuation of Property – An Integrated Approach for the Portuguese Financial System]";
- Besides being registered with the Portuguese Securities Market Commission and having taken out general liability insurance, the valuer must be a RICS member, and follow RICS standards;
- Where a property's market value is estimated to be over EUR 2.5 million, two valuations are performed by different experts, and the lower value prevails;
- It is necessary to use at least two of the three methods in IFRS 13, with the income approach being compulsory;
- The valuation report must itemise the valuation of the land and the valuation of the building(s);
- In the case of buildings under the horizontal property regime, the valuation report must also allocate valuations per unit, that is, it must include a breakdown of the quota share of the land and the building(s) per unit;
- The valuation report must include a sensitivity analysis regarding the most relevant variables in the valuation;
- Following a principle of prudence, real estate assets must be revalued annually.

[2] Or transitional regime, when applicable.

The following table presents a comparison of the valuation of real estate assets for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference
Property, plant and equipment held for own use	177,544	176,118	**1,426**
Property (other than for own use)	264,489	264,499	**-10**
Collective investment undertakings	275,266	273,744	**1,522**
Total	**717,299**	**714,361**	**2,938**

The differences, by class of assets, are:

Property, plant and equipment held for own use

This results from the revaluation of property at fair value.

Property (other than for own use)

This results from the revaluation at fair value of property held in the Fid Perú perimeter.

Collective investment undertakings

This results from funds valuation adjustments where the look-through approach was applied. In the statutory financial statements, the available valuation at the close of accounts date was considered. In some funds this did not correspond to the year-end valuation. For Solvency II purposes, it was possible to consider the year-end valuation that was made available in the meantime by the collective investment undertakings.

D.1.3. Other Assets

The following table presents the valuation of other assets for solvency purposes, by class of asset.

Amounts in thousand euros

Assets	Solvency II	Solvency II previous year
Goodwill	0	0
Deferred acquisition costs	0	0
Intangible assets	0	0
Deferred tax assets	310,414	325,478
Pension benefit surplus	4,224	7,299
Loans and mortgages to individuals	3	26
Other loans and mortgages	2,055	21,645
Loans on policies	1,158	1,154
Deposits to cedants	147	543
Insurance and intermediaries receivables	245,007	150,043
Reinsurance recoverables	18,715	21,382
Receivables (trade, not insurance)	224,515	191,326
Own shares (held directly)	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0
Cash and cash equivalents	517,275	942,114
Any other assets, not elsewhere shown	25,214	28,694
Total	**1,348,727**	**1,689,704**

Other assets are generally valued in the financial statements at fair value. Specific situations where that is not the case are explained in the following table, which presents a comparison of the valuation of other assets for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference
Goodwill	0	113,580	-113,580
Deferred acquisition costs	0	78,773	-78,773
Intangible assets	0	119,871	-119,871
Deferred tax assets	310,414	170,972	139,442
Pension benefit surplus	4,224	4,224	0
Loans and mortgages to individuals	3	3	0
Other loans and mortgages	2,055	2,055	0
Loans on policies	1,158	1,158	0
Deposits to cedants	147	147	0
Insurance and intermediaries receivables	245,007	279,836	-34,829
Reinsurance recoverables	18,715	18,298	417
Receivables (trade, not insurance)	224,515	224,515	0
Own shares (held directly)	0	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0	0
Cash and cash equivalents	517,275	516,536	739
Any other assets, not elsewhere shown	25,214	25,214	0
Total	**1,348,727**	**1,555,182**	**-206,455**

The differences, by class of asset, are:

Goodwill and Deferred acquisition costs

The value of these assets for solvency purposes is zero.

Intangible assets

In order for these assets to have a value in the balance sheet for solvency purposes, they must be able to be sold separately and, moreover, it would be necessary to demonstrate that there is an active market in which similar intangible assets are traded. Given that the group's assets considered in this class do not meet these requirements, their value for solvency purposes is zero.

Deferred tax assets

The difference results from the application of the tax rate to losses with taxable temporary differences implicit in the balance sheet for solvency purposes, that is, after adjustments with a negative impact on own funds.

Insurance and intermediaries receivables

The difference relates to receivables for reimbursement of amounts paid out in claims. This amount is considered in the Non-Life technical provisions, given that its valuation for solvency purposes is net of these receivables.

Reinsurance recoverables

The difference relates to receivables for reimbursement of amounts paid out in claims. This amount is considered in the best estimate of the Non-Life technical provisions (EUR 417 thousand), given that its valuation for solvency purposes is net of these receivables.

Cash and cash equivalents

This results from the difference, when negative, between the balances of current accounts related with futures contracts and the components relating either to the valuation of unmatured contracts (recorded under the heading "Derivatives") or to the initial margin (collateral), which was considered in the valuation for solvency purposes under the heading "Debts owed to credit institutions" in other liabilities.

D.1.4. Reinsurance and special purpose vehicles recoverables

The following table shows the amounts recoverable from reinsurance contracts and special purpose vehicles, by line of business.

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life and accidents and health similar to life, excluding accidents and health insurance and index-linked and unit-linked	57,865	64,059	-6,194	17,538
Life, index-linked and unit-linked	0	0	0	0
Non-life, excluding accidents and health insurance	214,962	260,384	-45,422	159,374
Accidents and health similar to life	0	0	0	0
Accidents and health similar to non-life	27,846	31,231	-3,385	24,162
Total	**300,673**	**355,674**	**-55,001**	**201,074**

The differences result from the method applied to calculate the best estimate, which uses assumptions that are different to those used in the financial statements, such as:

- Probability of counterparty default;
- Consideration of the effects of inflation;
- Discounting of estimated liabilities;
- Method for calculating the provision for premiums

Reinsurance recoverables were calculated according to methodologies in line with those used for the valuation of technical provisions, considering adjustment to reflect the probability of reinsurer default.

Recoverables in the Non-Life, Health SLT and Health NSLT lines of business were obtained based on the following assumptions:

- In each of the insurers in the group, in the Non-Life, Health SLT and Health NSLT lines of business, when calculating the claims provision, the values of the accounting provisions of reinsurance ceded adjusted by the expected losses from counterparty default were assumed as the base value, and these were then distributed in annual future cash flows calculated on the basis of the future pattern of payments obtained for direct insurance in each of the lines of business. Longrun's values were obtained by consolidation, eliminating intra-group relations;

- The component of the provision for premiums in the Non-Life and Health NSLT lines of business was calculated as described in points D.2.2. and D.2.4.

Recoverables from the Life line of business were obtained based on the following assumptions:

- To calculate Life reinsurance recoverables, projections are obtained of future premiums cash flows, claims, commissions and expenses in line with the reinsurance contracts, considering the contractual limits of the direct insurance contracts. All liabilities cash flows are based on the concept of expected value, insofar as they are linked to probabilities of occurrence of events to which they are subject, taking into account the time value of cash.

The expected inflation and interest rate structures referred to in points D.2.5 and D.2.6, respectively, were applied to the cash flows in the Life, Non-Life, Health SLT and Health NSLT lines of business.

D.2. Technical provisions

The valuation of technical provisions for solvency purposes and a comparison with that used in the financial statements is presented in this report, segmented into:

- Life;
- Non-Life;
- Health:
  - SLT (Similar to Life Techniques);
  - NSLT (Not Similar to Life Techniques).

The following table summarises the comparison, which is discussed further in the sub-chapters below.

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life	12,324,380	12,421,343	-96,963	10,894,672
Non-Life	1,010,767	1,296,201	-285,434	827,221
Health – SLT	1,131,343	954,198	177,145	898,998
Health – NSLT	308,579	309,299	-720	221,320
Total	**14,775,069**	**14,981,041**	**-205,972**	**12,842,211**

The valuation of the technical provisions results from applying statistical methods which have a degree of uncertainty resulting from random factors which may not yet be reflected in the base information used, namely, market factors, legal changes and political factors.

However, this degree of uncertainty is lower due to Longrun's Companies not using simplifications when calculating the technical provisions.

D.2.1. Life

The following table presents the value of the Life technical provisions by line of business, including the value of the best estimate, risk margin and the value of the application of the transitional measure on technical provisions.

Amounts in thousand euros

Line of Business	Best estimate	Risk Margin	TMTP	Technical Provisions	Technical Provisions previous year
Index-linked and unit-linked insurance					
Contracts without bonds and guarantees	130,106	1,873	0	131,979	36,279
Contracts with bonds and guarantees	2,308	0	0	2,308	2,971
Savings					
Contracts with profit sharing	2,322,924	13,424	-137,145	2,199,203	1,729,918
Contracts without profit sharing	8,969,982	9,495	-192,764	8,786,713	9,197,208
Risk					
Contracts with profit sharing	37,167	266	0	37,433	40,747
Contracts without profit sharing	-310,954	134,470	0	-176,484	-354,278
Annuities					
Contracts with profit sharing	129,398	7,444	0	136,842	136,886
Contracts without profit sharing	1,156,942	48,812	0	1,205,754	104,794
Reinsurance accepted					
Reinsurance accepted	632	0	0	632	147
Total	**12,438,505**	**215,784**	**-329,909**	**12,324,380**	**10,894,672**

The Life technical provisions result from the sum of the best estimate and the risk margin less the transitional measure on technical provisions (TMTP).

The best estimate corresponds to the current value of future projected cash flows related to insurance contracts, including premiums, claims, commissions and expenses, discounted at the relevant interest rate term structures (see point D.2.6). Stochastic techniques were used when determining the time value of the options and guarantees.

Future cash-flow projections are obtained by applying probabilities of events occurring based on a historical analysis of these events in the group's portfolio, in particular mortality, disability, survival, lapse, expense and inflation.

The risk margin is calculated using the formula mentioned in Article 37(1) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, that is, using the cost of capital method with a rate of 6%.

In this method capital corresponds to the solvency capital requirement of the Life Underwriting Risk, Operational Risk and Counterparty Risk (in the part corresponding to the Life segment), allocated by line of business.

The value of the best estimate results from the sum of the claims provision and the value of the best estimate of future cash flows from policies held in portfolio.

All liabilities cash flows are based on the concept of expected value, insofar as they are linked to probabilities of occurrence of events to which they are subject. These probabilities constitute second-order technical bases, and that expected value is therefore the group's best estimate, following a historical analysis covering several years.

Income to calculate profit sharing, included in the claims estimates, was determined on the basis of assets held in portfolio at 31 December 2019 and their potential gains at that date. For such purpose, a "risk neutral" projection was made, in which different securities were subject to the reference interest rates curve (see point D.2.6), added to the recognition of potential gains at that date.

Therefore, in the case of fixed income securities, in order to determine the cash flows default probabilities were calculated so that the current value of those cash flows, discounted at the reference curve, was the same as the market value.

Profit sharing was calculated based on the minimum percentage of allocation, defined contractually.

For insurance with demographic risk, profit sharing was calculated on the technical and financial results and was distributed by payment in cash. In the case of annuities insurance, the profit-sharing calculation also comes from the technical and financial results and was allocated by increase in future annuities. For capital redemption products, profit sharing was calculated on the financial results, and was allocated by addition to the mathematical provision, with the consequent increase in sums insured, that is, increase in the amounts paid at maturity, redemption or death.

The Monte Carlo method was used to determine the time value of the options and guarantees.

For unit-linked insurance without guarantees, the technical provision is calculated using the sum of the statutory technical provision (corresponding to the value of the assets) and the corresponding provision for expenses and risk margin. The provisions for expenses are calculated using the current value of the difference between the estimated expenses and the management costs charged at the end of each year.

For unit-linked insurance with guarantees, the best estimate is calculated using the current value of the best estimate of future cash flows, maturities, redemptions, claims, commissions, expenses and less any future premiums. When calculating the maturity cash flow, we consider the higher of the guaranteed value and the estimated value of the assets on the maturity date, with these figures being obtained based on their market value on the valuation date, on the reference curve (see point D.2.6) and net of the products' management costs.

Expenses are estimated using the unit costs calculated based on the total costs charged to unit-linked products in the previous year. Commissions are estimated in line with the distribution agreements for each product. Redemption and death cash flows are estimated based on probabilities calculated in line with the Longrun group's past history.

The following calculation assumptions were used:

Decreases by Death and Disability

Mortality was analysed by class of products, namely: products in the event of death, in the event of life and the financial component. The disability risk was treated in the same way as the risk of death.

Decreases by Redemption and Cancellation

Decreases by cancellations and decreases by redemption were determined according to the historical experience for each type.

Technical Management Costs

Since these come into play in determining the economic value of the existing business, the acquisition costs were removed from the total expenses charged to the Life Line of Business, at 31 December 2019.

Premiums

For products with demographic risk all future premiums were considered, while for capital redemption products it was assumed that, if the policy is in force, the policyholder will comply with the established premiums payment plan, provided that the product's general and specific conditions so permit and only in scenarios in which the reference interest rate (see point D.2.6) is lower than the product's technical rate. For products whose contracts allow for extraordinary payments, the average payments made in the last five years were taken into account.

Commissions

Commissions cash flows were calculated based on the provision of services/ commissioning agreements in force in the group, defined in the technical specifications and notes of the different types.

Future management measures

Regarding future management measures, it was agreed to maintain the portfolio's asset mix at the valuation date. Thus, the proportion of each class of assets and the structure of securities within each class will tend to remain the same over time in the representation in the mathematical provisions.

Policyholders' behaviour

Policyholders' behaviour in terms of redemptions and cancellations is that described in the point on Decreases by Redemption and Cancellation.

For capital redemption products the payment plans are dealt with in line with that set out in the point on Premiums.

Risk margin

The risk margin is calculated using the formula mentioned in Article 37(1) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, that is, using the cost of capital method with a rate of 6%.

The following table presents a comparison of the valuation of Life technical provisions for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Index-linked and unit-linked insurance			
Contracts without bonds and guarantees	131,979	136,423	**-4,444**
Contracts with bonds and guarantees	2,308	2,308	**0**
Savings			
Contracts with profit sharing	2,199,203	2,157,430	**41,773**
Contracts without profit sharing	8,786,713	8,729,197	**57,516**
Risk			
Contracts with profit sharing	37,433	38,355	**-922**
Contracts without profit sharing	-176,484	269,725	**-446,209**
Annuities			
Contracts with profit sharing	136,842	92,049	**44,793**
Contracts without profit sharing	1,205,754	995,224	**210,530**
Reinsurance accepted			
Reinsurance accepted	632	632	**0**
Total	**12,324,380**	**12,421,343**	**-96,963**

For risk products the differences are justified, on one hand, by the use of more prudent technical bases (mortality table, discount rate, etc.) when calculating the technical provisions in the financial statements, so that the technical provisions for solvency purposes are lower.

On the other hand, the difference stems from the fact that the contract boundaries of a series of temporary annual renewable (TAR) group life insurance contracts linked to mortgages are linked to the maturity of the underlying mortgage contract, as described in point D.5.2. This change to the contract boundaries has a positive impact on the group's solvency capital requirement coverage ratio of around 19 pp.

For annuities products, the differences are essentially the result of applying the risk-free interest rate term structure.

The differences in the index-linked and unit-linked class arise from the current value of the difference between the estimated technical management costs and the future management costs.

For capital redemption products, without profit sharing, the differences result, on the one hand, from the application of the transitional measure on technical provisions and, on the other, from the difference between the rates guaranteed to clients and the rates contained in the reference interest rates curve (see point D.2.6).

D.2.2. Non-Life

The following table presents the value of the Non-Life technical provisions by line of business, including the value of the best estimate and the risk margin.

Amounts in thousand euros

Line of Business	Best estimate	Risk Margin	Technical Provisions	Technical Provisions previous year
Motor vehicle liability insurance	391,487	12,417	**403,904**	**383,251**
Other motor insurance	154,993	8,384	**163,377**	**73,246**
Marine, aviation and transport insurance	14,244	634	**14,878**	**10,889**
Fire and other damage to property insurance	243,718	5,734	**249,452**	**218,388**
General liability insurance	113,440	3,230	**116,670**	**87,132**
Credit and suretyship insurance	4,341	119	**4,460**	**1,233**
Legal expenses insurance	3,660	154	**3,814**	**3,903**
Assistance	30,775	1,408	**32,183**	**29,072**
Miscellaneous financial loss	20,727	1,302	**22,029**	**20,107**
Non-proportional reinsurance accepted	0	0	**0**	**0**
Total	**977,385**	**33,382**	**1,010,767**	**827,221**

The Non-Life technical provisions result from adding the value of the best estimate of the claims and premiums provisions and the risk margin.

The best estimate of Longrun's provisions is equal to the sum of the best estimate of the provisions of the different insurers in the group, after elimination of intra-group effects.

The best estimate of the provisions corresponds to the current value of future projected cash flows related to insurance contracts, including premiums, claims, commissions and expenses, discounted using the relevant interest rate term structures (see point D.2.6).

Future cash-flow projections are obtained by applying probabilities of events occurring based on a historical analysis of these events in the group's portfolio, in particular claims, lapse, expense and inflation.

The risk margin is calculated using the formula mentioned in Article 37(1) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, that is, using the cost of capital method with a rate of 6%.

In this method capital corresponds to the solvency capital requirement of the Non-Life Underwriting Risk, Operational Risk and Counterparty Risk (in the part corresponding to the Non-Life segment), allocated by line of business.

The following table presents a comparison of the valuation of Non-Life technical provisions for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Motor vehicle liability insurance	403,904	539,577	**-135,673**
Other motor insurance	163,377	154,935	**8,442**
Marine, aviation and transport insurance	14,878	22,171	**-7,293**
Fire and other damage to property insurance	249,452	336,035	**-86,583**
General liability insurance	116,670	147,309	**-30,639**
Credit and suretyship insurance	4,460	10,669	**-6,209**
Legal expenses insurance	3,814	5,808	**-1,994**
Assistance	32,183	30,305	**1,878**
Miscellaneous financial loss	22,029	20,273	**1,756**
Non-proportional reinsurance accepted	0	0	**0**
Other technical provisions	0	29,119	**-29,119**
Total	**1,010,767**	**1,296,201**	**-285,434**

The main differences identified result from:

- The provisions calculated on the basis of economic principles include the associated estimate of reimbursements, while the accounting provisions presented are gross of reimbursements, as previously stated in the paragraph entitled “insurance and intermediaries receivables” in point D.1.3 Other Assets;
- A prudent provisioning policy, associated with good claims management and follow-up;
- The statutory provisions reflect:
  - Provision for premiums and provision for unexpired risks calculated using a different method to that applied to obtain the provision for premiums under Solvency II;
  - The estimate of payables not discounted.

The heading Other technical provisions, which only appears in the financial statements with the value of EUR -29,119 thousand, mostly corresponds to amounts allocated to the equalisation provision.

D.2.3. Health – SLT

The following table presents the value of the Health-SLT technical provisions by line of business, including the value of the best estimate, the risk margin and the value of the application of the transitional measure on technical provisions.

Amounts in thousand euros

Line of Business	Best estimate	Risk Margin	TMTP	Technical Provisions	Technical Provisions previous year
Health insurance (direct insurance)					
Contracts without bonds and guarantees	0	0	0	**0**	**0**
Contracts with bonds and guarantees	0	0	0	**0**	**0**
Health insurance (reinsurance accepted)					
Health insurance (reinsurance accepted)	0	0	0	**0**	**0**
Annuities stemming from non-life insurance contracts					
relating to health insurance obligations	1,276,442	111,783	-256,882	**1,131,343**	**898,998**
relating to insurance obligations other than health insurance obligations	0	0	0	**0**	**0**
Total	**1,276,442**	**111,783**	**-256,882**	**1,131,343**	**898,998**

The Health - SLT technical provisions result from adding the value of the best estimate of the claims provisions and the risk margin, adjusted by the transitional measure on technical provisions.

Longrun's best estimate is equal to the sum of the best estimate of the different insurers in the group, after elimination of intra-group effects.

The best estimate of the provisions corresponds to the current value of future projected cash flows related to insurance contracts, including claims and expenses, discounted using the relevant interest rate term structures (see point D.2.6.).

Future cash-flow projections are obtained by applying probabilities of events occurring based on a historical analysis of these events in the group's portfolio, in particular survival, expense and inflation.

The risk margin is calculated using the formula mentioned in Article 37(1) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, that is, using the cost of capital method with a rate of 6%.

In this method capital corresponds to the solvency capital requirement of the Health - SLT Underwriting Risk and Operational Risk (in the part corresponding to the Health - SLT segment).

The following table presents a comparison of the valuation of Health - SLT technical provisions for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Health insurance (direct insurance)			
Contracts without bonds and guarantees	0	0	**0**
Contracts with bonds and guarantees	0	0	**0**
Health insurance (reinsurance accepted)			
Health insurance (reinsurance accepted)	0	0	**0**
Annuities stemming from non-life insurance contracts			
relating to health insurance obligations	1,131,343	954,198	**177,145**
relating to insurance obligations other than health insurance obligations	0	0	**0**
Total	**1,131,343**	**954,198**	**177,145**

Considering the adjustment of the transitional measure on technical provisions, the impact of revaluing the provisions results fundamentally from the evolution of the interest rates term structure referred to in point D.2.6.

D.2.4. Health- NSLT

The following table presents the value of the Health – NSLT technical provisions by line of business, including the value of the best estimate and the risk margin.

Amounts in thousand euros

Line of Business	Best estimate	Risk Margin	Technical Provisions	Technical Provisions previous year
Medical expenses insurance	110,948	5,160	**116,108**	**87,161**
Income protection insurance	44,235	886	**45,121**	**40,028**
Workers' compensation insurance	138,661	8,689	**147,350**	**94,131**
Total	**293,844**	**14,735**	**308,579**	**221,320**

The Health – NSLT technical provisions result from adding the value of the best estimate of the claims and premiums provisions and the risk margin.

Longrun's best estimate is equal to the sum of the best estimate of the different insurers in the group, after elimination of intra-group effects.

The best estimate of the provisions corresponds to the current value of future projected cash flows related to insurance contracts, including premiums, claims, commissions and expenses, discounted using the relevant interest rates term structures (see point D.2.6.).

Future cash-flow projections are obtained by applying probabilities of events occurring based on a historical analysis of these events in the group's portfolio, in particular claims, lapse, expense and inflation.

The risk margin is calculated using the formula mentioned in Article 37(1) of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, that is, using the cost of capital method with a rate of 6%.

In this method capital corresponds to the solvency capital requirement of the Health - NSLT Underwriting Risk, Operational Risk and Counterparty Risk (in the part corresponding to the Health - NSLT segment), allocated by line of business.

The following table presents a comparison of the valuation of Health - NSLT technical provisions for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Line of Business	Technical Provisions	Financial Statements	Difference
Medical expenses insurance	116,108	127,304	**-11,196**
Income protection insurance	45,121	47,274	**-2,153**
Workers' compensation insurance	147,350	134,721	**12,629**
Total	**308,579**	**309,299**	**-720**

The main differences identified between the figures for the accounting provisions and the provisions calculated on the basis of economic principles result from:

- The provisions calculated on the basis of economic principles include the associated estimate of reimbursements, while the accounting provisions presented are gross of reimbursements, as previously stated in the paragraph entitled "insurance and intermediaries receivables" in point D.1.3. Other Assets;

- A prudent provisioning policy, associated with good claims management and follow-up;
- The statutory provisions reflect:
  - Provision for premiums and provision for unexpired risks calculated using a different method to that applied to obtain the provision for premiums under Solvency II;
  - The estimate of payables not discounted.

D.2.5. Inflation rate

To calculate the best estimate, in the life, non-life and health lines of business:

- In the insurers in Longrun's perimeter without La Positiva, the harmonised index of prices, three-year forecast, disclosed by Banco de Portugal in December 2019 is used. In the best estimate projections, 0.9% was considered in 2020, 1.2% in 2021 and 1.4% in subsequent years.
- In the projections for the insurers in the La Positiva group, future inflation is considered to follow the pattern implicit in the historical information used to estimate future cash flows.

D.2.6. Reference interest rates

For technical provisions in currencies for which the Supervisor does not publish interest rate structures (Peruvian Sols (PEN), Bolivian Bolivianos (BOB) and Paraguayan Guaranis (PYG)), interest rate structures were calculated by applying a method similar to that considered by EIOPA, assuming as the basis of calculation for the first years the interest rate structure of Peruvian Government Bonds for PEN and BOB, Colombian Government Bonds for PYG, and the long-term inflation rate expected by the respective Central Banks to determine the future behaviour of interest rate structures.

When valuing the other technical provisions, the group used the relevant risk-free interest rate structures established in Commission Implementing Regulation (EU) 2020/193, of 12 February 2020, without volatility adjustment.

D.3. Other liabilities

The following table presents a comparison of the valuation of other liabilities for solvency purposes and their valuation in the financial statements.

Amounts in thousand euros

Liabilities	Solvency II	Financial statements	Difference	Solvency II previous year
Contingent liabilities	0	0	0	0
Provisions other than technical provisions	68,344	68,344	0	48,181
Pension benefit obligations	364	364	0	315
Deposits from reinsurers	75,146	75,146	0	53,288
Deferred tax liabilities	371,134	140,087	231,047	365,347
Derivatives	102,856	104,020	-1,164	29,537
Debts owed to credit institutions	975	83	892	311,784
Financial liabilities other than debts owed to credit institutions	135,707	127,550	8,157	52
Insurance and intermediaries payables	116,537	122,970	-6,433	88,450
Reinsurance payables	102,347	106,524	-4,177	47,999
Payables (trade, not insurance)	204,490	204,490	0	96,600
Subordinated liabilities	0	0	0	0
Any other liabilities, not elsewhere shown	141,657	141,656	1	126,406
Total	**1,319,557**	**1,091,234**	**228,323**	**1,167,959**

Other liabilities are generally valued in the financial statements at fair value. Specific situations where that is not the case are described below.

The differences, by class of liability, are:

Deferred tax liabilities

The difference results from the application of the tax rate to gains with taxable temporary differences implicit in the balance sheet for solvency purposes, that is, after adjustments with a positive impact on own funds.

Derivatives

This is largely the result of splitting the heading into assets balance and liabilities balance. The level of detail in Solvency II was greater than that in the financial statements. This effect is also reflected in the corresponding account in assets.

Debts owed to credit institutions

This results from the difference, when negative, between the balances of current accounts related with futures contracts and the components relating either to the valuation of unmatured contracts (recorded under the heading "Derivatives") or to the initial margin (collateral), which was considered in the financial statements valuation under the heading "Cash and cash equivalents" in other assets.

Financial liabilities other than debts owed to credit institutions

The difference corresponds partly to the La Positiva PUT Option of EUR 85,752 thousand, which is valued at EUR 93,909 thousand under SII.

Insurance and intermediaries payables

The difference relates to payables for reimbursement of amounts paid out in claims. This amount is considered in the Non-Life technical provisions, given that its valuation for solvency purposes is net of these payables.

Reinsurance payables

The difference relates to reinsurance ceded payables for reimbursement of amounts paid out in direct insurance claims. For solvency purposes these payables are included in the Health – NSLT technical provisions (EUR 6,697 thousand), the valuation of which was net of these.

D.4. Alternative valuation methods

As mentioned in point D.1.1 of this report, Longrun does not make valuations from financial models.

D.5. Any other information

D.5.1. Information on the valuation for solvency purposes

The bases, methods and main assumptions used at group level for the valuation of assets, technical provisions and other liabilities for solvency purposes do not differ from those used in any of the group's European subsidiaries for valuation for solvency purposes of the respective assets, technical provisions and other liabilities.

D.5.2. Changing the contractual limits of temporary annual renewable insurance contracts

When calculating the best estimate of the Life liabilities relating to temporary annual renewable (TAR) life insurance contracts, the contract boundary considered is the date of the next renewal except for contracts for which the group has provenly waived the unilateral right to terminate the contract and to reject or amend the tariffs in force.

For these contracts, which are all linked to mortgages, for the purpose of valuing their technical provisions, Longrun considered their contract boundary to be the maturity of the mortgage agreement associated with each adhesion, taking into account lapse probabilities. Although the reinsurance treaty associated with these contracts is of annual duration, when calculating the reinsurance recoverables the group assumed a time limit consistent with the insurance contract limits to which they relate, according to the understanding of the ASF.

D.5.3. Application of the transitional deduction to technical provisions

Of its subsidiaries, only Fidelidade applied, pursuant to Article 25 of Law No. 147/2015, of 9 September, the transitional deduction to technical provisions for liabilities similar to life, in the following groups of homogeneous risks:

- Capital redemption products, with and without profit sharing;
- Health – SLT, related with liabilities with workers' compensation insurance contracts.

ASF ruled that for 2019 the transitional deduction to technical provisions must be recalculated, based on 31 December 2018 information, and the reduction resulting from that calculation (if greater than the normal gradual reduction) must be reported on the first day of 2019.

Accordingly, the following table contains the respective amounts of the gross technical provisions and of the reinsurance recoverables, for solvency purposes, with the reference date of 1 January 2019[3], and in the financial statements, with the reference date of 31 December 2018. The initial amount of the transitional deduction applied is also shown.

Amounts in thousand euros

Lines of business / Homogeneous risk groups		Gross Technical Provisions			Reinsurance recoverables		Transitional Deduction
		Financial Statements	Solvency II		Financial Statements	Solvency II	
			Best Estimate	Risk Margin			
29 and 33	Life insurance liabilities - Health – SLT	699,747	881,404	75,225	0	0	256,882
30	Life insurance liabilities - Insurance with profit sharing - Capital redemption products	1,254,522	1,382,107	9,559	0	0	137,145
32	Life insurance liabilities - Other liabilities similar to life - Capital redemption products	5,087,284	5,268,160	11,889	0	0	192,764
Total		**7,041,553**	**7,531,671**	**96,673**	**0**	**0**	**586,791**

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the group applied the transitional deduction to technical provisions on the first day of 2019. The table below shows the amount of that deduction at 31 December 2019:

Amounts in thousand euros

Lines of business / Homogeneous risk groups		Transitional Deduction				Difference
		Amount at 1/1/2016	Decrease	Amount at 31/12/2018	Recalculation 1/1/2019	
29 and 33	Life insurance liabilities - Health – SLT	325,545	-40,693	284,852	256,882	**-27,970**
30	Life insurance liabilities - Insurance with profit sharing - Capital redemption products	205,508	-25,689	179,819	137,145	**-42,674**
32	Life insurance liabilities - Other liabilities similar to life - Capital redemption products	393,792	-49,224	344,568	192,764	**-151,804**
Total		**924,845**	**-115,606**	**809,239**	**586,791**	**-222,448**

The following table quantifies the impact on the group's financial condition, at 31 December 2019, of not applying this transitional deduction, namely the impact on the amount of the technical provisions, solvency capital requirement, minimum capital requirement, basic own funds and eligible own funds to meet the minimum capital requirement and the solvency capital requirement.

Amounts in thousand euros

	Transitional measure on technical provisions		
	Amount with the transitional measure	Amount without the transitional measure	Impact of the transitional measure
Technical provisions	**14,775,069**	**15,361,860**	**-586,791**
Basic own funds			
Excess assets over liabilities	2,538,405	2,218,615	319,790
Eligible own funds to meet SCR	**2,538,859**	**2,219,070**	**319,789**
Solvency Capital Requirement (SCR)	**2,014,961**	**2,127,403**	**-112,443**
SCR coverage ratio	**126.00%**	**104.31%**	

[3] Pursuant to Article 25(5) of Law No. 147/2015, of 9 September, the ASF requested all insurance companies covered by the transitional rules to recalculate the transitional deduction, using information relating to 31 December 2018 as the basis for recalculation and with an effective date of 1 January 2019.

The impact of the decrease in the transitional deduction to technical provisions, due to recalculation of the transitional deduction to technical provisions, on the first day of 2019, is approximately 1.51% of the total amount of the technical provisions and 6 pp of its SCR.

E. Capital management

During the period covered by this report, there were no significant changes related to the objectives, policies and processes adopted by Longrun to manage own funds.

The changes which occurred in 2019, both in its own funds and in its solvency capital requirement are explained in this chapter.

Method 1 (accounting consolidation-based method) described in Article 270 of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September, was used to calculate the group's solvency, using the net data of any intra-group transactions.

E.1. Own funds

E.1.1. Management of own funds

The new legal framework on the taking-up and pursuit of the business of insurance requires insurance undertakings to have an effective risk management system.

Accordingly, the own risk and solvency assessment, normally identified by the acronym ORSA, is considered a central element in this system, since, from a prospective vision, it relates risk, capital and return, in the context of the business strategy established by the insurance undertaking.

The ORSA exercise, which coincides with the strategic planning timeframe (never less than 3 years), therefore plays a key role in the group's Capital Management, supporting its main activities, namely:

- Assessing, together with risk management, the risk appetite structure in relation to the business strategy and capital management strategy;
- Contributing to the commencement of the strategic planning process, through the performance of a capital adequacy assessment in the most recent period;
- Monitoring of capital adequacy in line with the regulatory capital requirements and the internal capital needs.

Considering the results obtained in the ORSA, and if the capital requirements are not in line with those defined, both in regulatory terms and in terms of other limits defined internally, corrective actions to be implemented are detailed, in order to restore the adequate/intended level of capital.

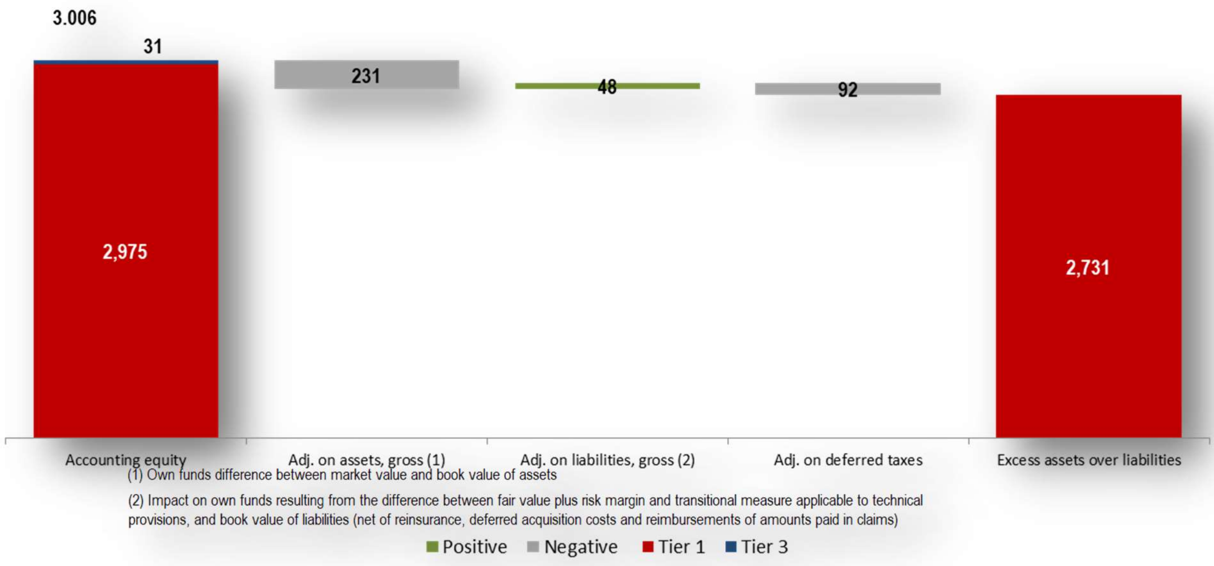
E.1.2. Structure, amount and tiering of own funds

The following table presents a comparison of the own funds as set out in Longrun's financial statements and the excess of assets over liabilities calculated for solvency purposes.

Amounts in thousand euros

	Solvency II	Financial statements	Difference	Solvency II previous year
Assets	18,825,884	19,078,214	-252,330	16,783,554
Technical Provisions	14,775,069	14,981,041	-205,972	12,842,211
Other liabilities	1,319,557	1,091,234	228,323	1,167,959
Excess assets over liabilities	**2,731,258**	**3,005,939**	**-274,681**	**2,773,384**

The difference is explained in the graph below (amounts in million euros):



The following table provides information on the structure, amount and quality of the basic own funds and ancillary own funds, at 31 December 2019 and 31 December 2018.

Amounts in thousand euros

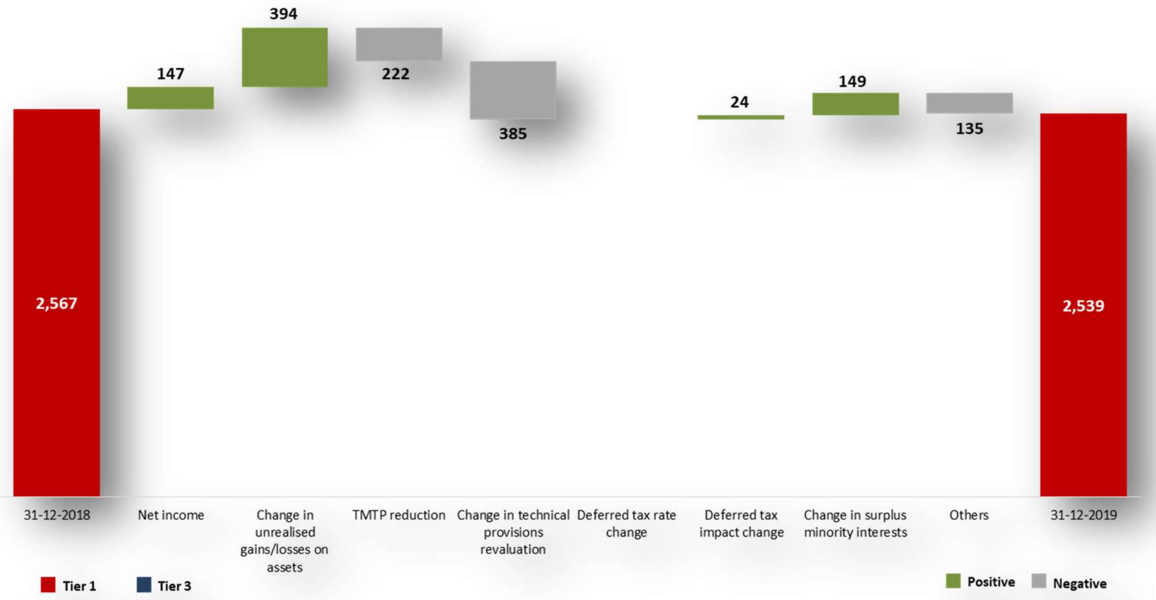
	Own Funds - Structure	Amount	Tier	Amount previous year	Tier previous year
Basic own funds	Ordinary share capital (gross of own shares)	50	1	50	1
	Non–available called but not paid in ordinary share capital at group level	0		0	
	Share premium account related to ordinary share capital	0		0	
	Surplus funds	0		0	
	Non–available surplus funds at group level	0		0	
	Preference shares	0		0	
	Non-available preference shares at group level	0		0	
	Share premium account related to preference shares	0		0	
	Non-available share premium account related to preference shares at group level	0		0	
	Reconciliation reserve	1,131,134	1	1,173,936	1
	Subordinated liabilities	0		0	
	Non-available subordinated liabilities at group level	0		0	
	An amount equal to the value of net deferred tax assets	0		0	
	An amount equal to the value of net deferred tax assets not available at group level	0		0	
	Other items approved by the supervisory authority as basic own funds not specified above	1,600,074	1	1,599,399	1
	Non–available own funds related to other own funds items approved by supervisory authority	0		0	
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0		0	
	Total basic own funds before deductions	**2,731,258**		2,773,385	
	Deductions for participations in other financial undertakings, including non–regulated undertakings carrying out financial activities, whereof deducted according to art 228 of Directive 2009/138/EC	454	1	633	1
	Deductions for participations where there is non–availability of information (Article 229)	0		0	

	Deduction for participations included by using D&A when a combination of methods is used	0		0	
Total basic own funds		**2,730,804**		**2,772,752**	

Amounts in thousand euros

Own Funds - Structure		Amount	Tier	Amount previous year	Tier previous year
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	0		0	
	Unpaid and uncalled preference shares callable on demand	0		0	
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0		0	
	Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	0		0	
	Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC	0		0	
	Non-available ancillary own funds at group level	0		0	
	Other ancillary own funds	0		0	
Total ancillary own funds		**0**		**0**	
Excess assets over liabilities		**2,730,804**		**2,772,752**	
Minority interests at group level (if not reported as part of another own fund item)		0		0	
Non-available minority interests at group level		-192,399	1	-206,450	1
Total eligible own funds without financial sector		**2,538,405**		**2,566,302**	
Interesses minoritários indisponíveis a nível do grupo		454	1	633	1
Total eligible own funds with financial sector		**2,538,859**		**2,566,935**	

The graph below shows the main changes to the group's eligible own funds during the period covered by this report (amounts in million euros):



TMTP – Transitional measure on technical provisions

The table below shows the amounts of own funds available and eligible to meet the solvency capital requirement (SCR) and the minimum capital requirement (MCR), classified by tier, relating to 31 December 2019 and 31 December 2018:

Amounts in thousand euros

	Eligible own funds to meet					
	SCR				MCR	previous year
	with financial sector	previous year	without financial sector	previous year		
Tier 1	2,538,859	2,668,592	2,538,405	2,668,592	2,538,405	2,668,592
Tier 2	0	0	0	0	0	0
Tier 3	0	0	0	0	0	0
Total	2,538,859	2,668,592	2,538,405	2,668,592	2,538,405	2,668,592

E.1.3. Restrictions to the transferability and fungibility of the own funds in the subsidiaries

No restrictions were identified which affect the availability and transferability of the own funds of the subsidiaries, and which might affect the group's Solvency position.

E.2. Solvency capital requirement and minimum capital requirement

To calculate the solvency capital requirement, the group applies the standard formula set out in Articles 119 to 129 of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September, and does not use simplified calculations or specific parameters.

Calculation of the minimum capital requirement is in line with that set out in Article 147 of the aforementioned Legal Framework.

Information is presented below on the solvency capital requirement (SCR) and the minimum capital requirement (MCR) and also the respective coverage ratio, at 31 December 2019 and 31 December 2018.

Amounts in thousand euros

	Capital Requirements	Capital Requirements previous year	Coverage Ratio	Coverage Ratio previous year
SCR	2,014,961	1,587,656	126.00%	161.68%
SCR without financial sector	2,014,961	1,587,656	125.98%	161.64%
MCR	652,546	494,554	389.00%	518.91%

The table below provides a breakdown of the SCR by risk modules, with reference to 31 December 2019 and 31 December 2018, focusing, in particular, on the breakdown of the BSCR and the adjustments for the loss-absorbing capacity of the technical provisions and of deferred taxes.

Amounts in thousand euros

	SCR Breakdown	SCR Breakdown previous year
Market risk	1,711,526	1,251,536
Counterparty default risk	264,090	231,831
Life underwriting risk	338,049	315,014
Health underwriting risk	225,697	211,786
Non-Life underwriting risk	285,556	244,851
Diversification	-730,491	-641,556
Intangible assets risk	0	0
Basic Solvency Capital Requirement	**2,094,427**	**1,613,462**
Operational risk	135,632	191,742
Loss-absorbing capacity of technical provisions	-3,032	-1,101
Loss-absorbing capacity of deferred taxes	-231,703	-234,858
Solvency capital requirement for companies using the consolidated method	**1,995,324**	**1,569,245**
Capital requirement for other financial sectors (capital requirements not linked to the insurance sector)	283	125
Capital requirement for residual undertakings	19,354	18,285
Consolidated Group Solvency Capital Requirement	**2,014,961**	**1,587,655**

Information on the main changes to the solvency capital requirement in the period covered by this report, and the reasons for those changes, are included in Chapter C.

E.3. Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

Longrun does not use the duration-based equity risk sub-module, set out in Article 125(5) of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September.

E.4. Differences between the standard formula and any internal model used

As previously stated, Longrun uses the standard formula, and does not apply any internal model.

E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

There was no failure to comply with the minimum capital requirement or the solvency capital requirement during the period covered by this report.

E.6. Any other information

E.6.1. Transitional measure on equity risk

The group applied the transitional regime applicable to the equity risk set out in Article 20(2) and (3) of Law No. 147/2015, of 9 September.

E.6.2. Futures and forwards contracts

Calculations of the currency risk sub-module and the counterparty default risk module include the effect of hedging of exchange rate exposure of assets denominated in American dollars (USD), Hong Kong dollars (HKD) and Pounds sterling (GBP), via the use of futures and forwards contracts.

To hedge the exchange rate exposure of assets denominated in Yens (JPY) and in Canadian Dollars (CAD) the Company used exchange rate forwards, and the effect of these was also reflected in those capital requirements.

E.6.3. Solvency capital requirement and own funds of the group's insurance and reinsurance undertakings

The following tables present the solvency capital requirement of each of the group's insurance and reinsurance undertakings included in the group's solvency calculation.

Longrun Portugal, SGPS, S.A.

a) EEA Insurance Undertakings

Amounts in thousand euros

Legal name of undertaking	SCR Market risk	SCR Counterparty default risk	SCR Underwriting risk - life	SCR Underwriting risk - health	SCR Underwriting risk – non-life	SCR Operational risk	Individual SCR	Individual MCR	Individual Own Funds Eligible for SCR coverage
Fidelidade - Companhia de Seguros, S.A.	1,424,474	233,764	305,912	156,811	226,249	112,937	1,598,187	463,647	2,641,222
Companhia Portuguesa de Resseguros, S.A.	655	405	0	111	298	104	1,045	3,600	13,093
Fidelidade Assistência - Companhia de Seguros, S.A.	1,232	10,635	0	0	17,144	1,583	25,716	6,429	46,753
Via Directa - Companhia de Seguros, S.A.	2,956	2,194	0	63	14,679	1,629	17,580	7,867	25,393
Multicare - Seguros Saúde, S.A.	3,067	11,711	0	54,710	0	9,589	67,482	18,324	94,230

b) Insurance and reinsurance undertakings outside the EEA (using Solvency II rules)

Amounts in thousand euros

Legal name of undertaking	Local capital requirement	Minimum local capital requirement	Eligible own funds in line with local rules
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	37,067	9,267	19,314
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	12,670	3,700	29,989
Positiva Seguros y Reaseguros S.A.A	89,102	23,768	86,644
LA POSITIVA VIDA SEGUROS Y REASEGUROS, S.A.A.	327,699	81,925	-307,501
Alianza Vida Seguros y Reaseguros S.A.	9,713	7,400	17,422
Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	32,480	8,120	32,258
Alianza Garantia	7,610	7,400	3,505
La Positiva S.A. - Entidad Prestadora de Salud	5,447	3,700	-255
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	7,644	7,400	11,933

c) Other regulated and non-regulated financial undertakings including insurance holding companies and mixed financial holding companies

Amounts in thousand euros

Legal name of undertaking	Local capital requirement	Minimum local capital requirement	Eligible own funds in line with local rules
Fidelidade - Sociedade Gestora de Organismos de Investimento Imobiliário	283	283	454

E.6.4. Effects of group diversification

As previously stated, as an insurance holding company, Longrun Portugal, SGPS, SA, does not carry out insurance or reinsurance activities, and its activity is limited to management of the shares held in the insurance companies Fidelidade, Multicare and Fidelidade Assistência.

On the other hand, of the entities within the group's consolidation perimeter, Fidelidade's business has a very substantial weight, when compared with the other entities.

Accordingly, the effect of diversification resulting from the consolidation of the business of the group's insurance and reinsurance undertakings is not significant, as can be seen in the following table.

Amounts in thousand euros

	SCR
Fidelidade – Companhia de Seguros, SA	1,598,187
Fidelidade Assistência – Companhia de Seguros, SA	25,716
Multicare – Seguros de Saúde, SA	67,482
Via Directa – Companhia de Seguros, SA	17,580
Companhia Portuguesa de Resseguros, SA	1,045
Fidelidade Angola - Companhia de Seguros, S.A.	37,067
Garantia - Companhia de Seguros de Cabo Verde, S.A.	7,644
Fidelidade Macau - Companhia de Seguros, S.A.	12,670
Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	32,480
Alianza Garantia Seguros Y Reasseguros S.A.	7,610
Alianza Vida Seguros y Reaseguros S.A.	9,713
La Positiva S.A. - Entidad Prestadora de Salud	5,447
La Positiva Vida Seguros Y Reaseguros S.A.	327,699
Positiva Seguros y Reaseguros	89,102
Total	**2,239,442**
Adjustment in Fidelidade participations	-18,284
Total	**2,221,158**
Group diversification effects	-206,196
Group SCR	**2,014,962**

E.6.5. Minimum consolidated group solvency capital requirement

The minimum consolidated group solvency capital requirement corresponds to the sum of the following items:

Amounts in thousand euros

Insurance undertakings	MCR	Proportional part
Fidelidade - Companhia de Seguros, S.A.	463,647	100%
Companhia Portuguesa de Resseguro, S.A.	3,600	100%
Fidelidade Assistência - Companhia de Seguros, S.A.	6,429	100%
Via Directa - Companhia de Seguros, S.A.	7,867	100%
Multicare - Seguros de Saúde, S.A.	18,324	100%
Fidelidade Angola - Companhia de Seguros, S.A.	9,267	100%
Garantia - Companhia de Seguros de Cabo Verde, S.A.	7,400	100%
Fidelidade Macau - Companhia de Seguros, S.A.	3,700	100%
La Positiva Seguros Y Reaseguros	23,768	100%
La Positiva Vida Seguros Y Reaseguros	81,925	100%
Alianza Vida Seguros Y Reaseguros	7,400	100%
Alianza Compañia Seguros Y Reaseguros	8,120	100%
Alianza Garantia	7,400	100%
LaPositiva EPS	3,700	100%
Minimum consolidated group solvency capital requirement	**652,546**	

E.6.6. Optional additional information

Since the outbreak of the Coronavirus Disease 2019 ("COVID-19"), which appeared in January 2020, the prevention and control of COVID-19 has been taking place on a global scale and throughout the country. The group will strictly implement the requirements and guidelines of the General Directorate of Health and all indications of the government and regulatory authorities and will increase its support for the prevention and control of epidemics.

COVID-19 has economic impacts at the national and global level and there have already been significant losses in the global markets that may affect the quality of or the income from Longrun's credit and investment assets. The extent of the impact depends on the state measures to prevent the epidemic, its duration and the implementation of regulatory policies. This is a non-adjustable subsequent event and the group has been following the pandemic's effect on its solvency ratio, the full impact of which is still being assessed. However, the most recent analyses indicate that the group has Eligible Own Funds comfortably above the Solvency Capital Requirement. The group will continue to pay close attention to the COVID-19 situation and will assess and actively respond to its impacts on the solvency ratio.

Annexes

Quantitative information *

* Amounts in thousand euros

Longrun Portugal, SGPS, S.A.

Annex I
S.02.01.02
Balance sheet

		Solvency II Value
		C0010
ASSETS		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	310,414
Pension benefit surplus	R0050	4,224
Property, plant and equipment held for own use	R0060	177,543
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	16,860,275
Property (other than for own use)	R0080	264,489
Holdings in related undertakings, including participations	R0090	2,186,010
Equities	R0100	814,528
Equities — listed	R0110	774,157
Equities — unlisted	R0120	40,370
Bonds	R0130	11,073,936
Government bonds	R0140	5,027,043
Corporate bonds	R0150	5,922,078
Structured notes	R0160	124,815
Collateralised securities	R0170	0
Collective investment undertakings	R0180	1,116,455
Derivatives	R0190	43,341
Deposits other than cash equivalents	R0200	1,361,516
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	138,665
Loans and mortgages	R0230	3,216
Loans on policies	R0240	1,158
Loans and mortgages to individuals	R0250	3
Other loans and mortgages	R0260	2,055
Reinsurance recoverables from:	R0270	300,673
Non-life and health similar to non-life	R0280	242,808
Non-life, excluding health	R0290	214,962
Health similar to non-life	R0300	27,846
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	57,865
Health similar to life	R0320	0
Life, excluding health and index-linked and unit-linked	R0330	57,865
Life, index-linked and unit-linked	R0340	
Deposits to cedants	R0350	147
Insurance and intermediaries receivables	R0360	245,007
Reinsurance recoverables	R0370	18,715
Receivables (trade, not insurance)	R0380	224,515
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	517,275
Any other assets, not elsewhere shown	R0420	25,214
TOTAL ASSETS	R0500	18,825,884

Annex I
S.02.01.02
Balance Sheet
(Cont.)

		Solvency II Value
		C0010
LIABILITIES		
Technical provisions — non-life	R0510	1,319,346
Technical provisions — non-life (excluding health)	R0520	1,010,767
TP calculated as a whole	R0530	0
Best Estimate	R0540	977,385
Risk margin	R0550	33,382
Technical provisions — health (similar to non-life)	R0560	308,579
TP calculated as a whole	R0570	
Best Estimate	R0580	293,844
Risk margin	R0590	14,735
Technical provisions — life (excluding index-linked and unit-linked)	R0600	13,321,437
Technical provisions — health (similar to life)	R0610	1,131,343
TP calculated as a whole	R0620	
Best Estimate	R0630	1,019,559
Risk margin	R0640	111,784
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	12,190,094
TP calculated as a whole	R0660	
Best Estimate	R0670	11,976,182
Risk margin	R0680	213,911
Technical provisions — index-linked and unit-linked	R0690	134,287
TP calculated as a whole	R0700	136,415
Best Estimate	R0710	-4,001
Risk margin	R0720	1,873
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	68,344
Pension benefit obligations	R0760	364
Deposits from reinsurers	R0770	75,146
Deferred tax liabilities	R0780	371,134
Derivatives	R0790	102,856
Debts owed to credit institutions	R0800	975
Financial liabilities other than debts owed to credit institutions	R0810	135,707
Insurance and intermediaries payables	R0820	116,537
Reinsurance payables	R0830	102,347
Payables (trade, not insurance)	R0840	204,490
Subordinated liabilities	R0850	
Subordinated liabilities not in basic own funds (BOF)	R0860	
Subordinated liabilities in basic own funds (BOF)	R0870	
Any other liabilities, not elsewhere shown	R0880	141,657
TOTAL LIABILITIES	R0900	16,094,626

EXCESS ASSETS OVER LIABILITIES	**R1000**	**2,731,258**

Longrun Portugal, SGPS, S.A.

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of business: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business: accepted non-proportional reinsurance				Total
		Medical expenses insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct business	**R0110**	399,508	45,324	279,395	380,485	276,949	39,735	388,587	85,235	34,163	5,859	48,452	35,213					**2,018,903**
Gross — Proportional reinsurance accepted	**R0120**	1,030	653	219	106	24	29	6,522	1,307	11	3	565	68					**10,535**
Gross — Non-proportional reinsurance accepted	**R0130**																	
Reinsurer's share	**R0140**	13,923	14,263	2,373	10,082	8,791	23,219	179,070	39,374	25,864	3	467	12,135					**329,564**
Net	**R0200**	386,614	31,714	277,241	370,509	268,182	16,545	216,039	47,168	8,309	5,859	48,550	23,145					**1,699,874**
Premiums earned																		
Gross - Direct business	**R0210**	392,926	44,377	270,368	368,384	271,110	38,834	370,879	74,835	27,861	5,799	47,359	35,721					**1,948,452**
Gross — Proportional reinsurance accepted	**R0220**	958	652	69	108	24	15	6,161	1,190	356	3	587	63					**10,187**
Gross — Non-proportional reinsurance accepted	**R0230**																	
Reinsurer's share	**R0240**	14,484	14,304	2,373	18,397	10,368	22,960	163,593	29,897	25,596	6	466	12,394					**314,840**
Net	**R0300**	379,399	30,726	268,064	350,095	260,765	15,889	213,446	46,128	2,621	5,796	47,480	23,390					**1,643,799**
Claims incurred																		
Gross - Direct business	**R0310**	299,707	14,361	113,710	259,695	126,092	8,276	132,955	21,528	-405	134	37,357	7,128					**1,020,540**
Gross — Proportional reinsurance accepted	**R0320**	1,170	347	-271	642	95	39	4,595	631	11	0	-62	62					**7,260**
Gross — Non-proportional reinsurance accepted	**R0330**																	
Reinsurer's share	**R0340**	8,776	1,347	1,607	20,344	6,839	2,617	65,065	7,751	1,302		37	-1,856					**113,828**
Net	**R0400**	292,101	13,361	111,833	239,993	119,347	5,698	72,485	14,408	-1,695	134	37,259	9,046					**913,971**
Changes in other technical provisions																		
Gross - Direct business	**R0410**	1,183	351	-331	-5,687	514	-182	2,146	549	-63	158	-1,508	178					**-2,691**
Gross — Proportional reinsurance accepted	**R0420**			-4	42	6	0	15	4		0	175	9					**250**
Gross — Non-proportional reinsurance accepted	**R0430**																	
Reinsurer's share	**R0440**											0						**12**
Net	**R0500**	1,183	351	-334	-5,644	520	-182	2,158	553	-63	158	-1,333	180					**-2,452**
Expenses incurred	**R0550**	88,772	20,395	79,761	131,701	115,542	8,560	121,725	29,036	4,071	4,402	20,753	11,265					**635,982**
Other expenses	**R1200**																	**1,302,807**
Total expenses	**R1300**																	**1,938,789**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business
(Cont.)

		Line of business: Life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit sharing	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		533,415	100,798	1,416,729				2,417	2,053,359
Reinsurer's share	R1420		1,059		89,087				42	90,188
Net	R1500		532,356	100,798	1,327,642				2,375	1,963,171
Premiums earned										
Gross	R1510		533,475	100,798	1,417,580				2,337	2,054,190
Reinsurer's share	R1520		1,044		89,872				42	90,957
Net	R1600		532,432	100,798	1,327,708				2,295	1,963,233
Claims incurred										
Gross	R1610		208,321	-9,829	1,721,957	99,168			2,654	2,022,270
Reinsurer's share	R1620		3		57,989				294	58,286
Net	R1700		208,317	-9,829	1,663,969	99,168			2,360	1,963,984
Changes in other technical provisions										
Gross	R1710		361,798		21,405					383,203
Reinsurer's share	R1720		8		3,437					3,538
Net	R1800		361,790		17,968				-93	379,666
Expenses incurred	R1900		19,547	-245	164,449	2,172			58	185,982
Other expenses	R2500									386
Total expenses	R2600									186,368

Annex I

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0010						C0070
	R0010		AO	BO	FR	MO	PE	
		C0080						C0140
Premiums written								
Gross — Direct business	**R0110**	1,452,477	51,953	77,553	47,232	17,594	326,814	**1,973,622**
Gross — Proportional reinsurance accepted	**R0120**	3,489	588	5,187	290	624	147	**10,325**
Gross — Non-proportional reinsurance accepted	**R0130**	0	0	0	0	0	0	**0**
Reinsurer's share	**R0140**	124,936	17,772	40,498	24,301	10,331	93,053	**310,891**
Net	**R0200**	1,331,030	34,769	42,242	23,220	7,886	233,908	**1,673,056**
Premiums earned								
Gross — Direct business	**R0210**	1,431,859	45,302	71,794	46,171	15,038	293,372	**1,903,534**
Gross — Proportional reinsurance accepted	**R0220**	3,087	516	5,187	290	350	224	**9,654**
Gross — Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0	0	**0**
Reinsurer's share	**R0240**	121,385	16,418	37,077	22,824	7,457	89,759	**294,919**
Net	**R0300**	1,313,561	29,400	39,905	23,637	7,931	203,837	**1,618,269**
Claims incurred								
Gross — Direct business	**R0310**	798,962	16,088	34,599	18,987	-4,937	140,574	**1,004,274**
Gross — Proportional reinsurance accepted	**R0320**	2,648	455	849	668	-633	-450	**3,536**
Gross — Non-proportional reinsurance accepted	**R0330**	0	0	0	0	0	0	**0**
Reinsurer's share	**R0340**	26,912	541	17,548	6,608	-5,349	57,016	**103,277**
Net	**R0400**	774,698	16,002	17,900	13,047	-221	83,108	**904,533**
Changes in other technical provisions								
Gross — Direct business	**R0410**	-2,340	0	0	383	-261	417	**-1,801**
Gross — Proportional reinsurance accepted	**R0420**	420	0	0	0	2	-193	**229**
Gross — Non-proportional reinsurance accepted	**R0430**	0	0	0	0	0	0	**0**
Reinsurer's share	**R0440**	0	0	0	0	0	0	**0**
Net	**R0500**	-1,920	0	0	383	-259	225	**-1,572**
Expenses incurred	**R0550**	433,374	17,752	24,179	12,878	3,829	132,430	**624,443**
Other expenses	**R1200**							**1,298,041**
Total expenses	**R1300**							**1,922,484**

Longrun Portugal, SGPS, S.A.

Annex I
S.05.02.01
Premiums, claims and expenses by country

(Cont.)

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
								C0210
	R1400		BO	FR	MO	PE	ES	
								C0280
Premiums written								
Gross	R1410	1,653,049	43,780	26,238	86,114	169,049	70,118	**2,048,348**
Reinsurer's share	R1420	16,590	24,869	1,965	155	44,836	1,082	**89,497**
Net	R1500	1,636,459	18,911	24,273	85,959	124,213	69,036	**1,958,852**
Premiums earned								
Gross	R1510	1,653,145	44,700	26,237	86,114	169,049	70,118	**2,049,364**
Reinsurer's share	R1520	17,213	25,084	1,964	155	44,836	1,082	**90,334**
Net	R1600	1,635,932	19,616	24,273	85,959	124,213	69,036	**1,959,030**
Claims incurred								
Gross	R1610	1,800,304	17,224	20,905	7,195	108,131	66,122	**2,019,882**
Reinsurer's share	R1620	2,687	12,370	1,386	14	40,129	1,224	**57,812**
Net	R1700	1,797,617	4,854	19,519	7,181	68,002	64,898	**1,962,071**
Changes in other technical provisions								
Gross	R1710	288,722	1,154	3,395	83,114	8,909	-2,329	**382,965**
Reinsurer's share	R1720	4,611	816	-1,968	18	-20	68	**3,526**
Net	R1800	284,111	338	5,363	83,096	8,928	-2,397	**379,439**
Expenses incurred	R1900	114,036	4,025	6,288	1,978	52,922	4,576	**183,825**
Other expenses	R2500							**160**
Total expenses	R2600							**183,985**

Annex I
S.22.01.22
Impact of long-term guarantees and transitional measures

		Amount with long-term guarantees and transitional measures	Impact of transitional measures on technical provisions	Impact of transitional measures on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	14,775,069	586,791	0	0	0
Basic own funds	R0020	2,538,405	-319,790	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	2,538,859	-319,790	0	0	0
Solvency Capital Requirement	R0090	2,014,961	112,443	0	0	0

Annex I
S.23.01.22
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sectors						
Ordinary share capital (gross of own shares)	R0010	50	50		0	
Non-available called by not paid in ordinary share capital at group level	R0020				0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040				0	
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	1,131,134	1,131,134			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available at group level	R0170					
Other items approved by the supervisory authority as basic own funds not specified above	R0180	1,600,074	1,600,074			
Non-available own funds related to other own-fund items approved by the supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210	192,398	192,398			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities,	R0230	454	454			
whereof deducted according to Article 228 of Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deductions for participations included by using D&A when a combination of methods is used	R0260					
Total non-available own fund items	R0270	192,398	192,398	0	0	0
Total deductions	**R0280**	**192,853**	**192,853**	**0**	**0**	**0**
Total basic own funds after deductions	**R0290**	**2,538,405**	**2,538,405**	**0**	**0**	**0**

Annex I
S.23.01.22
Own funds
(Cont.)

Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC	R0340					
Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	R0350					
Supplementary members calls under first sub-paragraph of Article 96(3) of Directive 2009/138/EC	R0360					
Supplementary members calls – other than under first sub-paragraph of Article 96(3) of Directive 2009/138/EC	R0370					
Non-available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390	0				
Total ancillary own funds	**R0400**				**0**	**0**
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410	454	454			
Institutions for occupational retirement provisions	R0420					
Non-regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	454	454	0	0	0
Own funds when using D&A, exclusively or in combination with Method 1						
Own funds aggregated when using D&A and a combination of methods	R0450					
Own funds aggregated when using D&A and a combination of methods, net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds of other financial sectors and undertakings included via D&A)	R0520	2,538,405	2,538,405	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	2,538,405	2,538,405	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds of other financial sectors and undertakings included via D&A)	R0560	2,538,405	2,538,405	0	0	0
Total available eligible funds to meet the minimum consolidated group SCR	R0570	2,538,405	2,538,405	0	0	
Minimum consolidated group SCR	**R0610**	652,546				
Ratio of eligible own funds to Minimum Consolidated Group SCR	**R0650**	389.00%				
Total eligible own funds to meet the group SCR (including own funds of other financial sectors and undertakings included via D&A)	**R0660**	2,538,859	2,538,859	0	0	0
Group SCR	**R0680**	2,014,961				
Ratio of eligible own funds to group SCR including own funds of other financial sectors and undertakings included via D&A	**R0690**	125.98%				

Annex I
S.23.01.22
Own funds
(Cont.)

		C0060
Reconciliation Reserve		
Excess of assets over liabilities	**R0700**	2,731,258
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	
Other basic own-fund items	**R0730**	1,600,124
Adjustments for restricted own-fund items in respect of matching adjustment portfolios and ring-fenced funds	**R0740**	
Other non-available own funds	**R0750**	
Reconciliation Reserve	**R0760**	1,131,134
Expected profits		
Expected profits included in future premiums (EPIFP) — Life business	**R0770**	555,292
Expected profits included in future premiums (EPIFP) — Non-life business	**R0780**	0
Total expected profits included in future premiums (EPIFP)	**R0790**	**555,292**

Annex I

S.25.01.22
Solvency Capital Requirement — for groups on standard formula

		Gross solvency capital requirement	Undertaking Specific Parameter (USP)	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,711,526	0	0
Counterparty default risk	R0020	264,090	0	0
Life underwriting risk	R0030	338,049	0	0
Health underwriting risk	R0040	225,697	0	0
Non-life underwriting risk	R0050	285,556	0	0
Diversification	R0060	-730,491	0	0
Intangible asset risk	R0070	0	0	0
Basic Solvency Capital Requirement	**R0100**	**2,094,427**	**0**	**0**

Calculation of Solvency Capital Requirement	**0**	**C0100**
Operational risk	R0130	135,632
Loss-absorbing capacity of technical provisions	R0140	-3,032
Loss-absorbing capacity of deferred taxes	R0150	-231,703
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding add-on	R0200	1,995,324
Capital add-on already set	R0210	0
SOLVENCY CAPITAL REQUIREMENT	**R0220**	**2,014,961**
Other information on SCR	**0**	**0**
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirement for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for Article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	652,546
Information on other entities	**0**	**0**
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	283
Capital requirement for other financial sectors (Non-insurance capital requirements) — Credit institutions, investment firms and financial institutions, alternative investment fund managers, UCITS management companies	R0510	283
Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) — Capital requirement for non-regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	19,354
Overall SCR	**0**	**0**
SCR for undertakings included via D&A	R0560	0
Solvency capital requirement	**R0570**	**2,014,961**

Longrun Portugal, SGPS, S.A.

Annex I
S.32.01.22
Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non-mutual)	Supervisory Authority	% capital share	Influence criteria: % used for establishment of consolidated accounts	Influence criteria: % voting rights	Influence criteria: Other criteria	Influence criteria: Level of influence	Influence criteria: Proportional share used for the group solvency calculation	Inclusion in the scope of group supervision: Yes/No	Inclusion in the scope of group supervision: Date of decision if Article 214 is applied	Group solvency calculation: Method used and, under Method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
PT	LEI/529900FNLE8ZOPUOT704	LEI	Fidelidade - Companhia de Seguros, S.A.	4	SA	2	ASF	85.00%	100.00%	85.00%	0	1	100.00%	1	0	1
PT	LEI/9598005TTT45GTVTB854	LEI	COMPANHIA PORTUGUESA DE RESSEGUROS, S.A.	3	SA	2	ASF	100.00%	100.00%	100.00%	0	1	100.00%	1	0	1
PT	LEI/959800J9FJW7L435TD92	LEI	FIDELIDADE ASSISTENCIA - COMPANHIA DE SEGUROS, S.A.	2	SA	2	ASF	80.00%	100.00%	80.00%	0	1	100.00%	1	0	1
PT	LEI/959800XGKSDYTU6HVV17	LEI	VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	2	SA	2	ASF	100.00%	100.00%	100.00%	0	1	100.00%	1	0	1
PT	LEI/95980038LJ194K38XP93	LEI	MULTICARE - SEGUROS DE SAUDE, S.A.	2	SA	2	ASF	80.00%	100.00%	80.00%	0	1	100.00%	1	0	1
PT	SC/1002	SC	FIDELIDADE - PROPERTY EUROPE, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1003	SC	GEP - GESTAO DE PERITAGENS, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
PT	SC/1004	SC	EAPS - EMPRESA DE ANALISE, PREVENCAO E SEGURANCA, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
PT	SC/1006	SC	Fundo Saudeinveste	99	0	2		99.09%	100.00%	99.09%	0	1	100.00%		0	3
PT	SC/1007	SC	Audatex Portugal S.A.	10	SA	2		34.78%	34.78%	34.78%	0	2	34.78%		0	3
PT	SC/1040	SC	CETRA - CENTRO TECNICO DE REPARACAO AUTOMOVEL, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
PT	SC/1053	SC	FIIF IMOFID	99	0	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1060	SC	FIDELIDADE - SERVICOS DE ASSISTENCIA, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
PT	SC/1061	SC	CARES MULTIASSISTANCE, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
AO	SC/1072	SC	FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	4	SA	2	ARSEG	70.03%	100.00%	70.03%	0	1	100.00%		0	1
DE	SC/1073	SC	FCM Beteiligungs GmbH	99	0	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1075	SC	Luz Saúde	99	0	2		50.85%	100.00%	50.85%	0	1	100.00%		0	3
PT	SC/1096	SC	FIDELIDADE - PROPERTY INTERNATIONAL, S.A.	10	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
HK	SC/1100	SC	FID III (HK) LIMITED	99	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
RU	SC/1101	SC	FPI (UK) 1 LIMITED	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
AU	SC/1103	SC	FPI (AU) 1 PTY LIMITED	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
IT	SC/1113	SC	FPE (IT) Societa per Azioni	10	SA	2		95.76%	100.00%	95.76%	0	1	100.00%		0	3
MZ	SC/1114	SC	FIDELIDADE - CONSULTORIA E GESTAO DE RISCO, LIMITADA	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
MZ	SC/1115	SC	FIDELIDADE - ASSISTENCIA E SERVICOS, LIMITADA	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
MO	SC/1116	SC	FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	2	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
LU	SC/1124	SC	FPE (Lux) Holding S.a r.l.	10	LLC	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	3
LU	SC/1125	SC	Thomas More Square (Lux) Sarl	10	LLC	2		99.30%	100.00%	99.30%	0	1	100.00%		0	3

Annex I
S.32.01.22
Undertakings in scope of the group
(Cont.)

								Influence criteria						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non-mutual)	Supervisory Authority	% capital share	% used for establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for the group solvency calculation	Yes/No	Date of decision if Article 214 is applied	Method used and, under Method 1, treatment of the undertaking
LU	SC/1126	SC	Thomas More Square (Lux) Holdings Sarl	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
JP	SC/1128	SC	Godo Kaisha Praia	10	0	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
JP	SC/1129	SC	Godo Kaisha Moana	10	0	2		97.00%	100.00%	97.00%	0	1	100.00%		0	3
IT	SC/1130	SC	Fundo Broggi	99	0	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1131	SC	Fidelidade - Sociedade Gestora de Org. de Investimento Imobiliario	15	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	4
IE	SC/1134	SC	Fid Loans 1 (Ireland) Limited	99	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
IE	SC/1136	SC	FID LOANS 2 (IRELAND) LIMITED	99	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
IT	SC/1137	SC	Broggi Retail S.R.L.	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
AO	SC/1142	SC	UNIVERSAL - ASSISTENCIA E SERVICOS, LIMITADA	10	LLC	2		80.00%	100.00%	80.00%	0	1	100.00%		0	1
PT	SC/1143	SC	Fid Latam, SGPS S.A	5	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
CV	SC/1144	SC	GEP Cabo Verde, Gestao de Peritagens limitada	10	LLC	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
PE	LEI/894500HTWOOGIHLLSF74	LEI	FID PERU S.A.	5	SA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	1
CL	LEI/894500RKO0QCJQUNWV10	LEI	Fid Chile SpA	5	SpA	2		100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1152	SC	SERFUN PORTUGAL, SGPS, S.A.	10	SA	2		49.00%	49.00%	49.00%	0	2	49.00%		0	3
CL	SC/1153	SC	FID CHILE & MT JV SpA	5	SpA	2										
PE	LEI/254900BKMWO80YKNK926	LEI	Positiva Seguros y Reaseguros S.A.A	2	SAA	2	SBS	91.50%	100.00%	91.50%	0	1	100.00%		0	1
BE	SC/1155	SC	FPE (BE) HOLDING S.a.r.l.	99	SA	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	3
PE	LEI/254900FORTUDSQNBDB73	LEI	LA POSITIVA VIDA SEGUROS Y REASEGUROS, S.A.A.	4	SA	2	SBS	59.24%	100.00%	59.24%	0	1	100.00%		0	1
BO	SC/1166	SC	Alianza Vida Seguros y Reaseguros S.A.	4	SA	2	APS	64.96%	100.00%	64.96%	0	1	100.00%		0	1
BO	SC/1167	SC	Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	2	SA	2	APS	70.08%	100.00%	70.08%	0	1	100.00%		0	1
BO	SC/1170	SC	Alianza SAFI, S.A.	99	SA	2	0	51.00%	100.00%	51.00%	0	1	100.00%		0	1
PY	SC/1171	SC	Alianza Garantia	4	0	2	0	52.02%	100.00%	52.02%	0	1	100.00%		0	1
PE	SC/1172	SC	La Positiva S.A. - Entidad Prestadora de Salud	2	SA	2	SBS	100.00%	100.00%	100.00%	0	1	100.00%		0	1
BO	SC/1173	SC	Full Assistance S.R.L.	99	SRL	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	1
BO	SC/1175	SC	Worldwide Security Corporation S.A.	99	SA	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	1
CL	SC/1176	SC	FID CHILE SEGUROS GENERALES, S.A.	2	SA	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	SC/1177	SC	FID I & D, S.A.	99	SA	2	0	100.00%	100.00%	100.00%	0	1	100.00%		0	3
PT	LEI/959800V577BYKYBLGS47	LEI	LONGRUN PORTUGAL, SGPS, S.A.	5	0	2	0	0.00%	0.00%	0.00%	0	2	0.00%		0	1
CV	SC/201	SC	GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	4	SA	2	BCV	55.89%	100.00%	55.89%	0	1	100.00%		0	1

Responsible Actuary's Report

LONGRUN PORTUGAL, SGPS, S.A.

REPORT OF

CERTIFICATION REPORT ON SOLVENCY AND FINANCIAL CONDITION AND INFORMATION TO BE DISCLOSED TO THE ASF FOR SUPERVISORY PURPOSES

CONDITION AT 31 DE DECEMBER 2019

Lisbon, July 3, 2020

Index

1. Introduction

This report was produced by the Appointed Actuary certified by the Insurance and Pension Funds Supervisory Authority, aiming to provide an independent opinion on the solvency and financial condition of LongRun Portugal, SPGS, S.A at December 31, 2019.

The company's situation is summarised in the following tables:

Technical Provisions

Life

Best Estimate (after Transitional Deduction to the Technical Provisions)	11,976,182,428
Margem de Risco	213,911,490
	12,190,093,918

Non-Life

Best Estimate	977,385,014
Risk Margin	33,381,899
	1,010,766,913

Health SLT

Best Estimate (after Transitional Deduction to the Technical Provisions)	1,019,559,051
Risk Margin	111,783,566
	1,131,342,617

Health NSLT

Best Estimate	293,843,658
Risk Margin	14,735,323
	308.578.981

Index-linked and Unit-linked

Technical Provisions calculated as a whole	136,414,726
Best Estimate	-4,000,933
Risk Margin	1,872,778
	134,286,571

Total Technical Provisions	**14,775,069,000**

U: Euros

Amounts Recoverable

Life	57,864,748
Non-Life	214,961,875
Health SLT	0
Health NSLT	27,846,165
Total Amounts Recoverable	**300,672,788**

U: Euros

Future Discretionary Benefits

Future Discretionary Benefits	8,578,981

U: Euros

Underwriting Risks

	Net Capital Requirement	**Gross Capital Requirement**
Life Underwriting Risks	337,405,650	338,048,636
Non-Life Underwriting Risks	285,556,347	285,556,347
Health Underwriting Risks	225,697,194	225,697,194

Technical Provisions Loss Adjustment	-642,986

U: Euros

Using the company's information we also concluded:

Capital and Own Funds requirements

Total available own funds to meet the SCR [(1)]	2,538,405,104
Total available own funds to meet the MCR	2,538,405,104
Total eligible own funds to meet the SCR [(1)]	2,538,405,104
Total eligible own funds to meet the SCR [(2)]	2,538,859,408
Total eligible own funds to meet the MCR	2,538,405,104
Solvency Capital Requirement (SCR) [(1)]	2,014,960,650
Solvency Capital Requirement (SCR) [(2)]	2,014,960,650
Minimum Capital Requirement (MCR)	652,545,840
Ratio of eligible own funds to SCR [(1)]	126%
Ratio of eligible own funds to SCR [(2)]	126%
Ratio of eligible own funds to MCR	389%

U: Euros

[(1)] *Excluding own funds from another financial sector and from companies included in D&A*
[(2)] *Including own funds from another financial sector and from companies included in D&A*

2. Scope

This report is the certification of the solvency and financial condition report and the information to be disclosed to the ASF for supervisory purposes, set out in regulatory Standard No.2/2017-R, of 24th March.

This report has been produced in accordance with the structure presented in Annex II of Regulatory Standard No.2/2017-R, of 24th March.

It is the function of the appointed actuary to certify the adequacy with the legal, regulatory and technical regulations applicable to the calculation of the technical provisions, the amounts recoverable from reinsurance contracts and special purpose vehicles for securitisation of insurance risks and the capital requirement components related with those items.

The elements to be certified by the appointed actuary are defined in a regulatory standard of the Insurance and Pension Funds Supervisory Authority (ASF), which must also establish the content, terms, frequency, principles and presentation methods of the certification report and the terms and methods of reporting and publishing, as per the regulations in paragraphs 1, 3 and 11 a) to c) of Article 77 of Law No. 147/2015, of 9th September.

The certification covers confirmation of the adequacy with the legal, regulatory and technical regulations applicable to calculating the following elements:

a) The technical provisions, including the application of the volatility adjustment, the matching adjustment and the transitional measures set out in Articles 24 and 25 of Law No. 147/2015, of 9th September;

b) The amounts recoverable from insurance contracts and special purpose vehicles for securitisation of insurance risks;

c) The categories of life insurance underwriting risk, non-life insurance underwriting risk, health underwriting risk, and adjustment for the loss-absorbing capacity of the technical provisions of the solvency capital requirement, disclosed in the solvency and financial condition report.

This report may only be analysed as a whole and considering the context and purpose for which it has been drawn up, and its conclusions cannot be used with other aims and/or within any other scope.

It must be understood that the results after applying statistical methods always have an implicit degree of uncertainty due to random factors, structural changes not yet reflected in the LongRun's information system and possibly in the market, and legal, judicial and political changes which may have an impact on the models applied.

3. Responsibilities

This report has been produced in line with the provisions of Regulatory Standard No. 2/2017-R, of 24th March.

Approval of the solvency and financial condition report is the responsibility of the Company's administration.

The issue of an independent actuarial opinion on the elements mentioned in the previous chapter is the responsibility of the appointed actuary.

On the date this statement is made, we do not have information from the external auditor on the conclusions it has reached on the risks which it is responsible for certifying. Our conclusions have been sent to the external auditors.

4. Opinion

The calculations of the technical provisions, amounts recoverable from reinsurance contracts, underwriting risks and solvency capital requirement components related with those risks are considered adequate, in line with the legal, regulatory and technical regulations applicable.

Lisbon, July 3, 2020

Actuarial - Consultadoria Lda.

Luís Portugal
Partner-Director

Statutory Auditor's Report

Building a better working world

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da República, 90-6º
1600-206 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

(Translation of a report originally issued in Portuguese)

Statutory Auditor's Opinion on Solvency and Financial Condition annual Report in the terms set out in subparagraph a) of No. 1 of article 3º of Regulatory Standard No. 2/2017-R of 24 March issued by Supervisory Authority for Insurance and Pension Funds

To the Board of Directors of
Longrun Portugal, SGPS, S.A.

Introduction

Under the terms of subparagraph a) of No. 1 of article 3º of Regulatory Standard No. 2/2017-R, of 24 March ("Regulatory Standard"), issued by Supervisory Authority for Insurance and Pension Funds ("ASF"), we examined the Solvency and Financial Condition Annual Report ("Report"), established in subparagraph a) of article 27º from Regulatory Standard No. 8/2016-R, of 16 August (republished by Regulatory Standard No. 1/2018, of 11 January) including the quantitative information to be disclosed with that Report ("Quantitative Information"), according to articles 4º and 5º of the Commission's Implementing Regulation (EU) No. 2015/2452, of 2 December 2015 of Longrun Portugal, SGPS, S.A. ("The Entity"), with reference to 31 December 2019.
Our report comprises the reporting of the following matters:

A. Report on the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and the classification, availability and eligibility of own funds and on the calculation of the solvency capital requirement and minimum capital requirement;

B. Report on the implementation and effective application of the governance system; and

C. Report on the remaining information disclosed in the Solvency and Financial Condition report and the jointly submitted quantitative information.

A. REPORT ON THE ADJUSTMENTS BETWEEN THE STATUTORY STATEMENT OF FINANCIAL POSITION AND THE BALANCE SHEET FOR SOLVENCY PURPOSES AND THE CLASSIFICATION, AVALABILITY AND ELIGIBILITY OF OWN FUNDS AND ON THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Responsibilities of the Management Board

It is the responsibility of the Entity's Board of Directors the calculation of the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and the classification and the availability evaluation and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement submitted to ASF, under the terms of Commission Implementing Regulation (EU) No. 2015/35, of 10 October 2014, that completes the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, relating to the Taking-up and Pursuit of the Business of Insurance and Reinsurance ("Regulation").

Auditor's responsibilities

Our responsibility, as defined in subparagraph a) of No.1 of article 4º of Regulatory Standard, consists in expressing, based on the work performed, a reasonable assurance conclusion, as to whether the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and that classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, are free from material misstatements, are complete and reliable and, in all materially relevant respects, are presented in accordance with the applicable legal and regulatory requirements.

According to No. 2 of article 3º of Regulatory Standard, it is not our responsibility to verify the adequacy of legal requirements, applicable regulatory and calculation techniques (i) of the elements included within the certification by the Entity's responsible actuary, as established in the article 7º of same Regulatory Standard, and (ii) of the elements of solvency capital requirement included within the certification by the Entity's responsible actuary, as established in the article 10º of same Regulatory Standard.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") and consists in obtaining sufficient and appropriate audit evidence to conclude, with reasonable assurance, as to whether the adjustments between the statutory financial position statement and the balance sheet for solvency purposes, and that the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, are free of material misstatements, are complete and reliable and, in all materially relevant respects, are presented in accordance with applicable legal and regulatory requirements.

The procedures carried out included, among other procedures, the following:

(i) the reconciliation of the base information used for the calculation of the adjustments with the Entity's information systems and the respective statutory financial position statement as of 31 December of 2019, object of the Statutory Audit whose Report was issued without qualifications and with an emphasis (due to the impacts of Covid-19 pandemic, disclosed in the note of subsequent events in notes to the financial statements) dated 29 April 2020;

(ii) the review of subsequent events that occurred between the date of the Statutory Audit Report and the date of this report;

(iii) an understanding of the adopted criteria;

(iv) the recalculation of the adjustments made by the Entity, except for those referred to in the next paragraph that are excluded from the scope of this certification;

(v) the reconciliation of the base information used for the calculation of the solvency capital requirement and minimum capital requirement as of 31 December 2019, with the financial position statement for solvency purpose, with book records and other information maintained in the Entity's systems with reference to the same date;

(vi) the review, on a sample basis, of the correct classification and characterization of assets in accordance with regulation requirements;

(vii) the review of the calculation of the solvency capital requirement and minimum capital requirement as of 31 December 2019, performed by the Entity; and

(viii) reading the documentation prepared by the Entity under the regulation requirements.

The procedures carried out did not include the examination of the adjustments to technical provisions and the amounts recoverable from reinsurance contracts which, according to article 7º of Regulatory Standard, were subject to actuarial certification by the Entity's responsible actuary.

Regarding the deferred taxes adjustments, as result of the adjustments referred to above, the procedures carried out only comprised the verification of the impact on deferred taxes, taking as the basis the referred adjustments made by the Entity.

The selection of the procedures performed depends on our professional judgment, including the procedures related to risk assessment of material misstatement on the information subject to analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information, in order to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive quality control system which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and which are included in the previous section "Scope of Work", which were planned and performed in order to obtain a reasonable level of assurance, we concluded that the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and that the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, with reference to the Report of the Solvency and Financial Condition date (31 December 2019), are free from material misstatements, complete and reliable and, in all materially respects, are in accordance with the applicable legal and regulatory requirements.

B. REPORT ON THE IMPLEMENTATION AND EFECTIVE APPLICATION OF THE GOVERNANCE SYSTEM

Responsibilities of the Management Board

It is the responsibility of the Entity's Board of Directors to:

- Prepare the annual Report of the Solvency and Financial Condition and the information to report to ASF for regulatory purposes, under the terms of Regulatory Standard No. 8/2016-R, of 16 August, issued by ASF (republished in the Regulatory Standard No. 1/2018-R, of 11 January); and
- Define, approve, periodically review and document the main policies, strategies and processes that define and regulate the Entity governance, management and control, including the risk management and internal control systems ("Governance System"), which should be described on chapter B of the report, under the terms of article 294º of Commission Implementing Regulation (EU) No. 2015/35 of 10 October 2014 (Regulation).

Auditor's responsibilities

Our responsibility, as defined in subparagraph a) of No. 1 of article 4º of Regulatory Standard, consists in expressing, based on the work performed, a limited assurance conclusion about the implementation and effective application of the governance system.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information ", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") consists in obtaining sufficient and appropriate audit evidence to conclude, with moderate assurance, as to whether the content of the "Governance System" chapter of the report about solvency and financial position reflects, in all materially respects, the description of the implementation and effective application of the Governance System of the Entity at 31 December 2019.

The procedures were carried out included, among others procedures, the following:

(i) the assessment of the information included on Entity's Report relating to the Governance System with respect to the following main aspects: general information; qualification and integrity requirements; risk management system with the inclusion of risk and solvency self-evaluation; internal control system; internal audit function; actuarial function; subcontracting and eventual additional information;

(ii) reading and assessing of the documents which sustain the main policies, strategies and processes described in the Report, which regulate how Entity is governed, managed and controlled and obtaining supporting evidence of its implementation;

(iii) discussing the conclusions with the Entity's management.

The selection of the procedures performed depends on our professional judgment, including the procedures related to risk assessment of material misstatement on the information subject to analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information, in order to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive system of quality control which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and described in the previous section "Scope of Work", which were planned and performed t in order to obtain a moderate degree of assurance, nothing has come to our attention which causes us to believe that at the date to which Solvency and Financial Condition Report refers to (31 December 2019), the content of the chapter "Governance System", is not fairly present, in all materially respects, the description of the implementation and effective application of the Entity's Governance System.

C. REPORT ON THE REMAINING INFORMATION DISCLOSED IN THE SOLVENCY AND FINANCIAL CONDITION REPORT AND THE JOINTLY DISCLOSED QUANTITAVE INFORMATION

Responsibilities of the Management Board

It is the responsibility of the Board of Directors to prepare the Solvency and Financial Condition annual Report and the information to report to ASF for supervisory purposes, under the terms of Regulatory Standard No. 8/2016-R, of 16 August, issued by ASF (republished by Regulatory Standard No. 1/2018, of 11 January), including the quantitative information to be jointly disclosed with that report, as established in the articles 4º e 5º of the Commission's Implementing Regulation (UE) No. 2015/2452, of 2 December 2015.

Auditor's responsibilities

Our responsibility, as defined in subparagraph c) of No. 1 of article 4º of Regulatory Standard, consists in expressing, based on the procedures carried out, a limited assurance conclusion as to whether the remaining disclosed information in the report and in the jointly disclosed quantitative information, is in agreement with the information subject to the work carried out and with the knowledge we obtained during its execution.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information ", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") and consists in obtaining sufficient and appropriate audit evidence to conclude, with moderate assurance, that the remaining disclosed information in Solvency and Financial Condition report is in agreement with the information that was subject to auditor review and with the knowledge obtained during the certification.

The procedures carried out included, among others procedures, the complete reading of the referred report and the evaluation of the agreement as referred above.

The selection of the procedures performed depends on our professional judgment, including the procedures related to risk assessment of material misstatement on the information subject to analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information, in order to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive system of quality control which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and described in the previous section "Scope of Work", which were planned and performed in order to obtain a moderate degree of assurance, nothing has come to our attention which causes us to believe that, with reference to the Report of the Solvency and Financial Condition date (31 December 2019), the information disclosed in Solvency and Financial Condition Report is not in agreement with the information which was subject to the work carried out by us with the knowledge obtained during its execution.

Emphasis of matter

The recent developments surrounding the Covid-19 pandemic (Coronavirus) have a significant impact on the health of people and on our society as a whole, increasing uncertainty around the operational and financial performance of organisations. In chapter E.6.6. of Solvency and Financial Condition Report are disclosed the developments resulting from the pandemic identified by the Board of Directors for Longrun Portugal, SGPS, S.A., based on the information available at the time. The Board of Directors recognises that the impacts resulting from this situation are uncertain, and therefore it is not possible to estimate the financial impacts, in particularly concerning to the own funds and capital requirements. Our opinion has not been modified in relation to this matter.

D. OTHERS MATTERS

Considering the normal dynamics of any internal control system, the conclusions presented related to the governance system of the Entity should not be used for any projection of future periods, since there could be changes of the processes and controls analysed and their degree of efficiency. On the other hand, given the limitations of the internal control system, there could be undetected irregularities, frauds or mistakes.

Lisbon, 7 July 2020

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas (No. 178)
Represented by:

(Signed)

Ricardo Nuno Lopes Pinto - (ROC No. 1579)
Registered with the Portuguese Securities Market Commission under license No. 20161189

LONGRUN

PORTUGAL, SGPS, S.A.