2022

ANNUAL REPORT & ACCOUNTS

STANDALONE FINANCIAL STATEMENTS

TRANQUILIDADE AÇOREANA LOGO

grupo GENERALI

GENERALI SEGUROS, S.A.

Av. da Liberdade, n.º 242
1250 – 149 Lisbon / Portugal
Registered with the Commercial Registry Office of Lisbon
TIN 500 940 231
ASF licence no. 1197
LEI no. 549300CGCHTYQ1Z4V333

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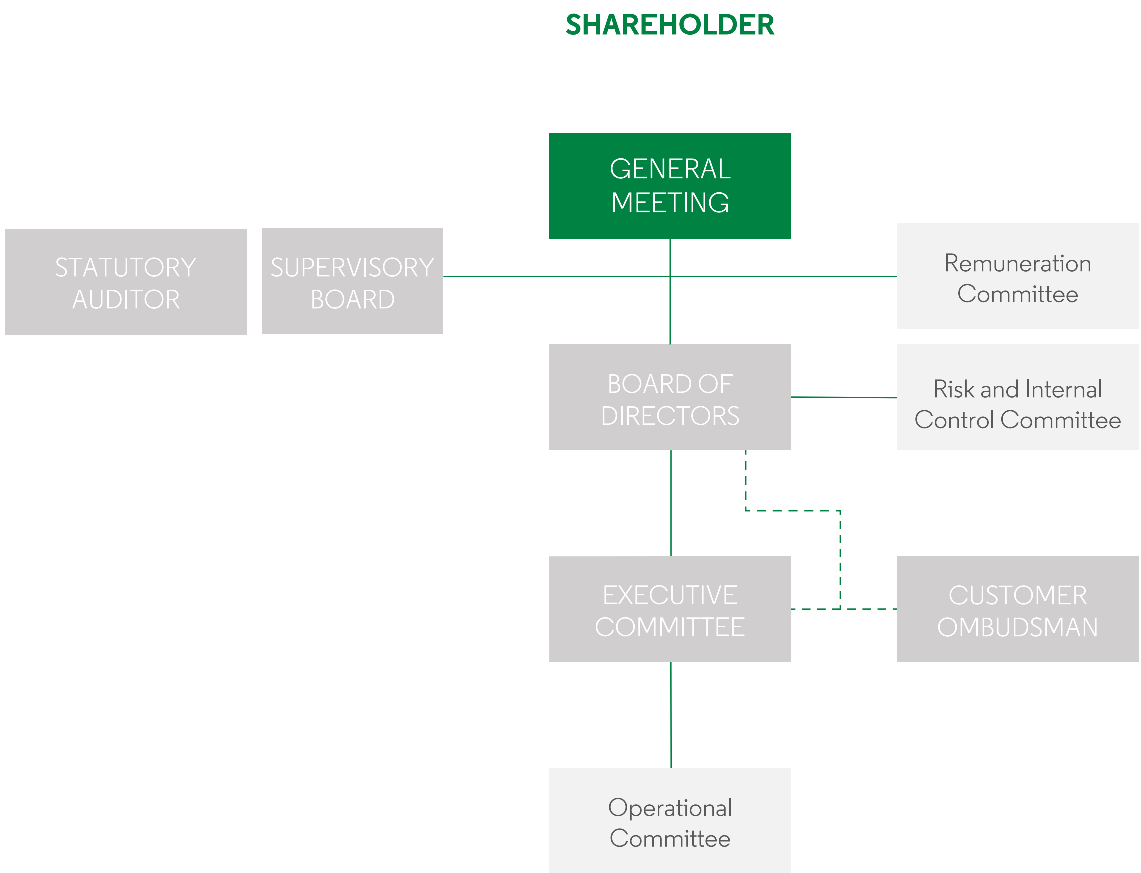
01 / Corporate Governance Model

1. CORPORATE GOVERNANCE MODEL

As of this report and according to the corporate governance model currently in place, the company comprises a Board of Directors, a Supervisory Board, a statutory auditor, and an Executive Committee, to which the Board of Directors has delegated day-to-day management powers.

Additionally, several committees have been created to continually assess, control, monitor, discuss and decide on significant aspects related to the company's governance system, risk management, strategy, objectives, and business data, hence bolstering a governance model based on sound and prudent management, effective communication, enhanced transparency and interaction between management and supervisory bodies, key functions, and top-level management.



02 / Governing Bodies

2. GOVERNING BODIES

GENERAL MEETING

Sofia Leite Borges (chairman)
Denise Alfaro Guimarães Luz (secretary)

BOARD OF DIRECTORS

Jaime Anchústegui Melgarejo (chairman)
João Vieira de Almeida (vice-president)
Pedro Luís Francisco Carvalho (chief executive officer)
Patrícia Ribeiro Sanina Espírito Santo
Riccardo Candoni
Stefano Flori

SUPERVISORY BOARD

Nelson Manuel Marques Fontan (chairman)
Dinora Clara Feijão Margalho Botelho (member)
Rita Sofia Felício Arsénio do Sacramento (member)
Henrique Paulo Marques de Oliveira Xavier (alternate member)

STATUTORY AUDITOR

KPMG & Associados, SROC, S.A., represented by Hugo Jorge Gonçalves Cláudio, and José Manuel Horta Nova Nunes, serving as alternate.

By delegation of the Board of Directors, the company shall be managed by an executive committee, which is composed by:

Andrea Giovanni Giuseppe Fiorani (chief operating officer*)
Joana Mafalda da Costa de Pina Pereira (chief distribution officer*)
João Carlos Dores Candeias Barata (chief insurance officer)
Pedro Luís Francisco Carvalho (chief executive officer)
Stefano Flori (chief financial officer)
Tiago Miguel Tavares Rodrigues (chief service officer)

(*) Incorporation into the Executive Committee shall be effective as of 2023 as approved.

03 / Report of the Board of Directors

3. REPORT OF THE BOARD OF DIRECTORS

Dear shareholders,

As per the law and the company' articles of association, the Board of Directors is honoured to present the *Annual Report and Financial Statements of Generali Seguros, S.A*, hereinafter shortly referred to as Generali Seguros or the company, for the year ended 31 December 2022.

3.1. – MACROECONOMIC FRAMEWORK

3.1.1. – World Economic Outlook

The evolution of the world economy and financial markets was adversely impacted by the Russian invasion of Ukraine in February 2022. Despite a strong post-pandemic recovery, the year was marked by a steep rise in inflation rates prompted by pandemic disruptions and expansionist policies and later amplified by the Russian invasion of Ukraine, which pushed up raw material costs affecting energy and food prices.

In 2022, gross domestic product (GDP) fell by almost half to remain around 3.4% for the next months. The decline in GDP growth was largely driven by a number of factors that have adversely impacted on international trade, particularly changes in the energy market following Russia's war in Ukraine and China's Zero-Covid policy. In the euro area, GDP fell sharply from 5.2% in 2021 to 3.5% in 2022. Soaring energy prices, surging inflation and rising interest rates have hindered domestic demand, with many households facing tightening budgets. The economic growth in the euro area was mainly driven by an increase in services.

The annual inflation rate in the euro area was 9.2% in December 2022 and 6.5% in the United States of America (U.S.). The surge in inflation reflected businesses' ability to incorporate rising costs into selling prices, driven by strong consumer spending, which remained resilient due to savings accumulated during the pandemic and some governmental monetary aid for households. The trajectory of energy prices and the reopening of China's economy, which helped ease supply bottlenecks, pushed inflation down in the last quarter of the year.

In response to inflationary pressures, central banks tightened monetary policies by raising key interest rates. In the euro area, the European Central Bank (ECB) raised its key interest rates by a cumulative of 250 basis points, taking its key rate on the main refinancing operations (MRO) to 2.5%. In the US, the Federal Reserve took a more aggressive stance on the fight against inflation raising its key interest rates by a total of 425 basis points over the year.

In this context, 2022 was a particularly tough year for financial markets with negative returns for both stocks and bonds. Commodities were the only asset subclass to experience positive returns in 2022, driven by a surge in prices of oil, natural gas, and food commodities. The year was also marked by the U.S. dollar appreciation, benefitting from the currency's safe-haven status, and leveraged by the faster pace of the Federal Reserve's rate hikes and the higher interest rates.

The three-month Euribor rate rose by 270 basis points to 2.13%, heightening market expectations that the upward trend would continue in the near future. Yields on ten-year U.S. Treasury bonds and German Bunds rose from 1.51% to 3.87% and -0.18% to 2.5% respectively. The yield on ten-year Portuguese government bonds rose by 311 basis points from 0.49% in 2021 to 3.60% in 2022. Reflecting greater risk aversion in the early days of Russian's invasion of Ukraine, the yield spread on ten-year Portuguese government bonds and its German counterpart widened to 120 basis points from 66 basis points in early December 2021, and narrowed to 103 basis points by the end of the year.

In anticipation of tighter monetary and financial conditions and amidst growing fears of recession, financial markets experienced greater volatility and equity and bond markets were adversely impacted. In the U.S., the S&P 500 and the Nasdaq fell 19.4% and 33.1% respectively. The technology sector was heavily punished by rising interest rates. In Europe, the Euro Stoxx 600 and the DAX dropped 12,9% and 12,3% respectively. In Portugal, the PSI rose 2.8%. In China, the Shanghai Composite fell 15.1%.

3.1.2. – Domestic Economic Outlook

In Portugal, GDP growth maintained the upward trajectory, rising from 5.5% in 2021 to 6.7% in 2022, appreciably above the average growth rate in the euro area. According to the Office for National Statistics (abbreviated as INE in Portuguese), domestic demand was a major contributor to GDP growth, with consumer spending accelerating and investment slowing. Liquid external demand has also contributed to GDP growth, with a slowdown in imports being largely offset by an increase in goods and services export volumes.

With public finances in better shape, Portugal's government credit rating was revised upwards from triple B to triple B plus by the rating agencies Standard & Poor and Fitch, and from triple B (high) to A (low) by DBRS.

Economic growth is projected to contract sharply in 2023, around 1.5%, according to the Bank of Portugal, driven by a decline in consumer spending, exports and services.

The Bank of Portugal's latest projections suggest that inflation is likely to fall to 5.8% in 2023, 3.3% in 2024, and 2.1% in 2025 as external pressure fades. Global inflationary pressures are projected to ease, as global economic growth slows and supply chain bottlenecks are overcome, assuming a contraction of import prices and particularly a decrease in oil and gas prices throughout the projection period.

3.1.3. – Insurance Market

After a year of steady growth, direct insurance underwriting resumed its downward trend in 2022. Total premium volume fell 9,5% to EUR 12,082 billion in 2022, down EUR 1,268 billion compared with the year earlier, driven by a negative trajectory of life insurance.

Life insurance premiums, which accounted for 50% of the total direct insurance underwriting, fell 21.8% to EUR 6,043 billion, down EUR 1,685 billion, compared with 2021. All lines of business have experienced negative growth, with an emphasis on correlated life insurances, excluding Pension Savings Plan, which recorded a 31.9% drop, down EUR 1,119 billion compared with the previous year, and overall Pension Savings Plan, with a 20.6% drop, down EUR 392 million compared with 2021.

Non-life insurance rose 7.4% in 2022, up 4.8% compared with the previous year. Non-life premiums amounted to EUR 6,039 billion, an increase of EUR 417 million compared with the year earlier, with health insurance continuing its steady growth with a 11,8% rise, up EUR 122 million, driven by an increasing demand for this type of insurance.

Workers' compensation insurance grew 6.4%, up EUR 62 million compared with the previous year. Fire and other property damage insurance have also experienced positive growth, rising 7.4% in 2022, up EUR 74 million, against a 5.8% increase in 2021.

Motor vehicle insurance rose 3.8% in 2022 compared with a 1.1% growth rate recorded in 2021.

3.2. – HIGHLIGHTS 2022

With life insurance trending down, Generali Seguros secures its position as the second largest insurer in the ranking of the insurance market in Portugal, with a premium volume of EUR 1,2 billion, reflecting a 5% rise compared with 2021. As a hybrid insurer, Generali Seguros provides life and non-life insurance in all lines of business. In 2022, non-life insurance accounted for 93% of the company's overall business activity, shielding it from the decline in life insurance-based financial products.

According to the Bank of Portugal, GDP rose from 5.5% to 6.8% in 2022, a 1.3 % increase compared with the previous year, continuing the upward trajectory that marked the second quarter of 2020 and outpacing the projections of growth, including those regarding employment.

Portugal's economic activity surged in 2022 while trying to return to pre-pandemic levels, after a stagnation in real household disposable incomes and a drop in personal savings rate, which had plunged into an all-time low of 4.4%. Household spending increased, particularly on goods and services, after a two-year dip, driven by household savings accumulated during the pandemic. Exceptional measures implemented by the government to support household finances helped to sustain consumer spending in the last quarter of 2022, benefitting less vulnerable households.

In 2022, soaring inflation and rising interest rates brought household under greater pressure, affecting their finances differently as well as the government and businesses' borrowing costs to finance themselves.

Nevertheless, investment opportunities continue to be bolstered by consumers' growing awareness about responsible investing behaviours and actively prepare their life projects and active retirement amid mounting concerns about the future of Social Security caused by an ageing population.

On a global level, the insurance market fell 9.5% in 2022, driven by a downturn in life insurance. This line of business was badly hit by a slump in insurance-based financial products, falling around 21.9%, a steep decline from a 69.5% rise recorded in 2021. Conversely, non-life insurance rose 7.4%.

Non-life insurance was mostly driven by a 9.3% rise in worker's compensation, a 7.4% rise in fire and other property damage, and a 3,8% increase in motor vehicle insurances. Health insurance experienced the biggest rise in non-life insurance in 2022, up 11.8%, securing its position as the second largest and one of the most representative non-life insurance lines of business. This trend reflects the importance that consumers unquestionably place on health, targeting it as a key strategic line of business for insurance companies. In compulsory insurance, workers' compensation fell slightly from 28.8% in 2021 to 27.7% in 2022.

Life insurance premiums fell 21.8% in 2022, driven by a steep drop in endowment insurance and Pension Savings Plan with growth slipping into negative territory to 29.1% and 17.4% respectively. Traditional products, particularly risk life insurance, rose 1.6% in 2022, a modest increase closely linked to a slowdown in mortgage lending.

Generali Seguros remained above domestic market growth in non-life insurance, with a 5.2% rise in premium volume compared with a 7.4% increase in 2021, driving down its market share by 0.4 percentage points to 18.4% compared with the previous year.

Specifically, Generali Seguros increased its market share by 14.7% in fire and other property damage and 21.7% in motor vehicle. Health insurance rose 11.8% in 2022, the highest increase in non-life insurance, as in previous years, securing its position as the second largest and one of the most representative non-life insurance lines of business. This trend reflects the importance that consumers unquestionably place on health, targeting it as a key strategic line of business for insurance companies.

In compulsory insurance, workers' compensation fell slightly from 28.8% in 2021 to 27.7% in 2022, down 1.1 percentage points, driven by risk-based selectivity and portfolio cleanup in line with the Generali Group's policies.

Conversely, Generali Seguros increased its market share by 1.3% in life insurance, up 0.3 percentage points compared with 2021, with insurance-based financial products outperforming the market by 5.7% against a decline of 31.9%, resulting in a market share gain of 0.8 percentage points. In 2022, Generali Seguros outperformed the market in risk life insurance, increasing its market share by 0.5 percentage points, which accounted for 7% of the market, driven by a consistent strategy focused on this line of business, recording a 9.1% rise against 1.6% of the market.

The insurance market continued to grow in 2022, driven by the post-pandemic recovery and some price repositioning carried out by insurers, to respond to increasing inflationary pressures on costs. All lines of business experienced positive growth throughout the year, with an emphasis on motor vehicle and corporate insurance, particularly health and workers' compensation insurances, as economic activity resumed its pace to near pre-pandemic levels.

Despite these challenges, Generali Seguros expanded its customer base by 2.3%, accounting for nearly 1,971,000 customers, both private and corporate, and its customer retention rate rose to 86%, having sustained customer growth.

Generali Seguros remained focused on its transformation process, particularly on its digital strategy in the back and front office, with a direct impact on sales processes, operational performance, and partner and customer service levels.

2022 was a year full of good news about product offering. New and improved products were naturally designed to meet customers' needs and deliver excellent service quality, while reflecting the company's strategic policy to provide solutions that embrace its commitment to environmental sustainability, with a focus on green and socially responsible products.

Therefore, some meaningful product improvements were made and new products launched, among which the following are to be highlighted:

Private
- health insurance: the company established an innovative partnership with the Champalimaud Foundation, providing an additional health cover under the *OncoRisk* Programme, an early screening for cancer prevention, while raising the capital sums insured for inpatient hospitalisation due to critical illness;
- focus on mobility:
  - a new product was launched for both electric vehicles and hybrid electric vehicles;
  - the company launched a new insurance for bicycles and scooters, including electric bicycles and scooters, which covers third-party liability, theft, and special roadside assistance, providing transport in case of accident, a courtesy bicycle, or a two-wheeler towing service in case of dead battery;
- pet insurance for cats and dogs: it covers vet fees, including surgeries, vaccines, and also third-party liability for any damage caused by animals.

Corporate
- workers' compensation: new features were added to *Smart Working*, aimed at optimising remote work productivity, and improving employee quality of life, providing remote assistance to personal computers, printing, and courier service, babysitting and medical assistance for employees' parents;
- employee benefits plans: personal accident and sickness cover designed to provide additional coverage to corporate insurances, especially workers' compensation and health insurances, comprising a number of optional add-ons that can be bought together or alone, securing an array of situations that are likely to have a great impact on employee's daily routines, namely mental health, nutrition and healthcare, home and family or remote work;
- corporate multirisk: new assistance covers designed to offer tailor-made solutions to economic activities, i.e. catering and retail.
- cyber risks insurance: this product was designed to protect businesses from criminal activity in the cyber world, covering financial losses that may result from business interruption driven by a cyberattack and 24-hour support in case of personal data breaches or system security failure;
- financial life insurances: the company ran a marketing campaign to promote *Tranquilidade Principal-Protected Investment*, a product launched in December 2021, targeted at the distribution network to build business momentum.

LOGO brand remained focused on customers who look for comprehensive digital solutions and therefore it was mostly committed to forwarding them, both existing and prospective customers, to digital customer channels, namely app, chatbot, *Whatsapp* and customer support line, thus increasing online sales on the website and enhancing customer digital experience and greater autonomy.

The brand remained committed to delivering the best customer experience by simplifying processes and rendering them automatic over the life cycle of products:
- the brand strengthened its goal to attain a clearer and simpler language in all points of contact with the customer, having reviewed 85% of all customer interactions at the end of the year, with a focus on the most frequent;
- the brand developed a home insurance calculator that enables private customers to get a quote for a multirisk home insurance within minutes;
- new customers are now greeted with a welcome email, which also highlights the main advantages of LOGO products and services and provides information on how to make a claim or any other need related to the product;
- LOGO medical health questionnaire, which was once filled in by a healthcare provider, was translated into digital form. Customers are now able to complete an online questionnaire about their health history, which is mandatory to take out a life and health insurance policy, at their own time on a 24/7 basis;
- digital signature is now eligible to underwrite some insurance policies, as well as authorise direct debit payments, saving time and paper necessary to complete these processes;
- LOGO app was updated, with a focus on enhanced performance and the ability to send reminders related to key moments of the insurance policy, namely payments, prevention, and early warnings, much like what was done in the fire and flood season;
- the brand website underwent some changes and resurfaced with a new layout to better communicate LOGO products' benefits and their usage. Corporate areas were reviewed to provide a custom navigation experience to corporate customers adjusted to their needs.

Under the principle *If you can't measure it, you can't improve it*, the company continues to run the *Net Promoter Score* (NPS) programme to gauge customer satisfaction levels in different touchpoints and monitor their evolution.

This programme is a pivotal tool for the company to deliver enhanced customer experience, making it more human-like:

- in 2022, 365,270 surveys were sent out, of which 35,789 were answered, and 5,512 phone calls were made;
- 15 departments were involved and nearly 400 cloopers interacted with customers on the phone;

In 2021, based on customer feedback, the company was able not only to identify several improvement opportunities in different touch-points along customers' journeys, but also to measure the success of specific initiatives that were promoted:

In 2022, digital and innovation strategy of customer and partner communication and service platforms remained a key pillar of the company's market position and were taken as a priority:

- the company closed out the year with nearly one million and half green customers, specifically 1,426,000 customers, continuing its upward trajectory with a 28% rise compared with the previous year. LOGO brand alone accounts for 11% of the total number of green customers. These figures reflect high service levels and efficiency in customer communication and innovation;
- the company bolstered its Always On communication policy to convey regular and appropriate content to its customers through commercial campaigns, prevention actions, and institutional and information initiatives;
- in 2022, the company contacted nearly 90% of its customers, in line with the Generali Group's strategic vision, an initiative aimed at establishing Generali Seguros as a lifetime partner for its customers;
- in an effort to leverage digital communication and improve customer experience, the company remained committed to obtaining customer consent for marketing material. By the end of the year, 47% of customers had given their consent to receiving marketing communications, a 4% rise compared with 2021;
- the company continued its effort to render communication easier and simpler for both customers and employees.

Consumer electronics and the company's focus on digital tools were decisive to keep commercial dynamics and strengthen the relationship with business partners.

Therefore, special emphasis was placed on the following initiatives:

- commercial dynamics was boosted through a sophisticated incentive scheme and new marketing campaigns, with a special focus on strategic products for retail;
- the pace of digital transformation of the distribution network was accelerated by focusing on:
  - digital presence:
    - in-person roadshow in all areas for key business partners and also the commercial team;
    - always-on content on *Socciabble* platform, in which more than *highly active* 500 agents have contributed to making *Tranquilidade* a successful example within the Generali Group and an award-winning company in several international competitions;
    - participation in the *Global Agent Excellence Contest* (GAEC) by 10 exclusive partners of *Tranquilidade*, one of which was ranked among the top ten Generali Group's best agents in the world;
  - digital sales:
    - strong emphasis on digital lead generation for agents, with more than 700 agents added to the lead platform;
    - 176,000 leads resulted in 39,000 policies sold, more than double last year's volume;
    - launch of a home insurance calculator, with instant online underwriting. This tool is also available to partners who own a website;
  - commercial dynamics:
    - strong focus on differentiated marketing campaigns, shorter and more focused on diversity, to boost commercial dynamics;
    - launch of the *Tstore*, an online store where partners can redeem their bonuses for vouchers of well-known retailers;
    - planning of three major events nationwide aimed at establishing strong relationships with business partners, namely the *National Commercial Meeting*, which took place simultaneously in four different geographies, with 700 guests in attendance and 3,0000 people via live stream; the *National Exclusive Partner Meeting*, with more than 500 guests, and also the *Golden Shoe Campaign*, which took place in the City of Football.

Summing up, in a challenging environment, commercial performance has proven again the company's strong commitment to its partners:

- non-life and risk life revenue rose 5.8%, the number of agents increased 7.9% and alternative channels grew 8.3%. Insurance brokers faced a tough year, but managed to keep revenue;
- personal accident and sickness, health and multirisk home insurance were the lines of business with higher returns compared with the previous year, rising 19%, 12% and 11% respectively.

A partner satisfaction survey, *R-NPS*, revealed a satisfaction level of 61.5 on a scale of -100 to 100, an increase of 3.9 percentage points compared with 2021.

Our purpose is "to provide people with an opportunity to shape a safer future, caring for their lives and dreams". This is reason why we exist, that inspires us and drives us every day.

In a fast-paced, ever-changing, and increasingly complex world, our ability to care for people, providing them with innovative and tailor-made solutions, will enable us to assist them in decision-making and create a safer future for them, their loved ones, their businesses, and the communities they live in.

Sustainability is the very foundation of our strategy for 2022-24, A Lifetime Partner 24: Driving Growth. This means to create value in the long run, protect the environment and take action for the sake of a common good.

Our conduct is closely aligned with these principles. We define ourselves as a Group that is...

- a responsible investor;
- a responsible insurer;
- a responsible employer;
- a responsible citizen.

In 2022, as a responsible citizen, Generali Seguros brought to Portugal the leading social responsibility programme of the Generali Group, *The Human Safety Net* (THSN), an initiative aimed at empowering impoverished communities and vulnerable people to unlock their full potential. *The Human Safety Net* expanded the company's scope of activity as an insurance brand, when fostering prevention, providing protection and assistance to the most vulnerable in our society.

The Human Safety Net is much more than just making a donation to a social cause or corporate philanthropy. It is a network that brings together the knowledge and experience of dozens of non-governmental organisations (NGOs), social enterprises, and experts from around the world. It is an open movement that engages employees, agents, customers, society, the social sector, experts, business partners, financing entities and all of those that want to help expand the impact of each project.

Implemented in 23 different geographies where the Generali Group operates, Portugal is the 24th country to commit to this movement of people aiding other people. *The Human Safety Net* works in two major areas: families with children under 6 years old, always from a perspective of empowerment and parental support; and refugees, focused on social and cultural integration and employment support.

The company decided to focus on families within *The Human Safety Net* programme and chose the Associação Aldeias de Crianças SOS to be its first social partner in this journey, which starts as of this moment with an eye on growth and breadth of impact in the future.

Generali Seguros supports the programme *Strengthening Family Bonds* of Aldeias de Crianças SOS, with an emphasis on vulnerable families with young children under their care. It is our firm belief and understanding that it urges to act on prevention as much as in specialised early intervention teams, whose work is paramount to preserve healthy family ties and help prevent children from entering into the traditional foster care system. This project extends to the Family Support Centres and Parental Counselling (abbreviated as CAFAP in Portuguese) of the Associação das Aldeias de Crianças SOS, located in Oeiras, Guarda, Rio Maior and Vila Nova de Gaia.

The Human Safety Net relies on volunteers to serve its purpose and Generali Seguros' employees showed great generosity and enthusiasm right away at the first challenge: 158 baskets with food and hygiene products, amounting to EUR 8,700, were handed over to impoverished families assisted by CAFAP of Aldeias SOS and also to families in Rabo de Peixe, Azores, that are part of the project known as *Caixa de Brincar* by Kairós.

In less than two weeks, the team of volunteers managed to collect all goods, prepare the baskets and delivered them in five different regions across the country.

In 2022, the company launched in Portugal the first edition of the *SME EnterPRIZE*, another flagship project of the Generali Group, designed to promote a sustainable culture in small and medium-sized companies (SME) across Europe. This competition aims to inspire and support small and medium-sized organisations to develop sustainable business models and encourage a debate on the subject. This first edition of the *SME EnterPRIZE | The European Sustainability Award for SMEs* focused on environmental sustainability.

The award-winning company received EUR 15 thousand in *Tranquilidade* insurances and services as well as media and advertising visibility. There were also two commendations. In 2023, Generali Seguros shall continue to award the best SMEs for achievement in sustainability and inspire and encourage an increasing number of organisations to embrace sustainable practices.

Within the field of environmentally friendly initiatives, the company set up116 solar panels on the top of its building in Lisbon, using a clean source of energy to generate around 10% of the energy used in these premises. Currently, electric power is already 100% based on renewables, but it is important to stay open to other solutions, such as solar self-consumption, with clear environmental benefits and reduction of costs. The company remains committed to reducing emissions from buildings, vehicle fleet, and travels, as well as pursuing its *Zero Paper* policy, which promotes the digitisation of processes, rendering them simpler, and an increase in the number of green customers.

Once again, as in the past, the company organised a beach clean-up activity, in partnership with Brigada do Mar, but this time in Aveiro. Employees and agents scoured the surface area of Praia da Torreira for trash, collecting around 600 kilograms of waste materials, hence contributing to decontaminate the coast.

In 2022, Açoreana promoted a benefit concert tour *Açores no Coração*, featuring the Portuguese singer Cuca Roseta, to celebrate its 130th anniversary, a real milestone for the brand. This special project that was intended to encourage social solidarity and cultural decentralisation extended across the nine islands of the Azores and the box-office revenue of each concert was given to local charities, amounting to EUR 21,5 thousand.

Internally, the company remained committed to its healthy eating campaign *Sustainable Eating is Cheaper* in its canteens, funding 50% of the cost of vegetarian meals. Mental health was a topic of interest in the well-being segment. The company organised several workshops to raise awareness on stress coping mechanisms in daily living. The company also launched the *Diversity, Equity and Inclusion Week*, an initiative consisting of in-person and online sessions in which participants explored concepts around neurodiversity, sense of belonging, discrimination, prejudice, what makes one unique and how one can make a positive contribution to society.

The company partnered with BCSD, Business Council for Sustainable Development and GRACE, Sustainable Enterprises Empresas Sustentáveis to facilitate sustainability training, with a general approach on the topic for larger groups and more specific for employees from different areas.

For the fourth time running, the company joined the campaign *Portugal Chama* to help raise awareness about fire prevention and fighting in rural areas, and also participated in *Outubro Rosa*, an initiative that seeks to promote breast cancer awareness, focused on prevention

Near the end of the year, and ahead of Christmas holidays and New Year's celebrations, the company joined a road safety campaign launched by the National Road Safety Authority to increase drivers' awareness of the importance of responsible driving and "being at family gatherings".

In January 2022, facing an upsurge in the number of Covid-19 cases and for the second year running, the company made available to its customers video call appointments free of charge and without leaving home, enabling their access to general practice and family medicine by saving time and money. This initiative remained in place until the end of the first quarter and aimed at continuing to provide support to customers in a pandemic environment, facilitating a swift and safe contact with a doctor and thus avoiding a displacement to a healthcare centre and associated costs.

The company joined a global fund raising campaign launched by the Generali Group to aid Ukrainian families and children displaced by war, in a combined effort to support refugee aid programmes.

By the end of March 2022, Tranquilidade, AdvanceCare and EuropAssistance partnered to provide, in collaboration with Knok, free video call appointments to the Ukrainian community living in Portugal, including Ukrainians who arrived in Portugal in between. This service aimed at facilitating access to health care services over the three-month period in which it was available.

According to a Marktest's BASEF Seguros market survey, Tranquilidade spontaneous brand awareness stabilised at 47.7%, the same happening with overall brand awareness, which stabilised at 92.3%.

In 2022, LOGO set itself the ambitious goal of serving its fully digital customers, positioning itself as a dynamic and pioneering brand regarding processes, namely enabling customers to manage their insurance policies on a self-service basis.

At a macro level, the company aims to increase brand alignment and maximise synergies between LOGO and Tranquilidade, namely align calculator, app, and web technologies, optimise campaigns to drive more qualified traffic and review customer main journeys.

3.3. – KEY VARIABLES AND BUSINESS INDICATORS

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
Balance sheet			
Investments **(a)**	2.172.737	2.556.601	-15,0
Net assets	2.791.354	3.085.864	-9,5
Equity	135.900	342.764	-60,4
Unearned premium provision (DI+RA)	241.173	228.826	5,4
Mathematical reserve and investment contract liabilities	616.193	687.479	-10,4
Claims provision (DI+RA)	1.412.927	1.351.081	4,6
Claims provision, net of reinsurance	1.287.900	1.240.083	3,9
Technical provisions (DI+RA)	2.287.045	2.361.616	-3,2
Gains and Losses			
Direct insurance gross written premiums	1.183.751	1.134.788	4,3
Life	*71.915*	*77.979*	*-7,8*
Non-life	*1.111.836*	*1.056.809*	*5,2*
Earned premiums, net of reinsurance	1.038.341	984.515	5,5
Life	*59.360*	*53.796*	*10,3*
Non-life	*978.981*	*930.719*	*5,2*
Direct insurance claims costs	861.726	825.085	4,4
Life	*132.823*	*168.742*	*-21,3*
Non-life	*728.903*	*656.343*	*11,1*
Claims costs, net of reinsurance	774.936	735.525	5,4
Life	*110.523*	*137.573*	*-19,7*
Non-life	*664.413*	*597.952*	*11,1*
Operating costs	152.026	147.927	2,8
Revenue	44.365	38.126	16,4
Net income	49.490	54.056	-8,4
Indicators			
Direct insurance claims rate – Non-life	66,6%	62,5%	4,1 p.p.
Claims rate net of reinsurance – Non-life	67,9%	64,2%	3,6 p.p.
Net income/Gross written premiums	4,2%	4,8%	-0,6 p.p.
Combined ratio net of reinsurance	96,7%	93,0%	3,7 p.p.

(a) It includes investments in associate companies and joint ventures, financial assets held for trading, financial assets measured on initial recognition at fair value through profit or loss, available-for-sale assets, loans and receivables, investments held to maturity , land and buildings, non-current assets held for sale, cash and cash equivalents and demand deposits and investment-related possible retentions. It excludes unit-linked and cash asset portfolios and demand deposits managed by treasury and which are not considered investments.

3.4. – GENERALI SEGUROS' UNDERWRITING PERFORMANCE IN 2022

3.4.1. – Direct Insurance Premiums

Overall direct insurance underwriting grew EUR 1,183,751 thousand in 2022, a 4.3% rise compared with the previous year. The insurance market experienced a 9.5% fall compared with 2021.

Direct life insurance premiums amounted to EUR 71,915 thousand, down 7.8% compared with 2021, reflecting a EUR 6,064 thousand decrease due to a 45.4% drop in premiums for insurance-based financial products, while premiums from traditional products rose 8,5%.

Non-life insurance premiums amounted to EUR 1,111,836 thousand, up 5.2% compared with a year earlier, reflecting a EUR 55.03 million increase, driven by a 5.5% rise in personal accident and sickness (+EUR 23,051 thousand), a 11.8% rise in health insurance (+EUR 15,019 thousand) and a 2.1% increase in workers' compensation (+EUR 5,976 thousand).

Fire and other property damage also experienced positive growth in 2022, with a 5.1% rise compared with the previous year, amounting to EUR 7,688 thousand, with an emphasis on multirisk insurance, which rose 8.0%, amounting to EUR 9,701 thousand.

Motor vehicle insurance rose EUR 20,821 thousand in 2022, up 5.1% compared with the previous year.

DIRECT INSURANCE PREMIUMS

(in thousands of euros)

	2022	%	2021	%	VAR 22/21 (%)
LIFE	**71.915**	**6,1**	**77.979**	**6,9**	**-7,8**
Traditional	59.040	5,0	54.417	4,8	8,5
Insurance-based financial products	12.875	1,1	23.562	2,1	-45,4
NON-LIFE	**1.111.836**	**93,9**	**1.056.809**	**93,1**	**5,2**
Personal accident and sickness	440.069	37,2	417.018	36,7	5,5
Fire and other property damage	157.721	13,3	150.033	13,2	5,1
Motor vehicle	426.687	36,0	405.866	35,8	5,1
Transport	4.801	0,4	4.743	0,3	1,2
Third-party liability	22.682	1,9	21.988	1,9	3,2
Others	59.876	5,1	57.161	5,0	4,7
TOTAL	**1.183.751**	**100,0**	**1.134.788**	**100,0**	**4,3**

3.4.2. – Direct Insurance Claims Costs

Overall direct non-life claims costs amounted to EUR 728,903 thousand in 2022, up 11.1% compared with the previous year.

Personal accident and sickness claims costs fell EUR 2,381 thousand in 2022, down 0.9% compared with 2021, with an emphasis on a 9.4% drop in workers' compensation, amounting to EUR 15,577 thousand.

Motor vehicle claims costs amounted to EUR 67,771 thousand in 2022, up 25.8% compared with 2021. Fire and other property damage also experienced a rise in claims costs over the same time period, amounting to EUR 9,548 thousand, up 9.4% compared with 2021, in connection with multirisk insurance, which recorded a 9.9% rise, amounting to EUR 7,697 thousand in 2022.

DIRECT INSURANCE CLAIMS COSTS

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
LIFE	**132.823**	**168.742**	**-21,3**
Traditional	31.491	24.536	28,3
Insurance-based financial products	101.332	144.206	-29,7
NON-LIFE	**728.903**	**656.343**	**11,1**
Personal accident and sickness	268.820	271.201	-0,9
Fire and other property damage	110.691	101.143	9,4
Motor vehicle	330.387	262.616	25,8
Transport	2.024	2.241	-9,7
Third-party liability	13.132	13.297	-1,2
Others	3.849	5.845	-34,1
TOTAL	**861.726**	**825.085**	**4,4**

Non-life claims rate (gross claims costs/gross earned premiums) rose 4.1 percentage points from 62.55% in 2021 to 66.6% in 2022, with claims frequency jumping back to pre-pandemic levels, mostly in connection with personal accident and sickness and motor vehicle, and real inflation surging, alongside projections for the coming years.

CLAIMS COSTS / GROSS EARNED PREMIUMS *

(%)

	2022	2021
Personal accident and sickness	61,8	65,5
Fire and other damage	71,9	68,5
Motor vehicle	78,8	64,8
Transport	42,1	48,1
Third-party liability	58,9	60,9
Others	6,6	10,4
TOTAL	**66,6**	**62,5**

* Claims costs with costs expressed in % of premiums earned

3.4.3. – Technical Provisions

Technical provisions for direct insurance and accepted reinsurance decreased EUR 74,571 thousand to EUR 2,287,045 thousand in 2022, down 3.2% compared with the previous year, driven by a reduction of life mathematical provisions (-EUR 72,950 thousand) caused by liability expiry dates and rising interest rates, which had a positive effect on the liability adequacy test, and an increase in claims provision (EUR 61,846 thousand) largely driven by a surge in inflation.

TECHNICAL PROVISIONS FOR DIRECT INSURANCE

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
Unearned premium provision	241.173	228.826	5,4
Life mathematical provision	576.901	649.851	-11,2
Claims provision	1.412.927	1.351.081	4,6
Life	89.945	80.183	12,2
Workers' compensation	752.970	772.194	-2,5
Other lines of business	570.012	498.704	14,3
Other technical provisions	56.044	131.858	-57,5
TOTAL	**2.287.045**	**2.361.616**	**-3,2**

3.4.4. – Ceded Reinsurance

Ceded reinsurance remained in negative territory in 2022, rising from EUR 54,583 thousand in 2021 to EUR 46,111 thousand in 2022. Non-life reinsurance increased by EUR 3,843 thousand in 2022.

Reinsurance claims receivables remained unchanged at 9.0% in 2022.

CEDED REINSURANCE

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
LIFE	**515**	**5.144**	**-90,0**
Premium	12.267	23.191	-47,1
Commissions	-1.327	-1.971	-32,7
Claims and changes in technical provisions	-10.425	-16.076	-35,2
NON-LIFE	**45.596**	**49.439**	**-7,8**
Premiums	118.850	121.306	-2,0
Commissions	-6.839	-12.969	-47,3
Claims and changes in technical provisions	-66.415	-58.898	12,8
BALANCE AT 31ST DECEMBER 2022	**46.111**	**54.583**	**-15,5**

3.4.5. – Technical Balance Net of Reinsurance

Technical balance, net of non-life reinsurance, amounted to EUR 170,411 thousand in 2022, reflecting a EUR 28,781 thousand fall compared with the previous year, due to a decline in direct insurance which failed to offset an improvement in reinsurance.

Some lines of business, namely personal accident and sickness, third-party liability, and others, experienced significant improvements in their technical balances, net of reinsurance, in 2022 compared with the year before, driven by premium growth, lower claims costs and improvements in reinsurance.

TECHNICAL BALANCE, NET OF REINSURANCE

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
Personal accident and sickness	99.877	68.147	46,6
Fire and other damage	-5.400	15.538	-134,8
Motor vehicle	39.346	95.459	-58,8
Transport	1.765	1.338	31,9
Third-party liability	15.338	4.309	256,0
Others	19.485	14.401	35,3
TOTAL	**170.411**	**199.192**	**-14,4**

3.4.6. – Operating Costs

Operating costs amounted to EUR 152,026 thousand in 2022, up 2.8% compared with the previous year.

Staff costs fell EUR 2,814 thousand to EUR 69,152 thousand, down 3.9% compared with 2021. Conversely, supply and service outsourcing costs rose EUR 6,923 thousand, up 13.3% compared with the previous year.

OPERATING COSTS

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
Staff costs	69.152	71.966	-3,9
Supply and service outsourcing	59.100	52.177	13,3
Taxes and fees	7.555	6.712	12,6
Depreciation	12.001	13.510	-11,2
Others *	4.218	3.562	18,4
TOTAL	**152.026**	**147.927**	**2,8**

* It includes provisions for risks and charges, interest rates, commissions and other investment-related costs.

3.4.7. – Staff

In 2022, 63 new permanent employees were recruited, while 78 employees left the company, of which 51 by own initiative or the company's and 24 by mutual agreement.

	2022	2021	VAR 22/21 (%)
Total number of employees on a permanent basis as at 1 January	**1.085**	**1.114**	**-2,6**
Hired	63	51	23,5
Left	78	80	-2,5
- by pre-retirement or retirement	1	1	-
- by own initiative or the company's	51	40	27,5
- by termination of contract of employment by mutual agreement	24	21	14,3
- by collective redundancy	0	14	-100,0
- Others, namely decease	2	4	-50,0
Total number of employees on a permanent basis as at 31 December	**1.070**	**1.085**	**-1,4**

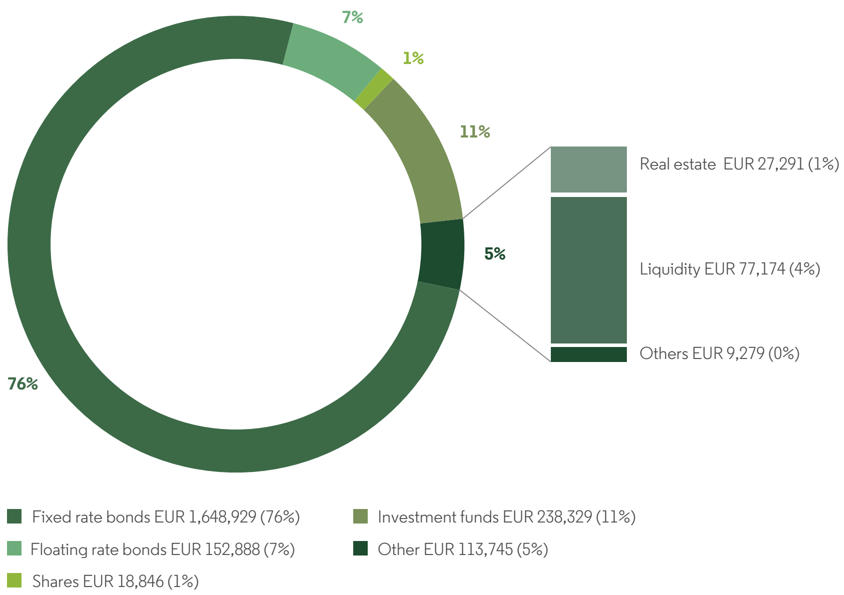
3.4.8. – Investment Performance

Rampant inflation and consequently rising interest rates marked the year 2022 and affected the performance of financial markets. After two years of pandemic, the mismatch between supply and demand was already noticeable by the end of 2021 and was further magnified in the early months of 2022 by the war in Ukraine, which led to a surge in energy prices and food commodities, exerting meaningful pressure on the inflation rate. This context translated into a surge in market interest rates and an upward sloping yield curve.

The increase in interest rates combined with a rise in risk spreads had an adverse impact on the value of financial assets. By the end of the year, Generali Seguros' investment portfolio was worth EUR 2,172,737 thousand, down 15% compared with the previous year.

INVESTMENT PORTFOLIO 2022

(Values expressed in thousands of euros and from a management perspective – *Unit Linked* not included)



* NOTE: It includes investments in associate companies and joint ventures, financial assets held for trading, financial assets measured on initial recognition at fair value through profit or loss, available-for-sale assets, loans and receivables, Investments held to maturity , land and buildings, non-current assets held for sale, cash and cash equivalents and demand deposits and investment-related possible retentions. It excludes *Unit Linked* and cash asset portfolios and demand deposits managed by treasury and which are not considered investments. The line item *Bonds* comprises loans and other debt instruments, while the line item *Others* comprises loans provided to employees only).

Generali Seguros' asset allocation remained conservative, focused on fixed income bonds, which account for 76% of the company's portfolio. In 2022, bond portfolio (direct investment) rating remained unchanged at triple B, a medium-rating investment grade, with a EUR 1,110,298 thousand exposure to Portuguese and the euro area core countries' public debts.

As part of an effort started in 2021 to diversify its investment portfolio, the company increased its exposure to private debt funds and real estate within risk appetite and limits set by the Generali Group.

The company's investment strategy remained focused on matching the durations of assets and liabilities, while seeking to reduce its investment portfolio's interest rate risk and spread risk, according to the regulatory provisions that govern the insurance business set out in the European Directive Solvency II.

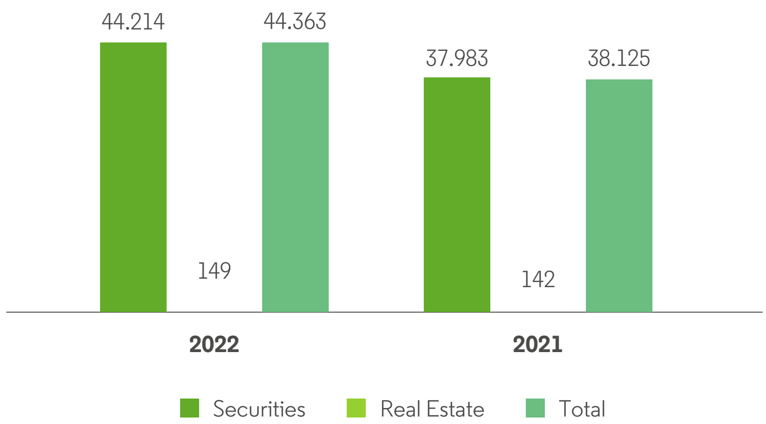
Therefore, to improve its risk-return trade-off based on RoSCR's risk measures, the company increased its exposure to public debt of the euro area core countries, while scaling back its investment in Portuguese government bonds with long durations. The company also seized some investment grade opportunities to improve its portfolio quality, hence increasing its exposure to high-grade corporate debt.

In the first semester, the company sold forward Portuguese public debt, contributing to improve asset-liability duration matching and mitigate the credit spread risk of this issuer.

In the fourth quarter and taking advantage of rising market interest rates, the company entered into an asset swap programme, aiming to increase intrinsic profitability (book yield) and reduce the associated spread risk. This strategic decision entailed the recognition of capital losses in the current year, but it is projected to have a positive impact on the portfolio's future returns.

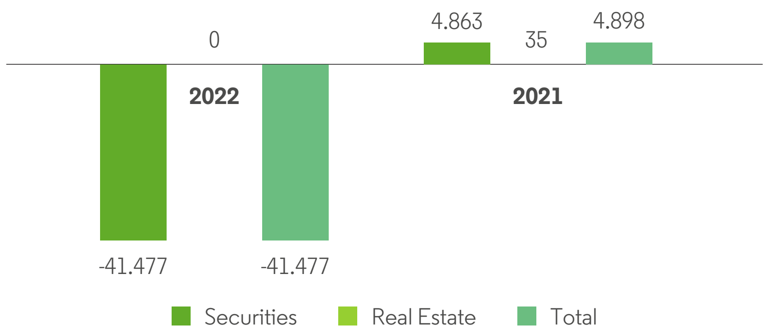
INTEREST RATES AND DIVIDENDS

(Values expressed in thousands of euros and from a management perspective – *Unit Linked* not included)



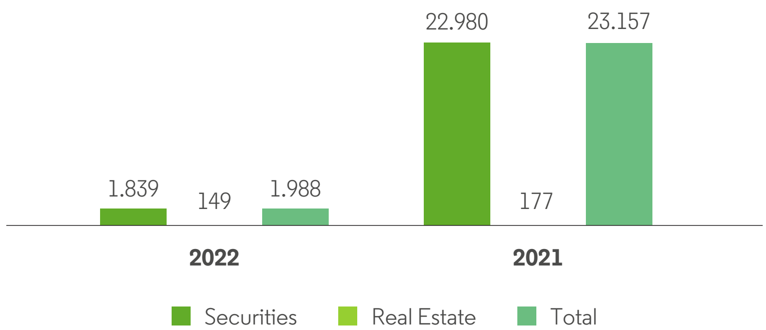
CAPITAL GAINS AND LOSSES RECOGNISED IN PROFIT OR LOSS

(Values expressed in thousands of euros and from a management perspective – *Unit Linked* not included)



FINANCIAL PERFORMANCE

(Values expressed in thousands of euros and from a management perspective – *Unit Linked* not included)



NOTE: Includes impaired securities in the amount of EUR 898 thousand in 2022 (2021: EUR 19,9 million)

Generali Seguros delivered a positive financial return for the year ended 2022, amounting to EUR 1,988 thousand, down EUR 21,169 thousand compared with the previous year.

While taking a balanced approach to market risk management, the company focused on high-yield assets, increasing by 16% its return to EUR 44,363 thousand.

In a year overshadowed by the stock market slump against a backdrop of improved post-pandemic economic conditions, the company's limited exposure to the stock market led to a revaluation of part of its private debt investments and reduced impairment losses to EUR 898 thousand, down EUR 19,865 thousand on the previous year.

Although the company had narrowed losses after the appreciation of forward contracts, losses of EUR 41,477 thousand were recognised for the year ended 2022, heavily impacted by the fourth-quarter portfolio rebalancing.

The company's average return on financial assets was 0.1% compared with 0.9% in 2021. By incorporating the effect of unrealised gains accounted for in the fair value reserve, average return on financial assets fell 17.8% compared with a 2.8% decrease in 2021.

3.4.9. – Equity and Solvency Margin

The company recorded a positive net income of EUR 49,5 million for the year ended 31 December 2022, compared with a positive net income of EUR 54,1 million in the prior year.

It is worth mentioning that the company's net income for 2021 was adversely impacted, in net terms, by a number of non-recurring events, among which the following are highlighted:

- recognition of a capital loss of EUR 49,8 million on asset sales as part of the company's portfolio rebalancing;
- appreciation of a forward sale of Portuguese public debt of EUR 9,3 million;
- an impact arising from a reduction in the discount rate used to measure workers' compensation liabilities, in line with the evolution of market interest rates and those affecting the investment portfolio;
- reversal of provision for rate commitments in life insurance arising from changes in the estimated future rate of return on assets;
- an increase in provisions stemming from the recent rise in inflation and its estimated future rate;
- recognition of an expense of nearly EUR 9,6 million for costs incurred in relation to natural hazards, particularly floods in the riverine areas, in December 2022;
- recognition of an expense of EUR 6,2 million for costs incurred in the incorporation process.

By and large, non-recurring events had a positive impact on the company's net income for the year ended 2021, among which the following are particularly noteworthy:

- recognition of a capital gain of EUR 4,9 million on asset sales as part of the company's portfolio rebalancing;
- recognition of an impairment loss of EUR 18,7 million on the ICAV – MCR fund;
- an impact of EUR 18,8 million arising from a reduction in the discount rate used to measure workers' compensation liabilities;
- an increase in provision for rate commitments in life insurance arising from changes in the estimated future rate of return on assets, amounting to EUR 4,9 million;
- recognition of an expense of EUR 18,4 million for costs incurred in the incorporation process.

EQUITY

(in thousands of euros)

	2022	2021	VAR 22/21 (%)
Share capital	90.500	90.500	0,0
Other equity instruments	27.097	27.097	0,0
Revaluation reserves	-183.006	78.931	-331,9
Other reserves	166.363	155.374	7,1
Retained earnings	-14.544	-63.194	n.a.
Net income	49.490	54.056	-8,4
TOTAL	**135.900**	**342.764**	**-60,4**

Equity decreased EUR 206,9 million in 2022, reflecting the evolution of its components in opposite directions. Hence, the following key points are highlighted:

- a EUR 183 million negative return recorded in the revaluation reserve, net of deferred tax liability, as a result of rising market interest rates, which impacted heavily on its valuation, given the type of asset classes that make up the company's investment portfolio, with a special emphasis on fixed-income securities with fixed rate,
- a positive net income of EUR 49,5 million.

The company monitors its solvency according to the new Solvency II framework in force as of 1 January 2016. Final data on the solvency margin shall be publicly disclosed in the Solvency and Financial Condition Report in April, as provided for in the law.

3.4.10. – Risk Management, Internal Control System and Compliance

Risk Management and Internal Control System

Generali Seguros has an integrated risk management and internal control system that stretches across the organisation and relies on the contribution of its governing bodies and multiple organisational areas to make it operational.

The Board of Directors is the driving force behind the risk management and internal control system and is responsible for setting the appropriate strategies and policies and overseeing their appropriateness and robustness throughout time as to completeness, performance, and effectiveness.

The Board of Directors is supported by the current governing structure, which relies on its key players, namely the Supervisory Board, the Executive Committee, the chief financial officer, the chief risk officer, operations managers, and four control functions, specifically risk management, compliance, auditory and actuary.

The risk management system aims to ensure appropriate and effective management of risks and align them with the company's business strategy, while complying with a set of processes and procedures based on clear governance provisions.

The internal control system aims to provide reasonable assurance that the company runs its business in a manner consistent with the fulfilment of its strategic and business goals.

The company built an internal control framework based on basic and standard requirements to develop and implement effective internal controls across the organisation, namely establish an appropriate control environment, implement control activities, assess risk, oversee, and report.

Control functions rely on coordination to prevent overlaps and decision-making autonomy to effectively address risk management and internal control system.

Risk Management Function

The structure assists the management team in developing risk management strategies, establishing and assessing monitoring tools by providing the necessary information to assess the robustness of the risk management and internal control system as a whole through an appropriate reporting system.

The risk management policy establishes the roles, responsibilities, and the reporting line of the management risk function, based on the guidelines set by the internal control group and the risk management system.

The risk management function is responsible for:
- supporting the development of the risk management policy and determining risk tolerance;
- setting the criteria and methodologies for risk assessment, establishing the results of risk assessments and, eventually, submitting them to the Board of Directors and the Executive Committee;
- controlling the implementation of the risk management policy and business risk as a whole.

Compliance Function

The need to conduct business in compliance with all applicable legislation and regulations, and the rules and practices of the Code of Conduct lies at the core of our corporate culture. This has led the company to establish controls for each level to prevent the risk of penalties that are likely to result in a pecuniary loss or reputational damage, duly identified as compliance risks, arising from a breach of laws, regulations, rules, and organisational norms laid down in the Code of Conduct.

The core mission of the compliance function is to assess and identify compliance risks and manage them appropriately including financial crime risks and personal data protection, among others.

In particular, the compliance function is responsible for:
- identifying the applicable regulatory requirements on an ongoing basis, assessing their impact on processes and procedures, assisting and advising the company's governing bodies and other functions on compliance risks and related matters, especially on product design;
- assessing the relevance and effectiveness of measures adopted within the organisation to mitigate compliance risks and making recommendations aimed at expanding the capacity of the compliance management system;
- overseeing the effective implementation of measures suggested;
- preparing reports for the company's governing bodies and other relevant functions;
- contributing to safeguard the integrity and reputation of the company;
- bolstering corporate awareness on compliance, transparency and responsibility towards the shareholders;
- providing support to operations and business areas to create sustainable competitive advantage by incorporating risk management into day-to-day operations and strategic planning.

The compliance function comprises three core areas: compliance, anti-money laundering (AML), and data protection.

Actuarial Function

According to the provisions laid down in Solvency II, the actuarial function is mainly responsible for:
- coordinating the valuation of technical provisions;
- ensuring the adequacy of methodologies and underlying models used as well as assumptions made in the valuation of technical provisions;
- assessing data sufficiency and quality in the valuation of technical provisions.

Internal Audit Function

The internal audit function plays ula controlling role in the adequacy of risk management and internal control system.

In the course of its activities, the internal audit function assists the company's governing bodies in attaining their goals by establishing a controlled and systematic approach to assess and improve the effectiveness of management, governance, and risk control processes.

The primary role of internal audit function is to help the Board of Directors and the Executive Committee protect corporate assets and reputation, as well as support operational sustainability.

Business Continuity Plan

Within the scope of risk management and internal control system, the company places great emphasis on two key actions associated with its business continuity plan:
- implementing a business continuity and incident response plan to ensure business operations in an incident scenario, including the protection of critical players, such as customers, investors and interested parties;
- transitioning employees to remote working, including those involved in critical processes, and protecting them, as a result of the pandemic and in line with the recommendations by the Portuguese General Directorate of Health (abbreviated in Portuguese as DGS).

3.5. – PROPOSAL FOR CAPITAL ALLOCATION

Under the terms and for the purposes set forth in article 376, clause b) of the Portuguese Commercial Code, the Board of Directors of Generali Seguros, S.A. proposes a net income of EUR 49,489,993.75 for the year ended 2022 to be allocated as follows:

a) 10% of net income, amounting to EUR 4,948,999.37, to be allocated to legal reserves;
b) the remaining amount to be recorded in retained earnings.

3.6. – GOALS FOR 2023

After years of uncertainty in macroeconomic projections and economic and social instability caused by the Covid-19 pandemic, 2022 added two new variables with impacts that are even harder to manage. And if, on one hand, inflation was projected to surge, a war in Europe was less likely to be expected, let alone wanted. Despite these new challenges, new factors are likely to emerge in 2023, helping to ease the pressure on the economy and households.

On the other hand, inflationary pressures are projected to ease in 2023 driven by a slowdown in economic activity, according to data released by the Office for National Statistics.

Flash estimates released by the Office for National Statistics show that consumer price index averaged 7.8% in 2022, a record high in the last 30 years.

For the second month in a row, the annual inflation rate fell to 9.6% in December, partly driven by a decline in fuel and energy prices, said the Office for National Statistics.

On the other hand, the Bank of Portugal and the European Commission projected the harmonised consumer price index to drop to 5.8% in 2023, while the Public Finance Council anticipated it to fall further to 5.1% and the International Monetary Fund to 4.7%.

According to the Bank of Portugal, domestic economic activity grew twice as much as the euro area in 2022 and it is projected to grow around the triple in 2023. Even though GDP had fallen below growth projections made last June, domestic GDP experienced a slight, yet positive, rise and it is expected to increase by 1.5%.

Once again, tourism has played a fundamental role in economic growth, with forecasts pointing to an 8.3% increase in revenue brought in by foreign tourists in 2023, after an 80% surge in 2022 since Covid-19 restrictions had been lifted, the Bank of Portugal said.

The Bank of Portugal expects the labour market to withstand economic slowdowns in 2023. According to its last economic bulletin, unemployment rate is forecast to fall slightly to 5.6% in 2023 and remain stable until 2025.

Economic activity remained stable, with the labour market hitting full employment, exports accelerating and tourism hitting new highs, while, in the insurance sector, inflationary pressures pushed up insurance premiums, which are projected to continue to increase over 2023, with a focus on technical balance.

In 2023, companies and households will be faced with enormous challenges, namely inflation and rising interest rates, climate change and extreme natural hazards, ageing population, and access to healthcare services.

Adding to these challenges, the insurance sector, in particular, will face new regulatory requirements, namely IFRS 17, which will affect management models of insurance providers and their reports on sustainability, among others.

If, on one hand, challenges are significant, on the other hand, this is also a time of opportunity that calls for responsible decision-making.

In this context, insurance companies continue to place great emphasis on their own transformation processes to enhance differentiated value proposition, offering innovative products and custom services, simplifying and optimising processes to deliver excellent service quality and reduce operating costs, based on digital enablers.

In Portugal, Generali Seguros strives to be the first choice for customers, business partners, and employees, establishing itself as a lifetime partner and contributing to fulfil their dreams and projects by offering them a safe and protected future.

As a result, the company places great emphasis on three main goals for 2023:

1. strengthen the company's market position, with a focus on private customers, including seniors, and small and medium-sized companies;
2. improve agents' professional standards of practice, increase brand penetration in agents' portfolios and focus on channel development;
3. change working practices and align the organisation in response by improving management processes and increasing employee engagement.

The achievement of these goals relies on the following hallmarks:

1. Distributors
   1.1. Commercial dynamics
   Launch an ambitious marketing campaign plan, while incorporating gamification software;
   1.2. Leveraging digital impact on business activity
   Increase investment in lead generation and launch a health insurance calculator, available to business partners, featuring an online buying option, as it happened in the past with motor vehicle and home insurances;
   1.3. Consumer electronics - 5T advertising campaign
   Focus on customer-driven sales, while developing a digital tool for that purpose, promote distributors' training and capitalise a strong investment in 5T above-the-line advertising campaigns;
   1.4. Partner segmentation
   Apply value proposition associated with a new partner segmentation to attain an effective and custom response based on each group's profile.
2. Customers
   2.1. Focus on customer and humanise customer service are two primary goals, which means building a completely different relationship with the customer:
      - Adopt a customer-oriented mindset in journey mapping, product and service design to ensure operational optimisation and efficiency, reduce complexity of communications and simplify products and processes;
      - Make sale, payment, and claims processes more user-friendly, fast and efficient through smart automation;
      - Provide 24/7 customer support through self-service solutions (purchase, claims, payment, and support), using secure authenticated channels or *Whatsapp* and chatbot;
      - Enhance a 360-degree customer view, available in all channels.
   2.2. Differentiated value proposition
   Improve customer knowledge and understand its value to offer custom products, prices, and communications, based on predictive data modelling:
      - Address all customer needs offering a comprehensive solution pack, which incorporates information, prevention, protection, and assistance;
      - Recognise and value customers with greater value.
   2.3. Advanced multichannel experience
      - Encourage a proactive stance to build a strong advising relationship with existing customers, bolstering trust, and increasing engagement;
      - Encourage *phygital* contact to provide a multichannel experience and advise on custom and flexible solutions for each customer;
      - Develop sales network active listening skills by providing training courses aimed at creating new business opportunities.

This is the direction the company has chosen to take, aiming to materialise its business growth plan for 2023 and the future, in a sustainable fashion and in light of social and environmentally responsible practices.

3.7. – FINAL REMARKS

In a highly challenging year, the Board of Directors wants to express its gratitude to customers, agents, employees, and partners for contributing to the development and growth of the company.

Generali Seguros further expresses its gratitude to the Portuguese Association of Insurers for the support provided within its field of expertise and for acting in the best interest of the insurance sector.

A final word to thank the Insurance and Pension Funds Supervisory Authority for helping Generali Seguros bring another chapter of its history to a successful conclusion.

Lisbon, 8th March 2023

THE BOARD OF DIRECTORS

Jaime Anchústegui Melgarejo
(Chairman of the Board of Directors)

João Vieira de Almeida
(Vice-President of the Board of Directors)

Pedro Luís Francisco Carvalho
(Chief Executive Officer)

Patrícia Ribeiro Sanina Espírito Santo
(Member)

Riccardo Candoni
(Member)

Stefano Flori
(Member)

04 / Financial Statements

4. FINANCIAL STATEMENTS

BALANCE SHEET (ASSETS) AS AT 31 DECEMBER 2022 AND 2021

(in thousands of euros)

ASSETS	Notes to the Financial Statements	31 December 2022 Gross amount	31 December 2022 Impairments, depreciations / amortisations or adjustments	31 December 2022 Net value	31 December 2021
Cash and cash equivalents and demand deposits	8				82.916
Investments in subsidiaries, associate companies and joint ventures	7				
Financial assets held for trading	6	9.261		9.261	
Financial assets classified on initial recognition at fair value through profit or loss	6	8.495		8.495	9.733
Hedge derivatives					
Financial assets available for sale	6	2.094.432	43.444	2.050.988	2.411.809
Loans and Receivables		**21.057**	**15.000**	**6.057**	**30.047**
Deposits with ceding companies					
Other deposits	6	201		201	25.000
Loans granted	6	20.856	15.000	5.856	5.047
Receivables					
Others					
Investments held to maturity	6	910		910	879
Land and Buildings		**32.692**	**10.311**	**22.381**	**24.767**
Owner-occupied property	9	28.351	10.311	18.040	21.747
Income property	9	4.341		4.341	3.020
Other tangible assets	10	16.877	14.112	2.765	4.474
Inventories					
Goodwill	12	65.981		65.981	65.981
Other intangible assets	12	119.893	109.524	10.369	11.333
Ceded Reinsurance Technical Provisions		**238.161**		**238.161**	**250.848**
Unearned premium provision	4	35.138		35.138	35.309
Life mathematical provision	4	74.544		74.544	86.047
Provision for claims deviations	4	125.027		125.027	110.998
Provision for profit-sharing	4	3.452		3.452	18.494
Provision for rate commitments					
Provision for portfolio stabilisation					
Other technical provisions					
Assets for post-employment benefits and other long-term benefits	23	6.398		6.398	1.356
Other Debtors for Insurance Operations and Other Operations		**100.881**	**30.750**	**70.131**	**78.458**
Direct insurance receivables	13	49.865	7.557	42.308	52.773
Reinsurance receivables	13	14.860	6.080	8.780	9.362
Other operations receivables	13	36.156	17.113	19.043	16.323
Tax Assets		**182.265**		**182.265**	**77.539**
Current tax assets	24	35.865		35.865	13.922
Deferred tax assets	24	146.400		146.400	63.617
Accruals and deferrals	13	2.629		2.629	3.323
Other asset items	13	22.766		22.766	27.490
Non-current assets held for sale and discontinued operations	11	4.911		4.911	4.911
TOTAL ASSETS		**3.014.495**	**223.141**	**2.791.354**	**3.085.864**

THE CERTIFIED ACCOUNTANT CHIEF FINANCIAL OFFICER THE BOARD OF DIRECTORS

BALANCE SHEET (LIABILITIES AND EQUITY) AS AT 31 DECEMBER 2022 AND 2021

(in thousands of euros)

LIABILITIES AND EQUITY	Notes to the Financial Statements	31 December 2022	31 December 2021
LIABILITIES			
Technical Provisions		**2.287.045**	**2.361.616**
Unearned premium provision	4	241.173	228.826
Life mathematical provision	4	576.901	649.851
Claims Provisions		**1.412.927**	**1.351.081**
Life	4	89.945	80.183
Workers' compensation insurance	4	752.970	772.194
Other lines of business	4	570.012	498.704
Provision for profit-sharing	4	5.934	63.598
Provision for rate commitments	4	5.750	36.038
Provision for portfolio stabilisation	4	654	656
Provision for claims deviations	4	26.643	24.679
Provision for unexpired risks	4	17.063	6.887
Other technical provisions			
Financial liabilities of the deposit component of insurance contracts and operations considered for accounting purposes as investment contracts	5	39.292	37.628
Other Financial Liabilities		**120.586**	**147.927**
Hedge derivatives			
Subordinated liabilities	5	10.000	10.000
Deposits from reinsurers	5	89.616	112.794
Others	5	20.970	25.133
Liabilities for post-employment benefits and other long-term benefits	23	1.259	799
Other Creditors for Insurance Operations and Other Operations		**102.676**	**100.333**
Direct insurance receivables	13	64.230	68.452
Reinsurance receivables	13	19.837	22.226
Other operations receivables	13	18.609	9.655
Tax Liabilities		**19.350**	**27.294**
Current tax liabilities	24	19.350	27.294
Deferred tax liabilities			
Accruals and deferrals	13	81.369	66.276
Other provisions	13	3.877	1.227
Other liabilities			
Liabilities of a disposal group classified as held for sale			
TOTAL LIABILITIES		**2.655.454**	**2.743.100**
EQUITY			
Share capital	25	90.500	90.500
(Treasury shares)			
Other capital instruments	25	27.097	27.097
Revaluation Reserves		**-248.341**	**109.762**
For adjustment at fair value of financial assets	26	-248.805	109.762
For revaluation of owner-occupied property	9 e 26	464	
For revaluation of intangible assets			
For revaluation of other tangible assets			
For adjustments at fair value of cash-flow hedge instruments			
For adjustments at fair value of net investment hedges in foreign currency			
For exchange rate differences			
Deferred tax reserve	26	65.335	-30.831
Other reserves	26	166.363	155.374
Retained earnings	25	-14.544	-63.194
Net income for the period		49.490	54.056
TOTAL EQUITY		**135.900**	**342.764**
TOTAL LIABILITIES AND EQUITY		**2.791.354**	**3.085.864**

THE CERTIFIED ACCOUNTANT

CHIEF FINANCIAL OFFICER

THE BOARD OF DIRECTORS

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(in thousands of euros)

Profit or Loss Account	Notes to the Financial Statements	31 December 2022 Technical Life	Technical Non-Life	Non-Technical	Total	31 December 2021
Earned Premiums, Net of Reinsurance		**59.360**	**978.981**		**1.038.341**	**984.515**
Gross written premiums	14	72.040	1.115.009		1.187.049	1.136.683
Reinsurance ceded premiums	14	-12.267	-118.850		-131.117	-144.497
Provision for unearned premiums (changes)	4 e 14	-414	-18.359		-18.773	-8.197
Provisions for unearned premiums, reinsurers' share (changes)	4 e 14	1	1.181		1.182	526
Commissions of insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	15	171			171	184
Claims Costs, Net of Reinsurance		**110.523**	**664.413**		**774.936**	**735.525**
Paid amounts		102.036	624.343		726.379	671.625
Gross amount	4	123.071	677.019		800.090	774.600
Reinsurers' share	4	-21.035	-52.676		-73.711	-102.975
Claims provision (changes)		8.487	40.070		48.557	63.900
Gross amount	4	9.761	52.825		62.586	51.007
Reinsurers' share	4	-1.274	-12.755		-14.029	12.893
Other technical provisions, net of reinsurance	4	-28.818	12.140		-16.678	9.238
Life Mathematical Provision, Net of Reinsurance		**-69.328**			**-69.328**	**-96.998**
Gross amount	4	-83.079			-83.079	-120.441
Reinsurers' share	4	13.751			13.751	23.443
Profit-sharing, net of reinsurance	4	885			885	6.685
Net Operating Costs and Expenses	**21**	**20.006**	**263.254**		**283.260**	**270.723**
Acquisition costs		15.829	210.643		226.472	209.619
Deferred acquisition costs (changes)	4	-106	-6.319		-6.425	2.253
Administrative costs		8.464	65.572		74.036	75.546
Reinsurance commissions and profit-sharing		-4.181	-6.642		-10.823	-16.695
Income	**16**	**16.737**	**27.250**	**377**	**44.364**	**38.126**
Interest income from financial assets not recognised at fair value through profit or loss		15.275	19.759	361	35.395	33.236
Interest income from financial liabilities not recognised at fair value through profit or loss						
Others		1.462	7.491	16	8.969	4.890
Financial Costs	**16**	**618**	**6.026**	**20**	**6.664**	**7.246**
Interest cost for financial assets not recognised at fair value through profit or loss						
Interest cost for financial liabilities not recognised at fair value through profit or loss						
Others		618	6.026	20	6.664	7.246
Net Gains from Financial Assets and Liabilities Not Recognised at Fair Value Through Profit or Loss		**-25.883**	**-24.172**		**-50.055**	**5.319**
Financial assets avaliable for sale	17 e 18	-25.877	-24.172		-50.049	5.382
Loans and receivables						
Investments held to maturity						
Financial liabilities recognised at amortised cost	5 e 17	-6			-6	-63
Others						
Net Gains from Financial Assets and Liabilities Recognised at Fair Value Through Profit or Loss		**-40**	**9.145**	**-575**	**8.530**	**-736**
Financial assets and liabilities held for trading	19		9.261		9.261	
Financial assets and liabilities recognised at fair value through profit or loss	5, 17 e 18	-40	-116	-575	-731	-736
Exchange rate differences	19		-399	493	94	247
Sale of non-financial assets not classified as non-current assets held for sale and discontinued operational	17 e 18					35
Impairment Losses (Net of Reversal)		**-746**	**-151**	**1.242**	**345**	**-16.939**
Financial assets available for sale	6	-746	-151		-897	-19.866
Loans and receivables recognised at amortised cost						
Investments held to maturity						
Others	7, 12, 13 e 18			1.242	1.242	2.927
Other technical income/expenses, net of reinsurance	20	-11	-3.517		-3.528	-3.044
Other provisions (change)	13			-2.650	-2.650	-444
Other income/expenses	20			7.651	7.651	-1.175
Negative goodwill recognised directly in profit or loss						
Gains and losses from associate companies and joint ventures recognised using the equity method						
Gains and losses from non-current assets or disposal groups classified as held for sale	17 e 18					145
NET INCOME BEFORE TAX		**15.702**	**41.304**	**6.518**	**63.524**	**73.814**
Income tax for the period - Current tax	24			-650	-650	-14.300
Income tax for the period - Deferred tax	24			-13.384	-13.384	-5.458
NET INCOME FOR THE PERIOD		**15.702**	**41.304**	**-7.516**	**49.490**	**54.056**
Earnings Per Share (in euros)	27				0,55	0,10

THE CERTIFIED ACCOUNTANT

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05 / Statement of Other Comprehensive Income

5. STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(in thousands of euros)

	2022	2021
Net income for the years ended	**49.490**	**54.056**
Items that may be Reclassified in the Statement of Profit and Loss	**-261.937**	**-57.076**
Changes in fair value of assets available for sale	-358.567	-75.070
Changes in fair value of land and buildings	464	-
Changes in current and deferred taxes	96.166	17.994
Items that will not be Reclassified in the Statement of Profit and Loss	**4.846**	**3.635**
Changes in actuarial deviations recognised in reserves	4.846	3.635
Changes in current and deferred taxes	-	-
Total Other Comprehensive Income, Net of Taxes	**-257.091**	**-53.441**
Total Comprehensive Income for the Years Ended	**-207.601**	**615**

06 / Statement of Changes in Equity

6. STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(in thousands of euros)

		Other Capital Instruments	Revaluation Reserves			Other Reserves				
	Share Capital	Supplementary Capital Contributions	For adjustments at fair value of financial assets available for sale	For revaluation of owner-occupied property	Deferred and Current Tax Reserve	Legal Reserve	Other Reserves	Retained Earnings	Net Income for the Period	TOTAL
Balance as at 1 January 2021	**84.000**	**27.097**	**184.832**	**-**	**-48.825**	**49.903**	**99.497**	**-80.200**	**18.895**	**335.199**
Equity raising	6.500									6.500
Net gains for adjustment at fair value of financial assets available for sale			-75.070							-75.070
Adjustments for recognition of deferred and current taxes					17.994					17.994
Actuarial differences recognised in reserves							3.635			3.635
Share-based payment plans recognised in reserves							450			450
Appropriation of the previous year's returns						1.889		17.006	-18.895	-
Total Changes in Equity	**6.500**	**-**	**-75.070**	**-**	**17.994**	**1.889**	**4.085**	**17.006**	**-18.895**	**-46.491**
Net income for the year-end									54.056	54.056
Balance as at 31 December 2021	**90.500**	**27.097**	**109.762**	**-**	**-30.831**	**51.792**	**103.582**	**-63.194**	**54.056**	**342.764**
Net gains for adjustment at fair value of financial assets available for sale			-358.567							-358.567
Net gains for adjustment for revaluation of owner-occupied property				464						464
Adjustments for recognition of deferred and current taxes					96.166					96.166
Actuarial differences recognised in reserves							4.846			4.846
Share-based payment plans recognised in reserves							737			737
Appropriation of the previous year's returns						5.406		48.650	-54.056	-
Total Changes in Equity	**-**	**-**	**-358.567**	**464**	**96.166**	**5.406**	**5.583**	**48.650**	**-54.056**	**-256.354**
Net income for the year-end									49.490	49.490
Balance as at 31 December 2022	**90.500**	**27.097**	**-248.805**	**464**	**65.335**	**57.198**	**109.165**	**-14.544**	**49.490**	**135.900**

07 / Statement of Cash Flows

7. STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(in thousands of euros)

	2022	2021
Cash Flow from Operating Activities	**-4.603**	**20.103**
Net income for the years ended	49.490	54.056
Depreciation and amortisation for the years ended	12.001	13.510
Impairment of assets, net of reversal and recovery	-344	16.938
Variation of direct insurance technical provisions	-74.571	-66.362
Variation of ceded reinsurance technical provisions	12.687	39.768
Variation of liabilities for investment contracts	1.663	-24.460
Variation of other provisions	2.650	445
Variation of debtors for direct insurance, reinsurance, and other operations	7.887	42.779
Variation of other tax assets and liabilities	-16.503	-4.828
Variation of other assets and liabilities	-1.906	-23.762
Variation of creditors for direct insurance, reinsurance, and other operations	2.343	-27.981
Cash Flow from Investment Activities	**12.736**	**-36.353**
Variation of investments	-29.130	-62.923
Dividends received	7.901	4.392
Interest	38.520	25.801
Acquisitions of tangible and intangible assets	-4.583	-7.196
Disposals of tangible and intangible assets	28	3.573
Cash Flow from Financing Activities	**-4.163**	**16.326**
Variation of liabilities in lease contracts	-4.163	9.826
Equity capital subscription	-	6.500
Net Change in Cash and Cash Equivalents and Demand Deposits	**3.970**	**76**
Cash and cash equivalents at the start of the period	82.916	82.840
Cash and cash equivalents at the end of the period	86.886	82.916

08 / Notes to the Financial Statements

8. NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

NOTE 1 – GENERAL BUSINESS INFORMATION

Generali Seguros, S.A., hereinafter shortly referred as to the company, is an insurance company resulting from a merger by incorporation into Seguradoras Unidas, S.A. of the insurance companies Generali, Companhia de Seguros, S.A. and Generali Vida, Companhia de Seguros, S.A.

This merger was registered and came into effect on 1 October 2020, following approval by the management and supervisory bodies of the three entities involved and upon prior approval by the Insurance and Pension Funds Supervisory Authority (abbreviated as ASF in Portuguese). The incorporated companies ceased to exist on incorporation as at such date and Seguradoras Unidas, S.A. changed its corporate name to Generali Seguros, S.A. Nevertheless, the company's management bodies decided to preserve the brands Tranquilidade, Açoreana and LOGO for commercial reasons. Given that the three entities were under common control of a single shareholder Assicurazioni Generali, S.p.A., the merger was conducted based on the book value of assets and liabilities and under tax neutrality.

The incorporating company Seguradoras Unidas, S.A. was an insurance company resulting from a merger by incorporation into Companhia de Seguros Tranquilidade, S.A. of its wholly owned subsidiaries T-Vida, Companhia de Seguros, S.A., Seguros LOGO, S.A. and Açoreana Seguros, S.A. on 30 December 2016 (registry and effective date). On 15 January 2015, the company's total share capital was acquired by Calm Eagle Holdings, S.à r.l., a corporation controlled by Apollo Global Management, LLC's affiliated investment funds under prior approval by the ASF.

On 8 January 2020, Assicurazioni Generali S.P.A acquired the company's total share capital under prior approval by the ASF.

The company is headquartered in Lisbon, having its registered office at Avenida da Liberdade, 242, and is registered with the Commercial Registry Office of Lisbon under tax identification number 500 940 231. The company pursues insurance and reinsurance activities in Portugal within the scope of life and non-life insurance, except credit insurance, under the supervision of the ASF and under licence no. 1197 and LEI code no. 549300CGCHTYQ1Z4V333.

Following the merger, the company runs its business through its offices in Lisbon, Oporto, and Ponta Delgada. Its distribution network in Portugal is divided into 21 commercial zones (19 in mainland Portugal, the Azores, and Madeira), which are supported by local offices and a total of 685 physical points of sale scattered across the mainland and islands. By typology, the physical network consists of 13 own stores, namely 1 in Lisbon, 1 in Oporto and 11 stores in the Azores, and 672 partner stores under the brand Tranquilidade or Açoreana, in the Azores, out of which 292 are exclusive.

The company provides motor vehicle insurance, including motorcycle, home protection, life insurance (with critical illness cover for protection in the event of serious illness and also mortgage protection in the event of death) and health insurance plans through LOGO, an insurance digital brand launched in January 2008 and the first direct insurer to operate solely online, totalling 164,000 customers.

NOTE 2 – BUSINESS SEGMENT INFORMATION

The company provides life and non-life insurance in all lines of business under licence from the ASF and its underwriting policies and rules are designed to seek the best value for money for the company, its customers, and partners, using every information source available to assess the quality of physical, financial, and moral risks.

The operating segments herein reported correspond to a line of business framework typology.

The table below breaks down the main line items of the profit or loss account and their analysis focus on the most relevant life insurance lines of business:

(in thousands of euros)

2022	Total Life	Traditional	Capitalisation with Profit Sharing	Capitalisation without Profit-Sharing
Line Items of the Profit or Loss Account				
Gross written premiums	72.040	64.529	7.510	1
Investment contract commissions	171	-	-	171
Gross earned premiums	71.626	64.115	7.510	1
Investment results	-10.561	-9.437	-1.098	-25
Gross claims costs	132.832	83.193	49.582	57
Changes in mathematical provision	-83.079	-45.359	-37.720	-
Changes in provision for rate commitments	-30.288	-13.704	-16.584	-
Changes in provision for portfolio stabilisation	-1	-1	-	-
Profit-sharing	1.368	3.141	-1.773	-
Gross operating costs	24.187	22.097	1.733	357
Balance of reinsurance	-515	-515	-	-
Technical income	15.702	4.796	11.174	-267

(in thousands of euros)

2021	Total Life	Traditional	Capitalisation with Profit Sharing	Capitalisation without Profit-Sharing
Line Items of the Profit or Loss Account				
Gross written premiums	78.087	54.525	21.634	1.928
Investment contract commissions	184	-	28	156
Gross earned premiums	76.990	53.428	21.634	1.928
Investment income	15.271	10.638	4.221	412
Gross claims costs	168.760	32.268	56.780	79.712
Changes in mathematical provision	-120.441	-10.596	-43.199	-66.646
Changes in provision for rate commitments	4.905	-236	-716	5.857
Changes in provision for portfolio stabilisation	393	393	-	-
Profit-sharing	8.988	3.352	2.629	3.007
Gross operating costs	26.610	22.866	1.399	2.345
Balance of reinsurance	-5.143	-5.143	-	-
Technical income	-1.913	10.876	8.990	-21.779

The table below breaks down the main line items of the profit or loss account and their analysis focus on the most relevant non-life insurance lines of business:

(in thousands of euros)

2022	Total Non-Life	Workers' Compensation	Fire and Other Property Damage	Motor Vehicle	Other
Line Items of the Profit or Loss Account					
Gross written premiums	1.115.009	284.134	158.107	426.857	245.911
Reinsurance ceded premiums	-118.850	-10.031	-54.495	-2.592	-51.732
Gross earned premiums	1.096.650	282.742	154.435	419.654	239.819
Investment income	5.648	-8.339	2.859	8.635	2.493
Gross claims costs	729.844	149.352	110.731	330.351	139.410
Gross operating costs	269.896	61.244	43.966	99.187	65.499
Technical income	41.304	58.323	-23.666	-5.857	12.504

(in thousands of euros)

2021	Total Non-Life	Workers' Compensation	Fire and Other Property Damage	Motor Vehicle	Other
Line Items of the Profit or Loss Account					
Gross written premiums	1.058.596	278.197	150.392	405.957	224.050
Reinsurance ceded premiums	-121.306	-10.634	-55.754	-2.364	-52.554
Gross earned premiums	1.051.496	276.565	148.069	405.450	221.412
Investment income	442	-1.445	364	1.159	364
Gross claims costs	656.847	164.978	101.254	262.649	127.966
Gross operating costs	260.808	57.900	42.638	98.722	61.548
Technical income	74.088	41.462	-5.933	44.718	-6.159

NOTE 3 - PREPARATION BASIS OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

Presentation basis

The company's financial statements herein presented report to the financial year ended 31 December 2022, and have been prepared under the standards set forth in the *Plan of Accounts for Insurance Companies* issued by the ASF.

The standards established in the *Plan of Accounts for Insurance Companies* comply with the *International Financial Reporting Standards* (IAS/IFRS) as adopted by the European Union, pursuant to the Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July, and transposed into the Portuguese legal system by the Decree Law no. 35/2005 of 17 February, except for the application of IFSR 4 - Insurance Contracts, of which only the standards for classifying insurance contracts have been adopted.

The International Financial Reporting Standards (IFRS) comprise the accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessors.

In 2022, the company adopted the *International Financial Reporting Standards* and the relevant interpretations for annual periods beginning on 1 January 2022. The accounting policies were consistent with those used before to prepare the financial statements for the year ended 2021.

The aforesaid standards are broken down in Note 32. In accordance with the transitional provisions set forth in said standards and interpretations, comparative amounts are presented to meet the new disclosure requirements.

The accounting standards and interpretations issued recently but not yet effective and which the company has not yet applied to its financial statements can also be reviewed in Note 32, specifically the possibility provided by IFRS 4 amended version of applying IFRS 9 - *Financial Instruments* simultaneously with IFRS 17 - *Insurance Contracts*.

These financial statements are expressed in thousands of euros, rounded to the nearest thousand, and rounded amounts may not add to the unit in all cases.

These financial statements have been prepared in accordance with the historical cost principle, except for assets and liabilities recognised at fair value, namely financial assets available for sale, financial assets at fair value through profit or loss and investment properties. Other financial assets and liabilities, as well as non-financial assets and liabilities are recognised at amortised cost or historical cost less any impairment losses.

Non-current assets held for sale are recognised at their lower carrying amount or fair value, less costs to sell. Liabilities for services rendered associated with defined benefits are recognised at the present value of past liabilities with pension funds net of fund assets.

The preparation of the financial statements in compliance with the Plan of Accounts for Insurance Companies requires the company to make judgments and estimates and use assumptions that affect its accounting policies and the value of profits, costs, assets, and liabilities.

These estimates and assumptions are based on the most recent data available, supporting judgements on the value of assets and liabilities, the valuation of which is not supported by other sources. Actual results may differ from estimates.

Under the terms set forth in article 4 of the Decree Law no. 147/94 of 25 May, Generali Seguros is no longer required to report consolidated financial statements in Portugal, since these are prepared by the parent company Assicurazioni Generali, S.p.A., based in Italy.

The company's financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 8 March 2023 and are pending approval by the General Meeting.

Key accounting standards and value-based metrics criteria adopted

Investments in subsidiaries and associate companies

Subsidiaries

A subsidiary means an entity that is controlled by the company, including investment funds and securitisation vehicles. The company controls an entity when it holds rights to or is exposed to variations in revenue, resulting from its involvement with said entity, and may claim it by the power it holds over the relevant activities of that entity (de facto control).

Investments in subsidiaries are valued at acquisition cost less any impairment losses.

Associate companies

An associate company means any undertaking over which the company has considerable influence but has no control over its financial and operational policy.

It is assumed that the company has considerable influence when it holds more than 20% of the voting rights of its associate. Whenever the company holds, directly or indirectly, less than 20% of the voting rights of its associate, it is assumed that the company does not have considerable influence, except where such influence can be clearly demonstrated.

Investments in associate companies are valued at acquisition cost less any impairment losses.

Impairments

The receivable amount of investment in subsidiaries and associate companies is measured on an yearly basis, regardless of the existence of any indicators of impairment. Impairment losses are measured based on the difference between the receivable amount of investment in subsidiaries and associate companies and their book value. Impairment losses are recognised in profit or loss and are subsequently reversed in profit or loss, provided the estimated impairment loss is reduced in a subsequent period.

The receivable amount is determined based on the higher of an asset's fair value, less costs to sell, and its value in use, and it is calculated using valuation methodologies supported by discounted cash flows techniques, considering market conditions, time value and business risks.

Whenever a subsidiary's liabilities exceed its assets, in addition to impairments that need to be created to cancel the investment, the company makes a provision when it holds an obligation over a subsidiary's liabilities.

Financial assets

Classification

The company classifies its financial assets into different categories according to their purpose at the beginning of each transaction, namely:

- financial assets measured at fair value through profit or loss, which include:
  - financial assets held for trading, which are essentially securities that were bought to capture gains from short-term swing trading. Derivatives not designated as hedging instruments are also included in this category;
  - financial assets designated on initial recognition for measurement at fair value, with all changes in fair value reported in profit or loss, particularly when:
    - such assets are managed, assessed, and revised internally based on their fair value;
    - such designation eliminates an accounting mismatch;
    - such assets contain embedded derivatives;
  - financial assets available for sale, which include:
    - non-derivative financial assets that are held for an undetermined period of time;

    - financial assets that are initially recognised as available for sale;
    - all financial assets that do not fall into any other category;
- loans and receivables, which include financial assets with fixed or determinable payments that are not quoted in an active market, and also amounts receivable related to direct insurance and ceded reinsurance operations and transactions related to insurance contracts and other transactions;
- held-to-maturity financial assets, which include non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the positive intention and ability to hold to maturity and which did not fall into any other category. Any reclassification or sale of a held-to-maturity financial asset carried out far from maturity will require the company to reclassify all its held-to-maturity investments as available-for-sale for the current and the next two reporting periods, thus being unable to classify any other financial asset into this category.

Recognition, measurement and derecognition

The purchase or sale of financial assets at fair value through profit or loss and financial assets available for sale is recognised at the trade date, that is, the date on which the company commits itself to buy or sell an asset.

Financial assets are initially recognised at fair value, plus transaction costs, except for financial assets recognised at fair value through profit or loss. In these cases, transaction costs are directly recognised in profit or loss.

These assets are derecognised when (i) the company's contractual rights to the assets' cash flows expire; or when (ii) the company has transferred the assets and substantially all the risks and rewards of ownership.

Subsequent measurement

After initial recognition, financial assets are measured at fair value through profit or loss and all changes in fair value reported in profit or loss.

Investments classified as financial assets available for sale are recognised at fair value, with changes in fair value recognised in equity in the balance sheet. When these investments are derecognised or an impairment loss is identified, the cumulative potential gains or losses that were recognised in equity are transferred to the profit or loss account.

Changes in foreign exchange rates associated with these investments are also recognised in equity, namely shares, and in profit or loss, for debt instruments. Interest calculated at effective interest rate and dividends are also recognised in the statement of profit and loss.

The fair value of quoted financial assets is their current bid price. When financial assets are not quoted, the company estimates their fair value by using (i) valuation methodologies, such as the prices of similar transactions carried out recently under market conditions, discounted cash flow techniques and custom option pricing models to reflect the specifics and circumstances of the financial instrument; and (ii) valuation assumptions based on market information.

Loans and receivables are subsequently measured at amortised cost, based on the effective interest rate method.

Financial instruments, whose fair value cannot be measured reliably, are recognised at acquisition cost, net of impairment losses.

Transfers between categories

In October 2008, after amendments, the IASB reissued IAS 39 - Amendments to IAS 39 - *Financial Instruments: Recognition and Measurement*, and IFRS 7 - *Financial Instruments Disclosures*.

This amendment enables an entity to transfer financial assets at fair value through profit or loss to its available-for-sale financial asset portfolios, loans and receivables or hold-to-maturity financial assets, provided those financial assets meet the specifics of each category.

Additionally, financial assets initially recognised as available for sale may be recognised as consumer asset-backed securities and hold-to-maturity financial assets under specific circumstances.

Impairment

The company regularly assesses whether there is any evidence that a financial asset or a group of financial assets may be impaired. If any such evidence of impairment exists, the company calculates the receivable amount of the asset or group of assets and recognises the impairment loss in profit or loss.

A financial asset or a group of financial assets is impaired wherever there is any objective evidence of impairment as a result of one or more events that have occurred after initial recognition, such as: (i) for equity securities, a continued depreciation or significant decline in their market value; and (ii) for debt securities, when such event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reasonably estimated.

According to the company's policies in place, a significant decline refers to a 30% decrease in fair value of a financial instrument and continued depreciation is assumed as a decrease in fair value below the acquisition cost over a one-year period.

When there is evidence that a financial asset available for sale may be impaired, the cumulative potential loss recognised in equity, which corresponds to the difference between the asset's acquisition cost and its present fair value, less any impairment loss on the asset previously recognised in profit or loss, is recognised in profit or loss.

If, in a subsequent period, there is evidence that an impairment loss may have decreased due to changes in estimates used to determine the asset's receivable amount since the last impairment loss was recognised, the impairment loss is reversed in profit or loss until the reinstatement of the asset's acquisition cost, provided the increase in fair value is objectively related to an event occurring after the initial recognition of the impairment loss, except for shares or other equity instruments, where the increase in fair value of securities is recognised in reserves.

Derivative financial instruments

Derivatives are recognised at fair value on the trade date and regularly assessed for any subsequent change in fair value. Any gain or loss resulting from revaluation is recognised directly in the statement of profit and loss of the reporting period.

The fair value of derivatives corresponds to their market value, whenever available, or is determined based on valuation techniques, which include discounted cash flow models and option pricing models, wherever appropriate.

Embedded derivatives

Derivatives embedded in other financial instruments are treated separately and accounted for when their economic features and risks are not attached to the host instrument and the host instrument is not carried at fair value through profit or loss. These embedded derivatives are recognised at their fair value with changes in fair value recognised in profit or loss.

Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation to deliver cash or other financial asset, regardless of its legal form.

Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance operations and other liabilities. These financial liabilities are initially recognised (i) at fair value, less any transaction costs incurred, and (ii) subsequently at amortised cost, based on the effective interest rate method, except for investment contract liabilities, wherein the investment risk is borne by the policyholder, being recognised at fair value.

The company derecognises its financial liabilities when they are extinguished, that is, when the contractual obligation is either discharged, cancelled, or expired.

Foreign currency operations

Foreign currency transactions are converted into euros at the exchange rate on the transaction date. Monetary assets and liabilities measured in a foreign currency are converted into euros at the exchange rate at the balance sheet date. Exchange differences resulting from such conversion are recognised in profit or loss, except when those differences are classified either as a cash flow hedge or a net investment hedge. In these cases, exchange variations are recognised in equity.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are converted using the exchange rate on the transaction date. Non-monetary assets and liabilities measured at fair value in a foreign currency are converted into euros using the exchange rate at the date when their fair value was determined.

Tangible assets

The company's tangible assets are initially measured at acquisition cost, less accumulated depreciation, and impairment losses.

Subsequent costs with tangible assets are capitalised only if such assets are likely to generate value for the company. All repair and maintenance expenses are recognised as cost under the accrual basis of accounting. Land is not depreciated.

Depreciation of tangible assets is calculated on a straight-line basis at the depreciation rates broken down below that reflect the expected useful life of assets:

Asset Type	Number of Years
Owner-occupied properties	50
IT Hardware	3 a 4
Furniture and materials	4 a 8
Indoor fixtures and fittings	3 a 20
Machines and tools	5 a 8
Transport material	4
Other equipment	10
Right-of-use property	13
Right-of-use car fleet	4

The expected useful life of assets is revised at the date of each balance sheet and further adjusted, where appropriate, in accordance with the expected consumption pattern of future economic benefits that are expected to arise from the continued use of the asset.

When there is evidence that an asset may be impaired, IAS 36 requires its receivable amount to be estimated and the relevant impairment loss recognised, whenever the carrying amount of an asset exceeds its receivable amount. Impairment losses are recognised in the statement of profit and loss for the reporting period.

The receivable amount is determined based on the higher of an asset's fair value, less costs to sell, and its value in use, which is calculated based on the present value of estimated cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life.

Investment properties

The company classifies as investment properties any real estate property held for lease or capital appreciation or both.

Investment properties are initially recognised at acquisition cost, including transaction costs directly related, and subsequently at fair value. Changes in fair value determined at the date of each balance sheet are recognised in profit or loss. Investment properties are not depreciated.

Any subsequent related costs are capitalised whenever investment properties are likely to generate value for the company above the performance level initially estimated.

Non-current assets held for sale

Non-current assets are classified as held for sale when there is an intention to dispose of such assets and they are available for immediate sale and their sale is highly probable.

All non-current assets are measured in accordance with all applicable IFRS before being classified as non-current assets held for sale. After reclassification, these assets are measured at the lower carrying amount and fair value, less costs to sell.

Fair value is based on market value, which is determined based on the expected selling price obtained through regular evaluations made by the company.

These assets are subsequently measured at the lower of their carrying amount and the corresponding fair value, net of costs to sell, and they are not subject to depreciation. In the event of unrealised losses, these assets are recognised as impairment losses in profit or loss for the reporting period.

Intangible assets

The value in force (VIF) is recognised as an intangible asset, and it is depreciated over the period of recognition of future earnings on the insurance policies acquired. The value in-force business is the estimated present value of future cash flows at the acquisition date.

Costs incurred in the acquisition of software are capitalised, as well as any additional expenses borne by the company necessary to implement it. These costs are amortised on straight-line basis over the expected useful life of these assets, which usually averages about 3 years.

Any costs directly related to IT applications developed by the company, which are expected to generate value for the company beyond one reporting year, are recognised and recorded as intangible assets. These costs are amortised on a straight-line basis over the expected useful life of these assets, which, for the most part, does not exceed 5 years.

Any other expenses associated with IT services are recognised as costs when incurred. When there is evidence that an asset may be impaired, IAS 36 requires the receivable amount to be estimated and recognised as an impairment loss whenever the carrying amount of an asset exceeds its receivable amount.

The receivable amount is determined based on the higher of an asset's value in use and its market value, less costs to sell, and it is calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, time value and business risks.

Impairment losses are recognised in profit or loss.

Goodwill

Goodwill arising from a business acquisition is defined as the difference between the acquisition cost and the total or proportional fair value of the assets, liabilities, and contingent liabilities of such business, depending on the option taken.

Negative goodwill arising from an acquisition is recorded directly in profit or loss in the reporting period in which the business combination occurs.

The receivable amount of goodwill is measured on a yearly basis, regardless of any evidence of impairment. Potential impairment losses are recognised in profit or loss for the reporting period. The receivable amount is determined based on the higher of an asset's value in use and its market value, less costs to sell, and it is calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, time value and business risks.

Leases (IFRS 16)

At inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To conclude whether a contract conveys the right to control the use of an asset for a given period of time, the company assesses whether the three following conditions are met:

i) the contract involves the use of an identified asset, which may be implicitly or explicitly specified in the contract and is physically distinct or, in case of a portion of an asset, represent substantially all the capacity of the asset physically distinct. If the supplier has a substantive right to substitute the asset throughout the period of use, there is no identified asset;
ii) the company has the right to obtain substantially all the economic benefits from using the asset over the period of use; and
iii) the company has the right to determine the use of the identified asset. The company has the ability to determine the use of the identified asset when it has the most relevant decision-making rights to change how and for what purpose the asset is used. Occasionally, when the site where relevant decisions are made is predetermined, the company has the right to determine the use of the identified asset, if (i) the company has the right to operate the asset; or (ii) the company designs the asset in a way that it predetermines how and for what purpose the asset will be used throughout the period of use.

At the start or revaluation of a contract that contains a lease component, the company allocates the consideration payable to each lease component based on its relative standalone price. Nevertheless, for the lease of land and buildings in which the entity is a lessee, the company has elected not to separate non-lease components from lease components and account for all components as a single lease.

As a lessee

The company recognises a right-of-use asset and a lease liability at the start of the lease. The right-of-use asset is initially measured at cost, which comprises the amount equal to the lease liability at initial recognition, adjusted to any lease payments made before or at the start date, plus any additional direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site where it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the start date to the end of the useful life of the right-of-use asset or at the end of the lease term. The estimated useful life of a right-of-use asset is determined on the same basis as the useful life of property and equipment. Additionally, the right-of-use asset is reduced on a regular basis by impairment losses, if any, and adjusted to certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of any lease payments that are not paid at the start date, discounted using the interest rate implicit in the lease or, if the interest rate implicit in the lease cannot be readily determined, the company's incremental interest rate. The company usually uses its incremental borrowing rate as a discount rate.

Lease payments included in the measurement of lease liabilities comprise the following: (i) fixed payments, including in-substance fixed payments; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate at the start date; (iii) amounts expected to be payable under a residual value guarantee; and (iv) the exercise price of a purchase option that the company is reasonably certain to exercise, lease payments in the renewal period if the company is reasonably certain to exercise the renewal option, and payments of penalties for early termination of the lease, unless the company is reasonably certain not to exercise the termination option.

The lease liability is measured at amortised cost using the effective interest rate method and remeasured when there is a change in future lease payments resulting from a variation of an index or rate, if there is a change in the estimate of the amounts expected to be payable under a residual value guarantee, or if the company reassesses its option to purchase the underlying asset, extend the lease term or terminate the lease.

When a lease liability is measured in the aforementioned manner, an adjustment is made to the right-of-use asset that either corresponds to its carrying amount or is recognised in profit or loss if the carrying amount of the right-of-use asset is reduced to zero.

Short-term leases and leases of low-value assets

The company has chosen not to recognise any right-of-use assets and short-term lease liabilities with a lease term of 12 months or less and leases of low-value assets. Lease payments associated with these arrangements are recognised in profit or loss as an expense on a straight-line basis throughout the lease term.

Subleases

A sublease requires the lessee to enter into a sublease contract with a third party, acting as an intermediate lessor, while the head lease entered into with the original lessor remains valid and in effect.

The standard IFRS 16 – *Leases* requires a lessor to evaluate all subleases by reference to the right-of-use asset rather than to the underlying asset. The intermediate lessor, being also a lessee by reference to the head lease, is required to recognise an asset in its financial statements: a right-of-use asset arising from the original lease (if the lease is classified as an operating lease): or a financial asset, measured under IAS 39, arising from the sublease (if the lease is classified as a finance lease). If the head lease is a short-term lease, the sublease is classified as an operating lease.

Cash and cash equivalents

To prepare the statement of cash flows, the company considers the total of the *cash and cash equivalents and demand deposits* section to be cash and cash equivalents. Cash and its equivalents comprise the amounts recognised in the balance sheet with a maturity of three months or less from the balance sheet date, which comprise cash flows and deposits with credit institutions.

Reinsurance

Reinsurance contracts are reviewed to determine whether contract provisions suppose the transfer of a significant insurance risk. Reinsurance contracts that do not entail the transfer of a significant insurance risk are accounted for using the deposit method and recognised in loans as assets or liabilities on the reinsurance business. The amounts collected or paid under reinsurance contracts are recognised as deposits using the effective interest rate method.

In the course of its commercial activity, the company accepts and cedes business. The amounts payable or receivable on the reinsurance business comprise payables or receivables from insurance and reinsurance companies in accordance with the contract provisions laid down in the respective reinsurance treaties.

Accounting standards applicable to liabilities on accepted reinsurance under insurance contracts that entail a significant insurance risk are handled in a similar fashion to direct insurance contracts.

Employee benefits

Payroll liabilities are recognised under the standards set forth in IAS 19 – *Employee Benefits*.

Post-retirement benefit plan

The company takes on responsibility for providing its employees a set of benefits in addition to old-age and disability pensions emerging from the Social Security System under the terms set forth in the applicable *Collective Labour Regulation Instruments* (abbreviated as IRCT in Portuguese).

The company's liabilities regarding additional benefits to old-age and disability pensions (defined-benefit pension plan) are calculated individually for each plan on a yearly basis at the balance sheet date.

Labour relations within the company were originally governed by the *Collective Agreement*, published on the Labour Bulletin no. 32 of 29 August 2008, which set out that any employee admitted to the insurance sector before 22 June 1995 under this agreement would be entitled to receive a supplementary pension benefit of a pecuniary nature funded by the Social Security System. The company announced, in line with other insurance companies in similar circumstances, that the *Collective Agreement* would cease to be effective and applied as of 31 December 2016 with special regard to supplementary defined-benefit pension plans.

On 23 December 2011, a new *Collective Agreement for the Insurance Sector* was approved and published on the Labour Bulletin no. 2 of 15 January 2012, changing a set of benefits established previously. This collective agreement was later followed and superseded by the *Collective Labour Agreement*, published on the Labour Bulletin no. 4 of 29 January 2016.

The *Collective Labour Agreement* was later extended by a ministerial ordinance, published on the Labour Bulletin no. 25 of 8 July 2016, causing the schemes under this agreement to be applied to all employees of the company who were not affiliated with granting trade unions, except for employees affiliated with SINAPSA, National Union of Insurance Workers and Related.

Among the changes arising from the *Collective Agreement for the Insurance Sector* in 2012 that migrated to the *Collective Labour Agreement* approved in 2016, the following two were particularly noteworthy;

i) within post-employment benefits, employees were now covered by an individual defined-contribution plan;
ii) a loyalty bonus awarded to employees who stayed in the company for one or more multiples of five years, equal to 50% of their base wages and paid once the appropriate award conditions were met.

Regarding the change in the supplementary pension plan, whose nature shifted from a defined-benefit to a defined-contribution, and considering that fully funded past service liabilities related to old-age pensions due to active employees under the new agreement were converted into individual accounts for these employees, incorporating their individual pension plans, the company settled its liability under IAS 19.

Meanwhile, on 15 January 2019, the company entered into the first *Collective Bargaining Agreement* with the representatives of the trade unions in the insurance sector, namely: SINAPSA, National Union of Insurance Workers and Related; SISEP, Portuguese Union of Insurance Workers; and STAS, Union of Workers of the Insurance Business; which was published on the Labour Bulletin no. 5 of 8 February 2019, having superseded any prior *Collective Labour Regulation Instruments* applied in the company. In the specific case of the entities incorporated in 2020, the agreement was entered into on 8 March 2019 and published on the Labour Bulletin no. 13 of 8 April 2019.

The conditions and provisions laid down in this new *Collective Bargaining Agreement* have brought about changes into a set of benefits awarded to the employees of the company, namely:

i) regarding post-employment benefits, employees are still covered by a defined-contribution plan, under which the company will make a 3.25% contribution of an employee's annual base pay on a yearly basis, without prejudice to any employees in pre-retirement or retired before 1 January 2019, who are still covered by the pension schemes laid down in the *Collective Labour Regulation Instruments* applicable at the time of their early retirement or retirement;

ii) the former loyalty bonus is superseded by an annual career bonus, equal to 10% of an employee's monthly base pay for each complete year of service following a three-year period. This new bonus, which came into effect on 1 January 2020, may also take the form of a leave for a length of days, as an alternative to the pecuniary reward and/or based on age and seniority.

In 2021, the coexistence of two collective labour regulation instruments within the company, namely the *Collective Bargaining Agreement* of the merged Seguradoras Unidas, S.A., and the *Collective Labour Agreement* of the merged Generali Seguros, S.A. made it imperative to negotiate a single company agreement that would govern labour relations and benefits for all employees. In mid-October 2021, a new company agreement was signed by the parties involved for the next three years, which would become effective at the beginning of 2022, after being published on the Labour Bulletin no. 8 of 28 February 2022.

Defined-benefit plan

The company's net liability for the defined-benefit pension plan applicable to a limited number of cases is calculated separately for each plan by estimating the value of future benefits that each employee is due to receive in return for services rendered to date.

The benefit is discounted to determine its present value by applying the discount rate corresponding to high-quality corporate bonds, with a maturity similar to the average maturity of the plan's bonds. The company's net liability is determined after deducting the fair value of pension fund assets.

The company calculates pension interest earnings/costs by multiplying pension net assets/ liabilities (liabilities deducted from the fair value of pension fund assets) by the discount rate used for determining the aforesaid pension liabilities. On this basis, net interest earnings/costs include the interest cost on pension liabilities and the estimated return on pension fund assets, both measured based on the discount rate used to calculate liabilities.

Remeasurement of gains or losses, namely (i) actuarial gains or losses arising from differences between the actuarial assumptions used and the values effectively measured (experience gains or losses) as well as from any changes in actuarial assumptions, and (ii) gains or losses stemming from the difference between estimated returns on pension fund assets and the values obtained, are recognised under *Other reserves* in equity in other comprehensive income.

The company recognises in its statement of profit and loss a total net amount that includes (i) current service costs, (ii) the net pension interest income/cost, (iii) the effect of early retirements, (iv) past service costs and (v) the effects of any settlements or cuts incurred over the reporting period. The net pension income/cost is recognised in staff costs. Early retirement costs mean an increase in pension liabilities resulting from premature retirements, that is, a retirement before an employee reaches the retirement age.

The pension plan is funded by contributions paid each year by the company to cover projected pension liabilities, including supplementary benefits, where appropriate. The minimum liability funding is 100% for pension payables and 95% for past service of active employees.

At each reporting date, the company assesses the recoverability of any fund excess for each individual plan, based on the prospect of future contributions that may be required.

Defined-contribution plan

For defined-contribution plans, which encompasses most employees, any liabilities arising from benefits granted to the employees of the company are recognised as cost of sales, when due.

Without prejudice to any employee under the defined-benefit plan, the company had three defined-contribution plans in place on 31 December 2021, according to the employer's origin prior to the merger, whether it would be Tranquilidade, Açoreana or Generali, making annual contributions based on each employee's base pay. These defined-contribution plans were addressed to any active employee admitted to the company before 22 June 1995, as well as any employee who fulfilled the requirements set out in the new *Collective Labour Agreement*. The company has further established a defined-contribution plan for the chief executive officer.

Loyalty bonus

Still in force before the new *Collective Bargaining Agreement* had come into effect, the loyalty bonus amounted to 50% of an employee's pay, whenever an eligible employee had rendered service for one or more multiples of five years in the company. Loyalty bonus was determined using the same methodology and assumptions of post-employment benefits.

This benefit was applied to any employee under the 2016 *Collective Labour Agreement*, whose loyalty bonus of a pecuniary nature was due over the year of 2019, having been established a transition scheme in 2019, which set out the payment of an amount equal to 50% of the employee's actual pay or the entitlement to a paid leave for a length of days.

Actuarial deviations are recognised in profit or loss when incurred.

Career award

Career award became effective as of 1 January 2020 and amounts to 10% of an employee's actual monthly pay for each complete year of service after three years with the company. This award further comprises a leave for a length of days, as an alternative to the pecuniary reward and/or based on age and seniority.

Actuarial deviations are recognised in profit or loss when incurred.

Share-based payments

Employees and executive directors may also be granted share-based payments as a part of their remuneration package. Share-based payments are transactions in which the company receives services as consideration for equity instruments (equity-settled transactions).

The company has no obligation to settle these transactions in its own equity instruments, since they are to be settled in shares issued by the shareholder Assicurazioni Generali, S.p.A. Share-based payments are measured at the fair value of equity instruments on the grant date and are expensed at each reporting date over the vesting period, considering the best estimate of the number of equity instruments to be granted.

Health benefits

Additionally, the company granted a healthcare benefit to:

i) any former employee who had left the company by mutual agreement. This healthcare benefit takes the form of a health insurance plan with a 25% premium discount from the list price in effect at the policy start date. The plan is fee-free for the employee and any family member included in the health insurance of the company's health insurance plan, provided such employee is the policyholder at the contract termination date;

ii) to any active and pre-retired employee up to the retirement age, establishing a minimum cover for medical assistance on an inpatient and outpatient basis, with the applicable capital sums, deductibles, and copayments. These minimum guarantees laid down in the current *Collective Bargaining Agreement* do not compromise the existence or application of a more advantageous or comprehensive scheme to which employees may have access.

Defined-benefit plans are recognised and measured as pension-benefit plans.

Short-term benefits

Other short-term benefits, such as copaid school expenses with an employee's child, life insurances, discounts in other types of insurance and variable pays when due to employees, are recognised as an expense in the period to which they relate.

Taxes on income

The company is subject to taxation under the Corporation Tax and the Municipal Surtax, whose aggregate rate amounts to 22.5% for the reporting periods of 2022 and 2021, plus the respective State Surtax, computed under the terms of the Law no. 66-B/2012 of 31 December, which corresponds to the application of an additional rate of 3% on the portion of taxable income above EUR 1,500,000 and below EUR 7,500,000, 5% on the portion of taxable income above EUR 7,500,000 and below EUR 35,000,000, and 9% on the portion of taxable income above EUR 35,000,000.

Taxes on income comprise current and deferred taxes. Taxes on income are recognised in profit or loss, except when they relate to items recognised directly in equity, in which case they are also recognised in equity.

Taxes recognised in equity arising from the revaluation of available-for-sale investments are subsequently recognised in profit or loss when the gains and losses that gave rise to them are recognised in profit or loss.

Current taxes are calculated based on the taxable income for the reporting period, which differs from the accounting income due to adjustments to the tax base resulting from expenses or earnings that are not relevant for tax purposes, or which will only be considered in other reporting periods, as well as value adjustments intended for determining taxable capital gains.

Deferred taxes correspond to the impact on tax receivables or payables in future periods arising from deductible or taxable temporary differences between the carrying amount of assets and liabilities and their tax base used to determine taxable income.

Deferred tax liabilities are usually recognised for all taxable temporary differences, whereas deferred tax assets are only recognised up to the amount at which it is likely for future taxable income to exist and enable the use of the corresponding deductible taxable differences or carry forward tax losses.

Moreover, deferred tax assets are not recognised when their recoverability is brought into question due to any other situation, including differing interpretations of tax laws.

Deferred taxes are calculated based on tax rates that are anticipated to be in place at the reversal date of temporary differences, which correspond to the rates approved or substantially approved at the balance sheet date.

Provisions and contingent liabilities

A provision is recognised when there is a liability, that is, a present obligation, whether legal or constructive, resulting from past events and payment is likely to occur in the future and the amount can be estimated reliably. The provision amount corresponds to the best estimate of the amount payable to settle the liability at the balance sheet date.

If future disbursement of resources is unlikely, then it is a contingent liability. Contingent liabilities are subject to disclosure unless they are unlikely to materialise.

Recognition of interest income

Interest income on assets available for sale carried at fair value in profit or loss is recognised in the specific line items of profit or loss. Amortised cost is calculated using the effective rate method and its impact recognised in investment income.

The effective interest rate is the rate that discounts estimated future payments or receipts over the expected life of a financial instrument. To calculate the effective interest rate, the future cash flows are estimated considering the contract terms of the financial instrument, for example an advanced payment option, and not considering, however, any future credit losses. The calculation includes the commissions that are an integral part of the effective interest rate, transaction costs and all the premiums and discounts directly related to the transaction.

Dividends received

Income on capital instruments (dividends) is recognised when received.

Earnings per share

Basic earnings per share are calculated by dividing the net income of the company by the weighted average number of common shares issued.

Offsetting financial instruments

Financial assets and liabilities are recognised at net value in the balance sheet when the company has a legally enforceable right to set-off and intends either to settle them on a net basis or realise financial assets and settle financial liabilities simultaneously.

Allowance for doubtful debts

By reference to the presentation date of each financial statement, the company assesses whether there is any evidence of impairment of assets arising from insurance and reinsurance contracts, namely receivables from insured persons, insurance brokers, reinsurers and reinsured persons, and technical provisions for ceded reinsurance, and other receivables as well.

If any impaired loss is identified, the carrying amount of the asset is reduced in profit or loss for the reporting period and the cost reflected in impairment losses, net of reversal. The amounts of these adjustments are calculated based on premium receivables and doubtful debts, according to the criteria set out by the ASF.

Reporting by operating segments

The company determines and presents operating segments based on management information produced internally.

A business operating segment is an identifiable component of the company intended to provide a single product or service or a bundle of correlated products or services within a specific economic environment and which is subject to risks and benefits that are distinguishable from others that operate in a different economic environment.

The company controls its business activity through the main operating segments mentioned in Note 2. The company has not adopted the standard IFRS 8 as it is not a listed entity. The information presented meets the disclosure requirements set out by the ASF.

KEY ESTIMATES AND JUDGEMENTS USED FOR PREPARING THE FINANCIAL STATEMENTS

The *International Financial Reporting Standards* (IFRS) set out a number of accounting procedures and require the Board of Directors to make certain judgments and estimates deemed necessary to decide on the most appropriate accounting policy.

Key accounting estimates and judgments used by the company in the application of accounting standards are reviewed as described ahead to expand insight into the extent of their application and impact on the financial information reported and disclosed by the company.

Considering that there are alternatives to the accounting policies adopted by the Board of Directors, the financial information reported by the company could have been different if other accounting policies had been chosen. The Board of Directors considers that the choices made are appropriate and the financial statements truly depict the financial position of the company and the results of its operations in all their materially relevant aspects.

The analysis of the alternatives described ahead is meant only to provide insight into the financial statements and is not intended to suggest that other alternatives or estimates are more appropriate.

Fair value of financial instruments and other assets at fair value

The fair value of a financial instrument is based on its quoted market price, whenever available. In the absence of a quoted market price, the fair value of a financial instrument is measured based on prices used in similar transactions carried out recently under market conditions or based on valuation methodologies supported by future discounted cash flows, considering market conditions, time value, yield curve and volatility factors.

Certain assumptions or judgments may be required to estimate fair value when using these methodologies.

Consequently, different methodologies or different assumptions or judgments when applying a given model are likely to lead to different financial returns from those reported.

Impairment of financial assets available for sale

The company determines whether any of its financial assets available for sale is impaired when there is a continued or significant depreciation of the fair value of an asset. Judgement is required when there is a continued or significant depreciation in value.

According to the company's policies in place, a significant decline refers to a 30% decrease in fair value of a financial instrument and continued depreciation is assumed as a decrease in fair value below the acquisition cost over a one-year period for financial instruments and events that change estimated future cash flows for debt securities.

In addition, valuations are obtained through market prices or valuation models that require the use of certain assumptions or judgments to estimate fair value.

Consequently, alternative methodologies, different assumptions and estimates are likely to lead to a different revaluation of a recognised impairment loss and impact differently on financial returns reported by the company.

Corporate income tax and deferred taxes

Certain interpretations and estimates are required to determine the amount of corporate income tax. Other interpretations and estimates could result in a different amount of corporate income tax, current and deferred, recognised in the period.

In accordance with tax laws currently in force, tax authorities may revise the calculation of the tax base made by the company over a four-year period or longer, if deducted tax losses are called into question, in the case of which a period equal to the time limit for tax loss deduction is applied.

Therefore, corrections to tax base are likely to occur mostly as a result of differing interpretations of tax laws. Nonetheless, the Board of Directors is firmly convinced that there will be no need for significant corrections to taxes on income reported in the financial statements.

Additionally, the company assesses the recoverability of deferred tax assets. This assessment is based on an estimate of future taxable income, which comprises (i) the business plan approved by the management body, and (ii) the expected reversal of temporary differences arising from the difference between the carrying amount of an asset in the balance sheet and its tax base as laid down in the applicable tax law.

Any changes in the estimate approach are likely to affect the determination of the receivable amount of deferred tax assets.

Goodwill impairment

The receivable amount of goodwill recognised in the company's assets is revised yearly by reference to the end of the period or whenever there is evidence of impairment.

For this purpose, the carrying amount of a goodwill asset is compared to its receivable amount. A goodwill impairment loss is recognised whenever the receivable amount of the entity being tested is lower than its carrying amount.

When unavailable, a market price is established based on discounted value techniques using a discount rate that takes into consideration the risk associated with the unit being tested. Judgement is required for determining future cash flows and the discount rate.

Future cash flows are determined based on the business plan approved by the management body. Any changes in the estimate approach are likely to affect the determination of the receivable amount of the company.

Investment contract-related technical provisions and liabilities

The company's insurance contract liabilities are determined based on the methodologies and assumptions described in Note 4. These liabilities reflect a quantifiable estimate of the impact of future events on the company's accounts, based on actuarial assumptions, claims tracking record and other methods accepted in the insurance sector.

Technical provisions for traditional life products and annuities have been determined based on several assumptions, namely mortality, longevity, and interest rate, applicable to each insurance cover, including risk margin and uncertainty.

Technical provisions for workers' compensation products have been determined based on several assumptions, namely mortality, longevity, and interest rate, applicable to each insurance cover, including risk margin and uncertainty.

These assumptions have been used based on the company's past experience and the market. These assumptions may be subject to revision, if it is anticipated that future experience will prove them to be inadequate.

Technical provisions arising from insurance and investment contracts with discretionary profit-sharing include (i) provision for profit-sharing allocated or to be allocated, (ii) provision for unearned premiums, (iii) provision for current risks, (iv) liability adequacy test, (v) provision for reported and unreported claims, including their settlement costs, (vii) mathematical provision for life insurance contracts, (vii) provision for portfolio stabilisation and (viii) provision for rate commitments.

Mathematical provision incorporates the valuation resulting from the liability adequacy test. Provision for profit-sharing includes liabilities measured through shadow accounting. Provision for claims comprises an estimate of claim liabilities incurred at the balance sheet date.

Whenever there are compensable claims under insurance contracts, any amount paid or estimated to be paid by the company is recognised as a loss in profit or loss.

The company establishes the provisions for the payment of claims arising from insurance and investment contracts with profit-sharing and assesses its liabilities on a regular basis, using actuarial methodologies and considering their reinsurance covers. Provisions are reviewed on a regular basis by qualified actuaries.

The company records provisions for non-life claims to cover payments to be made, considering the estimated ultimate cost for reported and unreported claims at the end of each balance sheet date.

Claims provisions are not an accurate calculation of the liability amount, but rather an estimate that arises from the application of actuarial valuation techniques. The estimate of these provisions reflects the company's expectation on the ultimate cost of claim settlement based on the analysis of facts and circumstances known to date, the review of claim settlement patterns and the estimate of the trends as for incidence and claim-related costs and other factors.

Variables used to estimate provisions may be affected either by internal or external events, specifically changes in claim management processes, inflation, and legislation. Many of these events are not directly quantifiable, particularly on a prospective basis.

Additionally, there may be a considerable time lag between the moment the insured event (claim) occurs and the moment the claim is reported to the company. Provisions are reviewed on an ongoing regular basis as additional information is received and liabilities settled.

In view of the foregoing and considering the nature of the insurance business, it is highly subjective to establish claims provisions and other liabilities arising from insurance contracts, which means that the present value of future cash outflows may be substantially different from estimates.

Nevertheless, the company considers that the insurance contract liabilities recognised in its financial statements appropriately reflect the best estimate, at the balance sheet date, of the amounts to be disbursed by the company.

NOTE 4 – NATURE AND EXTENT OF THE LINE ITEMS AND RISKS RESULTING FROM INSURANCE CONTRACTS AND REINSURANCE ASSETS

Information reporting to identify and explain the amounts recognised in the financial statements resulting from insurance and investment contracts

Accounting policies adopted for insurance and investment contracts

The company issues contracts that include either an insurance or a financial risk or a combination of both.

The company classifies as an insurance contract any contract under which the company accepts a significant insurance risk from another party by agreeing to compensate the insured person if a specific uncertain future event adversely affects said person.

A contract issued by the company under which a non-significant insurance risk and a significant financial risk are transferred, mainly due to profit-sharing with a discretionary component on the company, is classified as an investment contract, but recognised and measured in accordance with the accounting policies applicable to insurance contracts.

A contract issued by the company where solely a financial risk is transferred, without profit-sharing with a discretionary component on the company, is recognised as a financial instrument.

Life contracts issued by the company under which the investment risk is borne by the policyholder (Unit Linked), without profit-sharing with a discretionary component on the company, have been classified as investment contracts and accounted for as financial instruments. Liabilities are equal to the value of the associated investment fund, less management fees, redemption fees and any penalties.

Unit-linked contracts held by the company are classified as financial liabilities at fair value in profit or loss, which depends on the fair value of financial assets, derivatives and/or investment properties that are part of the collective unit-linked investment fund. Valuation techniques are used to determine the fair value at the issuance date and each balance sheet date.

The fair value of financial liabilities is determined through shares, which reflect the fair value of assets that incorporate each investment fund, multiplied by the number of shares assignable to each policyholder at the balance sheet date.

Unit-linked insurance contract liabilities represent the capitalised value of the premiums received at the balance sheet date, including the fair value of any guarantees or embedded derivatives. Insurance contracts and investment contracts with profit-sharing are recognised and measured as follows:

Recognition of gains and losses

Gains and losses incurred are recognised in the year to which they relate, regardless of the moment in which they are paid or received, in accordance with the accrual basis accounting principle.

Premiums

Gross written premiums of non-life direct insurance and accepted reinsurance and premiums of ceded reinsurance are recognised as income or expenses respectively under the line item *Earned premiums, net of reinsurance*, in the statement of profit and loss for the year to which they relate, regardless of the moment in which they are paid or received.

Premiums of life insurance policies and investment contracts with discretionary profit-sharing, which are considered long-term contracts, are recognised as income when due by policyholders.

The recognition of benefits and other expenses occurs simultaneously with the recognition of income over contract length. This matching is attained by establishing provisions/liabilities for insurance and investment contracts with discretionary profit-sharing.

The quantitative analysis of premiums of direct insurance, accepted reinsurance and ceded reinsurance is discussed in detail in Note 14.

Unearned premium provision

An unearned premium provision is equal to the amount of written premiums of insurance contracts allocated to subsequent years, that is, the portion of premium corresponding to the number of days from the balance sheet closing date to the end of the period to which the premium relates. The company calculated this provision on a receipt-by-receipt basis, having applied the pro-rata temporis method to the gross written premiums of contracts still in effect.

Acquisition costs

Acquisition costs that are directly or indirectly related to the sale of contracts, including sales commissions and other expenses allocated to the procurement function, are capitalised, and deferred over contract length and are recognised as a deduction from technical provisions of insurance contracts and reflected in unearned premium provisions.

Deferred acquisition costs are subject to recoverability tests when contracts are issued and further subject to impairment tests at the balance sheet date. Non-life deferred acquisition costs are amortised over the period in which the premiums associated with these contracts are received.

Life mathematical provision

Life mathematical provisions are intended to recognise the present value of the company's future liabilities arising from underwritten insurance and investment contracts with discretionary profit-sharing and are calculated based on actuarial tables and formulas in accordance with the regulations issued by the ASF, as broken down below:

Products Stemming Originally from Tranquilidade	Mortality Table	Technical Rate
Retirement Savings Plans and Capitalisation Products (*)		
Up to December 1997	GKM 80	4%
From January 1998 to June 1999	GKM 80	3,25%
After 1 July 1999	GKM 80	3% and 2,5%
After March 2003	GKM 80	2,75%
After 1 January 2004 (**)	GKM 80	0% and 0,883%
PET SATA 5109		2%
Insurance in case of Life (*)		
Annuities – Up to June 2002	TV 73/77	4%
After 1 July 2002	TV 73/77	3%
After 1 January 2004	GKF 95	3%
After 1 October 2006	GKF 95 and GKF 80	3%, 2,25%, 1,15% e 0%
Other insurance in case of Life	TV 73/77	4%
Insurance in case of Death (*)		
Up to December 2004	GKM 80	4%
After 1 January 2005	GKM 80	4%
After 1 January 2008	GKM 80 and GKM 95	4%
After 1 October 2013	PASEM / F 2010	0%
After 1 January 2020	PASEM / F 2010 and GKM95	0%
Mixed Insurance (*)		
Up to September 1998	GKM 80	4%
After 1 October 1998	GKM 80	3,25%
Hybrid Insurance(***)		
Start in November 2021	GKM 95	annual variable

(*) Product technical bases according to the year in which products were traded.
(**) Rates determined annually. The rate was 0,15% in 2022.
(***) Rates determined annually. The rate was 0,40% in 2022.

Products Stemming Originally from Açoreana	Mortality Table	Technical Rate
Retirement Savings Plans and Capitalisation Products (*)		
Up to December 1998	GKM 80	4%
From January 1999 to June 2003	GKM 80	3%
From August 2003 to September 2011	GKM 80	3% and variable
After 3 October 2011 (**)	GKM 80	0% and 3%
Insurance in case of Life (*)		
Annuities – Up to December 1997	PF 6064	6%
After 1 December 1997	GKF 80	3% and 4%
After 1 January 2007	GKF 95 and GKF 80	2% and 3%
After 1 October 2016	GRF 95	1,5%
Insurance in case of Death (*)		
Up to April 2013	GKM 80	3% and 4%
After 1 April 2013	GKM 95	3% and 4%
Mixed Insurance (*)		
Up to February 2001	PM 6064	4%
After 1 March 2001	GKM 80	3% and 4%

(*) Product technical bases according to the year in which products were traded.
(**) Rates determined annually. The rate was 0,15% in 2022.

In relation to the portfolio of Açoreana Seguros, S.A. acquired on 5 August 2016, and for the purpose of determining its fair value, liabilities have been discounted by using the European Insurance and Occupational Pensions Authority (EIOPA)'s risk-free interest rate curve, with volatility adjustment.

Products Stemming Originally from Generali Vida	Mortality Table	Technical Rate
Retirement Savings Plans and Capitalisation Products (*)		
Up to December 1998		4%
From January 1999 to May 2012		3%
After May 2012 (**)		annual variable
Insurance in case of Life (*)		
Lifetime and temporary annuities		
Up to December 1999	TV 73/77	4%
After 1 January 2000	GRM 95 / GRF 95	between 3% and 2%
After 1 July 2013	Unisex (GRM/F 95 basis)	between 2.75% and 0.5%
Reversionary annuities and with reinsurance	Unisex (GRM/F 95 basis)	between 2.75% and 0.5%
Insurance in case of Death (*)		
Whole life insurance		
Up to April 2000	GKM 80	4%
From May 2000 to January 2015	GKM 95	3%
After January 2015	Unisex (GRM/F 95 basis)	3% and 2,5%
Level term life insurance		
Up to May 2000	GKM 80	4%
From June 2000 to May 2009	GKM 95	3%
From June 2009 to February 2015	SIM 2000	3%
After February 2015	Unisex (SIM/F 2000)	3%
Level term life insurance packages	SIM 2000	3%
TAR		
Up to April 2010	GKM/F 95	3%
From March 2017	SIMF 2000, SIM/F 2006, SIM/F 2012, Unisex (SIM/F 2000), Unisex (SIM/F 2006), Unisex (SIM/F 2012)	3%
TAR GROUP	GKM 80 or SIM 2000	4% and 3%
Mixed Insurance (*)		
Up February 1996	PM 6064	4%
From March 1996 to December 1998	GKM 80	4%
From January 1999 to March 2015	GKM 80	3%

(*) Product technical bases according to the year in which products were traded.
(**) Rates determined annually. The rate was 0.15% in 2022.

With reference to 31 December 2022, the mortality table considered in the valuation of guaranteed lifetime annuities was 100% of PERMP/PERFP 2000 (2021: 100% of PERMP/PERFP 2000).

Rate commitment provision

The company carries out a liability adequacy test based on future cash flows, considering the mortality rate projected. These cash flows are discounted at interest rates that correspond to the revenue brought in by assets related to such liabilities, including an estimate of future revenue brought in by assets to be acquired in reinvestment according to the investment policy approved. This valuation is carried out by an autonomous fund.

The valuation is based on the present value of the aforesaid cash flows, resulting in the implicit rates comprised between 0.4% and 4.2% (2020: between 0.08% and 2.3%).

Non-life mathematical provision

Non-life mathematical provisions are intended to recognise the present value of the company's future liabilities arising from underwritten insurance contracts and are calculated based on actuarial methods recognised under the terms of the applicable laws.

For non-reimbursable pensions, including future payments for the Workers' Compensation Fund, it was applied to men 100% of the mortality table used by the Portuguese Office for National Statistics for the male population in the period between 2018-2020 (2021: INE 2018-2020) and to women 100% of the mortality table for the female population (2020: INE 2018-2020), with a 3.25% discount rate (2021: 2.11%), which corresponds to future returns brought in by assets allocated to workers' compensation, and a 2.0% management fee (2021: 1.5%). For reimbursable pensions, it was applied the TD 88/90 mortality table (2021: TD 88/90) with a 5.25 % interest rate (2021: 5.25%) and a 0% management fee (2021: 0%).

In relation to the portfolio of Açoreana Seguros, S.A. acquired on 5 August 2016, and for the purpose of determining its fair value, liabilities have been discounted by using the EIOPA's risk-free interest rate curve with volatility adjustment.

Claims provision

Claims provision is the undiscounted estimated value of future cash flows to be paid for claims incurred and still not settled, including liability estimates for claims incurred, but not yet reported (IBNR) and other direct and indirect costs expected from the settlement of outstanding claims under ongoing management and claims incurred, but not yet reported (IBNR).

The company estimates the provision for reported and unreported claims based on past experience, available information, and the application of actuarial methods.

To determine claims provision, the company analyses all claims still to be settled at the end of each year and estimates any subsequent liabilities existing at the time. The company uses the average cost method to establish the provisions for both workers' compensation insurance, excluding pensions, and motor insurance. The average cost method is also used to determine the provisions for claims handling costs.

The company makes actuarial estimates based on triangulations of paid claims, considering the specifics of each line of business, to establish liabilities arising from claims incurred, but not yet reported (IBNR), for its major lines of business. As to minor lines of business, a generic rate is applied to the amount of claim-related costs incurred over the year for reported claims.

A mathematical provision is also established for workers' compensation claims incurred up to 31 December 2022 that require the payment of pensions previously approved by the Labour Court or under a prior conciliation agreement. The company also estimates pension liabilities for claims incurred up to 31 December 2022 that are pending on a final agreement or court ruling.

Mathematical provisions for claims incurred, involving the payment of lifelong pensions related to workers' compensation insurance, are calculated using actuarial assumptions by reference to actuarial methods legally recognised and under the applicable labour laws.

It is also established a mathematical provision to cover pension liabilities for claims incurred related to potential permanent disabilities of claimants undergoing treatment (lifelong assistance) up to 31 December 2022 or claims incurred, but not yet reported (IBNR).

Claims provisions are not discounted, except for worker's compensation insurance claims that are calculated based on life techniques or similar. Therefore, the company carries out a liability adequacy test based on projected future cash flows, discounted at interest rates that correspond to the revenue brought in by assets related to such liabilities. An inadequacy, if any, will be recognised in profit or loss, when determined.

As at 31 December 2022, the implicit rate considered in the liability adequacy test was 3.25% for a 11.8-year duration (2021: a 2.11% rate for a 12.9-year duration).

Provision for attributable profit-sharing

The provision for attributable profit-sharing corresponds to the amounts payable to insured persons or beneficiaries of insurance and investment contracts by sharing a portion of profit that has not been allocated or incorporated.

This provision is calculated according to the product technical basis and considering, whenever applicable, the revenue generated by allocated asset portfolios, including realised and unrealised capital gains and losses that were not recognised in profit or loss and also impairment losses reported in the period, deducted from negative balances in previous years, in cases where this deduction has been contractually fixed.

Provision for attributable profit-sharing in life (shadow accounting)

The provision for attributable profit-sharing in life insurance reflects the net value of potential capital gains and losses (fair value adjustments) of financial assets related to liabilities arising from insurance and investment contracts with profit-sharing, in the portion estimated to be attributed to policyholders or insurance contract beneficiaries, provided that portfolio balances are not negative, and based on the expectation that they will participate in such unrealised gains and losses when they are realised, in accordance with applicable contract and regulatory conditions.

This provision is recognised directly against revaluation reserves through fair value adjustments of financial assets available for sale allocated to life products with profit-sharing.

Current risks provision

The provision for current risks corresponds to the amount estimated to cover future compensations and other costs to be incurred after the year end and which exceed the value of premiums attributable to subsequent years in connection to contracts still in force at the financial statement date.

As set forth by the ASF, the provision amount for current risks will be equal to the sum of the gross written premiums attributable to the following year or years (unearned premiums) and the premiums demandable and still not processed related to contracts still in force, by a ratio based on the sum of claims, costs, and cession ratios at which the investment ratio is deducted.

Claims rate deviation provision

The provision for claims rate deviations is intended to cover exceptionally high claims rates in those lines of business wherein, by virtue of their nature, major swings are projected to occur throughout time. This provision is established for rent guarantee, atomic risk, and seismic hazard zone insurances.

In relation to rent guarantee and atomic risk insurances, the provision is established when these lines of business have a positive technical result. This provision is calculated based on specific rates established by the ASF and applied to the technical result. In relation to seismic hazard zone insurance, this provision is calculated by applying a risk factor, defined by the ASF for each seismic zone, to the capital retained by the company.

Ceded reinsurance provisions

Provisions for ceded reinsurance are determined by applying the aforesaid criteria for direct insurance, while taking into consideration ceding commissions and other conditions set forth in the treaties currently in force. Depending on whether the reinsurance derives from direct insurance or ceded reinsurance, the claims provision is calculated in accordance with the appropriate regulations.

Changes in technical provisions for direct insurance and reinsurance

The provision for unearned premiums (abbreviated as UPR in English) of direct insurance and accepted reinsurance is listed as a liability on the balance sheet, net of deferred acquisition costs (DAC), and analysed as depicted in the table below:

(in thousands of euros)

BALANCE SHEET	2022			2021		
Lines of Business / Groups of Lines of Business	**Gross UPR**	**DAC**	**Net UPR**	**Gross UPR**	**DAC**	**Net UPR**
Life	5.618	810	4.808	5.205	704	4.501
Personal accident and sickness	46.235	9.482	36.753	40.350	7.409	32.941
Fire and other property damage	58.279	12.570	45.709	54.606	10.858	43.748
Motor vehicle	157.446	29.166	128.280	150.243	27.226	123.017
Marine, air, and transport	1.350	262	1.088	1.368	261	1.107
General third-party liability	6.781	1.370	5.411	6.415	1.209	5.206
Loan and collateral	31	8	23	39	10	29
Legal protection	4	1	3	4	1	3
Assistance	22.612	4.083	18.529	21.356	3.645	17.711
Others	701	132	569	699	136	563
Total	**299.057**	**57.884**	**241.173**	**280.285**	**51.459**	**228.826**

Changes in provision for unearned premiums of direct insurance and accepted reinsurance are measured at gross value and recognised in profit or loss in earned premiums, and deferred acquisition costs (DAC) are reflected in costs of sales. Changes in provision can be analysed as follows:

(in thousands of euros)

PROFIT OR LOSS	2022			2021		
Lines of Business / Groups of Lines of Business	Gross UPR	DAC	Net UPR	Gross UPR	DAC	Net UPR
Life	414	106	308	1.097	179	918
Personal accident and sickness	5.885	2.073	3.812	3.047	-47	3.094
Fire and other property damage	3.673	1.712	1.961	2.322	-237	2.559
Motor vehicle	7.203	1.940	5.263	508	-1.821	2.329
Marine, air, and transport	-18	1	-19	88	-28	116
General third-party liability	366	161	205	163	-125	288
Loan and collateral	-8	-2	-6	-17	2	-19
Legal protection	-	-	-	-	-	-
Assistance	1.256	438	818	931	-185	1.116
Others	2	-4	6	58	9	49
Total	**18.773**	**6.425**	**12.348**	**8.197**	**-2.253**	**10.450**

The provision for unearned premiums of ceded reinsurance is recorded as an asset in the balance sheet, net of deferred acquisition costs (DAC), and its annual variation recognised in profit or loss. The table below breaks down their analysis:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Balance Sheet				Profit or Loss Variation 2022	
	2022			2021	2022	2021
	Gross UPR	DAC	Net UPR	Net UPR		
Life	4.742	213	4.529	5.684	-1.155	3.176
Personal accident and sickness	3.534	766	2.768	2.254	514	1.077
Fire and other property damage	15.794	3.114	12.680	12.507	173	895
Motor vehicle	-	-	-	-	-	-
Marine, air, and transport	509	140	369	384	-15	-51
General third-party liability	1.179	227	952	636	316	-194
Loan and collateral	-		-	1	-1	-3
Legal protection	-		-	-	-	-
Assistance	13.343	8	13.335	13.235	100	-1.712
Others	632	127	505	608	-103	-8
Total	**39.733**	**4.595**	**35.138**	**35.309**	**-171**	**3.180**

The mathematical provision for life insurance is classified as a liability on the balance sheet and analysed as follows:

(in thousands of euros)

	2022	2021
Balance as at 1 January	**649.851**	**769.419**
Change for the years ended	-83.079	-120.441
Incorporation of profit-sharing in profit or loss	10.129	873
Balance as at 31 December	**576.901**	**649.851**

In relation to the portfolio of Açoreana Seguros, S.A. acquired on 5 August 2016, and for the purpose of determining its fair value, liabilities were discounted by using the EIOPA's risk-free interest rate curve with volatility adjustment. The impact of this acquisition on the company's financial statements as at 31 December 2022 amounted to EUR 10,5 million (2021: EUR 13,7 million).

The mathematical provision for ceded reinsurance is recorded as an asset in the balance sheet and analysed as follows:

(in thousands of euros)

Products	Balance Sheet 2022	Balance Sheet 2021	Profit or Loss Variation 2022	Profit or Loss Variation 2021
Traditional	-	-	-	-559
Capitalisation	74.544	86.047	-13.751	-22.884
Total	**74.544**	**86.047**	**-13.751**	**-23.443**

The provision for direct insurance and ceded reinsurance claims is classified as a liability on the balance sheet, and its annual variation recognised in profit or loss, net of reimbursements. The table below breaks down their analysis:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Balance Sheet 2022	Balance Sheet 2021	Profit or Loss Variation 2022	Profit or Loss Variation 2021
Life	89.945	80.183	9.761	4.806
Workers' compensation	752.970	772.194	-19.038	18.002
Personal accident and sickness	31.730	28.881	2.847	1.788
Fire and other property damage	93.311	77.465	16.078	11.318
Motor vehicle	386.091	327.564	58.655	17.027
Marine, air, and transport	2.223	2.634	-413	-1.150
General third-party liability	47.921	53.434	-5.324	-4.913
Loan and collateral	13	160	-147	-8
Legal protection	33	9	24	-8
Assistance	6	15	-	6
Others	8.684	8.542	143	4.139
Total	**1.412.927**	**1.351.081**	**62.586**	**51.007**

The provision for workers' compensation claims includes the mathematical provision for workers' compensation amounting to EUR 661,951 thousand (2021: EUR 683,135 thousand), which also includes provisions for lifelong assistance. The mathematical provision includes a provision for contributions to the Workers' Compensation Fund in the amount of EUR 31,41 million (2021: EUR 34,410 thousand).

In relation to the portfolio of Açoreana Seguros, S.A. acquired on 5 August 2016, and for the purpose of determining its fair value, liabilities were discounted by using the EIOPA's risk-free interest rate curve with volatility adjustment. The impact of this acquisition on the company's financial statements as at 31 December 2022 amounted to EUR 27,6 million (2021: EUR 29,4 million).

The provision for claims includes an estimated provision of EUR 78,08 thousand (2021: EUR 84,12 thousand) of claims incurred until 31 December 2022, and still not reported (IBNR). It further includes an estimate of EUR 13,714 thousand (2021: EUR 13,462 thousand) to cover management fees arising from the settlement of outstanding reported claims.

The development of provisions for claims incurred in previous years and their adjustments are analysed as follows:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Claims Provision as at 31.12.2021 (1)	Claims* Paid in 2022 (2)	Claims Provision* as at 31.12.2022 (3)	Readjustments (3) + (2) - (1)
Personal accident and sickness	801.076	118.906	649.194	-32.976
Fire and other property damage	77.464	40.539	41.445	4.520
Motor vehicle				
- Third-party liability	300.421	97.385	223.918	20.882
- Other covers	27.143	19.484	4.467	-3.192
Marine, air, and transport	2.634	1.627	1.327	320
General third-party liability	53.434	15.021	41.399	2.986
Loan and collateral	160	-5	13	-152
Legal protection	9	13	10	14
Assistance	15	-	15	-
Others	8.542	3.105	4.577	-860
Total	**1.270.898**	**296.075**	**966.365**	**-8.458**

* Claims incurred in 2021 and earlier.

In relation to personal accident and sickness, adjustments were largely driven by changes in the discount rate. In all lines of business, with special emphasis on motor vehicle, adjustments reflect the surge in inflation over the year ended 2022 and day-to-day claims handling.

The provision for ceded reinsurance claims is classified as an asset on the balance sheet and its annual variation recognised in profit or loss. The table below breaks down their analysis:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Balance Sheet Balance		Profit or Loss Variation	
	2022	2021	2022	2021
Life	10.028	8.754	1.274	2.905
Workers' compensation	16.384	16.349	35	-5.135
Personal accident and sickness	1.909	1.898	11	-256
Fire and other property damage	52.240	40.874	11.366	-3.809
Motor vehicle	21.152	22.749	-1.597	-1.091
Marine, air, and transport	872	791	81	-629
General third-party liability	14.709	12.145	2.564	-8.552
Loan and collateral	-	74	-74	-13
Legal protection	-	-	-	-
Assistance	-	-	-	-
Others	7.733	7.364	369	3.687
Total	**125.027**	**110.998**	**14.029**	**-12.893**

The provision for ceded reinsurance claims includes an estimated provision of EUR 8,151 thousand (2021: EUR 6,142 thousand) related to claims incurred until 31 December 2022 and still not reported (IBNR).

Claims costs for the year ended 2022 are broken down as follows:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Amounts Paid - Collected Premiums (1)	Amounts Paid - Claims Handling Costs (2)	Variation of Claims Provision (3)	Claims Costs (4) = (1) + (2) + (3)
Life				
Traditional	75.272	359	7562	83.193
Pension Savings Plan and capitalisation with profit-sharing	46.652	788	2199	49.639
Non-Life				
Personal accident and sickness	280.423	4.589	-16.192	268.820
Fire and other property damage	92.225	2.373	16.093	110.691
Motor vehicle				
- Third-party liability	180.659	7.029	50.567	238.255
- Other covers	80.824	3.178	8.130	92.132
Marine, air, and transport	2.374	42	-392	2.024
General third-party liability	17.670	712	-5.251	13.131
Loan and collateral	-5	1	-147	-151
Legal protection	11	3	25	39
Assistance	-	-		-
Others	3.800	19	143	3.962
Total	**779.905**	**19.093**	**62.737**	**861.735**
Accepted Reinsurance	1.092		-151	941
Grand Total	**780.997**	**19.093**	**62.586**	**862.676**

Claims costs for the year ended 2021 are broken down as follows:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Amounts Paid - Collected Premiums (1)	Amounts Paid - Claims Handling Costs (2)	Variation of Claims Provision (3)	Claims Costs (4) = (1) + (2) + (3)
Life				
Traditional	32.199	428	-1.694	30.933
Pension Savings Plan and capitalisation with profit-sharing	129.999	1.318	6.492	137.809
Non-Life				
Personal accident and sickness	246.720	4.700	19.780	271.200
Fire and other property damage	86.731	2.347	12.065	101.143
Motor vehicle				
- Third-party liability	164.707	6.471	19.804	190.982
- Other covers	71.232	3.208	-2.806	71.634
Marine, air, and transport	3.209	55	-1.023	2.241
General third-party liability	17.390	732	-4.826	1.3296
Loan and collateral	-13	3	-8	-18
Legal protection	9	2	-8	3
Assistance	1	1	6	8
Others	1.685	29	4.140	5.854
Total	**753.869**	**19.294**	**51.922**	**825.085**
Accepted Reinsurance	1.437	-	-915	522
Grand Total	**755.306**	**19.294**	**51.007**	**825.607**

The provision for profit-sharing is classified as a liability on the balance sheet and analysed in the table below, showing the following evolution:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Balance Sheet 2022	Balance Sheet 2021	Profit or Loss Variation 2022	Profit or Loss Variation 2021
Life				
Traditional	4.553	90.22	3.142	3.352
Capitalisation	681	53.876	-1.774	5.636
Personal accident and sickness	368	368	-	167
Fire and other property damage	9	9	-	-8
Motor vehicle	323	323	-	50
Marine, air, and transport	-	-	-	-
General third-party liability	-	-	-	-9
Loan and collateral	-	-	-	-
Legal protection	-	-	-	-
Assistance	-	-	-	-
Others	-	-	-	-
Total	**5.934**	**63.598**	**1.368**	**9.188**

(in thousands of euros)

	2022	2021
Balance as at 1 January	**63.598**	**84.065**
Appropriation for the years ended	3.386	9.370
Payments	-3.077	-8.095
Incorporation into mathematical provision	-10.129	-873
Variation of attributable profit-sharing (shadow accounting)	-47.844	-20.869
Balance as at 31 December	**5.934**	**63.598**

The provision for profit-sharing in ceded reinsurance income is classified as an asset on the balance sheet and its annual variation recognised in profit or loss. The table below breaks down their analysis:

(in thousands of euros)

	Balance Sheet		Profit or Loss Variation	
Lines of Business / Groups of Lines of Business	2022	2021	2022	2021
Life				
Traditional	3.452	3.266	475	956
Capitalisation	-	15.228	8	1.547
Total	**3.452**	**18.494**	**483**	**2.503**

The provision for rate commitments resulting from the liability adequacy test is classified as a liability on the balance sheet and its analysis broken down as follows:

(in thousands of euros)

	Balance Sheet		Profit or Loss Variation	
Products	2022	2021	2022	2021
Traditional	1.156	17.942	-16.786	5.792
Capitalisation with profit-sharing	4.594	18.096	-13.502	-887
Total	**5.750**	**36.038**	**-30.288**	**4.905**

The provision for portfolio stabilisation is classified as a liability on the balance sheet and analysed as follows:

(in thousands of euros)

	Balance Sheet		Profit or Loss Variation	
Products	2022	2021	2022	2021
Traditional	654	656	-2	393
Total	**654**	**656**	**-2**	**393**

The provision for claims rate deviations is accounted as a liability on the balance sheet and its annual variation recognised in profit or loss. The table below breaks down its analysis:

(in thousands of euros)

	Balance Sheet		Profit or Loss Variation	
Lines of Business / Groups of Lines of Business	2022	2021	2022	2021
Personal accident and sickness	-	-	-	-
Fire and other property damage	24.928	22.977	1.951	1.558
Motor vehicle	-	-	-	-
Marine, air, and transport	-	-	-	-
General third-party liability	1.305	1.305	-	-
Loan and collateral	156	156	-	-
Legal protection	-	-	-	-
Assistance	-	-	-	-
Others	254	241	13	11
Total	**26.643**	**24.679**	**1.964**	**1.569**

The provision for current risks is recorded as a liability in the balance sheet and its annual variation is recognised in profit or loss. Their analysis is broken down in the table below:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Balance Sheet		Profit or Loss Variation	
	2022	2021	2022	2021
Personal accident and sickness	10.183	6.873	3.310	6.649
Fire and other property damage	6.880	14	6.866	-719
Motor vehicle	-	-	-	-
Marine, air, and transport	-	-	-	-6
General third-party liability	-	-	-	-
Loan and collateral	-	-	-	-
Legal protection	-	-	-	-
Assistance	-	-	-	-
Others	-	-	-	-
Total	**17.063**	**6.887**	**10.176**	**5.924**

According to the Regulatory Standard no. 10/2016R of 15 September, emerging and exceptional costs, including staff costs related to pre-retirement and indemnifications or compensations paid to employees of insurance companies by means of termination of contract of employment by mutual agreement, arising unequivocally and duly proven from restructuring processes that fall outside the scope of merger operations, may not be taken into account in the calculation of the provision for current risks.

In 2022 and 2021, under this regulatory standard, the calculation of the provision for current risks was subject to exceptional procedures, upon request by the company and duly approved by the ASF, taking account of the exceptional and unique nature of merger operations.

It should be noted that the company has taken part in several merger processes, which have led to an increase in costs and therefore an increase in the provision amount for current risks not related to tariff insufficiencies.

Therefore, in 2022, the company considered that the amount of EUR 3,028 thousand (2021: EUR 11,151 thousand) relating to total staff costs incurred over the last 12 months, resulting from indemnifications or compensations for termination of contract of employment by mutual agreement, are exceptional and do not reflect recurring levels associated with day-to-day operations. Therefore, the company decided not to take into consideration the amount of EUR 2,771 thousand (2021: EUR 9,704 thousand) relative to non-life insurance for determining the relevant provision.

The amount of other technical provisions, net of reinsurance, recognised in non-life in the profit or loss account, is equal to the sum of variations mentioned above in the tables of provisions for claims rate deviations and current risks of direct insurance.

Nature and extent of specific insurance risks

Under the Solvency II framework, the company has provided its structure and procedures with the tools needed to satisfy risk management requirements.

The Risk and Internal Control Committee forms part of the company's governance structure and is responsible for analysing and verifying whether decisions made by the company comply with the strategy and policies established for risk management, internal control system and compliance.

The committee works in cooperation with other committees to strengthen the company's governance and risk management systems, while improving communication and interaction levels between management bodies and control functions, contributing to continuous awareness and management of the major risks associated with the insurance business.

The committee is supported transversally by different departments and its main responsibilities are:

- Own Risk and Solvency Assessment (ORSA) policy – identification/risk analysis;
- Internal control - financial and non-financial;
- Compliance and DPO;
- Oversee complaints management function.

In relation to the governance system, the company has developed a set of internal regulations intended to support a robust and effective governance capacity. This internal regulatory system facilitates a cohesive, homogeneous, and structured approach to internal regulations, while establishing clear rules aimed at creating, verifying, approving, disclosing, implementing, overseeing, and reporting those regulations.

Specific insurance risks refer to the risk inherent to the trade of insurance contracts, product design and the respective tariff as well as to the underwriting and liability provisioning process and reinsurance and claims management.

In life insurance, risk can be subdivided into biometric risks (longevity, mortality, disability), expense risk, revision risk, lapse risk and catastrophe risk. In non-life insurance, risk can be subdivided into premium risk, reserve risk, lapse risk and catastrophe risk.

In non-life insurance classified as health under the Solvency II – Personal Accident and Sickness, and Workers' Compensation –, risk is addressed as described below:

- workers' compensation and lifelong assistance pensions are considered health risks and therefore measured with similar techniques to those of life insurance and their risk subdivided in response;
- general claims of workers' compensation, personal accident and sickness are addressed as non-life insurance and their risks are subdivided in a similar fashion.

The underwriting, provisioning and reinsurance processes accommodate several control mechanisms, the most relevant of which are:

- delegation of powers formally established for different processes;
- separation of functions between areas that perform risk analysis, prepare tariffs, provide technical advice, and issue insurance policies;
- limited access to applications in accordance with the user's profile;
- scanning of documents associated with policy issuance and claims management processes;
- procedures to crosscheck on a case-by-case basis and oversee exception reports and audits;
- recruitment and training policies appropriate to the responsibilities and technical complexity of different functions.

The level of provisions is monitored on a monthly basis, with special focus on claims provisions, which are subject to regular analysis to learn on their sufficiency. Valuation models have also been implemented using stochastics models.

Any adjustments resulting from changes in provision estimates are recognised in profit or loss for the current business year. Nevertheless, due to the uncertainty around the process of determining claims provisions, there can be no guarantees that actual losses will not exceed those estimated, though this risk is covered by additional solvency capital.

The comparison between i) the amounts paid for non-life insurance lines of business, net of reimbursements, without management fees, gross of reinsurance and excluding mathematical provisions for workers' compensation, and ii) the final cost estimate has evolved in the last ten years as described in the table below:

(in thousands of euros)

Amounts Paid, Net of Reimbursements (Cumulative Amounts)

		Year of Occurrence									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Years Elapsed	0	293.229	288.748	273.554	268.678	277.967	295.992	317.410	291.848	325.900	366.880
	1	413.035	411.936	385.561	383.832	450.763	463.960	462.621	422.684	474.520	
	2	439.239	439.262	405.567	407.568	476.990	492.150	486.946	445.177		
	3	453.855	451.279	418.864	421.915	492.180	505.986	503.408			
	4	462.441	457.718	427.267	429.091	502.073	516.684				
	5	469.711	464.079	436.042	434.445	511.315					
	6	474.355	469.560	443.259	438.459						
	7	477.354	474.801	448.057							
	8	480.482	476.862								
	9	483.316									

(in thousands of euros)

Final Claims Cost Estimate, Net of Reimbursements

		Year of Occurrence									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Years Elapsed	0	473.657	470.672	439.587	435.629	534.278	553.551	583.447	532.955	599.601	674.246
	1	473.226	484.377	444.137	430.331	517.378	524.770	567.862	509.264	577.146	
	2	481.080	493.405	441.411	426.835	521.918	552.460	564.097	497.893		
	3	485.890	496.037	446.049	442.825	528.461	558.157	568.004			
	4	486.471	493.570	454.482	447.165	530.093	572.842				
	5	487.612	494.727	460.767	449.468	544.048					
	6	489.429	493.243	460.216	454.241						
	7	497.136	494.306	469.555							
	8	483.913	496.316								
	9	487.339									

The company operates a reinsurance policy intended to ensure protection against the impact of large claims or catastrophic events by mitigating risk, reducing the need for capital, and protecting the interests of its policyholders, insured persons, other insurance beneficiaries, shareholders, and employees. To pursue this policy and serve its purpose, the company negotiates the most appropriate type of reinsurance to mitigate the risks accepted, based on either proportional or non-proportional treaties, according to the following tables:

Non-Life Insurance	Type of Reinsurance
Assistance	Proportional
Engineering	Proportional and Not Proportional
Fire and other property damage	Proportional
Fire and other property damage (disaster-retention protection)	Not Proportional
Fire and other property damage (disaster-retention top-layer protection)	Not Proportional
Fire and other property damage (disaster-retention sub-layer protection)	Not Proportional
Health (serious illnesses)	Proportional
Health (medical expenses)	Not Proportional
Health (2nd opinion)	Proportional
Cyber risks third-party liability	Proportional
General third-party liability	Not Proportional
Environmental third-party liability	Proportional
Health professionals third-party liability	Proportional
Directors' third-party liability (article 396)	Proportional
Credit intermediation third-party liability	Proportional
Marine	Proportional
Marine (retention protection)	Not Proportional
Motor vehicle (third-party liability)	Not Proportional
Motor vehicle (own damage)	Not Proportional
Personal accidents	Not Proportional
Personal accidents (loan protection)	Proportional
Workers' compensation	Not Proportional
Agro	Proportional
GEB - Workers' compensation, personal accidents and health	Proportional
GC&C - Others	Proportional

Life Insurance	Type of Reinsurance
Life Mortgage Loan	Proportional
Life Group	Proportional
Individual Life	Proportional
Life VTCC	Proportional
Health Professionals Life	Proportional
Life + Cool	Proportional
Catastrophe Life	Not Proportional
Cumulative Protection Life	Not Proportional
Assistance	Proportional
Health	Proportional
Life Premium Protection	Proportional
Banif Life Treasury Management	Proportional
Capitalisation / Pension Savings Plan	Proportional
Life + Win	Proportional
GEB - Life	Proportional

The sensitivity analysis of insurance risks, considering its main constraints, is as follows:

(in thousands of euros)

		Impact on Profit Before Tax	
Analysis Area	Scenarios	2022	2021
Claims Costs	5% increase of claims costs, net of reinsurance (non-life), for the period	-43.049	-32.977
Expenses	10% increase of operating costs, net of reinsurance (non-life)	-30.266	-25.749
Longevity	10% decrease in mortality of current pensioners in workers' compensation	-11.670	-14.678
Mortality	10% decrease in mortality of insured persons in life insurance	-926	-2364

The risk of changes in claims costs and overhead costs derives from the influence exerted on these items whether due to greater incidence of facts that generate cost, inflation, or lower internal efficiency.

The longevity risk covers the uncertainty of effective losses resulting from the increasing life expectancy of insured persons and it may be more relevant, for example, in mathematical pensions associated with workers' compensation.

The longevity risk is managed through pricing, underwriting policy and regular reviews of mortality tables used to set prices and establish provisions accordingly. When longevity is understood to be above the level reflected in mortality tables, additional provisions are established, and mortality tables are updated. It should be noted that, for the purpose of sensitivity analysis of the mortality risk in life insurance, future premiums are not considered.

Nature and extent of other risks

Market risk

Market risk is usually associated with the risk of loss or any adverse changes to the financial position of the company and arises from the level or volatility of market prices of financial instruments and is also strongly related to the risk of mismatching between assets and liabilities for which the company has implemented an ALM policy.

This risk also includes risks associated with the use of derivative financial instruments, as well exchange rate risk, equity risk, real estate risk, interest rate risk, spread risk and concentration risk.

The investment policies adopted by the company, duly formalised in a separate document, are based on prudent levels of risk acceptance and portfolio diversification, considering the evolution of financial markets.

It should also be noted that the investment policy in force within the company is put forward by the Investment Committee.

Exchange rate risk

Exchange rate risk stems from the volatility of interest rates against the euro, and the sensitivity analysis is described as follows:

(in thousands of euros)

		Impact on Profit Before Tax	
Analysis Area	**Scenarios**	**2022**	**2021**
Exchange rate	10% appreciation of the value of all foreign currencies against the euro	-109	-357

Equity risk

Equity risk arises from the volatility of stock market prices and is intended to measure the systematic risk only, since non-systematic risk is considered in the concentration risk.

Stock market securities held by the company are exposed to this risk, as well as investment funds made up either totally or partially by these securities and shares held by the company in other companies. The sensitivity analysis is described as follows:

(in thousands of euros)

		Impact on Profit and Fair Value Reserves Before Tax	
Analysis Area	**Scenarios**	**2022**	**2021**
Equity	10% decrease of stock-market values	-2.608	-1.123

Real estate risk

Real estate risk arises from the volatility of real estate market prices. The sensitivity analysis is described as follows:

(in thousands of euros)

		Impact on Profit and Fair Value Reserves Before Tax	
Analysis Area	**Scenarios**	**2022**	**2021**
Equity	10% decrease in the value of real estate and real estate funds	-4.227	-4.399

Interest rate risk

Interest rate risk is inherent to all assets and liabilities, whose value is sensitive to changes in the time structure or volatility of interest rates. Within the scope of interest-sensitive assets, bonds, bond funds and similar are particularly exposed to interest rate risk.

Liabilities are exposed through not-compulsory pensions of workers' compensation and life mathematical provisions.

A rising interest rate scenario is a scenario that entails a loss of value for the company:

(in thousands of euros)

		Impact on Fair Value Reserves Before Tax	
Analysis Area	**Scenarios**	**2022**	**2021**
Interest rate	100 b.p. decrease of the yield curve – Effect on Assets	138.732	197.825
	100 b.p. increase of the yield curve – Effect on Assets	-138.732	-197.825

(in thousands of euros)

Analysis Area	Scenarios	Impact on Profit Before Tax 2022	Impact on Profit Before Tax 2021
Interest rate	100 b.p. decrease of the interest rate curve – Effect on Liabilities	-104.159	-119.955
	100 b.p. increase of the interest rate curve – Effect on Liabilities	64.984	94.070

Credit spread risk

Credit spread risk reflects the volatility of credit spreads across yield curves. Although government bonds account for most of the securities, corporate bonds are the most exposed to credit spread risk.

(in thousands of euros)

	2022		2021	
Rating	%	amount	%	amount
AAA	9%	165.761	5%	116.332
AA	21%	388.274	17%	376.222
A	18%	330.066	17%	366.399
BBB	46%	836.563	55%	1.183.500
BB	2%	37.673	3%	69.627
B	0%	113	0%	-
CCC	0%	1	0%	205
Unrated	3%	52.785	3%	54.976
Total	**100%**	**1.811.235**	**100%**	**2.167.261**

These amounts do not include any deposits as they are deemed to fall outside the scope of analysis of this risk.

Concentration risk

Concentration risk refers to increased volatility in highly concentrated portfolios and partial or total losses due to the issuer's default. Its analysis is broken down by business sector in the table below:

(in thousands of euros)

	2022		2021	
Business Sector (*)	%	Net Amount	%	Net Amount
Basic resources	1,0%	20.205	1,2%	28.771
Communications	1,8%	36.701	1,4%	33.958
Consumables (cyclic)	3,4%	70.140	3,5%	83.028
Consumables (non-cyclic)	4,0%	81.801	4,4%	104.970
Energy	0,9%	19.300	1,8%	42.765
Financial	18,8%	386.353	16,3%	391.409
Funds	11,2%	229.454	9,8%	235.958
Public debt	53,3%	1.092.637	55,2%	1.329.027
Industrial	1,8%	36.179	1,6%	38.883
Technology	0,4%	9.022	0,6%	15.016
Public / Collective services	2,6%	52.770	3,4%	81.558
Others	0,8%	15.663	0,9%	21.020
	100%	**2.050.224**	**100%**	**2.406.363**

The amounts comprise the line items of *Investments in subsidiaries, associate companies and joint ventures, Financial assets held for trading, Financial assets measured on initial recognition at fair value through profit or loss, Financial assets available for sale, and shareholder loans and supplementary capital loans* in the line item *Loans granted*. Real estate funds and any direct or indirect exposure to real estate risk were not included in the line item of *Assets held for sale* in order to maintain consistency with the current analysis, which does not take account of investments in land and buildings.

These amounts do not include deposits as they are deemed to fall outside the scope of analysis of this risk.

Liquidity Risk

Liquidity risk arises from the company's ability to hold sufficiently liquid assets to meet cash flow requirements needed to satisfy its obligations towards policyholders and other creditors as they become due. It should be noted that company prepares a treasury plan on a monthly basis to mitigate liquidity risk. This treasury plan is subject to weekly adjustments to capital needs or surpluses.

The analysis of maturity and cash flow estimates of assets and liabilities exposed to liquidity risk is as described below:

(in thousands of euros)

2022	< 3 months	3-12 months	1-5 years	> 5 years	With No Maturity	Total
Financial assets	149.798	96.374	602.671	1.142.809	263.842	2.255.494
Financial liabilities, mathematical provision and investment contract liabilities	125.727	73.754	222.685	328.382	88.907	839.455
Net	**24.071**	**22.620**	**379.986**	**814.427**	**174.935**	**1.416.039**

(in thousands of euros)

2021	< 3 months	3-12 months	1-5 years	> 5 years	With No Maturity	Total
Financial assets	165.457	82.799	463.294	1.670.156	259.626	2.641.332
Financial liabilities, mathematical provision and investment contract liabilities	121.011	88.525	271.292	342.319	112.592	935.739
Net	**44.446**	**-5.726**	**192.002**	**1.327.837**	**147.034**	**1.705.593**

Counterparty risk

Counterparty risk corresponds to any potential loss arising from default or deterioration of credit levels of any counterparty that mitigates existing risks, such as reinsurance contracts or derivatives, receivables stemming from insurance brokers, as well as other exposures to credit that have not been included in credit spread risk.

As a control procedure, the company systematically monitors the progress of premium amounts and maturities owed. The company takes into consideration credit ratings assigned to each entity, when selecting depositary banks and reinsurers, and follows periodically their progress over the year.

The deposit balances breakdown analysis is as follows:

(in thousands of euros)

Rating	2022		2021	
	%	amount	%	amount
AAA	0%	-	0%	-
AA	0%	201	29%	25.000
A	96%	83.233	88%	76.800
BBB	1%	1.105	4%	3.249
BB	0%	17	0%	120
B	0%	-	0%	-
CCC	2%	2.152	2%	2.078
Unrated	0%	368	1%	650
Total	**100%**	**87.076**	**124%**	**107.897**

The reinsurance receivables breakdown analysis, without impairment deduction, is as follows:

(in thousands of euros)

	2022		2021	
Rating	%	amount	%	amount
AAA	0%	-	0%	-
AA	0%	17	1%	61
A	94%	8.335	86%	8.176
BBB	0%	-	0%	-
BB	0%	17	0%	18
B	0%	-	0%	-
CCC	0%	-	0%	-
Unrated	6%	512	13%	1.210
Total	**100%**	**8.880**	**100%**	**9.465**

Operational risk

Operational risk is the risk of material loss resulting from inadequate or failed internal processes, persons or systems or external events within the company's day-to-day operations. Operational risk can be subdivided into the following categories:

- deliberate bad conduct within professional ethics (internal fraud);
- illicit activity carried out by third parties (external fraud);
- practices related to human resources and safety at work;
- customers, products, and commercial practices;
- physical asset damage caused by external events;
- business disruption and system failure;
- business process-related risks;
- legal risk.

Strategic risk

Strategic risk is the risk arising from strategic decisions. The company defines strategic risk as the risk to take inadequate business decisions, implement decisions ineffectively or fail to adapt to changes in operational environment. Strategic risk typically emerges combined with other risks, but it may surface individually.

Reputational risk

Reputational risk refers to the potential damage to the company's reputation resulting from negative public perception, for instance among customers, business partners, shareholders, or authorities. Similarly to strategic risk, reputational risk appears combined with other risks, but it may emerge individually.

Intragroup transaction risk

Intragroup transaction risk stems from the company's reliance on significant intragroup transactions that may significantly affect the solvency or liquidity position of the Generali Group or any entity involved in these transactions, which may be related to:

- investments;
- balances between companies, including loans, receivables, and agreements to centralise asset or cash management;
- guarantees and arrangements, such as letters of credit;
- operations with derivatives;
- dividends, coupons, and other interest payments;
- trade reinsurance;
- service supply or cost sharing agreements;
- purchase, sale, or rental of goods.

Systemic risk

Systemic risk refers to the risk of instability or collapse of the financial system or market, with adverse impact on assets, interest rates, exchange rates, affecting the economy as a whole.

Emerging risks

Emerging risks are existing or prospective risks difficult to quantify and likely to cause substantial losses. Emerging risks carry a high level of uncertainty, where even basic information that would likely support an appropriate evaluation on the frequency and severity of a given risk is sparse.

Mitigation measures

The company has put in place measures to mitigate the aforesaid risks. Among those measures, the following are highlighted:
- ensure that the code of conduct is upheld;
- review and update internal regulations and procedure manuals regularly;
- implement policies and procedures to prevent and detect fraud;
- implement security measures to control and limit access to premises;
- implement measures to manage and secure access to databases and information systems;
- establish and implement a human resource management policy:
- establish training programmes crosswise, namely the code of conduct, compliance, personal data protection and others more specific, such training addressed to employees who interact directly with customers;
- implement and document a business continuity plan and procedures aimed at restoring the company's critical business functions and activities in the event of disruption;
- review business processes, identifying risks and all its associated controls.

Solvency

In 2015, the European Directive Solvency II 2009/138/EC of the European Parliament and of the Council of 25 November 2009 that governs the access and exercise of insurance and reinsurance business activities and its amendments were transposed to the Portuguese legal system by the Law no. 147/2015 of 9 September 2015, which established that the new Solvency II Framework would come into force on 1 January 2016.

The company monitors its solvency under the framework currently in force. According to the provisions laid down in the legislation, final data on the solvency margin and more detailed information on risk management will be publicly disclosed in the Solvency and Financial Condition Report in April 2023.

Adequacy of premium and provisions

Every year, the company analyses the technical bases and actuarial standards and rules used to determine insurance tariffs and examines to the best of its ability the adequacy of premiums charged to the prudential actuarial basis, in order to guarantee the satisfaction of any commitments undertaken by the company arising from insurance claims.

In general, the company carries out a prudential-based provisioning policy, using actuarially recognised methods and complying with all applicable regulations and laws.

Activity ratios

The main non-life activity ratios, gross of reinsurance, are as follows:

(%)

	2022	2021
a) Claims ratio	68,0%	63,5%
b) Acquisition ratio	18,6%	18,7%
c) Administrative ratio	5,9%	6,1%
Combined Ratio	**92,5%**	**88,3%**

a) Claims costs + incurred costs + variations of technical provisions + other costs - technical income) / earned premiums
b) (Acquisition intermediation remunerations + incurred costs + variations of deferred acquisition costs) / gross written premiums
c) (Administrative intermediation remunerations + incurred costs) / gross written premiums

The main life activity ratios, gross of reinsurance, are as follows:

(%)

	2022	2021
Claims/Premiums (IFRS 4)	184,4%	216,1%
Benefits paid/Deposits received (IAS 39)	41,2%	1403,8%
Acquisition costs/(Premiums + Deposits received)	19,5%	19,7%
Administrative costs/(Premiums + Deposits received)	10,5%	13,8%

Claims receivables

Receivables from paid claims related to the acquisition of rights or ownership and allowance for doubtful debts are included in the line items described below and amount to:

(in thousands of euros)

	2022	2021
Receivables	1.649	1.979
Adjustment for doubtful debts	-168	-211
Net total	**1.481**	**1.768**

NOTE 5 – INVESTMENT CONTRACT LIABILITIES AND OTHER FINANCIAL LIABILITIES

The line item *Financial liabilities* is broken down by investment contract and can be analysed as follows:

(in thousands of euros)

	Financial Without Profit-Sharing	Unit Linked	Unit-Linked Pension Savings Plan	Unit-Linked Capitalisation Operations	Total
Balance as at 1 January 2021	**38.884**	**5.035**	**18.044**	**126**	**62.089**
Additional liabilities for the years ended, net of commissions	99	1.245	179	-	1.523
Amounts paid	-24.301	-608	-1.536	-	-26.445
Technical interest rates	-19.148	905	-1.153	-	-19.396
Other entries	19.507	-835	1.196	-10	19.858
Balance as at 31 December 2021	**15.041**	**5.743**	**16.730**	**116**	**37.628**
Additional liabilities for the years ended, net of commissions	149	7.498	-	-	7.647
Amounts paid	-2.518	-350	-1.242	-	-4.110
Technical interest rates	-65	-	-1.806	-	-1.871
Other entries	-2	-	-	-	-2
Balance as at 31 December 2022	**12.605**	**12.891**	**13.681**	**116**	**39.292**

Financial liabilities arising from unit-linked contracts amount to EUR 26,572 thousand (2021: EUR 22,472 thousand) and are classified as level 2 of the valuation method according to the three levels set out in IFRS 13, considering that these financial instruments are measured based on quoted prices (not adjusted) available in official markets and quoted prices disclosed by entities that provide transaction prices in liquid markets.

Gains and losses in financial liabilities arising from investment contracts can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Gain	Loss	Balance	Gain	Loss	Balance
Carried at Fair Value through Profit or loss	4.571	-3.769	802	2.122	-2.144	-22
Capitalisation	1.351	-552	799	585	-608	-23
Pension Savings Plan	3.220	-3.217	3	1.537	-1.536	1
Carried at Amortised Cost	2.539	-2.545	-6	26.731	-26.794	-63
Capitalisation	1.212	-1.212	-	24.789	-24.897	-108
Pension Savings Plan	1.327	-1.333	-6	1.942	-1.897	45
Total	**7.110**	**-6.314**	**796**	**28.853**	**-28.938**	**-85**

The amounts reported in the financial statements further include the amounts stated in Notes 17 and 18, and therefore the analysis should be combined with said notes.

The analysis of the line item *Other financial liabilities* can be broken down as follows:

(in thousands of euros)

	2022	2021
Other financial liabilities		
Deposits received from reinsurers	89.616	112.794
Subordinated liabilities	10.000	10.000
Right-of-use assets (IFRS16)	20.970	25.133
Carrying Amount	**120.586**	**147.927**

Deposits received from reinsurers represent the amount of collateral used by reinsurers for accepting the risks and receiving the premiums arising from ceded reinsurance operations.

Subordinated liabilities consist of two subordinated loans of EUR 5 million each with a ten-year fixed rate underwritten by two entities of the Generali Group, namely (i) Generali Horizon and (ii) Participatie Maatschappij Graafschap Holland N.V.

Additionally, the company took out a subordinated loan on demand of EUR 91,5 million with a five-year fixed rate underwritten and unrealised by its shareholder Assicurazioni Generali S.p.A. The loan is not listed on the company's balance sheet as it is deemed to be a loan commitment under IAS 32.

Minimum future lease payments related to irrevocable operating leases, upon maturity, are the following:

(in thousands of euros)

	2022	2021
Up to 1 year	4.878	5.565
From 1 year to 5 years	12.039	16.054
Over 5 years	5.780	5.744
Total Future Payments	**22.697**	**27.363**
Interest Cost to Accrue or Defer to Expenses	-1.727	-2.230
Total Liabilities Under IFRS16	**20.970**	**25.133**

The lease liability was initially measured at the present value of the lease payments that are not fulfilled at the start date and discounted using the interest rate implicit in the lease or, should the rate not be promptly established, the company's incremental interest rate.

In 2022, under this standard, the company recorded an interest expense of EUR 575 thousand (2021: EUR 684 thousand) arising from changes in value of financial liabilities.

NOTE 6 – FINANCIAL INSTRUMENTS

The table below breaks down a summary of the comprehensive inventory of the company's held interests and financial instruments presented in Annex 1 at the end of the financial statements.

(in thousands of euros)

	2022	2021
Available-for-sale financial assets	2.050.988	2.411.809
Term deposits	201	25.000
Financial assets initially recognised at fair value through profit or loss	8.495	9.733
Held-for-trading financial assets	9.261	-
Investments held to maturity	910	879
Total Held Interests and Financial Instruments	**2.069.855**	**2.447.421**
Other financial assets	5.856	5.047
Total Financial Assets	**2.075.711**	**2.452.468**

Financial Assets Measured on Initial Recognition at Fair Value through Profit or Loss

As provided in IAS 39 and in line with the option taken and the documented risk management strategy, all securities that the company deems (i) to be managed and their performance assessed on a fair value basis, and/or (ii) contain embedded derivative instruments, are classified under this line item.

The balance of this asset category is broken down as follows:

(in thousands of euros)

	2022	2021
Bonds and other fixed-income securities		
By public issuers	1.122	1.225
By other issuers	-	5.102
Equity	-	-
Other floating-rate securities	7.373	3.406
Carrying Amount	**8.495**	**9.733**
Acquisition Cost	8.151	9.465

As at 31 December 2022, this line item included fixed-income securities with embedded derivatives of EUR 966 thousand (2021: EUR 1,483 thousand).

In 2021, this line item further included structured fixed-income or collaterised securities amounting to EUR 4,678 thousand. These securities were measured at fair value, which was determined based on prices provided by the sources used by the company for the whole instrument, according to market conditions at the reference date of the financial statements.

Financial Assets Available for Sale

The balance of this asset category is broken down as follows:

(in thousands of euros)

	2022	2021
Bonds and other fixed-income securities		
By public issuers	1.108.423	1.343.901
By other issuers	686.097	811.688
Equity	18.846	18.480
Other floating-rate securities	237.622	237.740
Carrying Amount	**2.050.988**	**2.411.809**

Closing balance is broken down as follows:

(in thousands of euros)

	Amortised or Acquisition Cost	Accrued Interest	Fair-Value Reserve	Impairment	Carrying Amount
Bonds and other fixed-income securities					
By public issuers	1.210.782	15.299	117.820	-	1.343.901
By other issuers	778.273	10.494	23.504	-583	811.688
Equity	17.652	-	2.756	-1.928	18.480
Other floating-rate securities	266.070	-	12.350	-40.680	237.740
Balance as at 31 December 2021	**2.272.777**	**25.793**	**156.430**	**-43.191**	**2.411.809**
Bonds and other fixed-income securities					
By public issuers	1.275.804	14.241	-180.876	-746	1.108.423
By other issuers	755.790	9.436	-78.546	-583	686.097
Equity	20.210	-	470	-1.834	18.846
Other floating-rate securities	270.706	-	7.197	-40.281	237.622
Balance as at 31 December 2022	**2.322.510**	**23.677**	**-251.755**	**-43.444**	**2.050.988**

As at 31 December 2022, the line item *Other floating-rate securities* included the company's held interests in real estate investment funds amounting to EUR 31,315 thousand (2021: EUR 20,000 thousand).

The accounting entries recorded under impairment losses can be detailed as follows:

(in thousands of euros)

	2022	2021
Balance as at 1 January	**43.191**	**25.240**
Appropriations for the years ended	897	19.866
Write-offs for sale of assets	-628	-1.877
Year-end reversals	-16	-38
Balance as at 31 December	**43.444**	**43.191**

Impairments recognised in profit or loss through fair value adjustments in investments, broken down into two categories, are as follows:

(in thousands of euros)

	2022	2021
Bonds and other fixed-income securities	-746	-29
Equity and other floating-rate securities	-151	-19.837
Total	**-897**	**-19.866**

Financial Assets Held for Trading and Liabilities

The balance of this asset and liability category is broken down as follows:

(in thousands of euros)

	2022		2021	
	Fair value	Notional value	Fair value	Notional value
Derivatives				
Forward Contracts	9.261	138.589	-	-
Options	-	-	-	-
Total	**9.261**	**138.589**	**-**	**-**

The amounts reported in 2022 refer to a forward sale agreement of Portuguese public debt entered into between the company and its shareholder Assicurazioni Generali, S.p.A. last June. This forward sale contributed to improve asset-liability duration matching and mitigate the credit spread risk of this issuer.

Investments held to maturity

The balance of this asset category is broken down as follows:

(in thousands of euros)

	2022	2021
Bonds and other fixed-income securities		
By public issuers	910	879
By other issuers	-	-
Equity	-	-
Other floating-rate securities	-	-
Carrying Amount	**910**	**879**
Market value	1.180	1.659

Closing balance is broken down as follows:

(in thousands of euros)

	Amortised acquisition cost	Impairment	Carrying amount
Bonds and other fixed-income securities			
By public issuers	879	-	879
By other issuers	-	-	-
Equity	-	-	-
Other floating-rate securities	-	-	-
Balance as at 31 December 2021	**879**	**-**	**879**
Bonds and other fixed-income securities			
By public issuers	910	-	910
By other issuers	-	-	-
Equity	-	-	-
Other floating-rate securities	-	-	-
Balance as at 31 December 2022	**910**	**-**	**910**

Other financial assets

In addition to the financial instruments described above, the company owns other assets, net of impairment, as outlined below:

(in thousands of euros)

	2022	2021
Loans granted to employees	434	581
Loans - Generali Europe Income Holding, SA	5.000	4.044
Loans - Espírito Santo Financial Portugal, SGPS, S.A	-	-
Supplementary Capital Loans - Centro Novo Funchal	422	422
Total Other Financial Assets	**5.856**	**5.047**

The table below breaks down *Other financial assets*:

(in thousands of euros)

	Acquisition Cost	Impairment	Carrying Amount
Other financial assets			
Ancillary capital contributions	422	-	422
Loans	19.625	-15.000	4.625
Others	-	-	-
Balance as at 31 December 2021	**20.047**	**-15.000**	**5.047**
Other financial assets			
Ancillary capital contributions	422	-	422
Loans	20.434	-15.000	5.434
Others		-	-
Balance as at 31 December 2022	**20.856**	**-15.000**	**5.856**

Impairment losses recognised under Loans correspond to the total cash loan granted to Espírito Santo Financial Portugal, SGPS, S.A. As at 31 December 2022 and 2021, no impairment loss had been reversed or written off in profit or loss.

Fair Value of Financial Assets and Liabilities Recognised at Amortised Cost

Fair value of financial assets and liabilities recorded at amortised cost is analysed as follows:

(in thousands of euros)

	2022		2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents and demand deposits	86.886	86.886	82.916	82.916
Loans and receivables	6.057	6.057	30.047	30.047
Investments held to maturity	1.180	910	1.659	879
Other debtors for insurance operations and other operations	70.131	70.131	78.458	78.458
FINANCIAL ASSETS AT AMORTISED COST	**164.254**	**163.984**	**193.080**	**192.300**
Financial liabilities on investment contracts	39.862	39.292	40.564	37.628
Other financial liabilities	120.586	120.586	147.927	147.927
Other creditors for insurance operations and other operations	102.676	102.676	100.333	100.333
FINANCIAL LIABILITIES AT AMORTISED COST	**263.124**	**262.554**	**288.824**	**285.888**

Fair value of financial liabilities of investment contracts is estimated on a contract-by-contract basis, using the best estimate assumption to project expected future cash flows and risk-free interest rate at the issuance date.

Except for hold-to-maturity investments classified as a liability mentioned above, and considering that these are short-term assets and liabilities, the closing balance is considered a reasonable estimate of fair value.

In relation to the valuation method, in accordance with the levels provided in IFRS 13, all financial instruments recognised at amortised cost are classified as level 3, except for cash and their equivalents and demand deposits, which are classified as level 1 instruments.

Valuation Methodologies

Financial instruments are ranked according to the levels provided in IFRS 13, which encompasses the following description:

- Level 1 - financial instruments measured according to quoted prices (unadjusted) available in official markets and quoted prices disclosed by entities that provide transaction prices in liquid markets;
- Level 2 – financial instruments measured according to internal valuation methodologies, considering mainly parameters and variables that are observable in the market;
- Level 3 - financial instruments measured according to internal valuation methodologies, considering parameters and variables that are not observable in the market and with a significant impact on instrument valuation and prices.

The value of financial instruments is ranked by the method used for their valuation in line with levels described above and its analysis is broken down as follows:

(in thousands of euros)

	2022			
	Level 1	Level 2	Level 3	Total
Financial assets available for sale	**1.826.853**	**25.176**	**198.959**	**2.050.988**
Securities and shares	70.929	-	166.693	237.622
Equity and other floating-rate securities	2.138	105	16.603	18.846
Bonds and other fixed-income securities				
By public issuers	1.104.805	3.618	-	1.108.423
By other issuers	648.981	21.453	15.663	686.097
Derivatives	-	-	-	-
Financial assets at fair value through profit or loss	**7.788**	**130**	**577**	**8.495**
Securities and shares	6.666	130	577	7.373
Equity and other floating-rate securities	-	-	-	-
Bonds and other fixed-income securities				
By public issuers	1.122	-	-	1.122
By other issuers		-	-	-
Derivatives	-	-	-	-
Financial assets held for trading	**-**	**9.261**	**-**	**9.261**
Securities and shares	-	-	-	-
Equity and other floating-rate securities	-	-	-	-
Bonds and other fixed-income securities				
By public issuers	-	-	-	-
By other issuers	-	-	-	-
Derivatives	-	9.261	-	9.261
Investments held to maturity (at market value)	**910**	**-**	**-**	**910**
Securities and shares	-	-	-	-
Equity and other floating-rate securities	-	-	-	-
Bonds and other fixed-income securities				
By public issuers	910	-	-	910
By other issuers	-	-	-	-
Derivatives	-	-	-	-
Total Financial Assets	**1.835.551**	**34.567**	**199.536**	**2.069.654**

(in thousands of euros)

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets available for sale	**2.187.157**	**37.221**	**187.431**	**2.411.809**
Securities and shares	86.875	-	150.865	237.740
Equity and other floating-rate securities	2.864	70	15.546	18.480
Bonds and other fixed-income securities				
By public issuers	1.335.396	8.505	-	1.343.901
By other issuers	762.022	28.646	21.020	811.688
Derivatives	-	-	-	-
Financial assets at fair value through profit or loss	**9.602**	**131**	**-**	**9.733**
Securities and shares	3.275	131	-	3.406
Equity and other floating-rate securities	-	-	-	-
Bonds and other fixed-income securities				
By public issuers	1.225	-	-	1.225
By other issuers	5.102	-	-	5.102
Derivatives	-	-	-	-
Investments held to maturity (at market value)	**879**	**-**	**-**	**879**
Securities and shares	-	-	-	-
Equity and other floating-rate securities	-	-	-	-
Bonds and other fixed-income securities				
By public issuers	879	-	-	879
By other issuers	-	-	-	-
Derivatives	-	-	-	-
Total ativos financeiros	**2.197.638**	**37.352**	**187.431**	**2.422.421**

The value of financial instruments classified as level 3 in 2022 under *Securities and shares* comprises an amount of about EUR 87 million (2021: EUR 106 million) resulting from an investment in a sub-fund (2021: two sub-funds) owned by a collective entity named the Irish Collective Asset Management Vehicle, shortly referred to as ICAV, wholly owned by the company.

The fair value of these assets was determined based on their equity value, which, in turn, is measured based on market prices or market information available for asset valuation (yield curves, spreads, etc.), as provided in IFRS 13. This fund is further subject to a look-through analysis by the company in accordance with the Solvency II requirements.

Reconciliation of level-3 assets is as described below:

(in thousands of euros)

	31 Dec. 2021	Potential Gains	Purchases	Sales	Impairments	Gains Realised	Reclassi-fication	31 Dec. 2022
Financial assets available for sale	**187.431**	**9.063**	**24.057**	**-36.120**	**400**	**1.138**	**12.990**	**198.959**
Securities and shares	**150.865**	15.338	21.140	-35.432	400	1.138	13.244	**166.693**
Equities and other floating-rate securities	**15.546**	-1.557	2.868	-	-	-	-254	**16.603**
Bonds and other fixed-income securities								
By public issuers	**-**	-	-	-	-	-	-	**-**
By other issuers	**21.020**	-4.718	49	-688	-	-	-	**15.663**
Financial assets at fair value through profit or loss	**-**	**-**	**577**	**-**	**-**	**-**	**-**	**577**
Securities and shares		-	577	-	-	-	-	**577**
Equities and other floating-rate securities		-	-	-	-	-	-	**-**
Bonds and other fixed-income securities								
By public issuers	**-**	-	-	-	-	-	-	**-**
By other issuers	**-**	-	-	-	-	-	-	**-**

Securities and shares under this level comprise shares in closed-end real estate funds amounting to EUR 31,315 thousand (2021: EUR 20,000 thousand) and private equity/debt funds amounting to EUR 135,380 thousand (2021: EUR 130,865 thousand), whose fair value resulted from the disclosure of the Fund Global Net Value (FGNV) established by management companies. These funds' assets stem from a diversified group of assets and liabilities measured at fair value in their balance sheet accounts by internal methodologies used by management companies.

Since it is not feasible to perform a sensitivity analysis for every component of the assumptions used by those entities, an analysis was carried out considering a potential impact of a plus/minus 10% change in the funds' FGNV as broken down in the table below:

(in thousands of euros)

2022		Impact on Net Income		Impact On Fair Value Reserve	
Analysis Area	**Asset Type**	**10% Rise**	**10% Fall**	**10% Rise**	**10% Fall**
Investment fund	Closed-end real estate investment funds	-	-1.817	3.131	-1.314
	Private equity funds	-	-3.714	13.538	-9.824

(in thousands of euros)

2021		Impact on Net Income		Impact On Fair Value Reserve	
Área de análise	**Tipologia de ativos**	**10% Rise**	**10% Fall**	**10% Rise**	**10% Fall**
Investment fund	Closed-end real estate investment funds	-	-2.000	2.000	-
	Private equity funds	-	-7.451	13.087	-5.636

NOTE 7 - INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

The table below summarises the financial data of the company's subsidiaries and associate companies:

(in thousands of euros)

Company name / Registered Office	Classification	Valuation Method	Stake (%)			Financial Data							
						Assets		Liabilities		Equity		Net Income	
			Direct	Voting Right	Effective	2022	2021	2022	2021	2022	2021	2022	2021
Tranquilidade Corporação Angolana de Seguros, S.A. Edificio ESCOM, Rua Marechal Brós Tito, nº 35 15ºD LUANDA	Subsidiary	Acquisition cost net impairment	49,00	49,00	49,00	35.361	34.415	25.537	26.604	9.824	7.811	4.308	3.261
Tranquilidade Moçambique Companhia de Seguros, S.A. Av. Armando Tivane, 1212 Caixa Postal 1959, Maputo, Moçambique	Subsidiary	Acquisition cost net impairment	99,996	99,996	100,00	7.777	7.439	4.828	5.758	2.949	1.681	619	-166,0
Tranquilidade Moçambique Companhia de Seguros Vida, S.A. Av. Armando Tivane, 1212 Caixa Postal 1959, Maputo, Moçambique	Subsidiary	Acquisition cost net impairment	69,997	69,997	100,00	4.974	7.273	2.026	4.510	2.948	2.763	194	78
Tranquilidade Diversified Income ICAV 2nd Floor, Block E Iveagh Court Harcourt Road Dublin D02 YT22 Ireland	Subsidiary	Acquisition cost net impairment	100,00	100,00	100,00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Close to Customers, ACE Av. da Liberdade, 242 1250-149 Lisboa (Portugal)	Subsidiary	Acquisition cost net impairment	80,00	80,00	80,00	754	793	754	793	0	0	0	0

According to IAS 36 and the accounting policy, the company performed an impairment analysis of its subsidiaries and associate companies based either on the value in use determined based on the business plans approved by the Board of Directors of each entity or the fair value less cost to sell, wherever applicable.

In 2021, the company reached an agreement to sell its stake in Tranquilidade Moçambique Companhia de Seguros, S.A. and Tranquilidade Moçambique Companhia de Seguros Vida, S.A. The process followed its due course as provided in the applicable laws and was pending approval by regulators. On 1 October 2022, upon approval, the company transferred its entire stake in those two companies to a local investor, as well as all assets recognised as the respective technical provisions. The companies are not running any business operations and are currently preparing the process to facilitate liquidation or disposal, having provided minimum service levels to their buyer until 31 December 2022.

In relation to its stake in Tranquilidade, Corporação Angolana de Seguros, S.A., the company failed to materialise the formal agreement signed in 2019. The company made several contacts and provided the necessary information for the process to be resumed in the near term.

The company also has a controlling interest in the following special-purpose entities, classified in *Held-for-sale financial assets*, as provided in Note 6:

	Registered Office	Business	% economic interest	
			2022	2021
AAME MULTI-CREDIT STRATEGY FUND	Ireland	Open-End Securities Investment Fund	100,00%	100,00%
AAME TRQ LOAN ORIGINATION FUND	Ireland	Open-End Securities Investment Fund	-	100,00%

The two open-ended sub-funds mentioned above are held through a collective investment entity named Tranquilidade Diversified Income ICAV (Irish Collective Asset Management Vehicle), representing a cumulative total investment of EUR 87 million (2021: EUR 106 million) by the year ended 2022.

NOTE 8 – CASH AND CASH EQUIVALENTS AND DEMAND DEPOSITS

The balance of cash and cash equivalents is analysed as follows:

(in thousands of euros)

	2022	2021
Cash	11	19
Deposits with Credit Institutions	86.875	82.897
Total	**86.886**	**82.916**

NOTE 9 – LAND AND BUILDINGS

As mentioned in Note 3 above, the land and buildings owned by the company are measured using a cost model in the case of real estate properties for the company's own use, in accordance with the option provided in IAS 16, and a fair value model in the case of income property, in accordance with the option provided in IAS 40. Regardless of the valuation model, all real estate properties are subject to regular valuations.

Land and building valuations are intended to obtain the expected transaction value, usually the market value (fair value), that is, the price at which the land or building could be sold at the valuation date, through a private contract between a seller and a buyer, both interested and independent, being understood that the asset has been admitted to public trading under market conditions that ensure a fair and orderly trade, within a reasonable time period for negotiation, considering the nature of the asset.

These valuations are made through a combined weighting of two valuation methods *Comparative Market Analysis and Income*, leading to changes in the fair value of investment properties (income property) and provide a basis for impairment testing of tangible assets (owner-occupied property).

The *Comparative Market Analysis* method is always used and is based on evidence available in the market, where a real estate survey is carried out to find properties comparable to the property under valuation, being the valuation supported by the analysis of the transaction price of similar properties. The *Income method* aims to determine the value of a piece of land or building through the quotient between the effective annual rent and the appropriate capitalisation rate.

When income properties are transferred to non-current assets held for sale and discontinued operations under IFRS 5, they are valued in accordance with the amounts stated in the presale agreements deducted from any disposal costs.

As provided in IFRS 13 – *Fair Value*, when measuring the fair value of land and buildings, the company maximises the use of observable market data. Nevertheless, given that most valuations also consider unobservable market data, the fair value of land and buildings owned by the company is classified in level 3 of the fair value hierarchy defined by IFRS 13.

The company considers that the land and buildings it holds are put to their best possible use. Therefore, the valuations made to determine their fair value are prepared considering their current use, as provided in IFRS 13 – *Fair Value*.

Land and buildings are classified as owner-occupied property when the company uses them in the ordinary course of business and as investment property in the remaining cases. When the company uses part of a property for own use and other part for garnering rents or capital appreciation, the property is classified as hybrid, and each part will be subject to analysis and measured separately. The persons responsible for the valuation of the company's assets are duly certified for the purpose and registered with the Portuguese Securities Market Commission (abbreviated as CMVM in Portuguese).

Fair value model

The balance and accounting entries recorded in *Income property* for 2022 and 2021 can be analysed as follows:

(in thousands of euros)

Investment Property - Income Property	2022	2021
Net balance as at 1 January	**3.020**	**2.985**
Additions from property acquisition	-	-
Additions from building improvements	-	-
Transfers to assets to be discontinued	-	-
Transfers of owner-occupied property	1.321	-
Write-offs / Sales	-	-
Changes in fair value	-	35
Net balance as at 31 December	**4.341**	**3.020**

All income property owned directly by the company is intended to garner rents, even if, for whatever reason, no rent is charged, thus no property is held for the sole purpose of capital appreciation.

Income property is analysed according to its ability to provide rental income as outlined below:

(in thousands of euros)

	2022	2021
Properties that have generated rental income	2.996	2.996
Properties that have not generated rental income	1.345	24
Total	**4.341**	**3.020**

The amounts recognised in profit or loss related to income and expenses with investment properties are as follows:

(in thousands of euros)

	2022	2021
Rental Income	**149**	**142**
Operating Costs	**12**	**23**
- properties that have generated rental income	5	6
- properties that have not generated rental income	7	17

Cost model

The balance and accounting entries recorded under *Owner-occupied property* for 2022 and 2021 can be analysed as follows:

(in thousands of euros)

	2022	2021
Gross Amount	**28.351**	**29.296**
Accumulated depreciation and impairment losses	-10.311	-7.549
Net balance as at 31 December	**18.040**	**21.747**

(in thousands of euros)

Tangible Assets - Owner-Occupied Property	2022	2021
Net balance as at 1 January	**21.747**	**12.697**
Additions under IFRS16	268	15.973
Transfers to investment properties	-1.321	-
Write-offs/Sales	-	-
Write-offs/Sales IFRS16	-	-3.573
Impairments - [(Allocation) / Use]	-	-
Depreciation of property IFRS16	-3.108	-3.332
Depreciation of owner-occupied property	-11	-19
Revaluations	464	
Net balance as at 31 December	**18.040**	**21.747**

The company adopted the standard IFRS 16 – *Leases* on 1 January 2019, which superseded the former IAS 17 – Leases that remained in force until 31 December 2018. Under this new standard, the company recognised a right-of-use asset and a lease liability as at the lease date.

The right-of-use asset is initially measured at cost, which comprises the amount equal to the lease liability at initial recognition, adjusted to any lease payments made before or at the start date, plus any additional direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site where it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the start date to the end of the useful life of the right-of-use asset or at the end of the lease term. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTE 10 – OTHER TANGIBLE FIXED ASSETS AND INVENTORIES

In addition to owner-occupied property mentioned in Note 9, the company owns other tangible assets measured at the cost model, which are analysed as outlined below:

(in thousands of euros)

	2022	2021
Equipment	**16.877**	**53.427**
Office equipment	1.941	6.020
Machinery and tools	661	2.314
IT Hardware	3.552	27.181
Fixtures and fittings	914	4.554
Leased buildings expenses	5.988	9.245
Transport material	282	233
Right-of-use assets (IFRS16) - Transport material	3.232	3.104
Other tangible assets	307	776
Investment Property Under Construction or Development	**-**	**-**
Accumulated Depreciation	**-14.112**	**-48.953**
Equipment	-11.568	-46.613
Right-of-use assets (IFRS16) - Transport material	-2.544	-2.340
Impairments	-	-
	2.765	**4.474**

The company adopted IFRS 16 – *Leases* on 1 January 2019, which superseded the former IAS 17 – *Leases* that remained in force until 31 December 2018. Under this new standard, the company recognised a right-of-use asset of transport material and a lease liability as at the lease date.

The right-of-use asset is initially measured at cost, which comprises the amount equal to the lease liability at initial recognition, adjusted to any lease payments made before or at the start date, plus any additional direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the site where it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the start date to the end of the useful life of the right-of-use asset or at the end of the lease term. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The balance and accounting entries recorded in *Other tangible fixed assets and inventories* are analysed as follows:

(in thousands of euros)

	Equipment	Right-of-use assets (IFRS16)	Investment Property Under Construction	Total
Balance as at 1 January 2021	**4.839**	**978**	**-**	**5.817**
Additions	1.315	366	-	1.681
Transfers	-	-	-	-
Depreciations	-2.444	-580	-	-3.024
Write-offs / Sales	-	-	-	-
Balance as at 31 December 2021	**3.710**	**764**	**-**	**4.474**
Additions	896	437	-	1.333
Transfers	-	-	-	-
Depreciations	-2.529	-486	-	-3.015
Write-offs / Sales	-	-27	-	-27
Balance as at 31 December 2022	**2.077**	**688**	**-**	**2.765**

NOTE 11 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale when there is an intention to dispose of such assets and they are available for immediate sale and their sale is highly likely.

The balance of *Non-current assets held for sale and discontinued operations* is broken down as follows:

(in thousands of euros)

	Income Property	Owner-Occupied Property	Investments In subsidiaries, Associate companies and joint ventures	Total
Balance as at 1 January 2021	**4.766**	**-**	**0**	**4.766**
Transfers	-	-	-	-
Changes in fair value	145	-	-	145
Write-offs / Sales	-	-	-	-
Balance as at 31 December 2021	**4.911**	**-**	**0**	**4.911**
Transfers	-	-	-	-
Changes in fair value	-	-	-	-
Write-offs / Sales	-	-	-	-
Balance as at 31 December 2022	**4.911**	**-**	**0**	**4.911**

The amounts listed in *Buildings* correspond to real estate assets which the company intends to sell and whose processes were either completed in 2022 or are expected to be completed in 2023, after the conclusion of any ongoing permitting processes, with effective sale, as described in Note 9.

In 2021, the company reached an agreement to sell its stake in Tranquilidade Moçambique Companhia de Seguros, S.A. and Tranquilidade Moçambique Companhia de Seguros Vida, S.A. The process followed its due course as provided in the applicable laws and was pending approval by regulators. On 1 October 2022, upon approval, the company transferred its entire stake in those two companies to a local investor, as well as all assets recognised as the respective technical provisions. The companies are not running any business operations and are currently preparing the process to facilitate liquidation or disposal, having provided minimum service levels to their buyer until 31 December 2022.

In relation to its stake in Tranquilidade, Corporação Angolana de Seguros, S.A., the company failed to materialise the formal agreement signed in 2019. The company made several contacts and provided the necessary information for the process to be resumed in the near term.

NOTE 12 – INTANGIBLE ASSETS

All intangible assets are measured using the cost model. Except for goodwill, all estimated useful lives are finite, being five years for software development expenses (linear depreciation), three years for software (linear depreciation) and duration to maturity of acquired portfolio and non-linear depreciation, in the case of value in force (VIF).

As at 31 December 2022 and 2021, goodwill amounted to EUR 65,981 thousand and corresponded to the excess between the acquisition cost and the fair value of net identifiable assets related to the acquisition of Açoreana Seguros, S.A. on 5 August 2016.

Goodwill was determined based on the fair value of mathematical provisions for workers' compensation and life insurance, discounting estimates of future cash flows to the present value of those liabilities by using the EIOPA's risk-free interest rate curve, with volatility adjustment, in accordance with the Solvency II requirements.

In 2022, goodwill was tested for impairment based on its receivable amount and no evidence of impairment was identified. The receivable amount is determined based on the higher of an asset's value in use and its market value, less costs to sell, and it is calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, time value and business risks. The estimated receivable amount was based on the company's business plan and cash-flow projections discounted at a 9.8% rate (2021: 6.8%).

As at 31 December 2022, the value in force (VIF) corresponded to the acquisition cost of contractual positions arising from contracts traded, including all rights, liabilities and guarantees stemming from them, in the net value of depreciation and impairments of EUR 3,376 thousand (2021: EUR 3,746 thousand) related to the acquisition to the former GNB, Companhia de Seguros de Vida, S.A. of its policy portfolio relative to the traditional insurance brokerage channel in 2006 (current Gama Life, Companhia de Seguros de Vida, S.A.).

These assets are depreciated over the period of income recognition associated with the contracts acquired.

As mentioned, and provided in the accounting policies, the company revised the receivable amount of the value in force of the portfolio acquired to GNB, Companhia de Seguros de Vida, S.A. in 2006 and recognised an impairment loss of EUR 9,514 thousand (2021: 11,196 thousand).

The balance of the lines items *Goodwill and Other intangible assets* is analysed as follows:

(in thousands of euros)

	2022	2021
Goodwill	**65.981**	**65.981**
Value in force	**-**	**-**
Other Intangibles Assets	**119.893**	**174.305**
Software development costs	52.465	81.263
Software	6.764	26.784
Intangible assets under construction or development	1.396	399
Value in force	50.000	56.836
Right-of-use assets (IFRS16) - Software	9.268	9.023
Accumulated Depreciation	**-100.010**	**-151.776**
Other intangible assets	-92.403	-145.794
Right-of-use assets (IFRS16) - Software	-7.607	-5.982
Impairments	**-9.514**	**-11.196**
	76.350	**77.314**

The accounting entries recorded in both reporting periods can be analysed as follows:

(in thousands of euros)

	Goodwill	Other Intangible Assets	Software Development Costs	*Software*	Intangible Assets Under Construction	Value in Force	Right-of-use assets (IFRS16)	Total
Balance as at 1 December 2021	**65.981**	**11.445**	**4.131**	**639**	**287**	**4.190**	**2.198**	**77.426**
Additions	-	5.475	499	633	1.121	-	3.222	5.475
Depreciations	-	-7.136	-2.220	-385	-	-2.152	-2.379	-7.136
Impairments	-	1.708	-	-	-	1.708	-	1.708
Transfers	-	-159	850	-	-1.009	-	-	-159
Balance as at 31 December 2021	**65.981**	**11.333**	**3.260**	**887**	**399**	**3.746**	**3.041**	**77.314**
Additions	-	3.250	618	324	2.063	-	245	3.250
Depreciations	-	-5.867	-1.828	-362	-	-2.052	-1.625	-5.867
Impairments	-	1.682	-	-	-	1.682	-	1.682
Transfers	-	-29	1.037	-	-1.066	-	-	-29
Balance as at 31 December 2022	**65.981**	**10.369**	**3.087**	**849**	**1.396**	**3.376**	**1.661**	**76.350**

The closing balance of the value in force will be depreciated as follows:

(in thousands of euros)

	2023	2024	2025	2026	Após	Total
Estimated depreciation	362	352	333	326	2.003	**3.376**

Depreciation of intangible assets is apportioned among different line items in profit or loss as follows:

(in thousands of euros)

	2022	2021
Depreciation of intangible assets	**5.867**	**7.136**
Claims costs, net of reinsurance		
Amounts paid – Gross amounts	763	928
Net operating costs and expenses		
Acquisition costs	1.995	2.426
Administrative costs	2.816	3.425
Financial costs		
Others	293	357

NOTE 13 – OTHER ASSETS, LIABILITIES, ADJUSTMENTS AND PROVISIONS

Assets and adjustments

The balance of the lime item *Direct insurance receivables* is broken down as follows:

(in thousands of euros)

	2022	2021
Gross Assets	**49.865**	**61.081**
Policyholders		
- outstanding amounts	38.916	41.855
- claims reimbursement	2.780	3.490
Insurance intermediaries	6.537	7.909
Co-insurers	1.633	7.827
Adjustments	**-7.557**	**-8.308**
Outstanding amounts	-5.606	-6.204
Doubtful debts	-1.951	-2.104
Net Assets	**42.308**	**52.773**

Reimbursements, gross of impairment, due to payments made in connection with claims incurred during the suspension period of guarantees and not yet received amount to EUR 1,649 thousand (2021: EUR 1,979 thousand).

In 2021, the line item *Outstanding amounts* included an estimate of EUR 6 million made by the company, covering several lines of business, on projected post-moratorium impacts associated with premium payment grace period and which are usually known after the closing date of the accounting period.

The balance of the line item *Reinsurance receivables* is broken down as follows:

(in thousands of euros)

	2022	2021
Gross Assets	**14.860**	**14.444**
Reinsurers	8.880	9.465
Reinsured	5.980	4.979
Adjustments	**-6.080**	**-5.082**
Doubtful debts	-6.080	-5.082
Net Assets	**8.780**	**9.362**

As at 31 December 2022, the line item *Reinsured* included receivables from Tranquilidade, Corporação Angolana de Seguros, S.A. in the total amount of EUR 4,8 million (2021: EUR 4,3 million). The company recorded adjustments in the allowance for doubtful debts, amounting to EUR 4,8 million (2021: EUR 4,4 million), associated with the amounts pending collection.

As at 31 December 2022, the line item *Reinsured* still included receivables from two subsidiaries in Mozambique worth about EUR 1 million (2021: EUR 500 thousand). The company recorded adjustments in the allowance for doubtful debts, amounting to EUR 800 thousand (2021: EUR 400 thousand), associated with the amounts pending collection.

The balance of the line item *Other receivables* is broken down as follows:

(in thousands of euros)

	2022	2021
Gross Assets	**36.156**	**33.243**
Related entities	8.796	8.223
Advances to suppliers of goods and services	902	153
IFAP	8.198	9.028
FAT	1.163	1.469
Management on account of IDS and principals	10.401	7.514
Guarantees	147	173
Payment plans	3.132	2.535
Rents and other outstanding amounts	241	259
Staff	174	79
Costumers	334	288
Other receivables	2.669	3.522
Adjustments	**-17.113**	**-16.920**
Doubtful debt	-17.113	-16.920
Net Assets	**19.043**	**16.323**

As at 31 December 2022, the line item *Related entities* included receivables from Tranquilidade, Corporação Angolana de Seguros, S.A. in the total amount of EUR 6,2 million (2021: EUR 6 million). The company recorded adjustments in the allowance for doubtful debts worth about EUR 6,2 million (2021: EUR 6 million), associated with the amounts pending collection.

As at 31 December 2022, the line item *Related entities* included receivables from two subsidiaries in Mozambique in the sum total of EUR 1,9 million (2021: EUR 1,8 million). The company recorded adjustments in the allowance for doubtful debts worth about EUR 1,4 million (2021: EUR 1,3 million), in connection with the amounts pending collection.

The adjusting entries recorded in Receivables and further reflected under the line item *Impairment losses* – others in profit or loss can be analysed as follows:

(in thousands of euros)

	2022	2021
Adjustment of Outstanding Amounts		
Balance as at 1 January	**6.204**	**8.480**
Appropriations	-	-
Reversals	-598	-2.276
Balance as at 31 December	**5.606**	**6.204**
Adjustment of Doubtful Debts		
Balance as at 1 January	**24.106**	**23.049**
Appropriations	1.038	1.057
Reversals	-	-
Balance as at 31 December	**25.144**	**24.106**

The balance of the line item *Accrued and deferred assets* is broken down as follows:

(in thousands of euros)

	2022	2021
Accrued Income	**554**	**609**
- Profit reinsurance commission	55	277
- Services rendered	499	332
Deferred Costs	**2.074**	**2.714**
- Insurance	95	102
- Rentals	265	281
- Other services	1.714	2.331
Total	**2.629**	**3.323**

In 2022, the balance of *Other current assets* amounted to EUR 22,766 thousand (2021: EUR 27,490 thousand) and referred to investment contracts traded by the company, but whose assets were operationally managed by the former GNB, Seguros Vida, S.A. (current Gama Life, Companhia de Seguros de Vida, S.A.).

Liabilities and provisions

The balance of the line item *Direct insurance payables* is broken down as follows:

(in thousands of euros)

	2022	2021
Policyholders (return premiums payable)	6.107	8.592
Insurance intermediaries		
- Fees	282	196
- Current accounts	13.883	12.980
Co-insurers	3.857	4.998
Premiums received in advance	40.101	41.686
Total	**64.230**	**68.452**

The balance of the line item *Reinsurance payables* is broken down as follows:

(in thousands of euros)

	2022	2021
Reinsurers	19.757	22.126
Reinsured	80	100
Total	**19.837**	**22.226**

The balance of the line item *Other payables* is broken down as follows:

(in thousands of euros)

	2022	2021
Related entities	7	25
Other suppliers of goods and services	678	436
IFAP	994	1.047
AT Pensions	1.755	1.162
Other payables	15.175	6.985
Total	**18.609**	**9.655**

The balance of the line item *Accruals and deferrals* is broken down as follows:

(in thousands of euros)

	2022	2021
Deferred Income	**42**	**78**
- Rentals	42	78
Accrued Costs	**81.327**	**66.198**
- Staff costs (subsidies, charges and bonuses)	27.089	24.938
- Acquisition costs (incentives and commissions)	26.749	24.505
- Supply and service outsourcing	27.359	16.610
- Taxes	130	145
Total	**81.369**	**66.276**

The line item *Accrued staff costs* include estimates of restructuring costs amounting to EUR 9,943 thousand (2021: EUR 8,795 thousand).

The balance and accounting entries recorded under the line item *Other provisions* classified as a liability on the balance sheet are broken down as follows:

(in thousands of euros)

	2022	2021
Tax and social security contingencies	428	428
Legal contingencies	1.150	469
Other provisions	2.299	330
Total	**3.877**	**1.227**

(in thousands of euros)

	2022	2021
Balance as at 1 January	**1.227**	**782**
Appropriations	2.696	460
Use for the year-ended	-45	-15
Balance as at 31 December	**3.877**	**1.227**

NOTE 14 – PREMIUMS OF INSURANCE CONTRACTS

Gross premiums issued and changes in provision for unearned premiums (UPR) and earned premiums of direct insurance and accepted reinsurance are analysed as follows:

(in thousands of euros)

	Gross Written Premiums		UPR Variation		Earned Premiums	
Lines of Business / Groups of Lines of Business	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Life						
Traditional	64.529	54.525	414	1.097	64.115	53.428
Pension Savings Plan and Capitalisation with profit-sharing	7.511	23.562	-	-	7.511	23.562
Non-Life						
Personal accident and sickness	442.647	418.290	5.884	3.046	436.763	415.244
Fire and other property damage	158.107	150.392	3.672	2.323	154.435	148.069
Motor vehicle	426.857	405.957	7.203	507	419.654	405.450
Marine, air and transport	4.820	4.794	-17	88	4.837	4.706
General third-party liability	22.702	22.002	366	164	22.336	21.838
Loan and collateral	53	59	-7	-17	60	76
Legal protection	8	8	-	-	8	8
Assistance	56.710	53.537	1.256	931	55.454	52.606
Others	3.105	3.557	2	58	3.103	3.499
Total	**1.187.049**	**1.136.683**	**18.773**	**8.197**	**1.168.276**	**1.128.486**

In 2021, the line item *Gross premiums issued* included an estimate of EUR 6 million made by the company, covering several lines of business, on projected post-moratorium impacts associated with premium payment grace period and which are usually known after the closing date of the accounting period.

Premiums issued and changes in provision for unearned premiums (UPR) and earned premiums of ceded reinsurance are analysed as follows:

(in thousands of euros)

	Reinsurance Written Premiums		UPR Variation		Reinsurance Earned Premiums	
Lines of Business / Groups of Lines of Business	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Life						
Traditional	11.998	16.856	1	-3	11.997	16.859
Pension Savings Plan and Capitalisation with profit-sharing	269	6.335	-	-	269	6.335
Non-Life				-		
Personal accident and sickness	25.551	25.581	710	1.288	24.841	24.293
Fire and other property damage	54.495	55.754	139	1.297	54.356	54.457
Motor vehicle	2.592	2.364	-	-	2.592	2.364
Marine, air and transport	1.749	1.684	-23	-87	1.772	1.771
General third-party liability	3.410	3.107	395	-244	3.015	3.351
Loan and collateral	-	-	-1	-5	1	5
Legal protection	-	-	-	-	-	-
Assistance	28.690	29.760	101	-1.706	28.589	31.466
Others	2.363	3.056	-140	-14	2.503	3.070
Total	**131.117**	**144.497**	**1.182**	**526**	**129.935**	**143.971**

The breakdown of certain amounts related to non-life insurance for the year ended 2022, according to the form required by the ASF, is analysed as follows:

(in thousands of euros)

Lines of Business / Groups of Lines of Business	Gross Written Premiums	Gross Earned Premiums	Gross Claims Costs	Gross Operating Costs	Balance of Reinsurance
Personal accident and sickness	440.069	435.114	268.820	99.806	-5.697
Fire and other property damage	157.721	153.909	110.691	43.829	-16.907
Motor vehicle					
- Third-party liability	252.708	249.651	238.254	53.388	-2.314
- Other coverages	173.979	169.823	92.133	45.792	-1.163
Marine, air and transport	4.801	4.809	2.024	1.346	-356
General third-party liability	22.682	22.312	13.132	6.677	8.653
Loan and collateral	53	60	-152	16	-74
Legal protection	8	8	39	5	-
Assistance	56.710	55.454	-	17.707	-28.560
Others	3.105	3.103	3.962	680	1.003
Total	**1.111.836**	**1.094.243**	**728.903**	**269.246**	**-45.415**
Accepted Reinsurance	3.173	2.407	941	650	-181
Grand Total	**1.115.009**	**1.096.650**	**729.844**	**269.896**	**-45.596**

Certain amounts related to life insurance are stated below:

(in thousands of euros)

	2022	2021
Gross Written Premiums for Direct Insurance and Accepted Reinsurance	**72.040**	**78.087**
Relating to personal contracts	48.076	72.067
Relating to group contracts	23.964	6.020
	72.040	**78.087**
Periodic	67.693	69.033
Non-periodic	4.347	9.054
	72.040	**78.087**
On contracts with profit-sharing	43.212	53.845
On contracts without profit-sharing	28.828	24.242
	72.040	**78.087**
Balance of Reinsurance	**-515**	**-5.143**

NOTE 15 – COMMISSIONS RECEIVED FROM INSURANCE CONTRACTS

Insurance contracts issued by the company in which a financial risk is transferred without discretionary profit-sharing, namely capitalisation products with fixed income rate and products in which the investment risk is borne by the policyholder are classified as investment contracts and accounted for as a liability and their underwriting, management and redemption fees recorded as income and calculated on a fund-by-fund basis, according to the general conditions of each product.

NOTE 16 – INVESTMENT INCOME AND EXPENDITURE

The accounting policies adopted for the recognition of income and expenditure arising from investments are addressed in Note 3 above.

The balance of the line item *Income*, broken down into its different types of income, is as follows:

(in thousands of euros)

	2022	2021
Interest	**35.611**	**33.593**
Financial assets available for sale	35.159	33.026
Financial assets initially recognised at fair value through profit or loss	216	357
Financial assets held for trading	-	-
Investments held to maturity	63	288
Deposits, loans and other assets	173	-78
Rents	**149**	**142**
Land and buildings	149	142
Dividends	**8.604**	**4.391**
Investments in subsidiaries, associate companies, and joint ventures	2.296	273
Financial assets available for sale	6.308	4.118
Financial assets initially recognised at fair value through profit or loss	-	-
Total	**44.364**	**38.126**

The balance of the line item *Income*, analysed by asset category, is as follows:

(in thousands of euros)

	2022	2021
Bonds and other fixed-income securities		
By public issuers	18.308	17.886
By other issuers	17.129	15.785
Equity	2.409	390
Other floating-rate securities	6.195	4.002
Real estate	149	142
Deposits	167	-88
Loans and other assets	7	9
Total	**44.364**	**38.126**

The balance of the line item *Financial expenses* is broken down as follows:

(in thousands of euros)

	2022	2021
Investment function incurred costs	6.652	7.224
Direct operating costs	12	22
Total	**6.664**	**7.246**

NOTE 17 - REALISED GAINS AND LOSSES ON INVESTMENTS

The amounts recognised under *Net gains on financial assets and liabilities*, broken down into categories, are as follows:

(in thousands of euros)

	2022			2021		
	Gain	Loss	Balance	Gain	Loss	Balance
Financial – Not at Fair Value Through Profit or Loss	**6.641**	**-56.690**	**-50.049**	**7.866**	**-2.484**	**5.382**
Financial assets available for sale	6.641	-56.690	-50.049	7.866	-2.484	5.382
Investments in subsidiaries, associate companies and joint ventures	-	-	-	-	-	-
Financial – At Fair Value Through Profit or Loss	**1**	**-203**	**-202**	**2**	**-26**	**-24**
Financial assets initially recognised at fair value through profit or loss	1	-203	-202	2	-26	-24
Financial assets held for trading	-	-	-	-	-	-
Non-Current Assets Classified as Held for Sale	**-**	**-**	**-**	**-**	**-**	**-**
Income property	-	-	-	-	-	-
Owner-occupied property	-	-	-	-	-	-
Total	**6.642**	**-56.893**	**-50.251**	**7.868**	**-2.510**	**5.358**

The amounts recorded under *Financial assets managed by third parties* reflect the proceeds from assets that are operationally managed by the former GNB, Seguros Vida, S.A. (current Gama Life, Companhia de Seguros Vida, S.A.) in connection with non-unit-linked investment contracts traded by the company.

In addition to realised gains and losses on investments, the amounts reported in the financial statements include the gains and losses on financial liabilities carried at amortised cost in the amount of -EUR 6 thousand (2021: -EUR 63 thousand), as shown in Note 5 above.

NOTE 18 - GAINS AND LOSSES FROM FAIR VALUE ADJUSTMENTS TO INVESTMENTS

Gains and losses resulting from fair value adjustments to investments can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Gain	Loss	Balance	Gain	Loss	Balance
Financial – at fair value	**9.625**	**-1.120**	**8.505**	**387**	**-393**	**-6**
Financial assets initially recognised at fair value through profit or loss						
- Debt securities	1	-99	-98	1	-331	-330
- Equity, investment funds and other floating-rate securities	363	-1.021	-658	386	-62	324
Financial assets held for trading	9.261	-	9.261	-	-	-
Non-Financial	**-**	**-**	**-**	**69**	**-34**	**35**
Income property	-	-	-	69	-34	35
Owner-occupied property	-	-	-	-	-	-
Non-Current Assets Classified as Held for Sale	**-**	**-**	**-**	**145**	**-**	**145**
Income property	-	-	-	145	-	145
Owner-occupied property	-	-	-	-	-	-
Total	**9.625**	**-1.120**	**8.505**	**601**	**-427**	**174**

The amounts reported under *Financial assets managed by third parties* reflect the proceeds from assets that are operationally managed by the former GNB, Seguros Vida, S.A. (current Gama Life, Companhia de Seguros Vida, S.A.) in connection with unit-linked investment contracts traded by the company.

The amounts reported in 2022 under the line item *Financial assets held for trading* refer to a forward sale agreement of Portuguese public debt entered into between the company and its shareholder Assicurazioni Generali, S.p.A. last June. This forward sale contributed to improve asset-liability duration matching and mitigate the credit spread risk of this issuer.

In addition to gains and losses resulting from fair value adjustments to investments, the amounts recorded in the financial statements include the gains and losses on financial liabilities carried at fair value through profit or loss in the amount of EUR 802 thousand (2021: -EUR 22 thousand), as shown in Note 5 above.

NOTE 19 – GAINS AND LOSSES ON EXCHANGE RATE DIFFERENCES

This line item includes *income* resulting from the exchange rate revaluation of monetary assets and liabilities denominated in a foreign currency, according to the accounting policy described in Note 3 above, except for income resulting from financial instruments carried at fair value through profit or loss.

The balance is broken down as follows:

(in thousands of euros)

	2022			2021		
	Gain	Loss	Balance	Gain	Loss	Balance
Financial assets available for sale	710	-220	490	1.152	-120	1.032
Financial assets held for trading	7.295	-8.183	-888	5.300	-6.641	-1.341
Others	1.780	-1.288	492	2.043	-1.487	556
Total	**9.785**	**-9.691**	**94**	**8.495**	**-8.248**	**247**

NOTE 20 – OTHER INCOME AND EXPENSES

The balance of the line item *Other income e and technical expenses*, net of reinsurance, is broken down as follows:

(in thousands of euros)

	2022	2021
Other Technical Income	**14.546**	**12.237**
Co-insurance handling commissions	96	107
Claims management rates	166	-
Other Technical Income	-	53
Claims handling costs	14.283	12.078
Other Technical Expenses	**18.074**	**15.281**
Co-insurance handling commissions	462	463
Pension fund other expenses	-	17
Claims handling costs	17.612	14.800
Total	**-3.528**	**-3.044**

The balance of the line item *Other income and expenses* is broken down as follows:

(in thousands of euros)

	2022	2021
Other Non-Technical Income	**10.868**	**1.541**
Tax refund	7.696	113
Other gains	1.166	1.085
Interest and other financial gains	1.798	13
Services rendered	209	330
Other Non-Technical Expenses	**3.217**	**2.716**
Donations	63	35
Sponsorship	29	67
Customer gifts	13	17
Fines	6	8
Subscriptions	41	32
Doubtful debt	141	553
Other expenses	2.795	1.848
Banking services and default interest rate	129	157
Total	**7.651**	**-1.175**

NOTE 21 - OTHER COSTS BY FUNCTION AND NATURE

Costs reported under the line items *Costs per nature to be allocated* are not recognised directly in profit or loss, since they have been apportioned between the four main functions of the company and classified under the following line items on the balance sheet:

- Claims Function: claim-related costs – gross amounts paid;
- Acquisition Function: operating costs – acquisition costs;
- Administrative Function: operating costs – administrative costs;
- Investments Function: financial costs – others.

Cost allocation per nature shall comply with the following criteria, wherever appropriate:

- % of the time apportioned to each function by cost centre;
- % of use of IT resources;
- % of persons allocated to each function.

The analysis of those costs and their classification based on function allocation are broken as follows:

(in thousands of euros)
(%)

2022	Claims Costs		Acquisition Costs		Administrative Costs		Investment Costs		Total	
Staff costs									69.152	100%
Supply and service outsourcing	5.948	10%	23.931	40%	28.847	49%	374	1%	59.100	100%
Taxes	-	0%	5.154	68%	2.395	32%	6	0%	7.555	100%
Depreciation	830	7%	2.019	17%	8.840	73%	312	3%	12.001	100%
Provisions for contingencies and fees	-	0%	-	0%	-	0%	-	0%	-	0%
Other costs	-	0%	-	0%	-	0%	4.206	100%	4.206	100%
Total	**19.093**	**13%**	**55.993**	**37%**	**70.276**	**46%**	**6.652**	**4%**	**152.014**	**100%**

(in thousands of euros)
(%)

2021	Claims Costs		Acquisition Costs		Administrative Costs		Investment Costs		Total	
Staff costs									71.966	100%
Supply and service outsourcing	6.265	12%	18.926	36%	26.465	51%	521	1%	52.177	100%
Taxes	-	0%	4.696	70%	2.013	30%	3	0%	6.712	100%
Depreciation	1.310	10%	3.082	23%	8.339	61%	779	6%	13.510	100%
Provisions for contingencies and fees	-	0%	-	0%	-	0%	-	0%	-	0%
Other costs	-	0%	-	0%	-	0%	3.539	100%	3.539	100%
Total	**19.294**	**13%**	**50.178**	**34%**	**71.208**	**48%**	**7.224**	**5%**	**147.904**	**100%**

The amounts recorded under the line item *Staff costs* are analysed in Note 22.

The amounts reported in the line item *Supply and service outsourcing* are broken down as follows:

(in thousands of euros)

	2022	2021
Electricity and water	270	280
Fuel	754	474
Office supplies, stationery and other	68	27
Corporate gifts	564	198
Office equipment and property maintenance	1.686	1.402
IT Hardware maintenance	6.003	6.733
Rents	1.173	1.772
Operational rental of vehicles and other rentals	870	631
Travel and entertainment expenses	603	322
Telephone communications and networks	719	914
Mail	1.390	1.769
Insurance	125	316
Retainers and fees	489	184
Advertising and marketing	11.612	8.678
Cleaning, hygiene and comfort	453	387
Surveillance and security	180	264
Outsourcing, consulting and specialised work	13.572	10.786
Software services and development	14.457	14.316
Subscriptions to APS	494	641
Premium collection	1.702	1.659
Intermediaries' training	563	127
Temporary work	90	42
Other supplies and services	1.263	255
Total	**59.100**	**52.177**

Fees invoiced and to be invoiced by the company's statutory auditor, KPMG & Associados, SROC, S.A., with reference to the year ended 2022, excluding expenses and the value added tax, amounted to EUR 883 thousand, of which EUR 550 thousand pertain to the statutory audit, EUR 150 thousand to other assurance services within Solvency II and specific procedures to prevent money laundering, and also to reports on the internal control system, and another EUR 183 thousand to services rendered within due diligence.

The amounts recorded under the line item *Taxes and rates* are broken down as follows:

(in thousands of euros)

	2022	2021
ASF levy	2.730	2.563
FAT levy	2.367	1.974
Municipal property tax	-	1
Fee for the General Secretariat of the MAI	2.260	1.977
Portuguese Green Card Office levy	164	156
Other taxes, fees and licences	34	41
Total	**7.555**	**6.712**

The amounts reported under the line item *Depreciation* are broken down as follows:

(in thousands of euros)

	2022	2021
Software development costs	1.828	1.951
Software	362	385
Other intangible assets	2.052	2.421
IT Hardware	897	724
Property for own use	11	19
Office equipment and machines	204	238
Indoor facilities	107	118
Right-of-use assets (IFRS16)	5.219	6.291
Other equipment	1.321	1.363
Total	**12.001**	**13.510**

The amount reported under the line item *Other costs* is broken down as follows:

(in thousands of euros)

	2022	2021
Reinsurer deposit interest	1.814	506
Securities' custody and management and other commissions	2.069	2.827
Total	**4.206**	**3.539**

The amounts recorded under the line item *Net operating costs* are broken down as follows:

(in thousands of euros)

	2022	2021
Acquisition costs		
Intermediaries remuneration	138.947	131.194
Incurred costs	55.993	50.178
Other acquisition costs	31.532	28.247
Deferred acquisition costs (changes)	-6.425	2.253
Administrative costs		
Intermediaries remuneration	3.760	4.338
Incurred costs	70.276	71.208
Reinsurance commissions and profit-sharing	-10.823	-16.695
Total	**283.260**	**270.723**

NOTE 22 – STAFF COSTS

The average number of employees working for the company is broken down by professional category and analysed as follows:

	2022	2021
Directors / Top management	36	24
Managers / Middle management	141	103
Coordinators / Operational management	94	103
Technicians	313	283
Specialists / Operationals	485	570
Ancillary staff	1	2
Total	**1.070**	**1.085**

The amounts reported under the line item *Staff costs* are broken down as follows:

(in thousands of euros)

	2022	2021
Remuneration – Governing bodies	837	698
Remuneration – Staff	48.929	47.282
Charges on remuneration – Governing bodies	115	117
Charges on remuneration – Staff	11.341	9.798
Defined-contribution plans	1.443	979
Post-employment benefits – Defined-benefit pension plans	-82	7.168
Employment termination benefits	2.887	4.000
Compulsory insurance	533	672
Social welfare costs	2.045	796
Training	825	298
Other staff costs	280	159
Total	**69.152**	**71.966**

In 2021 and 2020, the amounts recorded under the line item *Benefits provided upon termination of employment* encompass amounts paid and estimated arising from the reorganisation process approved by the Executive Committee, following the change in control of the company and the merger that took place in 2020.

In 2022, staff costs included the cost of individual pension plans amounting to EUR 1,443 thousand (2021: EUR 979 thousand), of which EUR 49 thousand pertain to the company's governing bodies (2021: EUR 49 thousand).

In 2022, staff costs further included a cost of EUR 738 thousand (2021: EUR 449 thousand) arising from share-based payments, of which EUR 435 thousand (2021: EUR 266 thousand) pertain to the company's governing bodies.

As at 31 December 2022 and 2021, no loans were granted by the company to the members of its governing bodies.

Remuneration policies and incentive schemes of the members of the Board of Directors, the Supervisory Board, and the Board of the General Meeting, and employees with key functions and other relevant functions are disclosed in the company's Remuneration Policy Disclosure at the end of this annual report.

NOTE 23 – PAYROLL LIABILITIES

Retirement pensions and health benefits

As mentioned in Note 3 above, the company takes on responsibility for providing its employees a set of benefits in addition to old-age and disability pensions emerging from the Social Security System under the terms set forth in the applicable *Collective Labour Regulation Instruments*.

In accordance with the *Collective Agreement*, which was originally applicable to labour relations, published on the Labour Bulletin no. 32 of 29 August 2008, any employee admitted to the insurance sector before 22 June 1995 under this agreement would be entitled to receive a supplementary pension benefit of a pecuniary nature funded by the Social Security System.

As mentioned in Note 3 above, the company announced that the *Collective Agreement* would cease to be effective and applied as of 31 December 2016 with specific regard to supplementary defined-benefit pension plans.

There are also other plans that comprise a set of health benefits for both active and pre-retiring employees until the normal retirement age.

As mentioned in Note 3 above, on 23 December 2011, a new *Collective Agreement for the Insurance Sector* was approved, published on the Labour Bulletin no 2. of 15 January 2012, changing a set of benefits established previously.

This collective agreement was later followed and superseded by the *Collective Labour Agreement*, published on the Labour Bulletin no. 4 of 29 January 2016.

The *Collective Labour Agreement* was later extended by a ministerial ordinance, published on the Labour Bulletin no. 25 of 8 July 2016, which determined the schemes under this agreement to be applied to all employees of the company who were not affiliated with granting trade unions, except for employees affiliated with SINAPSA, National Union of Insurance Workers and Related.

Among the changes arising from the *Collective Agreement for the Insurance Sector* in 2012 that migrated to the *Collective Labour Agreement* approved in 2016, the following two were particularly noteworthy:

i) within post-employment benefits, employees were now covered by an individual defined-contribution plan;
ii) a loyalty bonus awarded to employees who stayed in the company for one or more multiples of five years, equal to 50% of their base wages and paid once the appropriate award conditions were met.

In relation to the change of the supplementary pension plan, the nature of which shifted from a defined-benefit to a defined-contribution and considering that fully funded past service liabilities related to old-age pensions due to active employees under the new agreement were converted into individual accounts for these employees, incorporating their individual pension plans, the company settled its liability under IAS 19.

Considering that actuarial deviations are recognised in reserves, no additional impact was reflected on profit or loss as well as on reserves arising from the effective settlement of the plan.

Meanwhile, on 15 January 2019, the company entered into the first *Collective Bargaining Agreement* with the representatives of the various trade unions in the insurance sector, namely: SINAPSA, National Union of Insurance Workers and Related; SISEP, Portuguese Union of Insurance Workers; and STAS, Union of Workers of the Insurance Business; which was published on the Labour Bulletin no. 5 of 8 February 2019, having superseded any prior *Collective Labour Regulation Instruments* applied in the company. In the specific case of the entities incorporated in 2020, the agreement was entered into as at 8th March 2019 and later published on the Labour Bulletin no. 13 of 8 April 2019.

The conditions and provisions laid down in this new *Collective Bargaining Agreement* have brought about changes into a set of benefits awarded to the employees of the company, specifically:

i) within post-employment benefits, employees are still covered by a defined-contribution plan, under which the company shall make a 3,25% contribution of an employee's annual base pay on a yearly basis, without prejudice to any employees in pre-retirement or retired before 1 January 2019, who are still covered by the pension schemes laid down in the *Collective Labour Regulation Instruments* applicable at the time of their early retirement or retirement;
ii) the former loyalty bonus is superseded by an annual career bonus, equal to 10% of an employee's monthly base pay for each complete year of service following a three-year period. This new bonus, which came into effect on 1 January 2020, may also take the form of a leave for a length of days, as an alternative to the pecuniary reward and/or based on age and seniority.

In 2021, the coexistence of two collective labour regulation instruments in the company, namely the *Collective Bargaining Agreement* of the merged Seguradoras Unidas, S.A., and the *Collective Labour Agreement* of the merged Generali Seguros, S.A. made it imperative to negotiate a single company agreement that would govern labour relations and benefits for all employees. In mid-October 2021, a new company agreement was signed by the parties for the next three years, which would become effective at the beginning of 2022, after being published on the Labour Bulletin no. 8 of 28 February 2022.

The actuarial evaluation of health and pension benefits is carried out on an annual basis and was last performed on 31 December 2022.

The main assumptions considered in actuarial studies used to determine the updated value of liabilities for retirement pensions and health benefits for employees belonging to the Tranquilidade Group Pension Fund are the following:

	2022	2021
Financial Assumptions		
Wage growth rates	n.a.	1,00%
Pension growth rate	0,70%	0,50%
Early-retirement pension growth rate	0,70%	0,50%
Discount rate	4,05%	0,60%
Probability of transition to pre-retirement	0,00%	0,00%
Demographic Assumptions and Valuation Methods		
Mortality table	GKF 95	GKF 95
Disability table	Suisse Re 2001	Suisse Re 2001
Actuarial valuation method	*Project Unit Credit Method*	*Project Unit Credit Method*

The main assumptions considered in actuarial studies used to determine the updated value of liabilities for retirement pensions and health benefits for employees and former directors of Global Seguros, within the Açoreana Seguros Pension Fund, are the following:

	2022	2021
Financial Assumptions		
Wage growth rates	1,71%	1,00%
Pension growth rate	0,70%	0,50%
Discount rate	4,05%	1,00%
Demographic Assumptions and Valuation Methods		
Mortality table		
Men	GKF 95	GKF 95
Women	GKF 95	GKF 95
Disability table	Suisse Re 2001	Suisse Re 2001
Actuarial valuation method	*Project Unit Credit Method*	*Project Unit Credit Method*

The main assumptions considered in actuarial studies used to determine the updated value of liabilities, prior to their settlement, for retirement pensions and health benefits for employees and former directors of Generali, Companhia de Seguros, S.A. and Generali Vida, Companhia de Seguros, S.A., within the Generali Pension Fund, are the following:

	2022	2021
Financial Assumptions		
Wage growth rates	n.a.	1,00%
Pension growth rate	n.a.	0,50%
Discount rate	n.a.	1,00%
Demographic Assumptions and Valuation Methods		
Mortality table		
Men	n.a.	GKF 95
Women	n.a.	GKF 95
Disability table	n.a.	Suisse Re 2001
Actuarial valuation method	n.a.	*Project Unit Credit Method*

In accordance with the accounting policy described in Note 3 above, the discount rate used to estimate the liabilities for retirement pensions and health benefits corresponds to market rates at the balance sheet date, in connection with high-quality corporate bonds with maturities similar to those of such liabilities.

The number of participants covered by the defined-benefit plan was the following:

	2022	2021
Active employees	22	22
Retired employees	215	231
	237	**253**

Based on actuarial studies, the company's liabilities for past services, as well as the funds and provisions available to cover those liabilities amounted to:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	Health Benefits	Total	Retirement Pensions	Health Benefits	Total
Liabilities as at 31 December	-12.230	-2.765	-14.995	-16.608	-7.203	-23.811
Balance of the fund as at 31 December	21.393	-	21.393	25.167	-	25.167
Net Assets/(Liabilities) in the Balance Sheet as at 31 December	**9.163**	**-2.765**	**6.398**	**8.559**	**-7.203**	**1.356**

In 2022, the line item *Liabilities for post-employment and other long-term benefits* included liabilities for defined-contribution benefits amounting to EUR 1,144 thousand (2021: EUR 626 thousand) and liabilities for loyalty bonuses in the amount of EUR 114 thousand (2021: EUR 173 thousand).

It is also important to note that, in the past, part of the liabilities for retirement pensions was transferred from the fund to the company through the acquisition of life insurance policies (annuities) to T-Vida, Companhia de Seguros, S.A. (an entity merged by incorporation into Seguradoras Unidas on 30 December 2016).

The number of pensioners (annuity recipients) covered by these policies amounts to 180 (2020: 210), and total liabilities amount to EUR 3,483 thousand (2021: EUR 3,885 thousand).

Under the terms of the Regulatory Standard no. 5/2007-R of 27 April of the ASF, insurance companies shall ensure at the end of each reporting period:

a) total funding at present value of liabilities for pension payables, including pre-retirement and early retirement payments due until and after normal retirement age;
b) a 95% minimum funding level at present value of liabilities for past services rendered by active employees, excluding employees in pre-retirement or early retirement.

As at 31 December 2022 and 2021, the company's liabilities for pension payables were funded in full. The pension plans in question are non-contributory and independent from the Social Security System and are sponsored by the pension fund of the company.

In relation to the company's liability duration, the Tranquilidade Group Pension Fund averages a six-year time span, while the Açoreana Seguros Pension Fund averages a seven-year time span.

The evolution of *Liabilities for retirement pensions and health benefits* can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	Health Benefits	Total	Retirement Pensions	Health Benefits	Total
Liabilities as at 1 January	**16.608**	**7.203**	**23.811**	**20.411**	**94**	**20.505**
Benefits settlement	-	-	-	-	7.151	7.151
Current service cost	152	-	152	13	-	13
Interest cost	-	38	38	124	-	124
Actuarial gains and losses	-2.441	-4.197	-6.638	-1.465	-12	-1.477
Pensions paid by the fund	-2.089	-	-2.089	-2.335	-	-2.335
Benefits paid by the Company	-	-279	-279	-	-30	-30
Curtailment	-	-	-	-141	-	-141
Merger effect	-	-	-	1	-	1
Liabilities as at 31 December	**12.230**	**2.765**	**14.995**	**16.608**	**7.203**	**23.811**

The evolution of *Pension funds* can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	Health Benefits	Total	Retirement Pensions	Health Benefits	Total
Balance of the fund as at 1 January	**25.167**	**-**	**25.167**	**25.433**	**-**	**25.433**
Benefits settlement	-	-	-	-209	-	-209
Actual fund income						
Interest income	196	-	196	120	-	120
Actuarial gains and losses	-1.792	-	-1.792	1.136	-	1.136
Pensions paid by the fund	-2.089	-	-2.089	-2.335	-	-2.335
Asset ceiling	-	-	-	1.022	-	1.022
Transfers to other pension funds	-89	-	-89	-	-	-
Balance of the fund as at 31 December	**21.393**	**-**	**21.393**	**25.167**	**-**	**25.167**

The evolution of *Actuarial deviations recognised in reserves* can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	Health Benefits	Total	Retirement Pensions	Health Benefits	Total
Deviations Recognised in Reserves as at 1 January	**-10.989**	**153**	**-10.836**	**-7.366**	**165**	**-7.201**
Actuarial (gains) and losses						
- on liabilities	-2.441	-4.197	-6.638	-1.465	-12	-1.477
- on the plan assets	1.792	-	1.792	-1.136	-	-1.136
Asset ceiling	-	-	-	-1.022	-	-1.022
Deviations Recognised in Reserves as at 31 December	**-11.638**	**-4.044**	**-15.682**	**-10.989**	**153**	**-10.836**

The evolution of *Asset receivables* and *Liability payables* can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	Health Benefits	Total	Retirement Pensions	Health Benefits	Total
(Asset)/Liability Receivables or Payables as at 1 January	**-8.559**	**7.203**	**-1.356**	**-5.022**	**94**	**-4.928**
Change of plan	-	-	-	-	7.151	7.151
Actuarial gains and losses on liabilities	-2.441	-4.197	-6.638	-1.465	-12	-1.477
Actuarial gains and losses of funds	1.792	-	1.792	-1.136	-	-1.136
Charges for the years ended:	-	-		-	-	
- Current service cost	152	-	152	13	-	13
- Net interest cost on the balance of liability coverage	-196	38	-158	4	-	4
Contributions made in the period and pensions paid by the Company	-	-279	-279	-	-30	-30
Asset ceilling	-	-	-	-1.022	-	-1.022
Transfers to other pension funds	89	-	89	68	-	68
(Asset)/Liability Receivables or Payables as at 31 December	**-9.163**	**2.765**	**-6.398**	**-8.559**	**7.203**	**-1.356**

Pension and health benefit costs incurred in 2022 can be analysed as follows:

(in thousands of euros)

	2022			2021		
	Retirement Pensions	**Health Benefits**	**Total**	**Retirement Pensions**	**Health Benefits**	**Total**
Current service cost	152	-	152	137	-	137
Net interest costs in the balance of liability coverage	-196	-38	-234	-120	-	-120
Change of plan	-	-	-	-	7.151	7.151
Costs for the years ended	**-44**	**-38**	**-82**	**17**	**7.151**	**7.168**

The sensitivity analysis and its impact on accrued liabilities for post-employment benefits, considering its main constraints, are as follows:

(in thousands of euros)

	2022		2021	
	+25 p.p.	**-25 p.p.**	**+25 p.p.**	**-25 p.p.**
Variation of liability discount rate	-194	200	-310	322
Variation in pension evolution	242	-236	363	-352
on in salary evolution	44	-43	70	-67

Considering the coexistence of three funds, pension fund assets are reported in separate, as provided in the three following tables. The value of fund assets reported below do not include any asset of the Generali Group and represent the total assets of the Tranquilidade Group Pension Fund. Their analysis is as follows:

(in thousands of euros)

	2022	**2021**
Equity and other floating-rate securities	1.017	1.595
Fixed-income securities and bond funds	11.522	12.335
Liquidity	259	1.024
Other assets	-	222
	12.798	**15.176**

On 29 December 2016, Açoreana Seguros withdrew its collective membership no. 2 from the Banif Previdência Empresas Open-End Pension Fund, PF, having established a closed-end fund under the name Açoreana Seguros Pension Fund on 29 December 2016, with retroactive effects to 1 January 2012.

This fund comprises autonomous assets, which are exclusively assigned to the fulfilment of the three pension plans as provided in its articles of association (two defined-benefit pension plans and one defined-contribution pension plan). The value of fund assets reported in table below do not include any asset of the Generali Group and can be analysed as follows:

(in thousands of euros)

	2022	**2021**
Equity and other floating-rate securities	1.887	2.171
Fixed-income securities and bond funds	11.100	11.859
Real estate	1.131	1.122
Liquidity	260	1.352
Subscriptions and redemptions in progress	-	-317
Other assets	788	1.388
	15.166	**17.575**

The value of assets reported below represent the total assets of the Generali Pension Fund and can be analysed as follows:

(in thousands of euros)

	2022	2021
Equity and other floating-rate securities	484	448
Fixed-income securities and bond funds	9.179	8.017
Liquidity	311	2.120
	9.974	**10.585**

Almost 43% of the total asset value of the three funds, namely Tranquilidade Group Pension Fund, Açoreana Seguros Pension Fund and Generali Pension Fund, pertain to assets that cover defined-contribution plans. The total asset value of the three funds, ranked by the valuation method used in accordance with the levels described in Note 6 above, is analysed as follows:

(in thousands of euros)

	2022	2021
Level 1	35.763	40.880
Level 2	-	1
Level 3	2.175	2.455
	37.938	**43.336**

The reconciliation of level-3 assets is as described below:

(in thousands of euros)

	2022	2021
1 January	**2.454**	**1.377**
Real estate correction	-	1.008
1 January adjusted	**2.454**	**2.385**
Purchases	413	672
Disposals	-747	-653
Changes in fair value	55	50
31 December	**2.175**	**2.454**

Closed-end real estate funds account for most of level-3 assets and a 10% variation in the fair value of these assets would correspond to an estimated loss or gain of EUR 218 thousand (2021: EUR 245 thousand).

NOTE 24 – CORPORATE INCOME TAX

As mentioned in Note 3 above, the company is subject to the tax regime provided in the Portuguese Corporation Tax Code.

Considering that the company recorded a tax loss in 2022, the amount of tax payable or receivable corresponded solely to an estimate of autonomous tax. In 2021, the amount of tax payable or receivable was determined based on the nominal tax rate and different surtax levels, of about 22.5%, which corresponded to the nominal rate approved at the balance sheet date.

The company has been subject to annual inspections by the Portuguese Tax and Customs Authority, whose last report refers to the year ended 2019. It is important to note that the company has already received the report on the activity carried out over the first nine months of 2020 prior to the merger. Overall, no significant corrections have been made to the Company Tax Return filed and inspected.

Nevertheless, in 2018, after having inspected the 2016 and 2015 tax years, the Portuguese Tax and Customs Authority carried out an inspection of the 2014 tax year, a period which had already been under review when the company filed a request seeking state approval to maintain tax losses for the 2015 tax year, having received a favourable response from the Portuguese Tax and Customs Authority in that same year.

Several differences have arisen from this inspection, most of them related to the acceptance of capital losses resulting from the sale of securities, with a negative impact on income in 2018 amounting to EUR 24,9 million (an underestimate of the amount of tax due of EUR 500 thousand and a reversal of deferred taxes on tax losses of EUR 24,4 million). It should be mentioned that the company challenged these differences by judicial review.

Overall, and considering all tax issues related to corporate income tax, value added tax, municipal tax on real estate conveyance and stamp duty, the company has already challenged or is in the process of challenging the overpayment of estimated taxes and relating interest and non-recognition of reported tax losses by judicial review, which totals nearly EUR 39,6 million, arising mostly from corporate income tax for the 2006 and 2014 tax years, amounting to EUR 8,4 million and EUR 24,9 million respectively. Should the company receive favourable court ruling in this case, the respective amounts shall be recognised as income in the reporting year in which those decisions are known and irrevocable, though subject to time limits for tax reporting, in the case of corporate income tax.

Tax years not yet inspected are subject to inspection by the Portuguese Tax and Customs Authority over a four-year period or longer, and corrections may follow, if deducted tax losses are brought into question, in the case of which a period equal to the time limit for tax loss deduction is applied. Given the nature of any prospective corrections that may be made, it is not possible to quantify those for the time being. Nevertheless, it is the understanding of the Board of Directors that any correction deemed necessary for the aforesaid reporting periods will have no significant impact on the attached financial statements.

The entities merged with the company presented a negative tax income liability for the reporting period as described below:

(in thousands of euros)

Period	Brought Forward	Used	Unrecognised	Carried Forward	Last Year for Use
2014	2.054	-	-2.054	-	n/a
2015	18.898	-	-10.452	8.446	n/a
2016	104.016	-	-574	103.442	n/a
2018	-	-	7.357	7.357	n/a
2019	17.735	-	5.713	23.449	n/a
2022	8.074	-	-	8.074	n/a
Total	**150.778**	**0**	**-10**	**150.767**	

To match the report on financial years, the company depends on inspections carried out, differences between tax estimates and final tax calculations provided in the *Corporation Tax Return* (Model 22) and also tax year changes upon favourable response to ongoing requests made to Portuguese Tax and Customs Authority.

To calculate deferred taxes and determine the tax base to offset temporary differences, the company carried out a recoverability test of total tax losses of the six incorporated entities in light of the business plan approved by the management body and the expected taxable income.

The approval of the Portuguese State Budget for 2023 brought about two changes to the tax loss deduction scheme. If, on one hand, deduction of carried forward tax losses has been reduced to 65% of the taxable income for each tax year (formerly 70%). On the other hand, tax losses can be carried forward with no time limit.

By way of the merger, tax losses incurred by incorporated companies, except those related to the incorporating company, are subject to an annual deduction limit, which corresponds to the ratio between the equity of each company and the last closed accounting period prior to the merger and total equity of all companies involved in the merger in that same period.

On 8 January 2020, Assicurazioni Generali, S.p.A. acquired the company's total share capital under prior approval by the ASF.

Considering a change in ownership of more than 50% of the company's share capital, deduction of tax losses provided in article 52, clause 8, of the Portuguese Corporation Tax Code is limited in scope. Nevertheless, this constrain may be overcome if authorisation is granted to maintain and carry forward tax losses upon formal request to the Portuguese Tax and Customs Authority by acknowledging an economic interest in the operation as provided in article 52, clause 12 of the Portuguese Corporation Tax Code.

In view of the foregoing and considering there is continued uncertainty over income tax treatments, it is necessary to determine whether this asset should be recognised under IAS 12 requirements – *Income Taxes*, and in accordance with the interpretation defined in IFRIC 23 – *Uncertainty over Income Tax Treatments*, which is effective for periods beginning on or after 1 January 2019.

This interpretation has shed some light on requirements used in the recognition of a tax asset, provided it relates to income tax, by applying the probability criteria defined in the standard in relation to a positive outcome in favour of the entity on the subject matter.

Considering that the request was made in a timely fashion on 28 January within the legal timeframe (formal condition), and it is clear and publicly known that the operation encompasses a recognised economic interest (material condition), explained in further detail in the request, it is the company's understanding to be able to recognise tax assets arising from tax losses existing on 31 December 2019 amounting to EUR 41,424 thousand, confident that it will most likely receive a favourable response.

In 2022, the Portuguese Tax and Customs Authority issued a positive response to the company's request, thus substantiating its understanding. Subsequently, and considering that tax losses pending approval have not been carried forward in the years ended 2021 and 2020, the company lodged a formal complaint with the Portuguese Tax and Customs Authority, aiming to recover overpaid tax amounts. At this point, the administrative process is still pending.

Current tax assets and liabilities are explained as follows:

(in thousands of euros)

	2022		2021	
	Current Tax Assets	**Current Tax Liabilities**	**Current Tax Assets**	**Current Tax Liabilities**
Corporate income tax	33.043	-	11.215	7.339
Tax withheld at source	1	1.499	30	1.541
Value added tax	82	560	82	356
Other taxes and levies	2.706	16.314	2.539	17.089
Social security contributions	33	977	55	970
Total	**35.865**	**19.350**	**13.922**	**27.294**

Deferred tax assets and liabilities recognised at net value in the balance sheet can be analysed as follows:

(in thousands of euros)

	Assets		Liabilities		Net	
Line Items	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Investments	91.593	37.026	-	-26.877	91.593	10.148
Post-employment benefits	5.387	4.611	-	-	5.387	4.611
Provisions not accepted	2.756	2.083	-	-	2.756	2.083
Tax losses	31.661	29.968			31.661	29.968
Real estate	680	554	-	-	680	554
Value in force	2.667	3.165	-	-	2.667	3.165
Technical provisions	10.702	12.158	-	-	10.702	12.158
Other temporary differences	955	929	-	-	955	929
Total	**146.400**	**90.494**	**-**	**-26.877**	**146.400**	**63.617**

In 2022, following the merger of Açoreana Seguros, S.A., the company recognised a deferred tax asset of EUR 19,304 thousand (2021: EUR 19,469 thousand) arising from impairment losses (financial assets available for sale) or potential losses (financial assets initially recognised at fair value through profit or loss) in connection with its financial stake in BANIF, S.A. The recognition of said asset relies on the expectation that these losses may be accounted for in future taxable income, once they are realised, upon the liquidation of BANIF, S.A. under the terms of article 81, clause 1 of the Portuguese Corporation Tax Code.

On 31 December 2022, the company reduced the tax rate (base tax rate and surtaxes) used to calculate deferred taxes from 28.27% to 28.03%, a decrease of nearly EUR 509 thousand, considering (i) the enacted tax law that will be in effect as of 1 January 2023, (ii) the expectation of converting deferred taxes into gains and losses and (iii) the prospect of raising tax income in each reporting year.

In 2022, the company defrayed research and development expenses, which, in its understanding, qualify for consideration to the *II Tax Incentive Scheme for Corporate Research and Development* (abbreviated as SIFIDE II in Portuguese) under the Decree Law no. 162/2014 of 31 October and subsequent amendments.

Therefore, bearing in mind the amount of investment made in this area across 2022, the company is currently preparing its application to SIFIDE II to submit it to the relevant authorities in due date, that is, until the end of March 2023.

The company expects the application process to be completed until the deadline for filing the *2022 Corporation Tax Return* (Model 22) falls due, so that the amount of tax benefit to be requested is reflected in this tax return, in *Simplified Business Information/Annual Statement* for 2022 (abbreviated as IES/DA in Portuguese), as well as in the Notes to the Financial Statements for the year ended 2023.

Current and deferred taxes are recognised in the reporting periods as follows:

(in thousands of euros)

2022	Fair value reserve	Profit or Loss	Total
Current Tax	**0**	**-650**	**-650**
Corporate income tax estimate	0	-	**0**
Autonomous tax	-	-650	**-650**
Deferred Tax	**96.166**	**-13.384**	**82.783**
Investments	82.031	-586	**81.445**
Post-employment benefits	-	776	**776**
Provisions not accepted	-	673	**673**
Tax losses	14.005	-12.312	**1.693**
Real estate	130	-5	**125**
Value in force	-	-498	**-498**
Technical provisions	-	-1.456	**-1.456**
Other temporary differences	-	24	**24**
Total	**96.166**	**-14.034**	**82.133**

(in thousands of euros)

2021	Fair value reserve	Profit or Loss	Total
Current Tax	**1.544**	**-14.300**	**-12.756**
Corporate income tax estimate	1.544	-13.842	**-12.298**
Autonomous tax	-	-458	**-458**
Deferred Tax	**16.450**	**-5.458**	**10.992**
Investments	14.924	6.431	**21.355**
Post-employment benefits	-	2.182	**2.182**
Provisions not accepted	-	-444	**-444**
Tax losses	1.526	-13.258	**-11.732**
Real estate	-	-6	**-6**
Value in force	-	-192	**-192**
Technical provisions	-	-280	**-280**
Other temporary differences	-	109	**109**
Total	**17.994**	**-19.758**	**-1.764**

The reconciliation of the effective tax rate can be analysed as follows:

(in thousands of euros)

	2022	2021
Income before tax	63.524	73.814
Nominal tax rate	21,00%	29,3%
Tax determined on the basis of the official rate	**-13.340**	**-21.628**
Impairments and provisions not accepted for tax purposes	-265	-1.299
Derecognised tax losses / Tax losses generated not carried forward	-2	425
Other income and costs excluded from taxation / DTA differences	151	3.077
Autonomous tax	-650	-458
Real estate	-5	-6
Tax benefits	76	130
Tax recognised in profit or loss	**-14.034**	**-19.758**
Effective tax rate	**22,1%**	**26,8%**

NOTE 25 - CAPITAL

The amounts provided under this note are all available in the statement of changes in equity.

On 31 December 2020, the company's share capital amounted to EUR 182 million, represented by 182 million shares with a nominal value of EUR 1 each, of which EUR 84 million had been paid up by its former and sole shareholder Calm Eagle Holdings S.à r.l. At the time, unpaid share capital amounting to 98 million could be paid up within a five-year timeframe starting on 30 December 2016 and it could be paid up beforehand upon reasoned request by the Board of Directors in that regard.

In 2016, the former shareholder carried out several operations aimed to strengthen and revert ancillary payments. The net value of these movements reflected a reimbursement of EUR 32,9 million, and on 31 December 2021 ancillary payments totalled nearly to EUR 27,1 million, without bearing any interest and subject to the refund conditions provided in applicable laws.

On 8 January 2020, the company's total share capital was acquired by Assicurazioni Generali S.p.A., under prior approval by the ASF, and all the aforementioned amounts and conditions relating to paid-up capital, unpaid capital and ancillary payments remained unchanged, valid and in effect until 15 December 2021, when the following operations took place:

a) unpaid capital was partially paid up in the amount of EUR 6,5 million;
b) the remaining unpaid capital was reduced in the total amount of EUR 91,5 million;
c) the company took out an on-demand subordinated loan of EUR 91,5 million with a five-year fixed rate underwritten and unrealised by its shareholder Assicurazioni Generali S.p.A. The loan is not listed on the company's balance sheet as it is deemed to be a loan commitment under IAS 32.

Therefore, on 31 December 2022, the company's share capital amounted to EUR 90,5 million, represented by 90,5 million shares with a nominal value of EUR 1 each and fully paid up.

Net income for the years ended 31 December 2021 and 2020 was applied to 2022 and 2021 respectively, as outlined below:

(in thousands of euros)

	2022	2021
Retained earnings	48.650	17.006
Dividend payment	-	-
Legal reserve	5.406	1.889
	54.056	**18.895**

NOTE 26 - RESERVES

Equity encompasses several types of reserves, which differ in nature and purpose as described in the following paragraphs.

Legal reserve

This reserve can only be used to cover accumulated losses or raise capital. Under Portuguese laws, the legal reserve shall be credited on an annual basis with at least 10% of the annual net profit up to the limit of the share capital.

Fair value reserve

Fair value reserve represents future capital gains and losses arising from available-for-sale investments, net of impairment, recognised in profit or loss in the reporting period and/or in previous periods.

Current and deferred tax reserve

Current and deferred taxes recognised in equity arising from the revaluation of available-for-sale investments are subsequently recognised in profit or loss when gains and losses that gave rise to such taxes are recorded in profit or loss.

Deferred taxes are calculated, using the balance sheet liability method, on temporary differences between the carrying amount of assets and liabilities and their tax bases. Tax rates approved or substantively approved at the balance sheet date in each jurisdiction are used to value deferred taxes and are expected to be applied when temporary differences are reversed.

Free reserve

Free reserve stems from a decision taken within the General Meeting to apply retained earnings obtained in the year or carried forward.

Actuarial deviation reserve

According to IAS 19 – *Employee Benefits*, the company recognises actuarial deviations against reserves.

As at 31 December 2022 and 202, reserves can be analysed as follows:

(in thousands of euros)

	2022	2021
Fair value reserves of financial assets	-248.805	109.762
Revaluation reserves of owner-occupied property	464	-
Deferred tax reserve	65.335	-30.831
Other reserves	166.363	155.374
- Legal reserve	57.198	51.792
- Actuarial deviation reserve	15.682	10.836
- Free reserves	3.808	3.672
- Other reserves	89.675	89.074
Reserves	**-16.643**	**234.305**

Accounting entries in each reserve within equity are detailed in the statement of changes in equity at the beginning of this report, along with the remaining financial statements.

Gross fair value reserve can be analysed by asset category as follows:

(in thousands of euros)

	2022	2021
Fixed-income securities	-259.618	141.116
Floating-rate securities	7.667	15.106
Shadow accounting	3.146	-46.460
Fair value reserves	**-248.805**	**109.762**

Revaluation reserve, net of tax, is explained as follows:

(in thousands of euros)

	2022	2021
Amortised cost of available-for-sale investments (without accrued interest)	2.346.187	2.298.570
Impairment	-43.444	-43.191
Amortised /acquisition cost net of impairment	2.302.743	2.255.379
Fair value of available-for-sale investments (without accrued interest)	2.050.988	2.411.809
Gross revaluation reserve (Fair value – cost)	-251.755	156.430
Revaluation reserve of reclassified securities - Held-to-maturity investments	-196	-208
Revaluation reserves of owner-occupied property	464	-
Deferred and current taxes	65.335	-30.831
Shadow Accounting	3.146	-46.460
Revaluation Reserve Net of Taxes	**-183.006**	**78.931**

Accounting entries in net fair value reserve are as follows:

(in thousands of euros)

	2022	2021
Balance as at 1 January	**78.931**	**136.007**
Changes in fair value, including variations on disposal	-406.812	-77.256
Impairment recognised	-897	-19.866
Changes in shadow accounting	49.606	22.052
Changes of deferred and current taxes recognised for the period	96.166	17.994
Balance as at 31 December	**-183.006**	**78.931**

NOTE 27 – EARNINGS PER SHARE

Earnings per share in the years ended 31 December 2022 and 2021 were the following:

	2022	2021
Net income for the years ended (in thousands of euros)	49.490	54.056
Number of shares (year-end)	90.500.000	90.500.000
Earnings per share (in euros)	**0,55**	**0,60**

NOTE 28 – EARNINGS PER SHARE

As at 31 December 2022, Assicurazioni Generali was the sole shareholder of the company and has not received any dividends for the years ended 2022 and 2021.

NOTE 29 – RELATED PARTY TRANSACTIONS

As provided in IAS 24, related parties shall mean any person or entity that has control or exerts significant influence over the company. Pension funds, members of the Board of Directors and the Executive Management Committee are considered related parties, as well as any persons with close family ties to the latter and entities under their control or over which they exert considerable influence.

In light of the acquisition of the company's total share capital by Assicurazioni Generali S.p.A. on 8 January 2020, under prior approval by the ASF, all the company's subsidiaries and other entities that incorporate the Generali Group, including the company's sole shareholder, were considered related parties in 2022 and 2021.

As at 31 December 2022, the company's governing bodies were made up of (i) a Board of Directors (Jaime Anchústegui Melgarejo, João Vieira de Almeida, Pedro Luís Francisco Carvalho, Stefano Flori, Riccardo Candoni and Patrícia Ribeiro Sanina Espírito Santo); (ii) an Executive Committee (Pedro Luís Francisco Carvalho, Stefano Flori, João Carlos Dores Candeias Barata, Andrea Giovanni Giuseppe Fiorani, Joana Mafalda da Costa de Pina Pereira and Tiago Miguel Tavares Rodrigues); and (iii) a Supervisory Board (Nelson Manuel Marques Fontan, Rita Sofia Felício Arsénio do Sacramento, Dinora Clara Feijão Margalho Botelho and Henrique Paulo Marques de Oliveira Xavier).

Relationships between related parties encompass different business areas, with particular emphasis on operations and services, classified by entity type:

a) subsidiaries (reinsurance, claims management and consultancy);
b) associate companies (reinsurance and consultancy);
c) other related parties (reinsurance, health insurance management, life and non-life insurances, consultancy, asset management, IT services, and medical assistance).

The company's total amount of assets and liabilities related to operations carried out with associate and related companies, including technical provisions, is summarised as follows:

(in thousands of euros)

	2022				2021			
	Assets	**Liabilities**	**Costs**	**Profits**	**Assets**	**Liabilities**	**Costs**	**Profits**
ADVANCECARE	-	885	13.716	303	-	1.752	14.159	286
CLOSE TO CUSTOMERS, A.C.E.	-	-	5.642	120	10	-	5.561	120
ESUMÉDICA	-	-	122	-	-	-	120	-
TRQ ANGOLA	-	-	1.817	4.024	-	-	1.012	2.121
TRQ MOÇAMBIQUE NÃO VIDA	467	-	152	846	352	-	550	1.159
TRQ MOÇAMBIQUE VIDA	233	-	2	113	198	-	11	316
AAME MULTI-CREDIT STRATEGY FUND	86.528	-	-	-	69.870	-	-	-
AAME TRQ LOAN ORIGINATION FUND	-	-	94	645	35.942	-	-	600
ASSICURAZIONI GENERALI, S.P.A.	168.340	120.505	102.598	93.457	154.304	122.107	124.517	102.996
GENERALI OPERATIONS SERVICE PLATFORM S.R.L.	7	-	-	-	-	-	-	-
EUROP ASSISTANCE	-	2.995	31.164	-	21	3.300	31.786	-
GENERALI ESPAÑA, S.A.	5.300	1.855	7.340	12.384	4.292	1.411	11.718	12.789
GENERALI EUROPEAN REAL ESTATE INVESTMENTS S.A.	502	-	-	1.405	2.680	-	-	-
GENERALI REAL ESTATE DEBT INVESTMENT FUND II	1.493	-	-	-				
GENERALI HORIZON B.V.	-	5.000	224	-	-	5.000	223	-
GENERALI IARD S.A.	147	-	5	4	186	52	79	29
GENERALI INSURANCE ASSET MANAGEMENT S.P.A.	-	-	80	-	-	-	560	-
GRUPO GENERALI ESPAÑA AGRUPACIÓN DE INTERÉS ECONÓMICO	2	-	-	-	2	-	-	-
GENERALI ROMANIA ASIGURARE REASIGURARE S.A.	5	-	-	-				
GENERALI PARTICIPATIONS NETHERLANDS N.V.	-	5.000	224	-	-	5.000	223	-
GENERALI DEUTSCHLAND VERSICHERUNG AG	11	7	264	25	19	59	-	-
GENERALI POISŤOVŇA, A. S.	0	-	-	-	-	1	-	-
GENERALI CESKA POJIST'OVNA A.S	10	-	13	1	6	13	-	-
GENERALI EUROPE INCOME HOLDING S.A.	20.000	-	-	498	16.176	-	-	159
GENERALI REAL ESTATE LOGISTICS FUND S.C.S. SICAV-RAIF	20.000	-	-	393	20.000	-	-	114
GENERALI VERSICHERUNG AG (AUSTRIA)	23	5	1	21	72	-	-	-
GENERALI ASSURANCES GÉNÉRALES SA	241	-	-	-	20	-	-	-
L'EQUITÉ S.A. CIE D'ASSURANCES ET RÉASS.	158	-	-	-	71	1	-	-
EURÓPAI UTAZÁSI BIZTOSÍTÓ ZRT.	7	-	-	-	8	-	-	-
GENERTEL S.P.A.	12	-	-	-	8	-	-	-
GENERALI BUSINESS SOLUTIONS S.C.P.A.	14	-	-	-	2	-	-	-
GENERALI ITALIA S.P.A.	-	-	-	-	79	-	-	-
	303.501	**136.252**	**163.457**	**114.239**	**304.318**	**138.697**	**190.519**	**120.689**

In 2020, the company recognised an impairment loss for its non-controlling interest in the subsidiary Tranquilidade, Corporação Angolana de Seguros, S.A. in the total amount of EUR 2,1 million, which added up to an impairment loss of EUR 5,2 million recognised in 2018. In 2020, the company recognised an impairment loss for its held interests in two subsidiaries in Mozambique in the total amount of EUR 400 thousand, which added up to impairment losses of EUR 1,3 million and EUR 1,5 million recognised in 2019 and 2017 respectively.

In 2022, the company recognised a debit-impaired loss in its subsidiary Tranquilidade, Corporação Angolana de Seguros, S.A. of EUR 600 thousand (2021: an additional impairment of EUR 800 thousand) and a debit-impaired loss in its two subsidiaries in Mozambique of EUR 500 thousand (2021: an additional impairment of EUR 100 thousand) and EUR 400 thousand (2019: an additional impairment of EUR 400 thousand).

In 2021, the company took out an on-demand subordinated loan of EUR 91,5 million with a five-year fixed rate underwritten and unrealised by its shareholder Assicurazioni Generali S.p.A. The loan is not listed on the company's balance sheet as it is deemed to be a loan commitment under IAS 32.

In 2022, no costs were recognised arising from third-party liability insurance for the members of the Board of Directors (2021: EUR 134 thousand).

In 2022, the company recognised costs incurred in individual pension plans for the members of the Board of Directors in the amount of EUR 49 thousand (2021: EUR 49 thousand).

In 2022, the company recognised costs incurred in share-based plans related to the members of the Board of Directors in the amount of EUR 435 thousand (2021: EUR 266 thousand).

In 2022 and 2021, no costs were recorded arising from the termination of contracts and all associated charges related to members of the Board of Directors.

In 2022 and 2021, no transfers were made to the defined-benefit pension funds.

For more in-depth information on other employee benefits, refer to Note 22 above and remuneration policies.

NOTE 30 – STATEMENT OF CASH FLOWS

The statement of cash flows was prepared using the indirect cash flow method and the application of funds can be found at the beginning of this annual report, along with the remaining financial statements.

NOTE 31 – COMMITMENTS AND CONTINGENCIES

The company took out a number of bank guarantees with financial institutions to secure debt liabilities to public entities within the scope of insurance underwriting and collaterals on writs of execution before a court of law, amounting to EUR 2,99 million on 31 December 2022.

On 6 November 2022, the company entered into a strategic partnership agreement with CTT, Correios de Portugal, S.A. (CTT) and its subsidiary Banco CTT, S.A. (Banco CTT), with the following components:

a) subscription of a EUR 25 million increase in the company's share capital on Banco CTT against a stake of nearly 8.71%;
b) long-term exclusive distribution agreements, renewable every five years, to sell the company's life and non-life insurance products in CTT and Banco CTT outlets.

The company expects this strategic partnership agreement, which is subject to suspension clauses, including approval by the insurance and banking regulators to be completed before the end of 2023.

NOTE 32 – OTHER INFORMATION

Accounting standards and interpretations issued recently

The company has prepared its financial statements for the year ended 2022 in light of the accounting standards and interpretations last issued and currently in place, as provided in the following section:

References to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued *References to the Conceptual Framework*, which amended IFRS 3 – *Business Combinations*.

The amendments upgraded IFRS 3, replacing references to a former version of the Conceptual Framework with the latest version issued in May 2018.

The amendments apply to business combinations, whose date of acquisition would be on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Early application is permitted, provided an entity also applies, either before or at the same time, all the amendments set out in *Amendments to References to the Conceptual Structure of IFRS Standards*, issued in March 2018.

The company does not anticipate any impact on its financial statements.

Property, plant, and equipment – Proceeds before intended use, amendments to IAS 16 – *Tangible Assets*

In May 2020, the IASB issued *Property, Plant and Equipment – Proceeds Before Intended Use*, which amended IAS 16 – *Tangible Assets*.

These amendments prohibit deducting from the cost of property, plant, and equipment any proceeds from the sale of any items produced while preparing the asset for its intended used as set out by management. Instead, the company shall account for sale proceeds in profit or loss.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2022, with early application permitted.

This amendment had no impact on the company's financial statements.

Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued *Onerous Contracts – Cost of Fulfilling a Contract*, which amended IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

The amendments aim to clarify the requirements of IAS 37 on onerous contracts by specifying the costs a company must consider when assessing the cost of fulfilling a contract to determine how onerous a contract may be.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with early application permitted.

This amendment had no impact on the company's financial statements.

Annual Improvements to IFRS standards 2018-2020 Cycle

The *Annual improvements to IFRS Standards 2018-2020 Cycle* issued by the IASB on 14 May 2020 introduced amendments to IFRS standards:

a) allow a subsidiary, associate company or joint venture, when adopting IFRS standards for the first time after its parent company and applying paragraph D16 (a) of IFRS 1 – *First-time Adoption of International Financial Reporting Standards*, to measure cumulative conversion differences using the amounts reported by its parent company based on its transition date to IFRS standards;
b) clarify that the reference to the fees used in the 10 per cent test include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on other's behalf (IFRS 9);
c) remove potential confusion over the treatment of lease incentives by applying IFRS 16 - *Leases*, as provided in the illustrative example 13 attached to IFRS 16;
d) remove a requirement in paragraph 22 of IAS 41 – *Agriculture* to exclude cash flows from taxation when measuring the fair value of a biological asset, using a present value technique.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with early application permitted.

This amendment had no impact on the company's financial statements.

The company decided not to apply earlier any of the following standards and/or interpretations adopted by the European Union.

Amendments to IAS 1 – *Presentation of Financial Statements* and IFRS Practice Statement 2 – *Making Materiality Judgements*

To respond to users' feedback on the need to provide further guidance to help companies deciding which accounting policies to disclose in their financial statements, the IASB issued some amendments to IAS 1 – *Presentation of Financial Statements* and to IFRS Practice Statement 2 – *Making Materiality Judgements* on 12 February 2021.

Key amendments to IAS 1 include: (i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; (ii) clarifying that accounting policies related to immaterial transactions are themselves immaterial as such need not to be disclosed; and (iii) clarifying that not all accounting policies that relate to material transactions are themselves material to a company's financial statements.

The IASB has also amended IFRS Practice Statement 2 to add guidance and two additional examples on applying materiality judgement on accounting policy disclosures. These amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

These amendments are not anticipated to impact on the company's financial statements.

Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

The IASB has issued some amendments to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, placing emphasis on the definition and clarification of accounting estimates.

These amendments brought in a new definition of accounting estimates, clarifying that these are monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops accounting estimates to attain the goals set out by an accounting policy. The effects of a change in an input or measurement technique used to develop accounting estimates are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

These amendments are not anticipated to impact on the company's financial statements.

Amendments to IAS 12 – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The IASB issued amendments to IAS 12 – *Tax on Income* on 7 May 2021. The amendments require companies to recognise deferred taxes on transactions that give rise to equal amounts of deductible and taxable temporary differences on initial recognition.

In certain circumstances, companies are not required to recognise deferred tax on the initial recognition of an asset or a liability. In the past, there had been some uncertainty as to whether the initial recognition exemption applied to transactions and events, such as leases and decommissioning obligations, that is, transactions where companies recognise an asset and a liability. The amendments clarify that this exemption does not apply to this type of transactions and that companies are required to recognise deferred taxes. The objective of the amendments is to reduce diversity in the way that companies account for deferred taxes on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

These amendments are not anticipated to impact on the company's financial statements.

IFRS 9 – *Financial instruments*

The standard IFRS 9 was adopted by the European Commission Regulation no. 2067/2016 of 22 November 2016, which set the effective date at the very latest to the start date of the first financial reporting period starting on or after 1 January 2018.

The IFRS 9 standard brought in new requirements for classifying and measuring financial assets and liabilities, a new general hedge accounting model and new requirements for impairment of financial assets.

IFRS 9 requirements reflect a significant change from current requirements provided in IAS 39 in relation to financial assets. The standard comprises three measurement categories of financial assets: at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss. A financial asset is measured at amortised cost when it is held within a business model whose objective is achieved by collecting contractual cash flows and the contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amount outstanding.

When a debt instrument is held within a business model whose objective is achieved either by collecting contractual cash flows or selling financial assets, it is measured at fair value through other comprehensive income, with interest income impacting on profit or loss.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to present fair value changes, on a per-share basis, in other comprehensive income. Amounts recognised in other comprehensive income are not subsequently reclassified n profit or loss. Nevertheless, dividends are recognised in profit or loss instead of other comprehensive income, unless they clearly account for a partial recovery of the investment cost.

In the remaining situations, where financial assets are held within a trading business model, or where other instruments do not have the sole purpose of collecting interest and amortisation and capital, financial assets are measured at fair value through profit or loss.

This situation also includes equity investments for which an entity elects to present fair value changes in profit or loss instead of other comprehensive income.

Under IFRS 9, embedded derivatives that were not closely related to a financial asset host contract within the scope of the standard are no longer accounted for separately. Instead, the hybrid financial instrument is assessed in its entirety and, should there be any embedded derivatives, the asset as a whole is measured at fair value through profit or loss. The standard removes categories currently existing in IAS 39: held to maturity, available for sale and receivables and payables.

In relation to financial liabilities recognised at fair value, upon option, IFRS 9 requires the separation of the component of changes in fair value attributable to an entity's credit risk and its presentation in other comprehensive income, instead of profit or loss. Except for this amendment, the IFRS 9 accounting model for financial liabilities is broadly the same as that provided in IAS 39, without any major changes.

IFRS 9 introduced new requirements for hedge accounting, which aligns more closely with risk management. The requirements also establish a broader use of the standards to hedge accounting, overcoming some weak spots identified in the hedge accounting model in IAS 39.

IFRS 9 establishes a new impairment model based on expected losses, which replaces the current model based on losses incurred provided in IAS 39.

Therefore, the loss event no longer needs to be verified for an asset to be impaired. This new model aims to speed up the recognition of losses by way of impairments applicable to debt instruments held, whether measured at amortised cost or at fair value through other comprehensive income.

If the credit risk of a financial asset has not increased significantly since initial recognition, the amount of impairment loss shall be equal to the credit loss that is expected to occur in the following 12 months.

If the credit risk of a financial asset has increased significantly since initial recognition, the amount of impairment loss shall be equal to the credit loss that is expected to occur until the contractual maturity of the financial asset, thus increasing the impairment loss recognised. When there is objective evidence of impairment on a financial asset, the impairment loss is directly allocated to the relevant financial asset and accounted for in a way similar to that provided in IAS 39, including interest.

On 25 2020, the IASB published an amendment to IFRS 4 – *Insurance Contracts*, issued on 12 September 2016, related to the application of IFRS 9 – *Financial Instruments*. The amendment provides eligible insurers with a temporary exemption from applying IFRS 9 and thus continuing to apply IAS 39 until 1 January 2023.

Having met the eligibility criteria for temporary exemption, the company decided not to adopt IFRS 9 as of 1 January 2018. The decision relied on the amendment made to the Plan of Accounts for Insurance Companies, under the Regulatory Standard no. 3/2018 issued by the ASF.

The company shall adopt this standard on 1 January 2023, along with IFRS 17 – *Insurance Contracts*.

At the present moment, the company is about to complete the impact assessment on its financial statements following the adoption of the standard. Nevertheless, considering that the company had almost all of its total assets measured at fair value and the options that it is currently taking with regard to asset classification, impacts on equity are projected to be of a minor degree.

IFRS 17 – *Insurance Contracts*

On 18 May 2017, the IASB issued a standard that superseded IFRS 4 and completely restructured the processing of insurance contracts. The standard introduces substantial changes in the measurement and presentation of the performance of insurance contracts, with different impacts also on the financial position. The standard is effective for annual periods beginning on or after 1 January 2023.

The IFRS 17 standard sets out the standards for recognition, measurement, and disclosure of insurance and reinsurance contracts and investment contracts with discretionary profit-sharing. In this regard, investment contracts with no profit-sharing and Unit Linked contracts shall not be accounted for under the standards provided in IFRS 17, being thus considered within the scope of IFRS 9 and accounted for in the same spirit when applying IFRS 4/IAS 39.

According to IFRS 17, entities are required to group insurance contracts that are subject to similar risks and are managed together, named units of account. Based on an analysis of the portfolio of insurance contracts, non-life units of account were established based on risk, requiring contract components to be separated, while life units of account were established based on implicit characteristics of contracts, namely risk typology and management. In reinsurance, units of account were determined based on reinsurance treaty.

Under IFRS 17, entities are required to identify portfolios of insurance contracts and divide each portfolio into the following groups: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous; (iii) remaining contracts. Grouping is based on contracts' profitability.

IFRS 17 encompasses three measurement methods to account for different types of insurance contracts: (i) *general measurement model* (GMM); (ii) *premium allocation approach* (PAA); and (iii) *variable fee approach"* (VFA).

Non-life insurance contracts with a coverage period of one year were measured using the premium allocation approach method. For contracts with a coverage period greater than one year, an eligibility test was performed to attest to the suitability of the PAA method.

Life insurance contracts were measured as outlined below:
- contracts with a coverage period of one year or less qualify for measurement using the PAA method;
- contracts of financial products with profit-sharing are measured using the VFA method;
- the remaining contracts are measured using the GMM method.

In reinsurance, treaties with a duration of one year qualify for measurement using the PAA method, while the remaining treaties are measured using the GMM method.

IFRS 7 further establishes that a group of contracts cannot include contracts issued more than one year apart. Therefore, for groups of contracts measured using the PAA method, the units of account were not disaggregated based on year. For groups of contracts measured using the VFA method, the units of account were not disaggregated based on the year, in accordance with the exemption provision set forth by the European Commission. For groups of contracts measured using the GMM method, the units of account were aggregated based on the year in which they were issued.

IFRS 17 requires an entity to measure insurance contracts based on updated estimates and assumptions that reflect the cash inflows and outflows and any uncertainty arising from insurance contracts.

IFRS 17 requires an entity to recognise profits as it delivers insurance services, rather than when it receives premiums, as well as to provide information on prospective gains arising from insurance contracts that the company expects to recognise in the future.

IFRS 17 sets out three approaches for determining contractual service margin (CSM) at transition: (i) full retrospective approach (FRA); (ii) modified retrospective approach (MRA); and (iii) fair value approach (FVA).

Three approaches were addressed to determine the contractual service margin when transitioning to IFRS 17, based on the ability to apply a full retrospective approach and accounting for the business combination that took place in 2016.

This amendment is effective for annual reporting periods beginning on or after 1 January 2023.

The company anticipates equity to be impacted by the application of IFRS 17 s, as outlined below:
- in non-life insurance, discount rates applied in the measurement of liabilities are expected to have the most negative impact, especially on long-term workers' compensation liabilities;
- in life insurance, contract extension of risk products had a positive impact, while the recognition of contractual service margin and lower discount rates applied in the measurement of liabilities impacted negatively.

Standards, amendments, and interpretations issued, but not yet effective for the company.

Clarification on the classification of liabilities as current or non-current (Amendments to IAS 1 – *Presentation of Financial Statements*)

On 23 January 2020, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* to clarify the classification of debt and other liabilities as current or non-current. Under these amendments, a liability shall be classified as non-current if an entity expects and has the right to defer settlement for at least 12 months after the reporting period.

These amendments are intended to

a) clarify that the right of an entity to defer settlement of a liability must have substance and exist at the end of the reporting period;
b) clarify that the ratios that an entity must meet after the reporting period, that is, future ratios, do not affect the classification of liabilities at the balance sheet date. Nevertheless, when non-current liabilities are subject to future ratios, an entity is required to disclose information to enable investors to assess the risk that the liabilities could become repayable within 12 months after the balance sheet date;
c) clarify the requirements to classify a liability that an entity will or may settle in its own equity instruments, i.e. convertible debt.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The company is currently assessing the impacts of this amendment on its financial statements.

Lease liability in a sale and leaseback transaction (Amendments to IFRS 16 – *Leases*)

In September 2022, the IASB issued amendments to IFRS 16 – *Leases*, introducing a new accounting model for variable payments in a sale and leaseback transaction.

The amendments set out that:

- on initial recognition, the seller-lessee shall include variable lease payments, when measuring lease liabilities arising from a sale and leaseback transaction;
- after initial recognition, the seller-lessee shall apply the general requirements to subsequently measure lease liabilities arising from a leaseback in a way it does not recognise any gains or losses that relates to the right of use it retains.

A seller-lessee may adopt different approaches to meet the subsequent measurement requirements for sale and leaseback transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

Under IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee is required to apply the amendments retrospectively to any sale and leaseback transactions entered into after the date of initial application of the standard. The seller-lessor shall therefore have to identify and reassess any sale and leaseback transactions entered into after the date of initial application of the IFRS 16 standard in 2019 and, potentially, account for the transactions that included variable lease payments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The company is currently assessing the impacts of this amendment on its financial statements.

ANNEX 1 – INVENTORY OF OWNERSHIP INTERESTS AND FINANCIAL INSTRUMENTS

(in thousands of euros)

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	C arrying Amount (Includes Accrued Interest)	
						Unit	Total
1 - SUBSIDIARIES, ASSOCIATE COMPANIES, JOINT VENTURES AND OTHER RELATED COMPANIES							
1.2 - Foreign Securities							
1.2.2 - Held interest in associate companies							
TRANQUILIDADE DIVERSIFIED INCOME ICAV	2			1,00	2,00	1,00	2,00
TRQ ANGOLA	2.450			2.986,90	7.317.897,10	0,00	0,00
TRQ MOÇAMBIQUE CS	99.996			13,61	1.361.259,95	0,00	0,00
TRQ MOÇAMBIQUE VIDA	117.596			15,39	1.810.331,96	0,00	0,00
subtotal	**220.044**	**0,00**			**10.489.491,01**		**2,00**
Total	**220.044**	**0,00**			**10.489.491,01**		**2,00**
2 - OTHERS							
2.1 - Domestic securities							
2.1.1 - Capital instruments and shares							
2.1.1.1 - Equity							
BANCO ESPIRITO SANTO-REG (BES PL)	243.000			0,72	175.670,10	0,00	0,24
BANIF SGPS	6.954.651.167			0,00	0,00	0,00	0,00
BPG SA	10.472			2,09	21.905,33	0,34	3.605,65
CENTRONOVOFUNCHAL, S.A.	42.233			10,72	452.741,10	11,56	488.186,87
COMP. PREVIDENTE	6			532,54	3.195,23	0,00	0,00
COMP. PREVIDENTE SCPF	198			109,86	21.752,48	0,00	0,00
ENTIGERE	23.200			0,00	0,00	0,00	0,00
ESTELA GOLF	40			5.540,45	221.618,00	0,00	0,00
FINPRO SCR SA	2.284.652			0,00	0,00	0,00	0,00
HOTEL TURISMO ABRANTES	125			0,00	0,00	0,00	0,00
IMOVALOR	90.000			0,00	0,00	0,00	0,00
NOS ACORES	13.936			24,65	343.497,32	1,86	25.929,87
NOS MADEIRA	17.314			62,39	1.080.220,46	16,65	288.328,80
Portugal Capital Ventures S.C.R. S.A.	2.525			6,06	15.300,49	0,00	0,00
S.N.I.SOC NAC IMOBILIARIA SA	7.500			0,00	0,00	0,00	0,00
SONAGI AN	100			0,06	5,51	0,01	1,00
SONAGI SA (SNG PL)	55.600			0,44	24.293,86	4,10	227.960,00
SPECTACOLOR PORTUGAL	7.500			14,66	109.986,38	3,23	24.245,48
subtotal	**6.957.449.568**	**0,00**			**2.470.186,26**		**1.058.257,91**
2.1.1.3 - Shares in investment funds							
ESPÍRITO SANTO VENTURES III	201.403.854			0,00	0,20	0,01	1.341.349,67
EXPLORER II	80			10.145,79	816.012,90	6.111,95	491.576,32
FUNDO DE COMPENSACAO SEGURADORAS UNIDAS	118.884			1,10	130.523,72	1,10	130.289,01
SC1 Class A Risk Capital Fund	1.000.000			0,58	582.633,31	0,43	427.000,00
subtotal	**202.522.819**	**0,00**			**1.529.170,13**		**2.390.215,00**
subtotal	**7.159.972.387**	**0,00**			**3.999.356,39**		**3.448.472,91**
2.1.2 - Debt securities							
2.1.2.1 - Public debt							
INFRAESTRUTURAS 4.675 10/16/24		2.150.000,00	102,53%	100,0%	2.150.000,00	103,5%	2.225.343,75
PORTUGUESE OT'S 0.3 10/17/31		82.898.000,00	76,51%	98,8%	81.909.805,30	76,6%	63.473.519,52
PORTUGUESE OT'S 0.475 10/18/30		58.900.000,00	80,57%	98,9%	58.238.303,91	80,7%	47.514.030,65
PORTUGUESE OT'S 0.9 10/12/35		29.119.041,10	71,87%	101,0%	29.423.283,07	72,1%	20.985.396,19
PORTUGUESE OT'S 1 04/12/52		80.645,16	49,35%	99,4%	80.172,58	50,1%	40.380,82
PORTUGUESE OT'S 1.15 04/11/42		11.900.000,00	63,35%	82,8%	9.858.403,00	64,5%	7.674.454,62
PORTUGUESE OT'S 1.65 07/16/32		2.500.000,00	84,63%	99,6%	2.489.600,00	85,8%	2.145.467,72
PORTUGUESE OT'S 1.95 06/15/29		14.750.000,00	93,07%	102,7%	15.147.841,50	94,1%	13.884.676,32
PORTUGUESE OT'S 2.125 10/17/28		12.053.846,15	95,26%	101,9%	12.286.083,92	95,7%	11.535.138,26
PORTUGUESE OT'S 2.25 04/18/34		38.050.000,00	87,35%	113,0%	42.986.605,00	88,9%	33.838.598,06
PORTUGUESE OT'S 2.875 07/21/26		2.725.000,00	99,88%	100,4%	2.737.069,50	101,2%	2.756.805,74
PORTUGUESE OT'S 2.875 10/15/25		13.060.000,00	99,98%	103,3%	13.491.837,00	100,6%	13.136.770,71
PORTUGUESE OT'S 3.875 02/15/30		23.440.000,00	103,97%	118,9%	27.878.451,90	107,4%	25.165.195,45

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest) Unit	Carrying Amount (Includes Accrued Interest) Total
PORTUGUESE OT'S 4.1 02/15/45		12.365.000,00	103,73%	123,1%	15.227.093,70	107,5%	13.292.613,13
PORTUGUESE OT'S 4.1 04/15/37		29.500.000,00	101,61%	104,8%	30.913.259,50	104,6%	30.857.072,77
PORTUGUESE OT'S 4.125 04/14/27		7.415.000,00	104,63%	116,6%	8.643.993,95	107,6%	7.976.979,55
PORTUGUESE OT'S 4.95 10/25/23		17.480.000,00	101,81%	106,3%	18.578.956,68	102,7%	17.954.546,52
PORTUGUESE OT'S 5.65 02/15/24		37.540.000,00	103,14%	114,1%	42.840.986,06	108,1%	40.573.023,38
subtotal	**0**	**395.926.532,41**			**414.881.746,57**		**355.030.013,16**
2.1.2.3 - By other public issuers							
A. GAUDENCIO TF 25/05/1995		10.000,00	0,00%	0,0%	0,00	0,0%	0,00
BANCO COM ACORES 10/23/16		1.800.000,00	0,00%	0,0%	0,00	0,0%	0,00
BANIF BANCO FUN 06/30/19		5.000.000,00	0,00%	0,0%	0,00	0,0%	0,00
BRISA CONCESSAO 1.875 04/30/25		1.600.000,00	95,69%	102,4%	1.638.917,44	97,0%	1.551.230,99
EDP FINANCE BV 1.625 01/26/26		200.000,00	93,73%	99,7%	199.412,00	95,2%	190.480,44
EDP SA 04/30/79		4.500.000,00	98,25%	109,5%	4.927.050,00	101,3%	4.557.053,84
FNAC INVEST 22/05/1995		5.000,00	0,00%	0,0%	0,00	0,0%	0,00
REN FINANCE BV 2.5 02/12/25		750.000,00	96,91%	106,2%	796.349,65	99,1%	743.333,66
RENTGLOBO SGPS 0% 17-200626		401.000,00	0,00%	0,0%	0,00	0,0%	0,00
RENTGLOBO SGPS 0% 200626		2.006.000,00	0,00%	0,0%	0,00	0,0%	0,00
RENTGLOBO SGPS 1,5% 17-200626		441.200,00	0,00%	0,0%	0,00	0,0%	202,22
Supplementary Payments CentroNovoFunchal		421.622,70	100,00%	100,0%	421.622,70	100,0%	421.622,70
subtotal	**0**	**17.134.822,70**			**7.983.351,79**		**7.463.923,85**
subtotal	**0**	**413.061.355,11**			**422.865.098,36**		**362.493.937,01**
Total	**7.159.972.387**	**413.061.355,11**			**426.864.454,75**		**365.942.409,92**
2.2 - Foreign securities							
2.2.1 - Capital instruments and shares							
2.2.1.1 - Equity							
ADYEN NV (ADYEN NA)	10			1.623,39	16.233,91	1.288,40	12.884,00
AGNICO EAGLE MINES LTD (AEM UN)	288			51,57	14.853,10	48,71	14.029,63
AIR LIQUIDE SA (AI FP)	449			136,75	61.399,24	132,40	59.447,60
AIRBUS SE (AIR FP)	360			115,14	41.450,12	111,02	39.967,20
ALLIANZ SE-REG (ALV GY)	103			210,96	21.728,97	200,90	20.692,70
AMADEUS IT GROUP SA (AMS SM)	428			59,88	25.628,75	48,55	20.779,40
AMUNDI SA (AMUN FP)	586			64,10	37.564,38	53,00	31.058,00
ASM INTERNATIONAL NV (ASM NA)	36			295,38	10.633,75	235,65	8.483,40
ASML HOLDING NV (ASML NA)	104			538,15	55.967,30	503,80	52.395,20
AUDATEX PORTUGAL PERITAGENS (9444326Z PL)	225			284,11	63.925,27	301,47	67.830,75
AXA SA (CS FP)	1.449			23,93	34.669,65	26,06	37.753,70
BANCO BILBAO VIZCAYA ARGENTA (BBVA SM)	7.267			5,52	40.130,07	5,63	40.942,28
BANCO SANTANDER SA (SAN SM)	12.179			3,20	39.023,35	2,80	34.131,65
BNP PARIBAS (BNP FP)	788			51,38	40.486,22	53,25	41.961,00
BOUYGUES SA (EN FP)	662			36,16	23.939,21	28,04	18.562,48
CAIXABANK SA (CABK SM)	6.223			3,25	20.217,55	3,67	22.850,86
CAPGEMINI SE (CAP FP)	196			172,14	33.740,20	155,95	30.566,20
CARREFOUR SA (CA FP)	1.981			16,31	32.300,97	15,64	30.982,84
CELLNEX TELECOM SA (CLNX SM)	841			41,96	35.286,82	30,92	26.003,72
CIE FINANCIERE RICHEMO-A REG (CFR SE)	309			119,70	36.988,24	121,42	37.519,98
COMPAGNIE DE SAINT GOBAIN (SGO FP)	784			52,36	41.046,54	45,65	35.789,60
DEUTSCHE POST AG-REG (DPW GY)	965			35,14	33.914,19	35,18	33.948,70
DEUTSCHE TELEKOM AG-REG (DTE GY)	1.854			16,76	31.082,23	18,64	34.554,85
ENGIE (ENGI FP)	2.784			13,90	38.686,43	13,39	37.272,19
ENI SPA (ENI IM)	2.134			14,21	30.313,66	13,29	28.352,32
ESSILORLUXOTTICA (EL FP)	229			130,97	29.992,40	169,20	38.746,80
GENERALI EUR.IN.HOLD.S.A-CL A EUR DIS	1.394.249			10,76	15.000.000,00	10,33	14.404.274,00
GENERALI EUROPEAN REAL ESTATE INVESTMENTS SA	26.912			18,66	502.154,60	50,84	1.368.316,00
GRUPO GENERALI ESPANA AIE	2			1.000,00	2.000,00	1.009,00	2.018,00
IBERDROLA SA (IBE SM)	3.760			9,81	36.888,66	10,93	41.096,80
INDUSTRIA DE DISENO TEXTIL (ITX SM)	1.544			28,08	43.361,29	24,85	38.368,40
INFINEON TECHNOLOGIES AG (IFX GY)	313			31,53	9.868,61	28,43	8.898,59
ING GROEP NV (INGA NA)	3.086			12,21	37.664,63	11,39	35.143,37
INTESA SANPAOLO (ISP IM)	16.498			2,39	39.421,48	2,08	34.282,84

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
K+S AG-REG (SDF GY)	474			25,57	12.118,28	18,38	8.709,75
KERING (KER FP)	46			547,57	25.188,39	475,50	21.873,00
KONINKLIJKE AHOLD DELHAIZE N (AD NA)	1.287			27,37	35.221,76	26,84	34.543,08
LEGRAND SA (LR FP)	292			81,73	23.864,08	74,82	21.847,44
L'OREAL (OR FP)	93			384,90	35.795,86	333,60	31.024,80
LVMH MOET HENNESSY LOUIS VUI (MC FP)	137			660,82	90.532,89	679,90	93.146,30
MERCEDES-BENZ GROUP AG (MBG GY)	380			74,54	28.324,39	61,40	23.332,00
MERCK KGAA (MRK GY)	256			201,57	51.602,65	180,90	46.310,40
MOSAIC CO/THE (MOS UN)	195			54,09	10.548,44	41,11	8.015,60
NCG BANCO SA-B SHARES (0852019D SM)	185.838			0,50	92.919,00	0,00	0,02
NESTE OYJ (NESTE FH)	493			40,98	20.202,79	43,02	21.208,86
NESTLE SA-REG (NESN SE)	208			115,94	24.115,87	108,50	22.568,35
NEWMONT CORP (NEM UN)	254			56,22	14.281,06	44,23	11.233,36
NEXI SPA (NEXI IM)	2.854			10,50	29.967,63	7,37	21.022,56
NN GROUP NV (NN NA)	265			46,04	12.200,54	38,16	10.112,40
NOKIA OYJ (NOKIA FH)	5.620			3,81	21.440,07	4,33	24.317,74
NOVARTIS AG-REG (NOVN SE)	331			77,68	25.710,58	84,65	28.019,94
OCI NV (OCI NA)	256			34,80	8.908,21	33,42	8.555,52
PERNOD RICARD SA (RI FP)	164			170,49	27.960,39	183,75	30.135,00
REPSOL SA (REP SM)	2.811			13,03	36.622,96	14,85	41.743,35
SANOFI (SAN FP)	283			100,24	28.367,00	89,84	25.424,72
SAP SE (SAP GY)	577			118,46	68.350,58	96,39	55.617,03
SCHNEIDER ELECTRIC SE (SU FP)	271			160,19	43.412,46	130,72	35.425,12
SIEMENS AG-REG (SIE GY)	189			116,02	21.927,76	129,64	24.501,96
SOCIETE GENERALE SA (GLE FP)	905			28,76	26.028,32	23,48	21.249,40
STELLANTIS NV (STLA IM)	2.258			16,36	36.951,47	13,26	29.950,11
TELEFONICA SA (TEF SM)	10.009			4,42	44.197,77	3,39	33.880,47
TOTALENERGIES SE (TTE FP)	1.576			58,15	91.643,77	58,65	92.432,40
UNICREDIT SPA (UCG IM)	1.099			11,22	12.332,20	13,27	14.585,93
VEOLIA ENVIRONNEMENT (VIE FP)	1.608			26,38	42.416,55	24,00	38.592,00
VINCI SA (DG FP)	335			89,97	30.141,25	93,29	31.252,15
VIVENDI SE (VIV FP)	4.643			10,91	50.652,90	8,91	41.387,70
VONOVIA SE (VNA GY)	887			30,35	26.917,66	22,02	19.531,74
YAMANA GOLD INC (AUY UN)	2.849			5,02	14.290,78	5,20	14.815,60
ZALANDO SE (ZAL GY)	352			33,93	11.943,37	33,11	11.654,72
subtotal	**1.719.693**	**0,00**			**17.739.661,47**		**17.787.925,57**
2.2.1.3 - Shares in investment funds							
AAME MULTI-CREDIT STRATEGY FUND	1.048.502			100,10	104.957.482,03	82,52	86.527.561,93
CVC CREDIT PARTNERS EU DL 2022 SCA SICAV-RAIF - CO	576.471			1,00	576.470,58	1,00	576.470,58
ENTRUST GLOB GEN PARTNERSHIP - SCSP - MARITIME	10.000.000			0,36	3.567.059,00	0,36	3.605.683,00
Eurazeo Private Debt VI SCSp Sicav-Raif Unlevered	161.250			100,00	16.125.000,00	104,54	16.856.591,25
FIDELITY FDS-TARG 2040-A ACC (FI2040A LX)	10.300			22,18	228.411,19	40,75	419.725,00
FIDELITY FDS-TARGT 2025 E-AC (FI2025A LX)	94.000			13,63	1.281.531,02	15,65	1.471.100,00
FIDELITY FDS-TARGT 2030 E-AC (FI2030A LX)	19.500			10,71	208.863,21	17,47	340.665,00
FIDELITY FDS-TARGT 2050-AA (FIDAAEU LX)	330			15,75	5.196,33	17,18	5.669,40
FIDELITY FD-TARGET 2035 E-AC (FI2035A LX)	6.050			22,18	134.189,91	39,20	237.160,00
FIDELITY TARGET 2045 EUR-AA (FT45EAA LX)	210			15,79	3.315,73	17,19	3.609,90
GENERALI INV-INC PAR AS DB-A (GIPASBA LX)	217.092			90,96	19.745.958,88	72,07	15.645.801,12
GENERALI REAL ESTATE DEBT INVST FUND II(GREDIF II)	14.929			100,00	1.492.890,99	100,20	1.495.892,00
Generali Real Estate Logistics Fund SCS SICAV-RAIF	1.661			12.037,98	20.000.000,00	12.742,33	21.170.219,00
GENERALI REAL ESTATE MUTLI MANAGER ASIA FUND CL B	90.573			110,41	10.000.000,00	112,00	10.144.201,76
GENERALI SMT-GE NEXT PRT-DXE (GSNPDXE LX)	47.046			92,49	4.351.540,46	89,02	4.188.255,15
GENERALI-LO ASIA IG-BEURHDIS (GACBEHD LX)	140.202			99,86	13.999.999,39	79,53	11.150.963,68
GEN-UMB ALG CRDT FD-AEURDIS (GUACAED LX)	300.000			100,00	30.000.000,00	81,39	24.415.500,00
GIP Pri Debt FoF III FCP-RaifCorpLoan-For Ital Inv	30.255			101,32	3.065.296,74	101,98	3.085.399,02
GIP PRIVATE DEBT FUND-OF-FUNDS ITA	212			100.660,05	21.353.620,94	101.577,72	21.548.290,36
LO ASIA VALUE BOND-SHE X1 ID (LOAVEX1 LX)	274.199			91,17	24.999.999,94	71,91	19.716.558,88
subtotal	**13.032.783**	**0,00**			**276.096.826,34**		**242.605.317,03**
subtotal	**14.752.476**	**0,00**			**293.836.487,81**		**260.393.242,60**

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
2.2.2 - Debt securities							
2.2.2.1 - Public debt							
ASFINAG 0 07/16/27		100.000,00	87,05%	87,7%	87.724,00	87,0%	87.049,64
ASFINAG 0.1 07/09/29		6.000.000,00	82,54%	85,6%	5.136.300,00	82,6%	4.955.063,22
AUSTRIA REP OF 07/28/25		1.000.000,00	96,14%	106,5%	1.064.600,00	96,6%	965.685,81
BELGIAN 2.75 04/22/39		2.000.000,00	91,19%	100,3%	2.005.600,00	91,9%	1.838.970,30
BELGIAN GOVT 0.5 10/22/24		8.400.000,00	96,09%	99,0%	8.313.396,00	96,2%	8.080.021,60
BELGIAN GOVT 1 06/22/26		10.976.900,00	94,35%	103,8%	11.398.447,08	94,9%	10.414.217,45
BELGIAN GOVT 1 06/22/31		5.660.000,00	84,72%	100,2%	5.670.748,10	85,2%	4.825.140,34
BELGIAN GOVT 1.6 06/22/47		34.000.000,00	70,35%	96,8%	32.919.800,00	71,2%	24.205.584,24
BELGIAN GOVT 1.7 06/22/50		17.000.000,00	69,32%	125,6%	21.358.120,00	70,2%	11.937.104,81
BELGIAN GOVT 4 03/28/32		900.000,00	106,36%	109,7%	987.390,00	109,4%	984.643,54
BELGIAN GOVT 4.25 03/28/41		2.700.000,00	110,13%	120,0%	3.240.994,00	113,9%	3.076.035,32
BELGIAN GOVT 4.5 03/28/26		70.000,00	105,44%	99,8%	69.825,70	108,9%	76.206,83
BELGIAN GOVT 5 03/28/35		4.990.000,00	116,26%	160,6%	8.012.940,08	120,1%	5.991.497,39
BGARIA-FLIRB-REG 1.375 09/23/50		780.000,00	56,62%	97,6%	761.014,80	57,0%	444.543,72
BTPS 0.35 02/01/25		30.000,00	93,98%	99,8%	29.954,88	94,1%	28.235,90
BTPS 2 12/01/25		1.650.000,00	95,79%	106,9%	1.764.094,68	96,0%	1.583.179,46
BTPS 3.75 09/01/24		3.775.000,00	100,84%	119,0%	4.490.966,72	102,1%	3.854.094,48
BTPS 4.5 03/01/24		1.800.000,00	101,58%	123,1%	2.215.103,31	103,1%	1.855.446,96
BTPS 4.5 03/01/26		282.000,00	102,57%	127,3%	359.008,21	104,1%	293.479,18
BTPS 4.5 05/01/23		1.800.000,00	100,67%	121,4%	2.184.510,87	101,4%	1.825.420,52
BTPS 5 03/01/25		7.507.000,00	103,38%	128,9%	9.674.342,42	105,0%	7.885.994,93
BTPS 6.5 11/01/27		800.000,20	111,90%	117,5%	940.141,88	113,0%	903.814,90
CHILE 0.83 07/02/31		975.000,00	77,95%	101,4%	989.040,00	78,4%	764.006,37
CHILE 1.3 07/26/36		5.600.000,00	70,81%	93,3%	5.223.095,00	71,4%	3.996.915,94
CHILE 1.44 02/01/29		12.000.000,00	86,63%	105,3%	12.630.000,00	87,9%	10.552.905,65
CHILE 1.75 01/20/26		1.400.000,00	94,11%	98,7%	1.382.270,68	95,8%	1.340.631,68
CHINA (PEOPLE'S) 0.625 11/25/35		800.000,00	68,75%	99,4%	795.560,00	68,8%	550.464,10
CROATIA 1.125 03/04/33		2.000.000,00	76,84%	98,4%	1.967.500,00	77,8%	1.555.391,23
CROATIA 1.5 06/17/31		400.000,00	83,03%	103,8%	415.200,00	83,8%	335.348,47
DEUTSCHLAND REP 0 08/15/26		7.659.900,00	91,40%	97,5%	7.468.367,54	91,4%	7.001.457,91
DEUTSCHLAND REP 4 01/04/37		16.135.400,00	115,91%	159,6%	25.753.063,86	119,9%	19.340.358,28
DEUTSCHLAND REP 4.75 07/04/28		2.550.000,00	111,14%	153,5%	3.915.146,73	113,5%	2.893.914,56
DEUTSCHLAND REP 4.75 07/04/34		15.200.000,00	121,29%	164,1%	24.945.292,63	123,6%	18.791.555,52
FRANCE O.A.T. 0 03/25/24		40.000,00	96,63%	99,6%	39.824,80	96,6%	38.650,81
FRANCE O.A.T. 0.25 11/25/26		21.598.700,00	90,63%	95,8%	20.693.658,34	90,7%	19.579.821,47
FRANCE O.A.T. 0.5 05/25/25		1.500.000,00	94,71%	94,4%	1.416.210,00	95,0%	1.425.112,65
FRANCE O.A.T. 1 11/25/25		5.700.000,00	95,14%	99,9%	5.693.331,00	95,2%	5.428.472,29
FRANCE O.A.T. 1.25 05/25/36		30.798.200,00	77,71%	98,8%	30.416.111,32	78,5%	24.166.639,70
FRANCE O.A.T. 1.5 05/25/31		28.780.000,00	89,57%	106,2%	30.550.063,11	90,5%	26.039.065,77
FRANCE O.A.T. 1.75 06/25/39		75.000,00	81,02%	101,5%	76.094,25	81,9%	61.442,54
FRANCE O.A.T. 2 05/25/48		650.000,00	77,13%	101,6%	660.335,00	78,3%	509.198,50
FRANCE O.A.T. 3.25 05/25/45		700.000,00	98,45%	100,6%	704.347,00	101,5%	710.682,38
FRANCE O.A.T. 3.5 04/25/26		1.370.000,00	102,09%	125,4%	1.718.377,30	104,5%	1.431.536,99
FRANCE O.A.T. 4 04/25/55		1.000.000,00	112,43%	193,2%	1.931.532,28	115,2%	1.151.680,43
FRANCE O.A.T. 4 10/25/38		2.900.000,00	107,96%	114,8%	3.329.175,00	108,7%	3.152.220,47
FRANCE O.A.T. 4.25 10/25/23		20.000,00	101,21%	109,3%	21.863,80	102,0%	20.398,69
FRANCE O.A.T. 5.75 10/25/32		1.980.000,00	122,28%	178,3%	3.531.182,22	123,3%	2.441.996,53
HUNGARY 0.5 11/18/30		814.000,00	68,55%	98,6%	802.913,32	68,6%	558.467,97
HUNGARY 1.5 11/17/50		41.000,00	49,66%	96,4%	39.506,78	49,8%	20.433,06
HUNGARY 1.625 04/28/32		100.000,00	71,60%	102,4%	102.440,00	72,7%	72.704,51
HUNGARY 1.75 10/10/27		7.000.000,00	87,37%	105,6%	7.393.750,00	87,8%	6.143.252,55
INDONESIA (REP) 0.9 02/14/27		2.000.000,00	88,06%	99,1%	1.982.500,00	88,8%	1.776.900,10
INDONESIA (REP) 1.4 10/30/31		11.000.000,00	78,25%	89,6%	9.859.690,00	78,5%	8.633.658,90
INDONESIA (REP) 1.45 09/18/26		3.000.000,00	91,04%	99,7%	2.991.000,00	91,5%	2.743.736,30
INDONESIA (REP) 1.75 04/24/25		1.700.000,00	95,53%	104,6%	1.778.200,00	96,7%	1.644.508,47
INDONESIA (REP) 3.75 06/14/28		6.570.000,00	97,07%	110,9%	7.288.350,00	99,1%	6.512.184,95
IRISH GOVT 1 05/15/26		600.000,00	95,04%	100,1%	600.705,00	95,7%	574.032,03

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
IRISH GOVT 1.3 05/15/33		3.000.000,00	83,94%	96,2%	2.886.720,00	84,8%	2.542.893,78
IRISH GOVT 1.7 05/15/37		1.200.000,00	82,51%	95,1%	1.140.663,00	83,6%	1.003.019,46
IRISH GOVT 2.4 05/15/30		4.025.000,00	96,53%	116,0%	4.667.897,99	98,0%	3.946.182,97
IRISH GOVT 5.92 05/20/42		5.010.135,41	125,32%	157,6%	7.894.968,86	129,0%	6.461.374,66
KAZAKHSTAN 1.5 09/30/34		3.000.000,00	74,50%	92,3%	2.769.450,00	74,9%	2.246.280,94
KAZAKHSTAN 1.55 11/09/23		1.800.000,00	98,40%	103,1%	1.856.250,00	98,6%	1.775.113,14
KFW 0.25 06/30/25		1.500.000,00	93,68%	97,5%	1.462.403,00	93,8%	1.407.018,76
KFW 0.875 07/04/39		3.000.000,00	70,46%	71,5%	2.144.040,00	70,9%	2.126.789,91
KFW 2.5 11/19/25		600.000,00	98,97%	99,4%	596.430,00	99,3%	595.530,37
LITHUANIA 1.625 06/19/49		838.000,00	65,67%	97,5%	817.158,94	66,5%	557.626,19
NETHERLANDS GOVT 0.5 07/15/26		3.454.900,00	92,70%	100,7%	3.477.375,16	92,9%	3.210.716,07
NETHERLANDS GOVT 2 07/15/24		1.000.000,00	98,89%	102,1%	1.020.810,00	99,8%	998.167,59
NETHERLANDS GOVT 2.5 01/15/33		4.870.000,00	96,51%	127,7%	6.220.838,70	98,9%	4.816.864,52
NETHERLANDS GOVT 3.75 01/15/23		4.000.000,00	99,98%	122,7%	4.906.811,65	103,6%	4.142.952,53
NETHERLANDS GOVT 4 01/15/37		4.135.600,00	111,78%	158,0%	6.534.542,59	115,6%	4.781.410,71
PHILIPPINES(REP) 1.2 04/28/33		400.000,00	77,02%	99,4%	397.400,00	77,8%	311.314,34
REP OF AUSTRIA 0.75 10/20/26		5.095.000,00	92,78%	102,5%	5.223.328,24	92,9%	4.734.463,90
REP OF AUSTRIA 1.5 02/20/47		16.000.000,00	76,34%	111,0%	17.767.680,00	77,6%	12.420.865,75
REP OF AUSTRIA 2.4 05/23/34		2.610.000,00	92,65%	124,2%	3.242.088,68	94,1%	2.456.329,49
REP OF AUSTRIA 4.15 03/15/37		2.349.000,00	110,07%	156,0%	3.663.371,87	113,4%	2.663.256,33
REP OF AUSTRIA 6.25 07/15/27		1.350.000,00	114,51%	161,6%	2.182.208,55	117,4%	1.584.983,48
REP OF CYPRUS 0.625 01/21/30		100.000,00	78,56%	100,3%	100.260,80	79,1%	79.149,91
REP OF CYPRUS 2.375 09/25/28		6.050.000,00	91,55%	105,0%	6.353.925,00	92,2%	5.576.913,43
REP OF CYPRUS 2.75 02/26/34		5.500.000,00	85,54%	106,1%	5.838.000,00	87,9%	4.832.407,58
REP OF LATVIA 2.25 02/15/47		200.000,00	78,50%	102,9%	205.898,00	80,5%	160.931,41
REP OF POLAND 3 01/15/24		1.700.000,00	99,93%	100,1%	1.701.062,50	102,8%	1.747.660,99
REP OF POLAND 3.75 01/19/23		920.000,00	100,09%	99,8%	918.252,00	103,6%	953.496,36
REP OF POLAND 5.25 01/20/25		700.000,00	104,00%	120,8%	845.250,00	109,0%	762.743,31
REP OF SLOVENIA 1.25 03/22/27		800.000,00	92,75%	98,3%	786.722,00	93,7%	749.801,46
REP OF SLOVENIA 1.5 03/25/35		1.083.000,00	76,06%	91,7%	993.301,48	77,2%	836.219,04
REP OF SLOVENIA 1.75 11/03/40		5.800.000,00	69,38%	96,6%	5.605.500,78	69,7%	4.039.915,72
REP OF SLOVENIA 2.125 07/28/25		575.000,00	99,53%	113,6%	652.975,71	100,4%	577.531,50
REP OF SLOVENIA 2.25 03/03/32		2.400.000,00	88,35%	102,3%	2.454.143,00	90,2%	2.165.328,50
REP OF SLOVENIA 3.125 08/07/45		200.000,00	86,36%	129,5%	258.943,00	87,6%	175.213,98
REP OF SLOVENIA 4.625 09/09/24		2.000.000,00	103,99%	125,4%	2.508.136,51	105,4%	2.108.407,35
REP OF SLOVENIA 5.125 03/30/26		950.000,00	107,37%	137,8%	1.308.916,00	111,2%	1.056.868,67
REPUBLIC OF PERU 1.25 03/11/33		1.000.000,00	69,79%	93,8%	938.400,00	70,8%	707.987,77
REPUBLIC OF PERU 2.75 01/30/26		2.700.000,00	94,80%	102,7%	2.771.947,11	97,3%	2.627.651,57
REPUBLIC OF PERU 3.75 03/01/30		1.900.000,00	93,22%	119,2%	2.265.330,00	96,4%	1.830.758,28
ROMANIA 2 01/28/32		1.500.000,00	66,77%	86,1%	1.291.875,00	68,6%	1.029.307,88
ROMANIA 2.124 07/16/31		1.500.000,00	68,85%	88,0%	1.320.000,00	69,8%	1.047.381,75
ROMANIA 2.75 10/29/25		675.000,00	96,18%	105,0%	708.750,00	96,7%	652.445,94
ROMANIA 3.875 10/29/35		1.500.000,00	73,65%	100,5%	1.507.500,00	74,3%	1.114.714,37
ROMANIA 4.125 03/11/39		300.000,00	71,32%	100,4%	301.125,00	74,6%	223.947,18
SAUDI INT BOND 0.75 07/09/27		600.000,00	89,22%	102,0%	612.030,00	89,6%	537.501,54
SAUDI INT BOND 2 07/09/39		6.200.000,00	74,25%	92,8%	5.756.360,00	75,2%	4.662.880,88
SLOVAKIA GOVT 1.375 01/21/27		600.000,00	92,87%	102,3%	613.908,00	94,2%	564.993,22
SLOVAKIA GOVT 1.625 01/21/31		100.000,00	86,67%	102,1%	102.100,00	88,2%	88.202,84
SLOVAKIA GOVT 2 10/17/47		500.000,00	70,90%	99,4%	497.245,69	71,3%	356.566,65
SLOVAKIA GOVT 3.625 01/16/29		800.000,00	100,90%	125,0%	1.000.096,00	104,4%	834.926,87
SPANISH GOV'T 0.35 07/30/23		50.000,00	98,89%	101,9%	50.946,40	99,0%	49.519,93
SPANISH GOV'T 0.5 10/31/31		18.200.000,00	77,62%	99,7%	18.141.866,00	77,7%	14.141.483,11
SPANISH GOV'T 0.7 04/30/32		1.000.000,00	77,52%	99,1%	990.690,00	78,0%	779.849,73
SPANISH GOV'T 0.85 07/30/37		3.000.000,00	66,20%	96,0%	2.881.215,00	66,6%	1.996.701,60
SPANISH GOV'T 1.2 10/31/40		2.000.000,00	65,22%	82,0%	1.640.000,00	65,4%	1.308.386,16
SPANISH GOV'T 1.3 10/31/26		1.600.000,00	93,86%	101,3%	1.620.288,00	94,1%	1.505.232,18
SPANISH GOV'T 1.4 04/30/28		350.000,00	91,23%	99,8%	349.275,50	92,2%	322.590,81
SPANISH GOV'T 1.45 04/30/29		250.000,00	89,83%	103,3%	258.135,00	90,8%	227.008,67
SPANISH GOV'T 1.45 10/31/27		1.000.000,00	92,48%	98,8%	988.420,00	92,7%	927.231,36

DESIGNATION		Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	C arrying Amount (Includes Accrued Interest) Unit	Total
SPANISH GOV'T 1.5 04/30/27			4.400.000,00	93,75%	98,4%	4.328.785,00	94,8%	4.169.279,82
SPANISH GOV'T 1.85 07/30/35			7.400.000,00	80,99%	112,6%	8.331.062,00	81,8%	6.050.672,53
SPANISH GOV'T 1.95 07/30/30			7.360.000,00	90,80%	104,0%	7.653.216,63	91,6%	6.743.715,39
SPANISH GOV'T 2.15 10/31/25			3.900.000,00	97,97%	106,1%	4.138.302,47	98,3%	3.834.753,71
SPANISH GOV'T 2.35 07/30/33			1.600.000,00	88,75%	104,6%	1.673.559,75	89,7%	1.435.818,23
SPANISH GOV'T 2.7 10/31/48			500.000,00	80,86%	116,9%	584.527,50	81,3%	406.543,84
SPANISH GOV'T 2.75 10/31/24			3.740.000,00	99,67%	111,1%	4.153.486,63	100,1%	3.744.702,73
SPANISH GOV'T 2.9 10/31/46			900.000,00	85,28%	125,9%	1.132.776,00	85,8%	771.849,77
SPANISH GOV'T 3.45 07/30/66			1.150.000,00	88,31%	142,4%	1.637.471,50	89,8%	1.032.342,58
SPANISH GOV'T 4.2 01/31/37			776.000,00	104,26%	123,4%	957.560,29	108,1%	838.914,23
SPANISH GOV'T 4.4 10/31/23			7.830.000,00	101,45%	122,9%	9.622.830,48	102,2%	8.000.911,95
SPANISH GOV'T 4.7 07/30/41			720.000,00	110,87%	145,1%	1.045.059,60	113,0%	813.672,37
SPANISH GOV'T 4.9 07/30/40			4.475.000,00	114,46%	148,1%	6.625.646,46	116,5%	5.214.778,47
SPANISH GOV'T 5.15 10/31/28			5.085.000,00	109,98%	130,7%	6.648.140,30	110,8%	5.636.427,57
SPANISH GOV'T 5.15 10/31/44			300.000,00	118,25%	154,2%	462.727,41	119,1%	357.328,20
SPANISH GOV'T 5.4 01/31/23			1.550.000,00	100,30%	126,5%	1.960.580,62	105,2%	1.631.210,54
SPANISH GOV'T 5.75 07/30/32			5.495.000,00	118,37%	149,6%	8.217.904,25	120,8%	6.637.639,07
SPANISH GOV'T 5.9 07/30/26			3.545.000,00	109,72%	137,5%	4.873.908,89	112,2%	3.977.885,83
SPANISH GOV'T 6 01/31/29			6.913.000,00	115,21%	142,9%	9.879.660,92	120,7%	8.344.090,96
UNEDIC 0 03/05/30			18.000.000,00	79,49%	83,3%	14.995.680,00	79,5%	14.307.890,95
UNEDIC 0 11/19/30			4.000.000,00	77,67%	87,9%	3.516.880,00	77,7%	3.106.925,84
UNEDIC 0 11/25/28			1.000.000,00	83,01%	91,7%	916.990,00	83,0%	830.078,76
UNEDIC 1.25 03/28/27			500.000,00	92,34%	100,1%	500.495,00	93,3%	466.453,62
UNEDIC 1.75 11/25/32			7.000.000,00	86,47%	100,9%	7.065.030,00	86,6%	6.064.859,13
UNEDIC 2.375 05/25/24			3.000.000,00	98,85%	100,4%	3.013.450,00	100,3%	3.008.447,90
UNITED MEXICAN 1.125 01/17/30			12.800.000,00	81,45%	85,1%	10.888.000,00	82,5%	10.562.749,53
UNITED MEXICAN 1.625 04/08/26			600.000,00	94,02%	94,7%	568.440,00	95,2%	571.256,55
UNITED MEXICAN 1.75 04/17/28			600.000,00	89,31%	92,4%	554.100,00	90,5%	543.273,90
UNITED MEXICAN 2.375 02/11/30			1.650.000,00	87,63%	98,3%	1.621.950,00	89,7%	1.480.634,04
UNITED MEXICAN 2.875 04/08/39			10.000.000,00	72,64%	88,0%	8.799.000,00	74,7%	7.474.383,82
UNITED MEXICAN 3.625 04/09/29			1.400.000,00	96,96%	113,0%	1.581.350,00	99,6%	1.394.447,99
	subtotal	**0**	**580.607.735,61**			**637.750.518,10**		**525.668.132,52**
2.2.2.2 - By other public issuers								
AGENCE FRANCAISE 0.01 11/25/28			100.000,00	82,48%	91,9%	91.920,00	82,5%	82.478,27
AGENCE FRANCAISE 0.125 09/29/31			600.000,00	75,30%	90,4%	542.244,00	75,3%	451.974,94
BASQUE GOV'T 1.125 04/30/29			700.000,00	87,24%	99,8%	698.607,00	88,0%	615.990,40
BNG BANK NV 4.125 01/13/25			950.000,00	101,56%	99,4%	944.471,00	105,5%	1.002.653,92
CAISSE AMORT DET 0 11/25/26			1.000.000,00	88,43%	95,0%	949.560,00	88,4%	884.290,09
CAISSE AMORT DET 0.6 11/25/29			1.000.000,00	83,61%	87,6%	876.240,00	83,7%	836.659,62
CAISSE AMORT DET 1.375 11/25/24			2.600.000,00	96,51%	97,6%	2.537.548,00	96,6%	2.512.700,50
CAISSE AMORT DET 1.5 05/25/32			2.000.000,00	84,86%	97,6%	1.952.100,00	85,9%	1.717.021,71
CAISSE AMORT DET 4 12/15/25			300.000,00	102,16%	103,6%	310.683,00	102,3%	307.016,96
COMM FRANC BELG 2.1 06/30/67			20.000.000,00	67,32%	99,5%	19.901.800,00	68,4%	13.675.526,03
COMUNIDAD MADRID 1.571 04/30/29			1.000.000,00	89,18%	104,9%	1.049.210,00	90,2%	902.394,49
COMUNIDAD MADRID 3.25 05/03/46			2.500.000,00	86,90%	108,6%	2.714.125,00	89,1%	2.226.343,67
COMUNIDAD MADRID 4.125 05/21/24			3.000.000,00	101,25%	120,2%	3.605.855,38	103,8%	3.113.566,31
CORES 1.75 11/24/27			500.000,00	92,77%	100,1%	500.450,00	93,0%	464.760,69
EFSF 0.125 10/17/23			800.000,00	98,00%	98,7%	789.360,00	98,0%	784.212,77
EFSF 0.2 01/17/24			20.000.000,00	97,26%	97,7%	19.531.600,00	97,5%	19.490.439,19
EFSF 0.75 05/03/27			700.000,00	91,02%	94,1%	658.660,50	91,5%	640.652,72
EFSF 1.5 12/15/25			1.000.000,00	95,95%	99,6%	996.080,00	96,0%	960.132,05
EFSF 1.7 02/13/43			20.000.000,00	77,70%	111,0%	22.192.000,00	79,2%	15.838.155,10
EFSF 1.8 07/10/48			6.000.000,00	75,75%	103,8%	6.229.200,00	76,6%	4.596.189,79
EFSF 2.125 02/19/24			200.000,00	99,11%	101,3%	202.674,00	100,9%	201.889,70
EFSF 2.375 04/11/28			14.350.000,00	96,49%	99,4%	14.257.012,00	97,0%	13.921.919,81
EFSF 3.375 04/03/37			3.000.000,00	100,64%	117,1%	3.513.890,00	103,2%	3.094.618,63
ESM 1.85 12/01/55			10.200.000,00	73,60%	105,0%	10.707.960,00	73,7%	7.522.358,30
EUROPEAN INVT BK 0.2 03/17/36			4.000.000,00	67,17%	70,1%	2.802.240,00	67,3%	2.692.964,61
EUROPEAN INVT BK 0.625 01/22/29			15.600.000,00	86,62%	89,4%	13.952.640,00	87,2%	13.604.121,93

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
EUROPEAN INVT BK 3 10/14/33		2.000.000,00	97,94%	104,2%	2.084.460,00	98,6%	1.971.709,72
EUROPEAN INVT BK 4.125 04/15/24		6.500.000,00	101,40%	102,3%	6.652.620,00	104,3%	6.782.184,87
EUROPEAN INVT BK 5.625 02/15/28		595.200,00	111,43%	99,3%	591.117,52	116,3%	692.469,78
EUROPEAN UNION 0 10/04/28		5.100.000,00	84,05%	86,8%	4.425.015,00	84,0%	4.286.365,59
EUROPEAN UNION 0.2 06/04/36		1.500.000,00	66,69%	75,3%	1.130.055,00	66,8%	1.002.117,33
EUROPEAN UNION 0.25 04/22/36		7.900.000,00	67,79%	71,0%	5.608.882,00	68,0%	5.369.315,95
EUROPEAN UNION 0.625 11/04/23		11.000.000,00	98,34%	98,7%	10.856.560,02	98,4%	10.828.452,89
EUROPEAN UNION 0.8 07/04/25		2.000.000,00	94,88%	95,7%	1.914.700,00	95,4%	1.907.645,56
EUROPEAN UNION 1 07/06/32		9.300.000,00	82,17%	86,5%	8.040.929,00	82,9%	7.712.129,54
EUROPEAN UNION 1.625 12/04/29		10.500.000,00	90,84%	94,9%	9.959.745,00	91,0%	9.550.719,52
EUROPEAN UNION 1.875 04/04/24		1.000.000,00	98,77%	101,5%	1.015.430,00	100,2%	1.001.575,99
EUROPEAN UNION 2.5 11/04/27		400.000,00	97,81%	99,6%	398.396,00	98,2%	392.782,00
EUROPEAN UNION 3.375 04/04/38		5.000.000,00	101,20%	101,6%	5.081.360,00	103,7%	5.185.244,80
HAMBURG FREIE HA 0.25 01/20/25		3.000.000,00	94,30%	94,5%	2.834.583,00	94,5%	2.836.094,65
HOPITAUX DE PARI 1.75 11/27/41		5.000.000,00	72,19%	101,2%	5.058.875,00	72,4%	3.617.768,14
LAND HESSEN 0 10/09/24		7.000.000,00	94,63%	95,7%	6.699.700,00	94,6%	6.623.838,54
NORDRHEIN-WEST 0 04/02/24		15.000.000,00	96,36%	96,8%	14.526.750,00	96,4%	14.453.403,15
NORDRHEIN-WEST 1 10/16/46		10.000.000,00	65,10%	85,5%	8.545.000,00	65,3%	6.530.916,72
NORDRHEIN-WEST 1.65 02/22/38		2.000.000,00	80,56%	79,6%	1.591.280,00	82,0%	1.639.330,26
NORDRHEIN-WEST 3 01/27/28		3.100.000,00	99,63%	102,5%	3.178.709,00	100,2%	3.104.957,08
REGION WALLONNE 0.5 04/08/30		3.000.000,00	81,46%	86,2%	2.586.750,00	81,8%	2.454.897,82
REGION WALLONNE 2.875 01/14/38		10.600.000,00	89,29%	95,7%	10.145.138,00	90,1%	9.554.590,15
RESEAU FERRE FRA 3.3 12/18/42		800.000,00	91,82%	101,9%	815.048,00	91,9%	735.503,22
RHEINLAND-PFALZ 0.01 01/15/24		8.000.000,00	96,93%	97,4%	7.792.000,00	96,9%	7.755.412,75
SNCF SA 4.375 04/15/26		500.000,00	102,98%	98,9%	494.515,00	106,1%	530.492,12
VILLE DE MARSEIL 4 07/18/24		1.066.666,00	100,89%	100,0%	1.066.666,00	102,7%	1.095.599,73
VNESHECONOMBANK 4.032 02/21/23		750.000,00	0,00%	98,0%	734.791,87	0,0%	0,00
subtotal	**0**	**264.711.866,00**			**256.337.205,29**		**229.756.550,07**
2.2.2.3 - By other issuers							
CASH POOLING 808		201.000,00	100,00%	100,0%	201.000,00	100,0%	201.000,00
3M CO 2.875 10/15/27		494.000,00	86,71%	99,9%	493.707,66	87,3%	431.134,61
A2A SPA 1 11/02/33		500.000,00	67,02%	87,0%	434.955,00	67,2%	335.917,88
AAREAL BANK AG 0.05 09/02/26		3.400.000,00	82,58%	84,4%	2.871.046,70	82,6%	2.808.255,54
AB INBEV SA/NV 2 01/23/35		500.000,00	80,48%	98,4%	492.160,00	82,4%	411.782,92
AB INBEV SA/NV 2.125 12/02/27		320.000,00	93,50%	106,5%	340.672,98	93,7%	299.730,99
AB INBEV SA/NV 2.75 03/17/36		299.000,00	85,88%	104,0%	311.042,54	88,1%	263.280,81
AB INBEV SA/NV 3.25 01/24/33		800.000,00	94,29%	98,9%	791.216,00	97,9%	783.023,91
AB INBEV SA/NV 3.7 04/02/40		6.000.000,00	91,78%	112,1%	6.723.000,00	94,5%	5.672.847,92
ABERTI 2.375 09/27/27		5.000.000,00	90,53%	95,4%	4.770.000,00	91,2%	4.557.608,83
ABN AMRO BANK NV 03/27/28		200.000,00	91,87%	93,9%	187.707,04	92,9%	185.878,95
ACCOR 2.5 01/25/24		6.000.000,00	98,47%	94,5%	5.670.000,00	100,8%	6.047.828,58
ACCOR 3.625 09/17/23		2.000.000,00	99,96%	99,0%	1.979.000,00	101,0%	2.020.063,88
AEGON NV 4 04/25/44		2.096.000,00	97,98%	102,1%	2.140.025,78	100,7%	2.111.001,21
AEROPORT PARIS 1.5 07/02/32		2.600.000,00	78,60%	105,2%	2.736.240,00	79,3%	2.062.988,81
AEROPORT PARIS 2.75 04/02/30		1.300.000,00	91,49%	115,7%	1.504.711,00	93,6%	1.216.169,62
AIB GROUP PLC 2.25 07/03/25		200.000,00	94,95%	100,2%	200.335,04	96,1%	192.133,44
AIR LIQUIDE FIN 1.375 04/02/30		100.000,00	87,07%	107,3%	107.322,53	88,1%	88.102,79
AIR PROD & CHEM 1 02/12/25		330.000,00	96,46%	99,6%	328.651,80	97,3%	321.222,69
AKELIUS RESIDENT 0.75 02/22/30		2.000.000,00	71,55%	98,5%	1.969.000,00	72,2%	1.443.801,56
AKELIUS RESIDENT 10/05/78		500.000,00	95,45%	98,8%	493.896,15	96,4%	481.883,15
AKER BP ASA 1.125 05/12/29		1.000.000,00	80,76%	98,9%	988.712,00	81,5%	814.732,51
AKZO NOBEL NV 1.5 03/28/28		627.000,00	89,16%	99,8%	625.608,06	90,3%	566.183,06
ALLIANZ FINANCE 1.375 04/21/31		200.000,00	84,18%	106,6%	213.200,04	85,1%	170.266,16
ALTAREA 1.875 01/17/28		2.400.000,00	77,38%	103,7%	2.487.768,00	79,2%	1.899.949,23
ALTRIA GROUP INC 2.2 06/15/27		450.000,00	89,74%	108,4%	487.620,00	90,9%	409.237,60
AMERICA MOVIL SA 2.125 03/10/28		1.500.000,00	91,96%	98,2%	1.473.367,50	93,7%	1.405.322,10
AMERICAN TOWER 1.95 05/22/26		3.000.000,00	92,46%	94,2%	2.824.530,00	93,7%	2.809.537,29
ANZ NZ INTL/LDN 0.375 09/17/29		1.000.000,00	77,88%	78,7%	786.860,00	78,0%	779.867,88
APA INFRA 1.25 03/15/33		2.400.000,00	70,57%	99,9%	2.396.496,00	71,6%	1.717.623,47

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
APA INFRA 2 07/15/30		3.780.000,00	82,62%	107,6%	4.068.558,00	83,5%	3.158.150,22
APPLE INC 1.625 11/10/26		200.000,00	94,83%	95,8%	191.556,00	95,1%	190.115,60
APPLE INC 2.75 01/13/25		382.000,00	90,25%	99,1%	378.573,20	91,5%	349.348,31
APPLE INC 3.2 05/11/27		106.000,00	88,94%	102,3%	108.469,07	89,4%	94.719,66
APPLE INC 3.35 02/09/27		292.000,00	89,70%	102,7%	299.771,71	90,9%	265.529,67
APRR SA 1.125 01/09/26		100.000,00	93,32%	94,5%	94.539,00	94,4%	94.418,56
APTIV PLC 1.5 03/10/25		16.150.000,00	94,79%	94,1%	15.201.840,54	96,0%	15.505.321,30
ARCELORMITTAL 1 05/19/23		555.000,00	99,13%	99,9%	554.361,75	99,7%	553.601,47
ARKEMA 1.5 01/20/25		1.500.000,00	95,86%	100,5%	1.507.065,00	97,3%	1.459.114,82
AROUNDTOWN SA PERP		100.000,00	52,21%	106,8%	106.754,14	55,0%	54.983,05
ASSURANCE CREDIT 4.625 06/04/24		500.000,00	99,37%	100,0%	500.000,00	102,0%	510.171,59
AT&T INC 1.05 09/05/23		600.000,00	98,67%	100,3%	601.540,80	99,0%	594.075,57
AT&T INC 1.3 09/05/23		600.000,00	98,94%	101,4%	608.351,81	99,4%	596.127,62
AURIZON NETWORK 3.125 06/01/26		5.100.000,00	96,17%	109,6%	5.590.314,68	98,0%	4.997.795,91
AUSNET SERVICES 03/11/81		1.600.000,00	81,78%	102,1%	1.633.440,00	82,3%	1.316.363,49
AUSNET SERVICES 1.5 02/26/27		5.900.000,00	90,02%	92,2%	5.440.865,00	91,3%	5.385.606,28
AUST & NZ BANK 0.75 09/29/26		2.000.000,00	90,20%	96,1%	1.921.538,00	90,4%	1.807.804,68
AUSTRALIA PACI 1.75 10/15/24		500.000,00	95,57%	99,3%	496.420,45	95,9%	479.711,09
AUTOROUTES DU SU 2.875 01/18/23		600.000,00	99,93%	99,3%	595.740,00	102,7%	615.949,62
AUTOSTRADE PER L 4.375 09/16/25		500.000,00	99,32%	109,3%	546.250,00	100,6%	502.952,13
AVIVA PLC 0.625 10/27/23		1.536.000,00	97,83%	99,5%	1.527.585,18	97,9%	1.504.346,34
AXA SA 5.125 07/04/43		1.400.000,00	100,58%	110,9%	1.552.605,11	103,1%	1.443.468,77
BANCO BILBAO VIZ 02/22/29		12.800.000,00	97,44%	102,3%	13.097.600,00	99,6%	12.753.747,84
BANCO BILBAO VIZ 1.75 11/26/25		2.400.000,00	94,70%	99,7%	2.392.824,00	94,9%	2.276.742,56
BANCO BILBAO VIZ 3.5 02/10/27		3.800.000,00	97,32%	113,1%	4.296.280,00	100,4%	3.816.153,62
BANCO SABADELL 0.625 11/07/25		4.500.000,00	92,94%	90,5%	4.074.147,00	93,0%	4.186.419,17
BANCO SABADELL 0.875 03/05/23		1.500.000,00	99,72%	97,5%	1.462.245,00	100,4%	1.506.612,41
BANCO SABADELL 0.875 07/22/25		12.400.000,00	91,26%	93,1%	11.549.581,00	91,7%	11.364.632,41
BANCO SANTANDER 1.375 01/05/26		300.000,00	92,74%	99,6%	298.839,00	94,1%	282.298,24
BANCO SANTANDER 2.125 02/08/28		16.000.000,00	89,00%	100,7%	16.111.535,00	90,9%	14.544.152,83
BANIF FIN LTD 3 12/31/19		200.000,00	0,00%	0,0%	0,00	0,0%	0,00
BANK OF AMER CRP 0.654 10/26/31		2.000.000,00	75,17%	95,6%	1.912.960,00	75,3%	1.505.713,69
BANK OF AMER CRP 1.102 05/24/32		1.000.000,00	76,68%	92,7%	926.860,00	77,3%	773.443,50
BANK OF AMER CRP 1.379 02/07/25		1.800.000,00	97,33%	100,2%	1.804.089,04	98,6%	1.774.261,94
BANK OF AMER CRP 3.648 03/31/29		270.000,00	96,53%	116,4%	314.383,27	99,3%	268.058,80
BANQ FED CRD MUT 0.01 03/07/25		1.000.000,00	92,47%	93,6%	936.470,00	92,5%	924.745,04
BANQ FED CRD MUT 0.1 10/08/27		100.000,00	84,67%	92,9%	92.915,00	84,7%	84.693,50
BANQ FED CRD MUT 0.25 07/19/28		700.000,00	80,42%	87,9%	615.153,00	80,5%	563.709,61
BANQ FED CRD MUT 0.75 06/08/26		8.000.000,00	90,32%	95,7%	7.658.430,00	90,7%	7.259.100,06
BANQ FED CRD MUT 1.125 01/19/32		100.000,00	76,99%	98,7%	98.663,00	78,1%	78.054,92
BANQ FED CRD MUT 1.25 12/05/25		300.000,00	101,08%	109,3%	327.942,98	101,2%	303.550,90
BANQ FED CRD MUT 2.625 03/18/24		900.000,00	99,31%	99,0%	890.820,00	101,4%	912.401,70
BANQ FED CRD MUT 3 05/21/24		1.000.000,00	99,31%	99,7%	996.896,72	101,2%	1.011.544,43
BANQ FED CRD MUT 3 11/28/23		400.000,00	100,22%	100,8%	403.100,00	100,5%	401.965,44
BANQ FED CRD MUT 3.625 09/14/32		3.000.000,00	95,94%	96,7%	2.901.825,00	97,0%	2.910.242,60
BARCLAYS PLC 02/07/28		11.800.000,00	99,29%	97,5%	11.507.960,00	101,1%	11.927.597,97
BARCLAYS PLC 03/22/31		1.800.000,00	85,10%	99,7%	1.793.919,50	86,0%	1.547.540,45
BARCLAYS PLC 08/09/29		4.900.000,00	78,73%	80,1%	3.925.880,00	79,0%	3.868.898,85
BARCLAYS PLC 3.125 01/17/24		500.000,00	110,14%	113,8%	568.999,33	113,5%	567.495,83
BARCLAYS PLC 3.375 04/02/25		1.950.000,00	98,95%	108,5%	2.116.333,84	101,5%	1.978.747,37
BASF SE 3.125 06/29/28		1.000.000,00	97,57%	103,9%	1.039.310,00	99,2%	991.575,40
BAT INTL FINANCE 2.25 01/16/30		16.500.000,00	81,10%	99,9%	16.482.500,00	83,3%	13.737.139,66
BAT NETHERLANDS 3.125 04/07/28		370.000,00	91,94%	106,4%	393.703,13	94,2%	348.651,62
BECTON DICKINSON 0.632 06/04/23		2.000.000,00	99,22%	98,8%	1.976.520,00	99,6%	1.991.767,75
BERKSHIRE HATHWY 1.125 03/16/27		780.000,00	89,84%	99,0%	772.202,95	90,7%	707.732,11
BERTELSMANN SE 2 04/01/28		200.000,00	91,71%	104,7%	209.456,68	93,2%	186.424,56
BLACKROCK INC 1.25 05/06/25		980.000,00	95,92%	99,6%	976.034,51	96,7%	948.006,36
BMW FINANCE NV 0.375 09/24/27		360.000,00	87,01%	94,5%	340.089,49	87,1%	313.607,58
BMW INTL INV BV 1.875 09/11/23		270.000,00	111,09%	110,4%	298.146,68	111,7%	301.680,99

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
BNP PARIBAS 0.125 09/04/26		1.000.000,00	87,28%	91,7%	916.940,00	87,3%	873.197,72
BNP PARIBAS 0.5 06/04/26		200.000,00	91,76%	97,1%	194.108,34	92,1%	184.104,86
BNP PARIBAS 1.875 12/14/27		300.000,00	94,47%	107,6%	322.724,11	94,6%	283.693,94
BNP PARIBAS 2.125 01/23/27		200.000,00	93,37%	105,1%	210.199,70	95,4%	190.712,26
BNP PARIBAS 3.375 01/09/25		200.000,00	90,29%	95,6%	191.235,54	91,8%	183.575,15
BNP PARIBAS 4.032 PERP		1.500.000,00	96,10%	100,1%	1.501.875,00	96,5%	1.447.532,89
BOOKING HLDS INC 4.25 05/15/29		8.400.000,00	100,18%	103,1%	8.656.200,00	100,7%	8.460.208,54
BORGWARNER INC 1 05/19/31		3.500.000,00	73,94%	95,8%	3.353.995,00	74,6%	2.609.669,60
BP CAPITAL PLC 1.104 11/15/34		500.000,00	71,88%	86,7%	433.675,00	72,0%	360.104,13
BP CAPITAL PLC 1.231 05/08/31		1.330.000,00	80,38%	106,7%	1.419.389,30	81,2%	1.079.701,22
BPCE 0.625 01/15/30		600.000,00	79,46%	98,3%	589.778,34	80,1%	480.325,90
BPCE 0.875 01/31/24		400.000,00	97,37%	99,4%	397.633,91	98,2%	392.695,09
BPCE 1 10/05/28		1.000.000,00	85,95%	93,5%	935.000,00	86,2%	861.848,40
BPCE 1.625 03/02/29		7.300.000,00	86,98%	88,2%	6.440.936,00	88,3%	6.448.481,26
BPCE 1.75 04/26/27		2.000.000,00	92,15%	98,9%	1.977.460,00	93,3%	1.866.883,09
BPCE 2.375 04/26/32		1.500.000,00	86,65%	101,0%	1.515.345,00	88,3%	1.324.057,22
BRIT SKY BROADCA 2.5 09/15/26		220.000,00	95,93%	110,6%	243.213,85	96,7%	212.657,27
CAIXABANK 1.375 06/19/26		1.000.000,00	90,56%	102,4%	1.023.530,00	91,3%	912.921,62
CAPGEMINI SE 2.375 04/15/32		100.000,00	88,11%	107,9%	107.869,00	89,8%	89.806,06
CARMILA SA 1.625 05/30/27		8.000.000,00	81,77%	101,1%	8.084.510,00	82,7%	6.618.292,62
CARREFOUR SA 1.25 06/03/25		500.000,00	94,28%	99,6%	498.073,48	95,0%	475.033,47
CARREFOUR SA 1.875 10/30/26		2.900.000,00	93,30%	100,1%	2.902.086,00	93,6%	2.714.909,39
CARREFOUR SA 2.625 12/15/27		200.000,00	94,47%	110,1%	220.264,44	94,6%	189.166,28
CASTELLUM HELSIN 2 03/24/25		4.500.000,00	88,59%	98,9%	4.451.480,00	90,1%	4.055.953,02
CEZ AS 4.875 04/16/25		300.000,00	100,64%	99,7%	299.154,00	104,1%	312.286,10
CHUBB INA HLDGS 0.3 12/15/24		270.000,00	93,25%	96,9%	261.739,15	93,3%	251.810,52
CHUBB INA HLDGS 1.55 03/15/28		5.700.000,00	88,17%	91,2%	5.197.944,00	89,4%	5.095.954,63
CHUBB INA HLDGS 2.5 03/15/38		1.188.000,00	76,71%	101,9%	1.211.043,84	78,7%	935.052,75
CIE DE ST GOBAIN 2.375 10/04/27		200.000,00	94,82%	105,6%	211.228,26	95,4%	190.782,00
CIE FINANC RICHE 1 03/26/26		438.000,00	93,22%	103,0%	451.096,79	94,0%	411.644,27
CITIGROUP INC 1.5 07/24/26		200.000,00	93,59%	101,0%	201.926,34	94,2%	188.494,40
CITIGROUP INC 3.668 07/24/28		307.000,00	86,06%	98,3%	301.903,23	87,6%	268.792,54
CITIGROUP INC 4.25 02/25/30		3.500.000,00	98,91%	113,7%	3.979.080,80	102,5%	3.587.659,92
CK HUTCHISON 1.125 10/17/28		5.470.000,00	82,90%	86,2%	4.714.633,70	83,1%	4.547.110,98
CK HUTCHISON 1.5 10/17/31		300.000,00	76,33%	101,2%	303.538,00	76,6%	229.923,02
CNH IND FIN 1.625 07/03/29		6.030.000,00	85,28%	103,7%	6.255.514,00	86,1%	5.190.829,98
COCA-COLA CO/THE 1 03/09/41		200.000,00	64,11%	99,3%	198.526,00	64,9%	129.854,18
COCA-COLA CO/THE 1.125 03/09/27		880.000,00	91,24%	99,2%	873.328,92	92,2%	810.967,97
COLOPLAST FINANC 2.25 05/19/27		2.000.000,00	93,79%	99,5%	1.989.460,00	95,2%	1.903.666,08
COMCAST CORP 0 09/14/26		1.000.000,00	87,25%	93,2%	932.480,00	87,3%	872.535,14
COMCAST CORP 0.25 05/20/27		550.000,00	85,98%	96,3%	529.772,49	86,1%	473.718,84
COMCAST CORP 4.25 10/15/30		455.000,00	89,86%	109,4%	497.905,65	90,7%	412.683,55
COMMERZBANK AG 0.875 01/22/27		2.500.000,00	85,48%	86,4%	2.158.775,00	86,3%	2.157.549,42
COMMERZBANK AG 4 03/23/26		1.400.000,00	97,85%	110,7%	1.549.520,00	100,9%	1.413.255,31
CONTI-GUMMI FIN 2.125 11/27/23		537.000,00	98,87%	99,6%	534.631,83	99,1%	531.997,27
CONTINENTAL AG 2.5 08/27/26		7.420.000,00	95,92%	102,8%	7.626.085,62	96,8%	7.181.124,48
CRD MUTUEL ARKEA 1.625 04/15/26		4.400.000,00	92,68%	94,0%	4.133.800,00	93,8%	4.128.879,65
CRD MUTUEL ARKEA 3.375 03/11/31		1.000.000,00	90,45%	119,4%	1.193.590,00	93,2%	931.761,29
CRDT AGR ASSR 2 07/17/30		2.500.000,00	79,20%	104,2%	2.604.835,00	80,1%	2.002.905,59
CRED AGRICOLE SA 0.875 01/14/32		100.000,00	74,82%	94,2%	94.162,19	75,7%	75.658,79
CRED AGRICOLE SA 1 09/18/25		1.100.000,00	94,03%	96,6%	1.063.106,00	94,3%	1.037.481,40
CRED AGRICOLE SA 1.125 02/24/29		2.100.000,00	85,24%	99,0%	2.078.370,00	86,2%	1.810.056,98
CRED AGRICOLE SA 3.375 07/28/27		8.400.000,00	97,74%	99,9%	8.388.072,00	98,0%	8.235.880,63
CRED MUTUEL HOME 4.125 01/16/23		1.200.000,00	100,08%	99,2%	1.190.200,00	104,0%	1.248.266,02
CREDIT AG HOME L 0.05 12/06/29		100.000,00	79,87%	90,2%	90.206,00	79,9%	79.872,16
CREDIT AGRICOLE 1.25 04/14/26		5.900.000,00	92,64%	98,4%	5.802.680,00	93,5%	5.518.465,27
CREDIT SUISSE 3.25 04/02/26		100.000,00	89,79%	107,7%	107.706,27	92,2%	92.224,44
CREDIT SUISSE 4.282 01/09/28		700.000,00	77,97%	98,6%	690.320,13	79,9%	559.160,24
CRITERIA CAIXA 0.875 10/28/27		6.400.000,00	85,92%	97,9%	6.264.646,00	86,1%	5.508.601,83

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CRITERIA CAIXA 1.375 04/10/24		2.500.000,00	97,26%	100,2%	2.504.620,00	98,3%	2.456.516,22
DAIMLER AG 1.875 07/08/24		440.000,00	98,23%	105,7%	465.105,36	99,1%	436.185,90
DANAHER CORP 2.1 09/30/26		230.000,00	95,39%	106,5%	245.041,76	95,9%	220.606,73
DANSKE BANK A/S 05/15/31		300.000,00	86,47%	94,8%	284.457,00	87,1%	261.303,04
DEUTSCH BAHN FIN 1 12/17/27		1.000.000,00	89,45%	97,6%	976.340,00	89,5%	894.844,47
DEUTSCHE TELEKOM 1.375 07/05/34		262.000,00	76,62%	100,0%	261.910,93	77,3%	202.503,64
DEUTSCHE WOHNEN 1 04/30/25		100.000,00	92,51%	99,8%	99.808,40	93,2%	93.176,45
DH EUROPE 0.75 09/18/31		224.000,00	77,71%	94,3%	211.315,26	77,9%	174.547,94
DIAGEO CAPITAL 1.875 06/08/34		1.629.000,00	83,18%	99,5%	1.620.708,39	84,8%	1.380.933,55
DIAGEO FIN PLC 1.875 03/27/27		430.000,00	93,96%	106,8%	459.437,22	95,4%	410.199,37
DIGITAL DUTCH 1.5 03/15/30		200.000,00	78,01%	92,6%	185.247,00	79,2%	158.418,68
DIGITAL EURO FIN 2.625 04/15/24		1.000.000,00	96,96%	107,7%	1.077.200,00	98,8%	988.291,07
DOW CHEMICAL CO 1.125 03/15/32		500.000,00	76,03%	86,5%	432.645,00	76,9%	384.610,87
DOW CHEMICAL CO 1.875 03/15/40		600.000,00	65,63%	100,4%	602.113,00	67,1%	402.730,61
DP WORLD PLC 2.375 09/25/26		2.700.000,00	93,63%	106,7%	2.882.210,00	94,3%	2.544.950,64
DSM NV 1 04/09/25		1.000.000,00	94,37%	99,5%	994.520,00	95,1%	951.025,06
E.ON SE 1 10/07/25		160.000,00	94,06%	102,2%	163.532,61	94,3%	150.861,51
EAST JAPAN RAIL 1.104 09/15/39		1.500.000,00	64,40%	89,5%	1.341.900,00	64,7%	970.842,76
EAST JAPAN RAIL 1.85 04/13/33		3.311.000,00	82,79%	100,0%	3.311.000,00	84,1%	2.785.154,83
EDENRED 1.375 03/10/25		900.000,00	95,09%	99,2%	892.866,24	96,2%	865.881,74
ELEC DE FRANCE 2 12/09/49		100.000,00	59,52%	94,7%	94.746,47	59,6%	59.641,78
ELEC DE FRANCE 4.625 04/26/30		2.000.000,00	100,93%	98,6%	1.972.459,00	104,1%	2.081.762,57
ELEC DE FRANCE 5.625 02/21/33		700.000,00	107,65%	132,3%	926.100,00	112,5%	787.336,60
ELEC DE FRANCE PERP		2.000.000,00	91,24%	94,4%	1.888.094,51	95,9%	1.918.835,10
ELEC DE FRANCE PERP		400.000,00	93,80%	98,9%	395.534,43	94,8%	379.038,64
ELI LILLY & CO 1.625 06/02/26		100.000,00	94,19%	95,3%	95.294,00	95,1%	95.130,38
ELIA TRANS BE 3.25 04/04/28		600.000,00	97,42%	102,5%	615.210,00	99,8%	598.974,04
ELO SACA 2.25 04/06/23		500.000,00	99,49%	101,9%	509.465,00	101,1%	505.743,12
EMIRATES TELECOM 0.875 05/17/33		500.000,00	73,79%	99,1%	495.345,00	74,3%	371.703,25
ENAGAS FIN SA 1 03/25/23		500.000,00	99,58%	99,8%	498.993,08	100,4%	501.762,61
ENAGAS FIN SA 1.25 02/06/25		700.000,00	95,18%	99,3%	695.217,95	96,3%	674.136,90
ENEL (ENTNZENEL) 5.25 05/20/24		3.000.000,00	102,41%	133,0%	3.989.448,22	105,6%	3.169.335,61
ENEL FIN INTL NV 0 06/17/24		390.000,00	95,13%	97,1%	378.548,82	95,1%	371.004,65
ENEL FIN INTL NV 4.45 04/23/25		1.500.000,00	100,58%	100,0%	1.500.000,00	103,7%	1.554.822,54
ENEL FIN INTL NV 4.875 04/17/23		1.000.000,00	100,68%	125,8%	1.258.337,40	104,1%	1.041.307,51
ENEL SPA 5.625 06/21/27		500.000,00	108,04%	114,7%	573.310,00	111,0%	555.048,29
ENERGIE OBEROEST 4.5 03/04/25		1.070.000,00	101,75%	124,9%	1.336.622,40	105,5%	1.128.544,98
ENGIE 1.375 03/27/25		200.000,00	95,18%	103,9%	207.746,38	96,2%	192.456,96
ENGIE 1.75 03/27/28		200.000,00	90,30%	107,0%	213.918,04	91,6%	183.268,76
ENI SPA 3.25 07/10/23		572.000,00	100,21%	98,8%	565.204,64	101,8%	582.044,68
EQUINIX INC 1 03/15/33		1.000.000,00	72,33%	93,5%	934.930,00	73,1%	731.232,02
ESB FINANCE DAC 2.125 11/05/33		188.000,00	83,13%	110,4%	207.545,62	83,5%	156.891,36
EUTELSAT SA 2.25 07/13/27		400.000,00	82,24%	106,6%	426.336,00	83,3%	333.159,40
FCA BANK IE 0.25 02/28/23		290.000,00	99,70%	93,7%	271.644,45	99,9%	289.727,04
FCA BANK IE 0.5 09/13/24		7.000.000,00	94,15%	94,9%	6.639.500,00	94,3%	6.601.142,52
FEMSA 1 05/28/33		2.000.000,00	68,89%	93,9%	1.878.650,00	69,5%	1.389.728,39
FERROVIAL EMISIO 2.5 07/15/24		1.000.000,00	98,02%	107,2%	1.071.822,13	99,2%	991.788,08
FIDELITY NATL IN 2 05/21/30		525.000,00	85,30%	99,8%	523.971,00	86,5%	454.286,70
FONCIERE MURS 2.218 05/29/23		1.500.000,00	99,56%	100,0%	1.500.000,00	100,9%	1.513.059,27
FONTERRA CO-OP 0.75 11/08/24		2.000.000,00	94,27%	99,0%	1.980.580,00	94,4%	1.887.485,16
FRESENIUS SE & C 4 02/01/24		1.160.000,00	100,40%	117,0%	1.357.758,93	102,1%	1.183.842,86
GAS NAT FENOSA F 2.875 03/11/24		600.000,00	98,94%	99,9%	599.229,38	101,3%	607.598,22
GDF SUEZ 1 03/13/26		1.700.000,00	91,84%	99,5%	1.691.494,15	92,6%	1.574.962,70
GDF SUEZ PERP		500.000,00	98,99%	99,0%	494.930,00	101,2%	506.190,80
GE CAP EUR FUND 3.65 08/23/32		1.000.000,00	93,81%	106,6%	1.065.720,00	95,1%	951.139,27
GE CAPITAL UK 5.875 01/18/33		230.000,00	114,43%	131,3%	302.086,16	120,7%	277.671,07
GECINA 2.875 05/30/23		100.000,00	100,00%	96,4%	96.352,00	101,7%	101.697,21
GEIH - GENERALI EUROPE INCOME HOLDING SA		5.000.000,00	100,00%	100,0%	5.000.000,00	100,0%	5.000.000,00
GEN ELEC CAP CRP 4.125 09/19/35		500.000,00	98,16%	147,7%	738.422,56	99,3%	496.611,36

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
GIVAUDAN FIN EUR 1 04/22/27		100.000,00	90,44%	102,1%	102.144,49	91,1%	91.137,92
GOLDMAN SACHS GP 0.125 08/19/24		280.000,00	94,89%	95,7%	267.915,41	94,9%	265.823,00
GOLDMAN SACHS GP 2 11/01/28		680.000,00	88,63%	104,0%	707.229,24	89,0%	604.913,98
GOLDMAN SACHS GP 2.875 06/03/26		100.000,00	97,36%	99,0%	98.964,00	99,0%	99.026,03
GOLDMAN SACHS GP 3.25 02/01/23		1.585.000,00	100,09%	112,7%	1.786.436,82	103,1%	1.633.465,31
GOLDMAN SACHS GP 3.375 03/27/25		190.000,00	99,34%	109,6%	208.323,65	101,9%	193.653,58
GOODMAN AUST FIN 1.375 09/27/25		3.000.000,00	91,63%	91,0%	2.731.440,00	92,0%	2.759.548,28
GROUPAMA SA 6 01/23/27		3.100.000,00	104,22%	103,0%	3.191.937,91	109,8%	3.405.124,93
GSK CONSUMER HEA 1.25 03/29/26		1.628.000,00	92,22%	99,8%	1.624.841,68	93,2%	1.516.835,74
GSK CONSUMER HEA 2.125 03/29/34		1.071.000,00	81,71%	100,2%	1.072.933,09	83,3%	892.356,89
HANNOVER RUECKV 1.125 04/18/28		700.000,00	87,31%	104,2%	729.447,50	88,1%	616.748,59
HBOS PLC 4.5 03/18/30		3.005.000,00	95,86%	108,4%	3.258.621,34	99,4%	2.987.282,45
HEINEKEN NV 1.75 05/07/40		500.000,00	71,65%	104,3%	521.450,00	72,8%	363.940,45
HEINEKEN NV 2.25 03/30/30		100.000,00	91,24%	110,3%	110.299,67	92,9%	92.943,56
HEINEKEN NV 3.5 03/19/24		400.000,00	100,73%	111,0%	444.128,45	103,5%	413.921,68
HSBC HLDGS PLC 6.75 09/11/28		400.000,00	114,25%	142,9%	571.482,73	116,6%	466.257,65
HSBC HOLDINGS 3 06/30/25		500.000,00	97,31%	99,1%	495.743,51	98,8%	494.089,20
HSBC HOLDINGS 4.95 03/31/30		200.000,00	89,50%	108,5%	217.034,99	90,7%	181.313,98
IBERDROLA INTL PERP		2.400.000,00	79,90%	102,8%	2.467.200,00	81,4%	1.954.255,12
IBM CORP 1.125 09/06/24		1.059.000,00	96,41%	99,4%	1.052.635,41	96,8%	1.024.785,93
IBM CORP 1.2 02/11/40		500.000,00	65,43%	99,6%	497.982,64	66,9%	334.735,82
IBM CORP 1.25 05/26/23		880.000,00	99,53%	99,9%	878.790,21	100,3%	882.505,66
ICADE 1.625 02/28/28		4.400.000,00	82,99%	85,8%	3.773.440,00	84,4%	3.711.571,03
ICADE 1.75 06/10/26		500.000,00	89,56%	88,8%	444.220,00	90,5%	452.691,41
ICADE SANTE SAS 0.875 11/04/29		5.500.000,00	73,44%	92,5%	5.085.300,00	73,6%	4.046.463,73
IMPERIAL BRANDS 1.125 08/14/23		500.000,00	98,42%	100,0%	499.780,00	98,9%	494.256,11
INFINEON TECH 2 06/24/32		6.000.000,00	82,95%	101,2%	6.069.830,00	84,0%	5.039.227,31
ING GROEP NV 2.125 05/23/26		2.100.000,00	95,18%	96,3%	2.023.077,00	96,5%	2.025.854,09
INTESA SANPAOLO 1 11/19/26		640.000,00	88,94%	93,8%	600.074,27	89,1%	569.982,61
INTESA SANPAOLO 3.125 02/05/24		340.000,00	99,77%	99,9%	339.826,60	102,6%	348.786,48
INTESA SANPAOLO 6.625 09/13/23		885.000,00	101,92%	117,3%	1.037.892,57	103,9%	919.537,21
INVESTOR AB 1.5 09/12/30		100.000,00	85,59%	99,9%	99.898,00	86,0%	86.039,13
INVESTOR AB 2.75 06/10/32		1.000.000,00	91,78%	99,6%	995.520,00	93,3%	933.126,56
IXIS CIB 5.375 11/29/27		1.900.000,00	103,05%	113,4%	2.154.092,33	103,5%	1.966.827,67
JOHNSON&JOHNSON 3.625 03/03/37		260.000,00	83,39%	106,4%	276.741,95	84,5%	219.700,90
JPMORGAN CHASE 1.047 11/04/32		318.000,00	75,96%	95,8%	304.524,75	76,1%	242.067,57
JPMORGAN CHASE 1.5 01/27/25		1.000.000,00	96,69%	100,0%	999.567,11	98,1%	980.808,80
JPMORGAN CHASE 2.875 05/24/28		300.000,00	93,98%	98,9%	296.556,00	95,7%	287.174,19
JPMORGAN CHASE 3.559 04/23/24		232.000,00	93,10%	96,7%	224.389,87	93,7%	217.446,55
KELLOGG CO 1.25 03/10/25		1.380.000,00	95,47%	100,0%	1.379.650,93	96,5%	1.331.442,89
KENNEDY WILSON E 3.25 11/12/25		1.300.000,00	77,78%	103,8%	1.348.954,33	78,2%	1.016.820,11
KERING 1.25 05/05/25		1.000.000,00	95,66%	99,6%	996.480,00	96,5%	964.859,90
KOJAMO OYJ 1.875 05/27/27		1.029.000,00	84,27%	99,2%	1.020.613,65	85,4%	878.688,51
KPN NV 5.625 09/30/24		1.125.000,00	103,74%	133,7%	1.504.451,27	105,2%	1.182.999,64
LA MONDIALE 0.75 04/20/26		600.000,00	87,73%	99,4%	596.412,00	88,3%	529.504,45
LA POSTE SA 0.625 01/18/36		1.500.000,00	64,56%	64,8%	971.400,00	65,2%	977.271,77
LA POSTE SA 4.375 06/26/23		1.500.000,00	100,69%	123,9%	1.858.082,94	102,9%	1.544.186,04
LANDESBK SACHSEN 6.195 05/21/31		400.000,00	111,79%	143,6%	574.201,14	115,6%	462.244,35
LEGRAND SA 1.875 07/06/32		200.000,00	84,15%	110,0%	219.973,35	85,1%	170.120,99
LEHMAN BROS HLDG 6,375 05/10/11		500.000,00	0,67%	48,9%	244.555,22	0,7%	3.327,43
LIBERTY MUTUAL 4.625 12/02/30		4.900.000,00	95,26%	98,9%	4.843.650,00	95,6%	4.685.773,32
LIBERTY MUTUAL E 1.75 03/27/24		1.500.000,00	97,29%	101,1%	1.516.734,15	98,6%	1.479.352,94
LINDE PLC 1.375 03/31/31		500.000,00	85,17%	99,3%	496.735,00	86,2%	431.028,14
LLOYDS BANK 0.375 01/28/25		320.000,00	93,07%	95,4%	305.357,20	93,4%	298.923,47
LLOYDS BK GR PLC 3.5 04/01/26		1.800.000,00	98,39%	112,6%	2.026.790,46	101,0%	1.818.314,83
LLOYDS BK GR PLC 4.5 03/18/30		900.000,00	96,07%	114,2%	1.027.800,00	99,6%	896.630,40
LONZA FINANCE IN 1.625 04/21/27		220.000,00	90,87%	103,6%	227.949,65	92,0%	202.411,21
LVMH MOET HENNES 0.125 02/11/28		600.000,00	85,98%	96,2%	577.456,71	86,1%	516.559,39
LVMH MOET HENNES 0.375 02/11/31		100.000,00	79,65%	95,5%	95.528,09	80,0%	79.984,12

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	C arrying Amount (Includes Accrued Interest)	
						Unit	Total
LYB INT FINANCE 0.875 09/17/26		500.000,00	87,20%	93,8%	469.030,00	87,5%	437.271,59
MACQUARIE GROUP 0.35 03/03/28		1.200.000,00	80,94%	88,7%	1.064.472,00	81,2%	974.744,73
MACQUARIE GROUP 0.625 02/03/27		700.000,00	86,04%	94,7%	662.770,50	86,6%	606.243,24
MACQUARIE GROUP 0.943 01/19/29		4.800.000,00	81,02%	90,1%	4.324.187,10	81,9%	3.932.013,09
MACQUARIE GROUP 0.95 05/21/31		3.100.000,00	73,98%	98,6%	3.055.810,00	74,6%	2.311.607,92
MAHLE GMBH 2.375 05/14/28		4.000.000,00	71,83%	99,5%	3.979.300,00	73,3%	2.933.156,24
MAPFRE 1.625 05/19/26		1.500.000,00	91,93%	103,4%	1.551.431,18	92,9%	1.393.995,79
MASTERCARD INC 3.3 03/26/27		142.000,00	89,30%	102,5%	145.483,30	90,1%	127.959,53
MDGH GMTN RSC 1 03/10/34		7.000.000,00	74,47%	99,2%	6.946.750,00	75,3%	5.269.610,56
MEDTRONIC GLOBAL 2.625 10/15/25		2.500.000,00	97,40%	99,7%	2.491.300,00	98,1%	2.453.268,60
MERCEDES-BENZ IN 1.5 03/09/26		1.069.000,00	94,39%	99,5%	1.063.306,80	95,6%	1.022.128,71
MERLIN PROPERTIE 1.875 11/02/26		1.000.000,00	89,73%	97,7%	976.630,00	90,0%	900.311,06
MET LIFE GLOB 0.375 04/09/24		220.000,00	96,20%	98,3%	216.169,49	96,5%	212.230,38
METRO WHOLESALE 1.5 03/19/25		500.000,00	97,05%	99,9%	499.369,63	98,2%	491.171,63
MICHELIN 2.5 09/03/38		1.000.000,00	87,19%	100,2%	1.002.108,00	88,0%	880.078,55
MICROSOFT CORP 2.625 05/02/33		149.000,00	93,09%	125,3%	186.701,48	94,8%	141.302,39
MMS USA HLDGS 1.25 06/13/28		300.000,00	87,55%	92,6%	277.658,09	88,2%	264.705,17
MOL HUNGARIAN 1.5 10/08/27		3.000.000,00	82,46%	102,6%	3.078.750,00	82,8%	2.484.121,42
MONDI FINANCE 2.375 04/01/28		200.000,00	92,41%	101,4%	202.883,74	94,2%	188.383,54
MONDI FINANCE PL 1.625 04/27/26		1.000.000,00	92,67%	101,7%	1.016.990,00	93,8%	937.745,16
MOODY'S CORP 1.75 03/09/27		500.000,00	92,25%	98,3%	491.699,36	93,7%	468.375,04
MORGAN STANLEY 0.637 07/26/24		290.000,00	98,45%	98,7%	286.152,86	98,7%	286.292,40
MORGAN STANLEY 1.75 01/30/25		1.000.000,00	96,41%	99,9%	998.634,79	98,0%	980.163,53
MORGAN STANLEY 1.75 03/11/24		700.000,00	98,24%	97,8%	684.775,00	99,7%	697.576,14
MORGAN STANLEY 3.591 07/22/28		250.000,00	86,12%	99,3%	248.224,64	87,6%	219.022,02
NASDAQ INC 1.75 03/28/29		700.000,00	86,66%	103,2%	722.255,00	88,0%	615.937,39
NATIONWIDE BLDG 07/25/29		500.000,00	94,23%	97,5%	487.253,90	95,1%	475.531,12
NATIONWIDE BLDG 1.25 03/03/25		880.000,00	95,22%	100,0%	879.587,78	96,3%	847.058,34
NATIONWIDE BLDG 10/18/32		250.000,00	83,07%	92,6%	231.493,58	83,8%	209.605,52
NATIONWIDE BLDG 2 01/27/23		688.000,00	93,44%	92,3%	635.358,43	94,2%	648.376,13
NATIONWIDE BLDG 3.25 09/05/29		2.000.000,00	94,04%	96,3%	1.926.250,00	95,1%	1.901.630,06
NATWEST MARKETS 0.125 11/12/25		8.200.000,00	89,53%	90,2%	7.394.235,85	89,5%	7.342.509,84
NATWEST MARKETS 1.375 03/02/27		9.600.000,00	89,29%	95,7%	9.188.560,00	90,4%	8.681.676,23
NATWEST MARKETS 2.75 04/02/25		3.410.000,00	97,37%	108,8%	3.709.651,41	99,4%	3.390.571,74
NESTLE FIN INTL 0.875 03/29/27		1.869.000,00	91,08%	99,8%	1.865.396,16	91,7%	1.714.722,18
NESTLE FIN INTL 1.5 03/29/35		1.574.000,00	79,85%	98,7%	1.553.122,66	81,0%	1.274.821,34
NESTLE FIN INTL 1.5 04/01/30		70.000,00	88,13%	108,9%	76.231,42	89,3%	62.482,08
NIBC BANK NV 2 04/09/24		1.300.000,00	97,36%	100,6%	1.307.839,00	98,8%	1.284.573,48
NN GROUP NV 4.625 04/08/44		1.400.000,00	99,12%	107,5%	1.504.886,25	102,5%	1.435.103,31
NOVARTIS CAPITAL 3.1 05/17/27		420.000,00	88,80%	101,6%	426.719,48	89,2%	374.446,07
NYKREDIT 0.5 07/10/25		1.000.000,00	91,91%	92,7%	926.986,00	92,1%	921.436,37
OP CORPORATE BK 0.125 07/01/24		1.500.000,00	95,37%	95,0%	1.425.255,00	95,4%	1.431.450,50
OP CORPORATE BK 2.875 12/15/25		100.000,00	97,78%	98,2%	98.193,00	97,9%	97.901,85
ORANGE 1.25 07/07/27		100.000,00	90,42%	103,5%	103.479,33	91,0%	91.025,46
ORANGE PERP		3.100.000,00	88,43%	102,3%	3.170.380,00	89,8%	2.783.984,89
ORANGE PERP		1.890.000,00	100,66%	110,9%	2.095.558,97	105,4%	1.991.349,41
PEPSICO INC 1.05 10/09/50		900.000,00	57,93%	100,9%	908.018,50	58,2%	523.563,73
PETROLEOS MEXICA 3.75 04/16/26		300.000,00	88,03%	103,1%	309.375,00	90,7%	272.073,66
PETROLEOS MEXICA 5.125 03/15/23		850.000,00	100,06%	114,5%	973.080,00	104,1%	885.234,73
PHILIP MORRIS IN 3.125 06/03/33		1.400.000,00	83,36%	125,1%	1.751.960,00	85,2%	1.192.346,92
PORTUGAL TEL FIN 0 06/16/25		1.700.000,00	0,05%	20,7%	351.050,00	0,1%	850,00
PPG INDUSTRIES 1.4 03/13/27		780.000,00	89,99%	98,9%	771.516,30	91,1%	710.667,84
PPG INDUSTRIES 1.875 06/01/25		1.000.000,00	95,41%	99,8%	998.370,00	96,5%	965.376,20
PROCTER & GAMBLE 0.625 10/30/24		2.000.000,00	95,63%	96,1%	1.922.800,00	95,7%	1.914.700,83
PROCTER & GAMBLE 1.875 10/30/38		100.000,00	81,76%	117,3%	117.301,05	82,1%	82.082,61
PROSUS NV 1.539 08/03/28		100.000,00	80,82%	98,8%	98.785,00	81,5%	81.454,67
PROSUS NV 2.085 01/19/30		2.000.000,00	77,78%	98,7%	1.973.800,00	79,8%	1.595.216,98
PROXIMUS SADP 1.875 10/01/25		400.000,00	95,47%	98,8%	395.364,00	95,9%	383.750,16
PSA TRESORERIE 6 09/19/33		800.000,00	108,74%	121,5%	971.985,68	110,4%	883.504,90

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest) Unit	Carrying Amount (Includes Accrued Interest) Total
PUBLIC STORAGE 0.5 09/09/30		1.600.000,00	75,01%	95,2%	1.523.785,00	75,2%	1.202.703,93
PURPLE PROTECTED ASSET		19.669.964,20	79,63%	100,5%	19.763.220,22	79,6%	15.663.192,49
RABOBANK 1.375 02/03/27		500.000,00	92,36%	94,0%	469.980,00	93,6%	468.036,53
RABOBANK 4.125 07/14/25		1.010.000,00	102,37%	97,2%	981.611,70	104,3%	1.053.378,99
RAIFFEISEN BK IN 06/17/33		3.000.000,00	70,84%	99,7%	2.991.060,00	71,6%	2.147.487,76
RICHEMONT INT 1.625 05/26/40		878.000,00	71,76%	98,4%	863.837,86	72,7%	638.635,50
ROYAL SCHIPHOL 0 04/22/25		1.000.000,00	91,39%	95,8%	958.010,00	91,4%	913.867,21
RTE RESEAU DE TR 0 09/09/27		1.600.000,00	83,97%	93,1%	1.489.729,00	84,0%	1.343.440,27
RTE RESEAU DE TR 1.125 09/09/49		1.000.000,00	52,76%	95,6%	956.400,00	53,1%	531.116,22
RTE RESEAU DE TR 2.75 06/20/29		400.000,00	93,81%	109,8%	439.212,00	95,3%	381.087,02
SAGAX EURO MTN 1 05/17/29		4.400.000,00	69,77%	99,6%	4.381.200,00	70,4%	3.097.219,53
SAIPEM FIN INTL 3.125 03/31/28		1.201.000,00	82,91%	100,0%	1.201.000,00	85,3%	1.024.030,71
SAIPEM FIN INTL 3.75 09/08/23		2.000.000,00	99,44%	105,6%	2.111.666,25	100,6%	2.012.166,16
SAMHALLSBYGG 1.125 09/04/26		1.200.000,00	73,92%	99,3%	1.192.088,40	74,3%	891.357,58
SAMVARDHANA MOTH 3.7 06/18/25		900.000,00	89,31%	100,0%	900.000,00	91,3%	821.630,77
SANDVIK AB 4.1 07/02/27		600.000,00	99,62%	100,0%	600.000,00	101,7%	609.975,94
SANTANDER ISSUAN 3.125 01/19/27		500.000,00	95,90%	108,0%	540.000,00	98,9%	494.317,33
SBB TREASURY OYJ 0.75 12/14/28		2.000.000,00	63,76%	96,3%	1.925.600,00	63,8%	1.275.840,58
SCA HYGIENE AB 1.125 03/05/25		1.000.000,00	94,68%	99,8%	998.368,67	95,6%	956.035,77
SCENTRE GROUP TR 1.45 03/28/29		8.400.000,00	79,85%	91,9%	7.721.060,00	81,0%	6.800.417,28
SCHAEFFLER AG 1.875 03/26/24		1.000.000,00	97,49%	102,6%	1.025.930,00	98,9%	989.332,41
SCOR SE 06/05/47		300.000,00	89,30%	99,5%	298.500,00	91,2%	273.476,00
SCOR SE 06/08/46		1.400.000,00	91,75%	107,5%	1.504.654,69	93,4%	1.308.204,11
SES 2 07/02/28		1.000.000,00	85,30%	99,6%	995.800,00	86,3%	862.942,12
SHELL INTL FIN 1.875 09/15/25		1.800.000,00	96,12%	98,8%	1.777.680,00	96,7%	1.740.115,87
SIEMENS FINAN 0.25 06/05/24		1.000.000,00	96,04%	96,0%	960.260,00	96,2%	961.845,13
SIEMENS FINAN 2.25 03/10/25		1.800.000,00	97,90%	99,7%	1.794.836,00	98,6%	1.774.819,41
SIEMENS FINAN 3 09/08/33		1.100.000,00	94,32%	99,9%	1.098.878,00	95,3%	1.047.859,74
SMITH & NEPHEW 4.565 10/11/29		5.900.000,00	99,75%	101,3%	5.979.204,00	100,8%	5.944.777,03
SMITHS GROUP PLC 2 02/23/27		1.600.000,00	93,48%	100,1%	1.602.071,00	95,2%	1.522.961,30
SOC GENERALE SCF 4.25 02/03/23		1.000.000,00	100,19%	100,2%	1.002.200,00	104,0%	1.040.441,73
SOCIETE GENERALE 0.25 07/08/27		100.000,00	85,15%	85,5%	85.498,00	85,3%	85.269,69
SOCIETE GENERALE 0.875 09/24/29		600.000,00	78,94%	92,9%	557.696,49	79,2%	475.063,18
SOCIETE GENERALE 1.25 02/15/24		700.000,00	97,60%	99,8%	698.523,00	98,7%	690.819,52
SOCIETE GENERALE 1.375 05/05/28		400.000,00	90,55%	90,9%	363.548,00	91,5%	365.827,36
SOCIETE GENERALE 1.5 05/30/25		1.500.000,00	96,86%	97,0%	1.455.600,00	97,7%	1.466.114,74
SOCIETE GENERALE 2.625 05/30/29		1.000.000,00	92,74%	98,2%	981.510,00	94,3%	942.818,70
SOCIETE GENERALE 4 06/07/23		3.600.000,00	100,19%	108,4%	3.901.696,56	102,5%	3.688.463,27
SOCIETE GENERALE 4.25 12/06/30		3.600.000,00	96,16%	99,5%	3.582.936,00	96,4%	3.471.549,10
SPIRE SA 10/12/35		30.000.000,00	69,36%	100,0%	30.000.000,00	71,5%	21.449.838,08
SSE PLC 1.75 04/16/30		780.000,00	84,94%	102,8%	801.688,80	86,2%	672.246,27
STANDARD CHART 09/09/30		5.230.000,00	92,35%	105,8%	5.531.701,80	93,1%	4.870.433,82
STATE GRID OSEAS 0.797 08/05/26		820.000,00	87,13%	100,0%	820.000,00	87,5%	717.102,46
STATE GRID OSEAS 1.303 08/05/32		600.000,00	71,31%	101,8%	610.620,00	71,8%	431.014,53
STATOIL ASA 0.875 02/17/23		700.000,00	99,86%	96,3%	674.030,00	100,6%	704.309,61
STELLANTIS NV 4.5 07/07/28		2.200.000,00	99,85%	102,5%	2.254.802,00	102,0%	2.244.730,77
STORA ENSO OYJ 0.625 12/02/30		100.000,00	77,49%	99,2%	99.211,00	77,5%	77.540,37
STYROLUTION 2.25 01/16/27		2.500.000,00	81,00%	99,1%	2.477.625,00	82,0%	2.050.814,13
SYNGENTA FINANCE 3.375 04/16/26		8.800.000,00	93,87%	100,8%	8.866.532,79	96,3%	8.471.572,13
TAKEDA PHARM 1.375 07/09/32		300.000,00	78,61%	97,1%	291.285,00	79,3%	237.807,54
TAKEDA PHARMACEU 2.25 11/21/26		600.000,00	94,96%	101,8%	610.800,00	95,2%	571.231,24
TALANX AG 3.125 02/13/23		1.300.000,00	100,05%	100,0%	1.299.454,00	102,8%	1.336.400,13
TECHNIPFMC 4 06/15/27		2.000.000,00	95,17%	100,1%	2.001.001,00	97,3%	1.946.935,92
TELECOM IT FIN 7.75 01/24/33		100.000,00	105,57%	134,9%	134.917,80	112,8%	112.811,84
TELEFONICA EMIS 2.318 10/17/28		1.200.000,00	92,13%	102,7%	1.231.800,00	92,6%	1.111.253,69
TELEFONICA EMIS 3.987 01/23/23		800.000,00	100,11%	108,8%	870.646,24	103,8%	830.749,04
TELIA CO AB 05/11/81		2.000.000,00	88,62%	101,0%	2.019.400,00	89,5%	1.790.004,78
TELIASONERA AB 3.5 09/05/33		200.000,00	95,47%	102,4%	204.874,00	96,6%	193.183,69
TELSTRA CORP LTD 2.5 09/15/23		1.150.000,00	99,63%	99,9%	1.148.483,00	100,4%	1.154.217,57

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	Carrying Amount (Includes Accrued Interest)	
						Unit	Total
TENNET HLD BV 0.875 06/16/35		1.000.000,00	69,26%	88,1%	881.480,00	69,7%	697.395,06
TEOLLISUUDEN VOI 2.125 02/04/25		1.500.000,00	94,92%	99,5%	1.492.407,33	96,8%	1.452.676,94
TERNA RETE 0.375 06/23/29		900.000,00	79,91%	94,6%	851.409,00	80,1%	720.961,42
TERNA RETE 4.9 10/28/24		3.100.000,00	102,18%	134,8%	4.178.403,00	103,0%	3.194.215,45
THERMO FISHER 1.75 04/15/27		110.000,00	92,94%	104,9%	115.416,33	94,2%	103.602,83
THERMO FISHER 2.875 07/24/37		224.000,00	86,80%	117,9%	264.005,95	88,1%	197.262,16
TORONTO DOM BANK 3.129 08/03/32		1.500.000,00	91,05%	87,8%	1.317.375,00	92,3%	1.385.043,36
TOTAL CAP INTL 1.491 04/08/27		200.000,00	92,29%	105,3%	210.641,52	93,4%	186.764,68
TOTALENERGIES SE PERP		2.094.000,00	93,64%	98,4%	2.059.530,56	95,9%	2.007.228,56
TOTALENERGIES SE PERP		2.000.000,00	75,98%	101,6%	2.032.500,00	76,6%	1.532.523,81
TOYOTA MTR CRED 0.125 11/05/27		1.100.000,00	84,75%	91,4%	1.005.059,00	84,8%	932.491,05
TOYOTA MTR CRED 2.15 02/13/30		1.100.000,00	78,90%	90,3%	993.290,80	79,7%	876.361,26
TYCO INTL FINANC 1.375 02/25/25		500.000,00	93,81%	99,9%	499.356,96	95,0%	474.872,45
UBS GROUP 0.25 01/29/26		1.500.000,00	91,73%	97,3%	1.459.740,00	92,0%	1.379.377,95
UBS GROUP FUNDIN 1.5 11/30/24		600.000,00	97,29%	101,8%	610.672,29	97,4%	584.490,61
UNIBAIL-RODAMCO 1.75 02/27/34		200.000,00	73,08%	89,3%	178.687,95	74,6%	149.113,33
UNICREDIT SPA 5.25 04/30/23		1.900.000,00	100,91%	100,0%	1.899.125,00	104,4%	1.984.373,85
UNILEVER FINANCE 1.75 03/25/30		160.000,00	90,01%	111,6%	178.483,84	91,4%	146.179,41
UNILEVER PLC 1.5 06/11/39		100.000,00	73,73%	109,6%	109.609,74	74,6%	74.566,75
UNITED PARCEL 1.625 11/15/25		1.000.000,00	95,74%	100,9%	1.008.980,00	95,9%	959.481,09
UPJOHN FINANCE 1.908 06/23/32		500.000,00	76,19%	105,4%	527.065,00	77,2%	385.944,01
URW 2.625 04/09/30		500.000,00	89,22%	100,5%	502.264,40	91,1%	455.656,77
VATTENFALL AB 03/19/77		2.000.000,00	89,47%	87,8%	1.755.009,39	91,8%	1.836.505,10
VATTENFALL AB 3.25 04/18/24		1.000.000,00	99,38%	100,1%	1.000.520,00	100,0%	1.000.380,90
VATTENFALL AB 5.375 04/29/24		700.000,00	102,60%	118,3%	827.791,12	106,2%	743.550,56
VEOLIA ENVRNMT 1.25 04/02/27		200.000,00	90,72%	103,4%	206.757,66	91,7%	183.306,96
VEOLIA ENVRNMT 1.25 05/19/28		1.000.000,00	87,52%	104,4%	1.043.596,77	88,3%	882.931,41
VIENNA INSURANCE 5.5 10/09/43		1.400.000,00	99,75%	109,5%	1.533.215,81	101,0%	1.413.974,41
VOLKSWAGEN FIN 1.5 10/01/24		800.000,00	95,73%	96,8%	774.032,00	96,1%	768.816,69
VOLKSWAGEN FIN 2.75 07/10/23		200.000,00	111,64%	112,1%	224.205,82	113,1%	226.233,32
VOLKSWAGEN FIN 3.375 04/06/28		1.100.000,00	93,50%	113,3%	1.246.457,50	96,0%	1.055.886,26
VOLKSWAGEN INTFN 3.25 11/18/30		5.200.000,00	91,04%	115,1%	5.986.028,30	91,4%	4.753.798,50
VOLKSWAGEN INTFN 3.3 03/22/33		100.000,00	89,12%	98,6%	98.566,00	91,7%	91.689,52
VOLKSWAGEN LEAS 1.625 08/15/25		320.000,00	93,98%	98,0%	313.450,27	94,6%	302.707,95
VOLVO CAR AB 2 01/24/25		2.000.000,00	94,12%	102,5%	2.050.000,00	96,0%	1.919.727,20
VOLVO TREAS AB 0 05/09/24		600.000,00	95,54%	94,9%	569.562,00	95,5%	573.210,73
VOLVO TREAS AB 0.125 09/17/24		1.000.000,00	94,35%	96,5%	965.460,00	94,4%	943.831,07
VOLVO TREAS AB 03/10/78		2.100.000,00	99,49%	103,2%	2.166.457,56	103,4%	2.171.802,16
VOLVO TREAS AB 1.625 09/18/25		5.100.000,00	94,61%	100,1%	5.102.704,00	95,1%	4.848.731,26
VONOVIA BV 0.75 01/15/24		1.000.000,00	96,74%	96,8%	967.850,00	97,5%	974.547,82
VONOVIA BV 2.75 03/22/38		200.000,00	72,18%	109,5%	219.029,67	74,3%	148.645,79
WALGREENS BOOTS 2.125 11/20/26		500.000,00	92,58%	105,2%	526.115,00	92,8%	464.108,47
WASH MUT BANK NV 0 01/17/17		5.000.000,00	0,01%	0,0%	0,00	0,0%	388,45
WELLS FARGO CO 0.625 08/14/30		1.030.000,00	75,36%	90,7%	934.446,90	75,6%	778.609,30
WELLS FARGO CO 1.338 05/04/25		400.000,00	96,46%	100,1%	400.304,00	97,3%	389.381,04
WELLS FARGO CO 1.5 05/24/27		2.300.000,00	88,83%	105,3%	2.421.670,00	89,7%	2.064.028,63
WHIRLPOOL EMEA 0.5 02/20/28		1.000.000,00	82,52%	84,0%	839.500,00	82,9%	829.474,67
WINTERSHALL FIN 1.823 09/25/31		2.000.000,00	73,74%	105,0%	2.100.000,00	74,2%	1.484.522,51
WMG ACQUISITION 2.75 07/15/28		1.000.000,00	90,35%	102,5%	1.024.600,00	91,6%	916.119,14
WPC EUROBOND 0.95 06/01/30		2.800.000,00	72,27%	99,1%	2.774.360,00	72,8%	2.038.963,61
WPC EUROBOND 2.25 07/19/24		1.900.000,00	96,00%	97,0%	1.843.000,00	97,0%	1.843.389,88
WPP FINANCE 2.375 05/19/27		3.000.000,00	93,45%	103,7%	3.109.620,00	94,9%	2.847.493,56
ZF FINANCE GMBH 2.25 05/03/28		1.100.000,00	78,08%	99,0%	1.089.026,00	79,6%	875.248,41
subtotal	**0**	**766.408.964,20**			**758.091.394,19**		**684.255.890,61**
subtotal	**0**	**1.611.728.565,81**			**1.652.179.117,58**		**1.439.680.573,20**
Total	**14.752.476**	**1.611.728.565,81**			**1.946.015.605,39**		**1.700.073.815,80**
2.3 - Derivative trading							
EURO FX CURR FUT Mar23		6.625.000,00					0,00
EURO/GBP FUTURE Mar23		3.250.000,00					0,00

DESIGNATION	Quantity	Nominal amount	% of nominal amount	Average acquisition cost	Total acquisition cost	C arrying Amount (Includes Accrued Interest)	
						Unit	Total
FWD1813 01/06/23 PTOTEWOE0017		-4.110.000,00					316.419,13
FWD1822 01/06/23 PTOTEROE0014		-2.640.000,00					142.965,69
FWD1823 01/06/23 PTOTELOE0028		-42.900.000,00					2.215.517,86
FWD1824 01/06/23 PTOTEPOE0032		-11.100.000,00					967.254,39
FWD1825 01/06/23 PTOTE5OE0007		-9.300.000,00					1.012.265,47
FWD1826 01/06/23 PTOTENOE0034		-22.389.041,00					1.695.477,97
FWD1827 01/06/23 PTOTEOOE0033		-40.850.000,00					2.302.529,78
FWD1828 01/06/23 PTOTEBOE0020		-5.300.000,00					608.795,84
Total	**0**	**-128.714.041,00**			**0,00**		**9.261.226,13**
Total	**7.174.724.863**	**1.896.075.879,92**			**2.372.880.060,14**		**2.075.277.451,85**
3 - GRAND TOTAL	**7.174.944.907**	**1.896.075.879,92**			**2.383.369.551,15**		**2.075.277.453,85**

09 / Remuneration Policy Disclosure

9. REMUNERATION POLICY DISCLOSURE

The remuneration policy disclosure encompasses three components:

- information on the remuneration policy of the members of the management and supervisory bodies, statutory auditor and the members of the General Meeting, employees with key functions within risk management, internal control, compliance and actuarial systems, employees with other relevant functions, namely members of the Executive Committee, top-level senior directors and first-line managers, and other employees, namely employees under a contract of employment and not included in the previous categories;
- the remuneration table with the amounts paid in 2022 to the members of the governing bodies and other employees who effectively run the company;
- a statement of compliance under the terms set forth in article 275 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as provided in article 92 of the Regulatory Standard no. 4/2022-R of 26 April.

The remuneration policy is reviewed on an annual basis upon recommendation of the Remuneration Committee under the terms set forth in article 89, paragraph 6, clause c), of the Regulatory Standard no. 4/2022-R of 26 April, and approved by the General Meeting under the terms provided in article 13 of the company's articles of association and article 79, paragraph 2, of the Regulatory Standard 4/2022-R, after prior approval by the Board of Directors, under the terms of article 79, paragraph 1, of the Regulatory Standard 4/2022-R.

The remuneration policy is transparent and disclosed internally through the company's portal. Under the terms set forth in article 275 of the Commission Delegated Regulation (EU) 2015/35, the remuneration policy and the statement of compliance are also documented in the annual report and accounts and can be accessed online through the company's institutional website, namely www.tranquilidade.pt, as provided in articles 91 and 92 of the Regulatory Standard 4/2022-R.

Additionally, the remuneration policy is subject to an independent internal evaluation on a yearly basis, conducted by the Remuneration Committee to verify the fulfilment of the remuneration policy and remuneration practices. Within the scope of its responsibilities, the Remuneration Committee ensures the appropriate level of engagement of employees with key functions, namely risk management and compliance functions, as provided in article 89, paragraphs 6 and 7, of the Regulatory Standard 4/2022-R.

9.1. REMUNERATION POLICY OF GENERALI SEGUROS, S.A.

The remuneration policy for the year 2022 encompasses the members of the governing bodies, employees with key functions, employees with other relevant functions and other employees and was approved by the Board of Directors at a meeting held on 30 December 2022, as documented in minutes no. 1091, and subsequently approved by the General Meeting at a meeting held on 23 December 2022, as documented in minutes no. 88. The Remuneration Committee reviews and approves the remuneration policy beforehand, having held a meeting on 28 November 2022 to this purpose, as documented in minutes no. 3, and submitted it to the Board of Directors and the General Meeting for approval.

TARGET POPULATION

The remuneration policy of Generali Seguros addresses the company's target population as broken down below:

A. members of the management and supervisory bodies, statutory auditor, and members of the General Meeting;
B. employees who perform duties within the scope of key functions, that is, all employees that carry out their duties within risk management and internal control systems, namely risk, compliance, internal audit, and actuarial functions;
C. employees who effectively run the company, namely members of the Executive Committee, top-level senior directors and first-line managers, regardless of their field of activity, provided that their functions have a material impact on the company's risk profile, that is, all employees who manage a significant risk within risks included in the risk management system, with top-level management responsibility and substantial influence on the company's business activity, and participate in management and strategy decision-making;
D. employees under a contract of employment, with functions not included in the previous categories.

PRINCIPLES

The remuneration policy is based on the following principles:

Crosswise principles applicable to the company's target population

a) The remuneration policy and its practice are established, implemented, and maintained in harmony with the company's business activity:
b) ensuring consistency with effective management strategy and risk control;
c) avoiding excessive risk exposure;
d) avoiding any possible conflict of interest, and
e) ensuring cohesion between the company's goals, values, and interests in the long run.
f) The remuneration policy promotes sound and effective risk management and shall not encourage the assumption of risks that exceed risk tolerance levels.
g) The remuneration policy complies with the principle of proportionality and was designed to take into account the company's internal organisation, as well as risk volume, nature, and complexity inherent to the insurance activity.
h) The remuneration policy complies with the limits set forth in the company's articles of association.
i) No person within the target population shall be entitled to receive remuneration and/or attendance fees for any position held in a subsidiary or associate company of the Generali Group, save for any specific exception, formally justified and duly authorised by the relevant governing bodies;
j) Any salary review or agreement with employees with a fixed pay above EUR 250 thousand shall be submitted to the chief human resources and organisation officer for consideration.

Specific principles applicable to the members of the management bodies under the terms set forth in the remuneration policy of the Generali Group

a) Fixed and variable pay components shall be weighed in a manner as to ensure that fixed pay represents a sufficiently high proportion of total remuneration to allow for a full flexible policy to be applied on variable pay component;
b) the total amount of variable pay is based on the global performance of the individual, the overall results of the company and the Generali Group;
c) a substantial portion of the variable pay shall be deferred for a minimum of a three-year period and the deferral period shall be appropriate to the business nature, its risks, and the activity of the employees in question;
d) financial and non-financial criteria shall be considered when assessing performance;
e) performance measurement shall include a downward adjustment (malus and clawback arrangements) for current and future risk exposure, considering the risk profile and capital cost;
f) personal hedging strategies or liability related insurance, which would alter or undermine risk alignment effects embedded in remuneration arrangements, are prohibited;
g) all variable pay components are subject to a bonus cap;
h) market data shall be considered for all remuneration-related decisions;
i) no indemnity for termination of contract of employment without cause shall be paid to any member of the Board of Directors if such termination arises from insufficient performance of the departing member.

Specific principles applicable to employees with key functions and employees with other relevant functions

a) Pay levels are determined according to the level of responsibility and function assigned to ensure the independence and autonomy required.
b) Variable pay is independent from the performance of business units and operational areas under their control.

REMUNERATION

Considerations

The remuneration policy privileges skill and dedication as key characteristics of good performance. It also aims to align individual contributions with the strategic targets of Generali Seguros, S.A., enhancing the focus on a reward policy based on performance.

The remuneration mentioned below shall comply with the principles set forth in chapter 5, namely that no person within the target population shall be entitled to receive payments and/or attendance fees for any position held in a subsidiary or associate company of the Generali Group, save for any specific exception, formally justified and duly authorised by the relevant governing bodies.

A. MANAGEMENT AND SUPERVISORY BODIES AND BOARD OF THE GENERAL MEETING

Board of Directors

Chairman and Vice-President of the Board of Directors

The chairman and vice-president of the Board of Directors may receive an annual fixed pay, paid in 12 months.

Executive Members of the Board of Directors

The remuneration of the executive members of the Board of Directors comprises a fixed component, fringe benefits and, potentially, a variable component.

The target remuneration package is intended to stay competitive between the median and upper quartile of the reference market, based on an individual positioning that relies on performance assessment and potential and strategic business impact, according to a segmented approach.

Performance of the executive members of the Board of Directors is appraised by the shareholder under the remuneration policy of the Generali Group, in accordance with the model and hierarchy currently in place within the organisation, and without prejudice to the aforementioned principles. The Supervisory Board may be called upon to make a recommendation, if necessary.

a) Fixed Pay Component

The executive members of the Board of Directors receive a monthly fixed pay, paid 14 times in a calendar year. Fixed pay levels are set taking into account national reference companies to ensure competitiveness.

Other monetary components may be added to fixed pay in line with common practice within the insurance sector.

Whenever annual total remuneration of the executive members of the Board of Directors comprises a fixed and a variable component, the former shall comply with the limits set forth in the remuneration policy approved by the General Meeting and represent a sufficiently high proportion of the total remuneration to allow a full flexible policy to be applied on the variable component.

b) Variable Pay Component

Variable pay consists of annual short-term incentive plans (STI) and deferred long-term incentive plans (LTI), based on individual and organisational risk-adjusted performance indicators, which incorporate sustainability requirements in light of the risks taken, built on targets set in the strategic plan of the Generali Group, Generali 2022-2024, that addresses climate change, Generali Group Strategy on Climate Change.

Generali Seguros has adopted the balanced scorecard model in line with the provisions set forth in the remuneration policy of the Generali Group.

I. Eligibility Criteria for Short-Term Variable Pay (STI)

Eligibility for award of short-term variable pay of the executive members of the Board of Directors relies on performance assessment under the terms set forth in the remuneration policy of the Generali Group, based on measurable and predetermined criteria, including financial and non-financial criteria.

In relation to non-financial criteria, at least 20% of the variable pay must be connected to ESG and KPI targets regarding: (i) people, i.e. diversity and inclusion index; (ii) brand and business partners – lifetime partners, i.e. net promoter score, and (iii) commitment to sustainability, i.e. a percentage of sustainable and green investments, a percentage of social and green products, implementation of a climate strategy, etc. These non-financial criteria reflect the key drivers of the strategy and sustainable commitment of Generali Seguros. Their evaluation is based on specific key performance indicators and assessment of results.

Should results show a significant deterioration of business performance in the last reporting period or when such deterioration is expected to occur over the current reporting period, necessary and limitations may apply, including non-payment of any variable component, aimed at preserving financial balance and attain the remaining solvability ratios legally required.

II. Eligibility Criteria for Long-Term Variable Pay (LTI)

Upon appointment and approval by the Generali Group, the executive members of the Board of Directors may be eligible to be part of a deferred variable pay programme, with a multi-year timeframe approved periodically by the relevant bodies of the Generali Group.

Under the terms set forth in the Generali Group's remuneration policy, the programme rests on a three-year performance period closely linked to the attainment of goals and on additional deferral periods aimed at blocking the actions authorised.

Generali Seguros applies the rules and procedures set out in the plan.

III. Nature of Variable Pay | Financial Instruments

Variable pay may consist of performance bonuses and/or profit-sharing schemes as may be provided by the General Meeting.

Without prejudice to the above, the shareholder may establish within the General Meeting that variable pay, or a portion of it, may be awarded in the form of share plans or share options in the company or other company of the Generali Group.

c) Additional Remuneration and Other Allowances

Whenever additional payment is offered to all employees for the successful conclusion of special projects (corporate agreements, transactions, etc.), the same benefit is extended to the executive members of the Board of Directors.

d) Other Contracts

Under the terms set forth in this remuneration policy, the members of the Board of Directors shall not use any personal hedging strategies or liability-related insurance that may alter or undermine risk alignment effects embedded in their variable pay arrangements.

e) Other Rules

A substantial portion of the variable pay, corresponding to 40% thereof, shall be subject to deferral for a three-year period minimum, as provided in article 275, paragraph 2, clause c) of the Commission Delegated Regulation and article 84 of the Regulatory Standard 4/2022-R.

The Remuneration Committee may advise the General Meeting on an increase of the deferral percentage, in cases where variable pay is exceptionally high or depending on the company's risk profile.

Variable pay is conditional on future performance criteria, measured on a risk-adjusted basis that takes into consideration risks associated with the activity that determines the variable pay. Should the employee contribute to substantially deteriorate the performance of the company in any given year of the deferral period, variable pay may not be rendered.

f) Other Benefits

Benefits to be awarded to the executive members of the Board of Directors may include additional pension benefits, healthcare plans or others in case of death or total permanent disability due to accident or sickness or other benefits adopted in the reference market.

In relation to pension plans, the executive members of the Board of Directors may benefit from a contribution to the pension fund under the terms and conditions approved by the General Meeting.

The executive members of the Board of Directors may also benefit from favourable contract terms, as for instance insurance underwriting or other products traded by the Generali Group, or receive other benefits in line with the insurance market current practices or the Generali Group's for these functions.

Additionally, benefits may be awarded for a specific length of time and in line with market practices to address geographical mobility, such as housing, childcare and other allowances related to geographical mobility.

Non-Executive Members of the Board of Directors

Non-executive members of the Board of Directors may receive an annual fixed pay, as may be provided by the General Meeting, which, in any case and should it happen, shall not rely on any indicator of performance feature. Non-executive directors are not eligible to receive any variable pay.

Supervisory Board

Under the terms provided in article 25 of the company's articles of association, the Supervisory Board is composed of a chairperson and two members appointed by the General Meeting of shareholders, which shall also appoint an alternate member.

The members of the Supervisory Board receive an annual fixed remuneration, paid quarterly, under the terms set forth in article 13 of the company's articles of association.

Board of the General Meeting

The Board of the General Meeting is composed of a chairperson and a secretary appointed by the General Meeting, under the terms provided in article 15 of the company's articles of association.

The members of the Board of the General Meeting may receive a fixed fee for each General Meeting held, paid at the meeting scheduled date, wherever such fee is due, under the terms provided in article 13 of the company's articles of association.

B. EMPLOYEES WITH KEY FUNCTIONS

General Principles

The remuneration policy encompasses specific provisions on employees with key functions. Pay levels are determined according to the level of responsibility and function assigned to ensure the independence and autonomy required.

Variable pay of employees with key functions is independent from the performance of business units and operational areas under their control.

Specific Principles

The remuneration of employees with key functions comprises a fixed and, possibly, a variable pay, (i) depending on the attainment of the objectives related to the specific functions, no matter the performance of the areas under their control, and (ii) in harmony with their role within the company and not based on the performance of the organisation. Variable pay shall be established in a manner to provide proper reward in line with the relevance of the assigned responsibilities.

Several factors are weighed and balanced when determining fixed and variable pay of the remuneration package, among which the following are highlighted:
- the company' interests in the medium and long-term;
- the specifics of the job;
- wage practices in the insurance sector;
- performance-based assessment.

The relevant remuneration of employees with key functions is determined by the Board of Directors or the Remuneration Committee.

a) Fixed Pay Component

Fixed pay is determined according to the level of responsibility and function assigned to ensure the independence and autonomy required.

b) Variable Pay Component

I. Eligibility Criteria

Eligibility for award of variable pay is annual and relies on performance assessment set by the company in line with the remuneration policy of the Generali Group, based on measurable and predetermined criteria, including non-financial criteria. The balanced scorecard model adopted by the Generali Group provides a framework for setting targets and assessing the performance of employees with key functions.

Targets shall not be linked to the performance of business units and operational areas under the control of participants and rely solely on the quality and effectiveness of those controls (specific activities of each key function in line with targets based on the quality and effectiveness of controls, excluding economic and financial goals that may otherwise create a conflict of interest).

Variable pay is not a statutory employment right of employees with key functions, and therefore is subject to approval. Variable pay shall be determined each year based on predetermined criteria, which may be changed and/or revoked at any moment by the relevant body.

II. Deferral of Variable Pay

A substantial portion of the variable pay, corresponding to 40% thereof, shall be subject to deferral for a three-year period minimum, as provided in article 275, paragraph 2, clause c) of the Commission Delegated Regulation and article 84 of the Regulatory Standard 4/2022-R.

The Remuneration Committee may advise the General Meeting on an increase of the deferral percentage, in cases where variable pay is exceptionally high or depending on the company's risk profile.

Variable pay is conditional on future performance criteria, measured on a risk-adjusted basis that takes into consideration risks associated with the activity that determines the variable pay. Should the employee contribute to substantially deteriorate the performance of the company in any given year of the deferral period, variable pay may not be rendered.

III. Nature of Variable Pay | Financial Instruments

Variable pay may consist of performance-based bonuses or others as may be specifically provided by the Board of Directors or even profit-sharing schemes, upon recommendation by the Board of Directors and subsequent approval by the General Meeting.

c) Other Benefits

In addition to fixed and variable pay, employees with key functions may also be entitled, if applicable, to the following benefits as provided in the Collective Labour Regulation Instruments or the company's regulatory standards applicable to all employees:
- health insurance;
- whole life insurance;
- individual old-age pension or disability pension benefits;
- other benefits/components according to the company's remuneration policy in place and market practices.

d) Eligibility Criteria

Performance-based assessment of employees with key functions is built by the Human Resources and Organisational Development Department under the relevant guidelines and assessment model established in the remuneration policy of the Generali Group, using a cascade approach, for this employee type.

C. Employees with Other Relevant Functions

The remuneration of employees with other relevant functions comprises a fixed component, fringe benefits and, potentially, a variable component.

The target remuneration package is intended to stay competitive between the median and upper quartile of the reference market, based on an individual positioning that relies on performance assessment and potential and strategic business impact, according to a segmented approach.

Whenever annual total remuneration comprises a fixed and a variable component, the former shall comply with the limits set forth in the remuneration policy approved by the relevant body and represent a sufficiently high proportion of the total remuneration to allow a full flexible policy to be applied on the variable component.

a) Fixed Pay Component

Employees with other relevant functions receive a monthly fixed pay, paid 14 times in a calendar year. Fixed pay levels are set taking into account national reference companies to ensure competitiveness.

b) Variable Pay Component

Variable pay consists of annual short-term incentive plans (STI) and deferred long-term incentive plans (LTI), based on individual and organisational risk-adjusted performance indicators, which incorporate sustainability requirements in light of the risks taken, built on targets set in the strategic plan of the Generali Group, Generali 2022-2024, that addresses climate change, Generali Group Strategy on Climate Change.

Generali Seguros has adopted the balanced scorecard model in line with the provisions set forth in the remuneration policy of the Generali Group.

I. Eligibility Criteria for Short-Term Variable Pay (STI)

Eligibility for award of short-term variable pay of employees with other relevant functions relies on individual and/or collective performance assessment set by the company, based on measurable and predetermined criteria, including financial and non-financial criteria.

The balanced scorecard model adopted by the Generali Group provides a framework for setting targets and assessing the performance of employees with other relevant functions. The rules and indicators of this model are established by an internal instrument.

Variable pay is not a statutory employment right of employees with other relevant functions and shall be determined each year based on predetermined criteria, which may be changed and/or revoked at any moment by the Board of Directors. Variable pay is subject to approval on an annual basis and relies on employee performance assessment

Additionally, variable pay shall only be awarded if feasible, considering the financial situation of the company as a whole and the performance of the employee and its operating unit.

II. Eligibility Criteria for Long-Term Variable Pay (LTI)

Upon appointment and approval by the Generali Group, employees with other relevant functions may be eligible to be part of a deferred variable pay programme, with a multi-year timeframe approved periodically by the relevant bodies of the Generali Group.

Generali Seguros applies the rules and procedures set out in the plan.

Employees with other relevant functions may also be eligible to be part of local programmes established and approved by the Executive Committee of the country.

III. Deferral of Variable Pay

A substantial portion of the variable pay, corresponding to 40% thereof, shall be subject to deferral for a three-year period minimum, as provided in article 275, paragraph 2, clause c) of the Commission Delegated Regulation and article 84 of the Regulatory Standard 4/2022-R.

The Remuneration Committee may advise the General Meeting on an increase of the deferral percentage, in cases where variable pay is exceptionally high or depending on the company's risk profile.

Variable pay is conditional on future performance criteria, measured on a risk-adjusted basis that takes into consideration risks associated with the activity that determines the variable pay. Should the employee with key functions contribute to substantially deteriorate the performance of the company in any given year of the deferral period, variable pay may not be rendered.

IV. Nature of Variable Pay | Financial Instruments

Variable pay may consist of performance bonuses and/or profit-sharing schemes as may be provided by the General Meeting.

Without prejudice to the above, the shareholder may establish within the General Meeting that variable pay, or a portion of it, may be awarded in the form of share plans or share options in the company or other company of the Generali Group.

c) Other Benefits

In addition to fixed and variable pay, employees with other relevant functions may also be entitled to benefits as provided in the *Collective Labour Regulation Instruments* or the company's regulatory standards.

Fringe benefits awarded to employees with other relevant functions may differ on type and value depending on the beneficiary population cluster. These benefits may incorporate additional pension benefits, healthcare plans or others in case of death or total permanent disability due to accident or sickness or other benefits adopted in the reference market.

Employees with relevant functions may also benefit from favourable contract terms, as for instance insurance underwriting or other products traded by the Generali Group.

d) Eligibility Criteria

Performance-based assessment of employees with other relevant functions is built by the Human Resources and Organisational Development Department under the relevant guidelines and assessment model established in the remuneration policy of the Generali Group, using a cascade approach, for this employee type.

Other Employees

The remuneration of other employees with other relevant functions comprises a fixed component, fringe benefits and, potentially, a variable component.

a) Fixed Pay Component

The target remuneration package is intended to stay competitive between the median and upper quartile of the reference market, based on an individual positioning that relies on performance assessment and potential and strategic business impact, according to a segmented approach.

b) Variable Pay Component

Variable pay consists of annual short-term incentive plans (STI) and, possibly, deferred long-term incentive plans (LTI), whenever established and approved by the Generali Group, by applying the rules and procedures set out in the relevant plan. Employees with relevant functions may also be eligible to be part of local programmes established and approved by the Executive Committee of the country.

Short-term variable pay of other employees relies on individual and/or collective performance assessment set by the company, based on measurable and predetermined criteria, including financial and non-financial criteria.

The balanced scorecard model adopted by the Generali Group provides a framework for setting targets and assessing the performance of employees with other relevant functions. The rules and indicators of this model are established by an internal instrument.

Variable pay is not a statutory employment right of employees and shall be determined each year based on predetermined criteria, which may be changed and/or revoked at any moment by the relevant body based on employee performance assessment. Additionally, variable pay shall only be awarded if feasible, considering the financial situation of the company as a whole and the performance of the employee and its operating unit.

Considering the country risk rating, the remuneration policy currently in place, maximum remuneration limits and risk tolerance levels, it was not deemed necessary to defer a portion of variable pay until this date.

c) Other Benefits

Fringe benefits supplement the remuneration package. These benefits may differ on type and value depending on the category, functions, and responsibilities of beneficiaries. Fringe benefits include pension supplement, whole life insurance, health insurance or others, favourable contract terms, contractual sick pay, which may be governed by law, individual flexibility arrangements, *Collective Labour Regulation Instruments* within Generali Seguros, S.A.

Additional benefits may be awarded for a specific length of time in line with market practices to address geographical mobility, such as housing, educational expenses, and other allowances.

d) Eligibility Criteria

Performance-based assessment of employees with relevant functions is built by the Human Resources and Organisational Development Department under the relevant guidelines and assessment model established in the remuneration policy of the Generali Group, using a cascade approach, for this employee type.

9.2. REMUNERATION TABLE OF THE AMOUNTS PAID IN 2022 TO THE MEMBERS OF THE GOVERNING BODIES AND OTHER EMPLOYEES

(in thousands of euros)

		Remuneration		
	No.	Fixed	Variable	Total
Board of Directors	**6**			**728**
Jaime Anchústegui Melgarejo (Chairman)	1	-	-	-
João Vieira de Almeida (Vice-President)	1	100	-	100
Patrícia Ribeiro Sanina Espírito Santo (Member)	1	-	-	-
Pedro Luís Francisco Carvalho (CEO)	1	352	276	628
Riccardo Candoni (Member)	1	-	-	-
Stefano Flori (Member)	1	-	-	-
Supervisory Board		**3**		**35**
Nelson Manuel Marques Fontan (Chairman)	1	15	-	15
Dinora Clara Feijão Margalho Botelho (Member)	1	10	-	10
Rita Sofia Felício Arsénio Do Sacramento (Member)	1	10	-	10
Total Remuneration of the Governing Bodies	**9**	**487**	**276**	**763**
Other employees who effectively run the company	**29**	**2.623**	**786**	**3.409**

In 2022, the company recorded costs incurred in share-based payment plans regarding two members of the Board of Directors in the amount of EUR 435 thousand, namely: Pedro Luís Francisco Carvalho (EUR 358 thousand) and Stefano Flori (EUR 77 thousand).

During 2022, a contribution was made to the pension fund related to the executive members of the Board of Directors in the total amount of EUR 49 thousand.

In 2022, no costs were incurred for termination of contract of employment and relevant charges related to members of the Board of Directors.

9.3 STATEMENT OF COMPLIANCE

Insurance and reinsurance companies run business activities in cumulative compliance with the standards set forth in article 275 of the Commission Delegated Standard (EU) of 2015/35 of 10 October 2014, under article 92 of the Regulatory Standard 4/2022-R.

Recommendations	Compliance Levels	Comments
Arrangements set forth in the Commission Delegated Standard (EU) of 2015/35 **Insurance and reinsurance companies comply cumulatively with the following principles:**		
By reference to article 258, clause l):		
(a) The remuneration policy and remuneration practices shall be established, implemented, and maintained in line with the undertaking's business operations and risk management strategy, its risk profile, objectives, risk management practices, the long-term interests and performance of the undertaking as a whole and shall incorporate measures intended to avoid any potential conflict of interest.	Compliant	
(b) The remuneration policy promotes sound and effective risk management and shall not encourage risk-taking decisions that exceed risk tolerance limits of the undertaking.	Compliant	
(c) The remuneration policy applies to the undertaking as whole and contains specific provisions that take into account the tasks and performance of the administrative, management or supervisory body, persons who effectively run the undertaking or have other key functions and other categories of staff whose professional activities have a material impact on the undertaking's risk profile.	Compliant	
(d) The administrative, management or supervisory body of the undertaking, which establishes the general principles of the remuneration policy for those categories of staff whose professional activities have a material impact on the undertaking's risk profile, is responsible for the oversight of its implementation.	Compliant	
(e) Governance shall be clear, transparent, and effective with regard to remuneration, including the oversight of the remuneration policy;		
(f) An independent remuneration committee shall be created, if appropriate in view of the significance of the insurance or reinsurance undertakings in terms of size and internal organisation, in order to periodically support the administrative, management or supervisory body in overseeing the design of the remuneration policy and remuneration practices, their implementation and operation.	Compliant	
(g) The remuneration policy shall be disclosed to each member the undertaking's staff.	Compliant	
By reference to the specific arrangements of paragraph 1-C, clause c):		
(a) Where remuneration schemes include both fixed and variable components, such components shall be balanced so that the fixed or guaranteed component represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on the variable components and to allow the undertaking to operate a fully flexible bonus policy, including the possibility of paying no variable component.	Compliant	
(b) Where variable remuneration is performance-related, the total amount of the variable remuneration is based on a combined assessment of the performance of the individual and the business unit in question, as well as the overall result of the undertaking or the group to which the undertaking belongs.	Compliant	
(c) The payment of a substantial portion of the variable remuneration component, irrespective of the form in which it is to be paid, shall contain a flexible, deferred component that takes into account the nature and time horizon of the undertaking's business operations. The deferral period shall not be less than three years and the period shall be correctly aligned with the nature of the business, its risks, and the activities of the employees in question.	Non-Compliant	Considering the present remuneration structure, the above-level limits and risk levels set by the company, it was not deemed necessary to postpone a portion of the variable remuneration component.
(d) Financial and non-financial criteria shall be taken into account when assessing individual performance.	Compliant	
(e) The measurement of performance to determine variable remuneration shall include a downward adjustment for exposure to current and future risks, taking into account the undertaking's risk profile and the cost of capital.	Compliant	
(f) Termination payments shall be commensurate with the level of performance attained over the whole period of activity and be designed in a way that does not reward failure.	Compliant	
(g) Persons subject to the remuneration policy shall commit to not using any personal hedging strategies or remuneration and liability-related insurance that would otherwise undermine the risk alignment effects embedded in their remuneration arrangement.	Compliant	
(h) The variable remuneration component of staff engaged with the functions mentioned in articles 269 to 272 [key functions: risk management function, compliance function, internal audit function and actuarial function] shall be independent from the performance of operational units and areas under their control.	Compliant	

10 / Report and Certificate of the Statutory Auditor

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STATUTORY AUDITOR'S REPORT AND CERTIFICATE

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Generali Seguros, S.A., hereinafter shortly referred to as *the entity*, for the year ended 31 December 2022, which comprise the balance sheet (with a total of EUR 2,791,354 thousand and a share capital total of EUR 135,900 thousand including a net income of EUR 49,490 thousand), the statement of profit and loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the related notes to the financial statement which incorporate a summary of the relevant accounting policies.

In our opinion, the financial statements referred to above present fairly and appropriately, in all material respects, the financial position of Generali Seguros, S.A. as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the accounting standards generally accepted in Portugal for the insurance sector set forth by the Insurance and Pension Funds Supervisory Authority (ASF).

Basis for opinion

Our audit was conducted in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guiding principles as issued by the Ordem dos Revisores Oficiais de Contas. Our responsibility under these standards is described in the *Auditor's Responsibility for Auditing the Financial Statements* section below. We are independent of the entity under the terms of the law and we comply with other additional ethical requirements under the terms of the code of ethics of the Ordem dos Revisores Oficiais de Contas.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Measurement of financial instruments, including recognition of impairment

As at 31 December 2022, the portfolios of financial assets available for sale, financial assets held for trading, financial assets classified on initial recognition at fair value through profit or loss and held-to-maturity investments total up to EUR 2,050,988 thousand, EUR 9,261 thousand, EUR 8,495 thousand and EUR 910 thousand respectively, according to Note 6 to the financial statements, representing about 73.5%, 0.3%, 0.3% and 0.03% of the entity's assets respectively.

The risk

Held-to-maturity Investments are measured at amortised cost, discounted of impairment, if any, and other financial assets are measured at fair value in accordance with the accounting policy described in Note 3 – *Financial Assets* attached to the financial statements. In regard to financial assets available for sale, unrealised changes in fair value are reported in other comprehensive income and, in case of impairment, realised changes in fair value are reclassified in profit or loss for the reporting period. The entity has established that there is an impairment of a financial asset available for sale when there is a continued or significant depreciation in the fair value of the asset. In regard to held-to-maturity investments, the entity has established that an impairment exists when an event that is likely to impact on future cash flow estimates occurs.

Fair value of most of financial assets described above that make up the relevant asset portfolio is determined directly by reference to an official active market or through price providers. As stated in Note 3 – *Key estimates and judgments used to prepare the financial statements*, assessments are obtained through price markets or assessment methodologies that require the use of certain assumptions and judgments to determine fair value estimates.

Our response to the risk identified

Our auditing procedures included, among other aspects, those we describe as follows:

- Assessment of the design and implementation of the entity's key controls to measure its asset portfolio;
- Test on the valuation of asset portfolio to assess the reasonableness of fair value recognised by the entity, taking account of external price sources and analysis of key assumptions used in the valuation of investment funds;
- Test for impairment of held-to-maturity investments and financial assets available for sale, analysing the credit risk of issuers and changes in fair value of financial instruments; and
- We have assessed the appropriateness of the relevant disclosures in the financial statements in accordance with the applicable accounting standards.

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Mathematical provisions for life insurance and liabilities arising from investment contracts

As at 31 December 2022, mathematical provisions for life insurance, including provision for rate commitments, and liabilities arising from investment contracts amount to EUR 582,651 thousand and EUR 39,292 thousand respectively in accordance with Notes 4 and 5 to the financial statements and represent about 21.9% and 1.5% of the entity's liabilities.

The risk

At each reporting period, the entity assesses the appropriateness of its liabilities arising from insurance and investment contracts, which are reflected in the mathematical provisions and financial liabilities, based on actuarial methodologies recognised under the terms of the applicable laws, as mentioned in the accounting policies in Note 4 in regard to insurance and investment contracts.

This is an area that entails a significant level of judgment by the entity's Board of Directors on future returns, namely (i) total long-term estimated liabilities regarding policyholders (which rely on a vast array of economic, demographic, business assumptions used as inputs to estimate those long-term liabilities) and (ii) estimated future returns on asset portfolios allocated to cover those liabilities as mentioned in Note 3 – *Key estimates and judgements used to prepare the financial statements.*

Our response to the risk identified

Our auditing procedures included, among other aspects, those we describe as follows:

- Assessment of the design and implementation of the entity's key controls over its technical provisioning policy;
- Test to verify the appropriateness of assumptions used to determine liabilities arising from life insurance contracts and investment contracts;
- Test to verify the appropriateness of mathematical provisions and liabilities arising from investment contracts, taking account of each product's contractual conditions, including guarantees; and
- We have assessed the appropriateness of the relevant disclosures in the financial statements in accordance with the applicable accounting standards.

KPMG

Provisions for claims

As at 31 December 2022, provision for claims, in the amount of EUR 1,412,927 thousand, represent 53.2% of the entity's liabilities at the year then ended, of which EUR 661,951 thousand refer to mathematical provisions for workers' compensation as provided in Note 4 attached to the entity's financial statements.

(i) **Provision for claims (except for mathematical provisions for workers' compensation – pensions) in the amount of EUR 750,976 thousand.**

The risk

Provision for claims corresponds to costs with claims incurred and still not settled, estimated liabilities for claims incurred, but not yet reported (IBNR) and direct and indirect costs arising from the settlement of claims at the end of the reporting period. Provisions for claims, except for provisions for workers' compensation, are not discounted as provided in the accounting policies in Note 4 regarding insurance and investment contracts.

Claims liabilities are inherently uncertain and their estimates entail a significant level of judgment by the entity's Board of Directors.

Based on past experience on the settlement of claims and other explicit or implicit assumptions and through the application of statistical methods, the entity calculates the best estimate to determine the provision for claims.

Our response to the risk identified

Our auditing procedures included, among other aspects, those we describe as follows:

- Assessment of the design and implementation of the entity's key controls over its provisioning policy for claims;
- Tests to verify the appropriateness of provision estimates for claims, which encompassed, among others, the application of recognised actuarial techniques (run-off analyses);
- Assessment of the methodology and assumptions used by the entity to estimate the provision for claims;
- Assessment of the quality of the work produced and the conclusions drawn by the entity's actuaries;
- We have assessed the appropriateness of the relevant disclosures in the financial statements in accordance with the applicable accounting standards.

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(ii) **Provision for claims – mathematical provision for workers' compensation (including provision for contribution for the Workers' Compensation Fund) in the amount of EUR 661,951 thousand.**

The risk	Our response to the risk identified
The estimate of mathematical provision for workers' compensation, as provided in the accounting policies in Note 4 regarding insurance and investment contracts, is an area that entails a significant level of judgement by the entity's Board of Directors on uncertain future returns, namely (i) total estimated long-term liabilities regarding policyholders (which rely on a vast array of economic, demographic, business assumptions used as inputs to estimate those long-term liabilities, in addition to other legal requirements and standards that must be fulfilled) and (ii) the estimated future returns of the asset portfolio allocated to cover those liabilities.	Our auditing procedures included, among other aspects, those we describe as follows: • Assessment of the design and implementation of the entity's key controls over its provisioning policy for workers' compensation claims; • Assessment of the methodology and assumptions used by the entity to estimate the relevant provision, particularly economic and non-economic assumptions used to project and discount the entity's liabilities arising from workers' compensation; • Assessment of the quality of the work produced and the conclusions drawn by the entity's actuaries; • We have assessed the appropriateness of the relevant disclosures in the financial statements in accordance with the applicable accounting standards.

Management and supervisory bodies' responsibility for the financial statements

The management body is responsible for:

- the preparation of the financial statements and fair and appropriate presentation of the entity's financial position, financial performance and cash flows in accordance with the accounting standards generally accepted in Portugal for the insurance sector set forth by the Insurance and Pension Funds Supervisory Authority (ASF);
- the preparation of a management report and a non-financial report under the terms of all applicable laws and regulations;
- the design and implementation of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and criteria that are appropriate in the circumstances;
- the assessment of the entity's ability to maintain itself in continuity, disclosing, whenever applicable, the matters that may raise significant doubts about business continuity.

The supervisory body is responsible for the oversight in the preparation and disclosure of the entity's financial information.

Auditor's responsibility for auditing the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and write a report where we express our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will detect a material misstatement on a timely basis, if any. A misstatement may stem from fraud or error and is considered material if there is a reasonable possibility that a misstatement, or a combination of misstatements of the entity's financial statements, will influence users' economic decisions taken on the basis of such financial statements.

As part of an audit conducted in accordance with the ISA, we make professional judgements and maintain professional scepticism during our audits and also:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, we design and perform auditing procedures that address those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, given that fraud may involve collusion, forgery, intentional omissions, false declarations or override of internal control;
- we obtain knowledge of internal control relevant to the audit in order to design auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- we assess the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and the relevant disclosures made by the management body;
- we conclude from the appropriation of use of the continuity assumption made by the management body and, based on the audit evidence we have obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the entity's ability to continue its business operations. If we conclude that a material uncertainty exists, we draw attention in our report to the relevant disclosures included in the financial statements or, if such disclosures are not appropriate, change our opinion. Our conclusions are based on the audit evidence we have obtained at the date of our report. Nevertheless, future events or conditions may cause the entity to discontinue its business operations;
- we assess the overall presentation, structure, and content of the financial statements, including disclosures, and whether these financial statements represent the underlying transactions and events in order to attain an appropriate presentation;
- we communicate to the persons responsible for governance, including the supervisory body, among other subject matters, the intended audit scope and schedule and the significant audit conclusions, including any significant deficiency in internal control identified in the course of the audit;

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- within the scope of matters that we communicate to the persons responsible for governance, including the supervisory body, we establish the matters that were the most important in the audit of the financial statements of the present year and which are the relevant matters of the audit. We describe these matters in our report, except when their public disclosure is banned by applicable laws or regulations; and
- we declare to the supervisory body that we comply with ethical requirements on independence and communicate all relationships and other matters that are likely to be perceived as threats to our independence and, whenever applicable, the measures adopted to eliminate threats or the safeguards applied.

Our responsibility is also to verify whether management report data is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Under article 451, paragraph 3, clause e) of the Portuguese Commercial Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements in place and the information contained thereof is consistent with the financial statements audited and, taking account of the knowledge and appraisal of the entity, we have not identified any material misstatement.

On the non-financial report

Under article 451, paragraph 6, of the Portuguese Commercial Code, we inform that the entity shall prepare a separate report from the management report, which shall incorporate non-financial information as provided in article 66-B of the Portuguese Commercial Code, which shall be published on the entity's website within the legal timeframe.

On additional provisions set forth in article 10 of the Regulation (EU) no. 537/2014

Under article 10 of the Regulation (EU) no. 537/2014 of the European Parliament and the Council of 15 April 2014 and in addition to the relevant matters of the audit mentioned above, we further report on the following subject matters:

- we were first appointed auditors of the entity on 9 December 2016 for the year 2016 by the general meeting of shareholders. We were reconducted as auditors of the entity on 23 March 2022 for a three-year period from 2022 to 2024 by the general meeting of shareholders;
- the management body has asserted that it has no knowledge of fraud or suspicion of fraud with a material effect on the financial statements. In planning and performing our audit in accordance with the ISA, we maintained professional scepticism and designed auditing procedures to address the possibility of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the financial statements due to fraud;
- we confirm that the audit opinion we have expressed is consistent with the additional report that we prepared and delivered to the entity's supervisory board on 17 March 2022;

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- we declare that we have not rendered any services banned under the terms of article 5 of the Regulation (EU) no. 537/2014 of the European Parliament and the Council of 16 April 2014 and we have maintained our independence for the entity in the course of the audit.

17 March 2023

KPMJ & Associados –
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered with the CMVM under the no. 20161489)
represented by
Hugo Jorge Gonçalves Cláudio
(ROC no. 1597 and registered with the CVVM under no. 20161207)

11 / Report and Opinion of the Supervisory Board

REPORT AND OPINION OF THE SUPERVISORY BOARD FOR THE YEAR ENDED 2022

To the shareholders of

Generali Seguros, S.A.

Under national law and within the scope of responsibilities assigned to the Supervisory Board, we hereby submit for consideration to the general meeting of shareholders of the General Seguros, S.A., hereinafter referred to as the company, our report and opinion on the activity developed and the company's financial reporting information for the year ended as at 31 December 2022, which has been prepared by the Board of Directors.

1. The Supervisory Board of Generali Seguros, S.A. was appointed by the general meeting on 15 December 2021 for a three-year period from 2022 to 2024, upon approval by the Insurance and Pension Funds Supervisory Authority issued on 15 March 2022. On 22 February 2022 a substitute member was appointed following the resignation of its predecessor.

   We followed the company's activity closely over the year, holding regular meetings and reviewing the company's economic and financial performance on a quarterly basis, as well as other significant subject matters, with special focus on the conclusions drawn from the actions carried out by the internal audit department and other matters regarding action plans for information assurance and cybersecurity.

   The Board of Directors and other areas of the company have provided us with all information we have requested and answered to all our questions.

   Within the scope of our functions, we have examined the financial statements for the year ended 2022, which comprise the balance sheet, the statement of profit and loss, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows, as well as the related notes to the financial statements. We have also examined the management report for the year ended 2022, prepared by the Board of Directors, and the proposal for capital allocation contained thereof.

2. We have followed, with the frequency and to the extent deemed appropriate, the accounting reporting routine and the appropriateness of accounting policies and value measurement criteria used, as well as the fulfilment of the legal and statutory requirements. We met with KPMJ & Associates – SROC, S.A. (KPMJ), the company' s statutory auditor, and based on the report they prepared and addressed to the Supervisory Board in reference to the closing balance as at 31 December 2022, we conducted an analysis of the areas identified as the most significant and relevant to forming the auditor's opinion contained in the Statutory Auditor's Report and Certificate, which conveys an unqualified audit opinion. The auditor's report has also identified other significant matters intended to conduct the work accomplished. Based on the conclusions of the statutory auditor's report, we have ascertained that some recommendations made to this Supervisory Board in previous years for improvements to internal control have been implemented, while others still exist that need to be perfected. We therefore suggest the Board of Directors to maintain focus on this work.

3. In analysing the management report, we have appraised the company's main business strategy outlined by the Board of Directors for the upcoming year 2023 to consolidate and expand its position in the insurance market in Portugal. As a result, the company aims to (a) strengthen this its market position, targeting private customers, including seniors, and small and medium-sized companies; (ii) to improve agents' professional standards of practice and consequently increase brand penetration in their portfolios and focus on the development of new channels and new digital tools; (iv) change working practices and align the organisation in response by improving management processes and increasing employee engagement.

Assinado por: Dinora Clara Feijão Margalho Botelho
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Still within the scope of the management report, it is important to mention that we have carefully examined data on the oversight of the solvency margin under the new Solvency II framework, which is due to accompany the disclosure of the corresponding final data in April through the solvency report and financial performance. Likewise, the Supervisory Board will continue to pay close attention to the preparation of the non-financial information report, which shall be presented in separate and disclosed within the legal timeframe under the applicable laws and regulations.

4. In examining the company's financial statements, the Supervisory Board highlights the following points:
   a) in 2022, Generali Seguros, S.A. had a share of 18.4% of the non-life insurance market, falling by 0.4% when compared with 2021, and 1.3% of the life insurance national market, a 0.3% rise compared with the previous year, having increased its customer base to 1,971,000 private and corporate customers;
   b) the company's total assets on the balance sheet for the year ended 31 December 2022 amounted to EUR 2,791,354 thousand, reflecting a 9.5% drop, down EUR 294,510 thousand compared with the previous year, driven by a surge in interest rates over the year, which impacted heavily on asset valuation, due to the type of asset classes that made up the company's asset portfolio, mostly fixed-income securities with fixed rate, and also to the asset measurement at fair value;
   c) share capital fell from EUR 342,764 thousand in 2021 to EUR 135,900 thousand in 2022, reflecting a 60% year-over-year decline, largely driven by a negative variation in the revaluation reserve as a result of asset measurement at fair value;
   d) in liabilities, technical provisions fell from EUR 2,361,616 thousand in 2021 to EUR 2,287,045 thousand in 2022, reflecting a 3.3% year-over-year decrease, driven by a reduction of life mathematical provision in the amount of EUR 72,950 thousand caused liability expiry dates and rising interest rates. On the other hand, claims provisions rose by EUR 61,846 thousand to EUR 1,412,927 thousand due to surging inflation;
   e) net income for the year ended 2022 amounted to EUR 49,490 thousand, reflecting a decline when compared with the previous year, with a net income of EUR 54,056 thousand;
   f) in 2022, return from the company' financing activities amounted to EUR 1,988 thousand, with return on financial assets averaging 0.1% compared with 0.9% in 2021, while maintaining a concentrated portfolio, mostly made up of fixed-income securities with fixed rate (76%) and diversified investment funds, with a special focus on funds managed by the Generali Group or partners.

5. It is worth noting that in early 2023, two months after the financial reporting date, the outcome of the war in Ukraine still remained highly uncertain, causing great economic and political distress, and making it difficult to anticipate any impacts and their extent, because the length of the conflict may be crucial to amplify or reduce any foreseeable impact. On the other hand, inflationary pressures show signs of easing due to the European Central Bank (ECB) interest rate hikes and the deceleration of the economy that followed. In any case, it is not possible at the present moment to identify any factors that carry a risk to solvency levels and regulatory requirements applicable to the company.

6. Based on the foregoing and in view of the work accomplished, it is the Supervisory Board's recommendation that the financial statements for the year ended 2022, the management report and the proposal for capital allocation, in the amount of EUR 49,489,993.75, expressed in point 3.5 of the management report, are approved by the general meeting of Generali Seguros, S.A.

Lastly, we express our gratitude to the Board of Directors and the companies' areas involved and also to KPMJ & Associates – Sociedad's de Revisors' Officials de Contes, S.A. for the support provided to the Supervisory Board.

Assinado por: Dinora Clara
Feijão Margalho Botelho
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Nelson Manuel Marques Fontan - Presidente

Rita Sofia Felício Arsénio do Sacramento

Rita Sofia Felício Arsénio do Sacramento – Vogal

Assinado por: Dinora Clara Feijão Margalho Botelho
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Dinora Clara Feijão Margalho Botelho – Vogal