AP VIII Calm Eagle Holdings S.C.A

Société en Commandite par Actions

Consolidated annual financial statements
For the period from January 1, 2017 to December 31, 2017

2, avenue Charles de Gaulle
L-1653 Luxembourg
RCS Luxembourg: B 193011
Share capital: EUR 137,466,670.00

Index

1. GOVERNING BODIES

Board of Managers

- AP VIII Euro LP (Lux) S.à .r.l.

Supervisory Board

- Laurent Ricci
- René Beltjens
- Ibrahim Jabri

Statutory Auditor

- KPMG Luxembourg Société coopérative

2. MANAGERS' CONSOLIDATED REPORT

To the Managers of AP VIII Calm Eagle Holding S.C.A

Under the law and the articles of association, the Board of Managers is honoured to present to you for appraisal the Management Report and Consolidated Financial Statements of AP VIII Calm Eagle Holdings S.CA (hereinafter as the "Company" or jointly with its subsidiaries as the "Group"), in respect of the financial year 2017.

2.1. MACROECONOMIC FRAMEWORK

Throughout 2017, the global economy returned solid, growth above expectations, underpinned by the recovery of international trade and investment, within a framework of maintenance of the accommodating monetary policy and the easing détente of several factors of a political nature.

2.1.1. – INTERNATIONAL ECONOMIC SITUATION

The year under review was marked by the positive evolution of market sentiment, essentially supported by the favourable indications of the data known for the USA (GDP and employment), United Kingdom (employment market resilience), Euro zone (2.4% growth for 2017), Japan (after a growth of just 0.9% in 2016, a growth of 1.8% is expected in 2017), and better higher than expected data for China, where it is expected that the GDP will have returned a growth of 6.8% in 2017. The attenuation of several factors of a political nature also contributed to this evolution.

Oil prices rose in 2017, in a context of an extension of the production-reduction agreement up to the end of 2018, with a positive impact on the companies of the sector and on the oil-exporting economies. Price growth rate has normalised in the developed countries, but less so than desired by the monetary authorities.

The positive evolution of market sentiment in 2017 led to increases of the leading share indices, with emphasis on the rise of the major indices of the USA and Asian indices and of the Brazilian Ibovespa.

Equity Indices	2017	2016	Change 17/16 (%)
DOW Jones Ind. Avg.	24 719	19 763	25,1%
Nasdaq Comp.	6 903	5 383	28,2%
S&P 500	2 674	2 239	19,4%
Euro Stoxx 50 Pr	3 504	3 291	6,5%
PSI 20	5 388	4 679	15,2%
FTSE 100	7 688	7 143	7,6%
DAX	12 918	11 481	12,5%
CAC 40	5 313	4 862	9,3%
IBEX 35	10 044	9 352	7,4%
BRAZIL IBOVESPA	76 402	60 227	26,9%
NIKKEI 225	22 765	19 114	19,1%
Hang Seng	29 919	22 001	36,0%

In turn, the 10-year spreads of the debt of peripheral countries compared to that of the German debt decreased, with emphasis on the reductions in Portugal (204 bp) and in Greece (321 bp), which also recorded the biggest 2-year spread reductions (28 bp and 448 bp, respectively). In Ireland, Italy and Spain the spreads also narrowed, though more moderately.

The 2- and 10-year German debt yields increased (within the context of maintenance of the ECB's quantitative-easing policy), while in the United States there was an increase just of the short-term yields, reflecting the expectations of further rate increases in by the Fed.

(%)

	2 Y		
Debt Market	2017	2016	Change 17/16 (p.p.)
Debt Germany	-0,63	-0,77	0,14
Debt France	-0,47	-0,66	0,19
Debt England	0,44	0,08	0,35
Debt Italy	-0,25	-0,18	-0,07
Debt Spain	-0,35	-0,28	-0,07
Debt Portugal	-0,10	0,04	-0,14

(%)

	10 Y		
Debt Market	2017	2016	Change 17/16 (p.p.)
Debt Germany	0,43	0,21	0,22
Debt France	0,79	0,69	0,10
Debt England	1,19	1,24	-0,05
Debt Italy	2,02	1,82	0,20
Debt Spain	1,57	1,38	0,18
Debt Portugal	1,94	3,76	-1,82

The performance of the corporate credit market was also favourable, all CDS (Credit Default Swaps) indices having fallen, bringing a certain relief in respect of the health of the European banking sector (although, from the end of the 3rd quarter, concern increased due to the situation of the Spanish banks on a possible scenario of independence of Catalonia) that conditioned a greater rise of European shares, in particular of those banks having bigger exposure to non-performing loans (Portugal and, especially, Italy).

Dollar rates (Libor) rose, reflecting the increases of the fed-funds target by the Fed in 2017 and to be made in 2018. The euro rates (Euribor) again fell to historic lows, reflecting the expansionary monetary policy that continues to be pursued by the ECB and stood at negative values throughout the year at 3, 6 and 12 months.

The ECB maintained its expansionary policy and did not alter its conventional monetary policy, while maintaining its reference rates unchanged throughout 2017. At the end of October, the ECB announced the second extension of the quantitative-easing (QE) programme until at least September 2018, with the average rate of monthly asset purchases remaining at €60 million until the end of December 2017 but falling to €30 million between January and September 2018.

In the US, at the December meeting, the Fed decided to raise the benchmark interest rates, in line with expectations, that is, in 2017 the Fed raised the rates by a total of 75 bp, having risen just 25 bp in 2015 and 2016. Thus, the fed funds target rate closed 2017 in the range of 1.25% to 1.50%. The Fed's good outlook for the USA led the monetary authority to signal the intention to implement three rates rises in 2018.

2.1.2. – Domestic Economic Situation

In 2017, the Portuguese economy grew by more than countries of the Euro zone as a whole, which had not happened since 1999 (in 2009 the recession was shallower but for the fact that the Portuguese economy was more closed to the outside world).

The latest projections suggest that economic activity has grown by 2.7% in 2017, the main growth drivers having been exports and household consumption.

In 2017, the pursuit of the strategy of greater openness to the outside world is underscored (exports more than 40% of the GDP) and the progressive enlargement of the tradable goods base, both through the increase of exports and through the greater replacement of imports.

Domestic demand is expected to evolve positively but moderately, for major imbalances persist in the insofar as households, companies and the State are concerned – indebtedness falling but still high when compared in international terms; the financial sector with healthier balance sheets but still with high levels of non-performing loans in its balance sheets.

Therefore, the evolution of international interest rates and of oil prices, the evolution of the external economies and of the degree of risk appetite constitute the main constraints of economic activity in Portugal in the medium term.

The improvement of the economic-growth outlook, the adjustment of the banking sector and the evolution of the budgetary balance, in a context of maintaining an accommodative monetary policy, have resulted in a better risk assessment of Portugal by international investors/ rating agencies, leading to a fall of market interest rates.

2.1.3. – Insurance Market

Overall, direct insurance production in 2017 increased by 6.5% compared to 2016, standing at €11,580 million (up €404 million). Life insurance production resumed the growth trend of the previous year.

Life business had been affected in recent years by a situation that allied persistence of low long-term interest rates, a sharp reduction of the savings rate of individuals and the adoption of a new solvency mechanism that penalises the risks inherent in the financial guarantees. In 2017 a start was seen to a new cycle and there was a slight growth of savings products.

Life insurance premiums amounted to €7,090 million, up 6.2% compared with the preceding year (€413 million). Only the PPR contributions have grown compared to 2016 (up 30.3%). Traditional insurance products decreased by 0.5% (€4 million), and capitalisation products decreased by 2.6% (€104 million) compared with the previous year.

The Non-Life segment continued to grow at a remarkable rate (6.9%), the highest annual growth rate of the past 10 years. The volume of Non-Life premiums amounted to €4,490 million (up €209 million), with emphasis on Worker's Compensation insurance, which grew 13.0%, lending new impetus to the recovery begun in 2014. The increase of payrolls, expected with the relaunch of economic activity, as well as the tariff adjustments to address the imbalance of the business line, were at the root of this increase of premium volumes.

The Health (up 8.3%) and Motor (up 5.4%) business lines consolidated the growth trend that had already been seen, advancing in 2017 at a rate higher than in previous years. Fire and Other Damage (up 3.0%), with emphasis on the Multi-risk business lines (up 2.8%), also returned positive though more moderate growth rates.

According to the latest data released by the Portuguese Insurers Association (APS), insurance companies (under APS supervision) returned a Net Profit in 2017 of €373 million, substantially greater that in 2016 (€89 million).

2.2. – Relevant Facts in 2017

The year under review was a year of strong growth in the insurance sector in Portugal, with a total premium growth of 6.9%, with particular emphasis on the non-life sector.

This was the result of two main vectors. On the one hand, the historic economic growth and the recovery of the purchasing power of households and company business. On the other, the competitive dynamics of the industry, with a focus on technical balance, notably by way of repricing.

According to estimates, the GDP grew 2.7% in 2017, driven mainly by investment and exports. This is the highest figure since 2000, when the economy grew by 3.8%. Private consumption also made a strong contribution to this performance, with an estimated 2.5% growth.

In this connection, the insurance sector consolidated its path of growth. In the Non-Life segment, the performance of Workers' Compensation and Personal Accidents insurance, (up 13% and 8%, respectively), Health (up 8.3%) and Motor (up 5.4%) warrant particular attention. In accident insurance, the repricing and, in the case of Motor insurance the number of vehicles insured, contributed to this.

The Life segment returned a 6.2% growth, mainly driven by financial products (up 7.3%), which have acted as a refuge within the context of low interest rates.

From the viewpoint of profitability, the market continues to face major challenges with the combined ratio still higher than 100% mainly as a result of two preponderant factors: the increase of the claims rate (both in respect of major events such as forest fires, and with the side effects of the increase of the disposable income of households and of company business, and the consequent increase of traffic and of labour activity), and the sub-optimal scale of most market players.

For the Group, 2017 was a year of consolidation of its market position and share in Portugal (stable, above 15% in the Non-Life segment). It was also a year of integration of portfolios, systems and processes of the Companies merged into Tranquilidade (Açoreana, LOGO and T-Vida), with completion of about 70% of the migration, in line with the plan.

Additionally, continuity was given to the digital strategy and improvement of service levels, particularly through simplification and scanning of processes and the provision of new platforms to Customers and Partners.

The growth of the premium portfolio in Portugal was driven mainly by the Non-Life component (up 5.4%), particularly by the Motor (up 8.2%), Health (up 6.2%), and Workers' Compensation (up 10.5%) segments. Similar to the behaviour of the market, the effect of the repricing in the case of Workers' Compensation and the increase of the number of insured persons and objects in the other strategic products explain this good performance.

Continuity was therefore given to commercial redirection to those segments and branches given priority in the Group's strategy, one that will be maintained in the coming years.

In line with this strategy, new products were released in Portugal during the year for individuals and companies, with a focus on the strategic branches, with emphasis on the following:

Individuals

- The unified Motor and Housing offer for the brands of the group;

- New Health offer, with revised clauses and implementation of a new faster and more robust process of clinical evaluation (*teleunderwriting*);

- The Pleno 2.0 aggregation solution, with a discount on subscribing more than one product, exemption from policy costs for dematerialised Customers and choice of the collection day;

- Updated Multi-risk Condominium offer.

Companies

- New joint Worker's Compensation offer (including coverage of workers working other than at their normal workplace);

- New Cyber Risks offer, an innovative product for prevention of, protection against and management of cyber-attacks.

The digital and innovation strategy of the Customer and Partner service platforms continued to be a clear priority as the pillar differentiating the Group's positioning in the market:

- There was a total of 120,000 "Green" Customers, dematerialised customers who had a different value proposition, both at financial and at service level, providing the Group with a high efficiency level;

- The Tranquilidade App was released with innovative features, in particular claims tracking, the 2018 enrichment plan of which will the allow Customer experience to be transformed;

- The development of new Motor simulator was concluded and the development of the Health simulator was launched;

- An ambitious programme of process robotization was released, which will allow an increase of efficiency, and it provided clear results in the support of the systems-migration process;

- Lastly, a transverse programme was also released, with central co-ordination of process simplification, with a focus on greater quality and efficiency, through the application of lean and ongoing-improvement principles.

In the distribution strategy, the year focused on strengthening and standardising the relationship with the Partners. To that end, the incentive and overs systems were unified and the Partners sales-support intelligence was strengthened through the introduction of leads and systematisation of the email-marketing campaigns and the creation of the Agents' digital toolkit.

As a result, the performance in Portugal of the various groups again demonstrated the strong commitment between the Partners and the Group:

- The Multi-brand and Exclusive Partners grew 9% compared to 2016, especially in Non-Life Worker's Compensation and Motor insurance;

- Brokers returned a 3% growth, in a correction in relation to the 2016;

- Partnerships grew 3% overall, with a particular focus on the strategic Retail segment where the platform grew 14%.

Within the scope of the distribution network a start was also made in Portugal to a programme for the consolidation of physical spaces and the call for tenders was concluded for the transfer of selected spaces to Partners. The process was well accepted and placement of 20 shops on the market was assured.

As a result of the Group's efforts and focus on improved service to Customers and Partners the polls in Portugal again indicated a high level of satisfaction, in particular:

- By the Partners, a 6.6 point evaluation, in which the quality and proximity of the commercial monitoring, the offer of products and the information systems provided are underscored;

- By the customers, satisfaction with the service quality in claims remained at 8 points (on a scale of 0 to 10), with a sharp increase under Multi-risk, up from 7.3 to 7.7. Recommendation intention remains high, between 80% and 93%, across all business lines. Complaints had an upward trend, in line with that of other sectors of the Portuguese economy. In response, the Group's activity was governed by very fast action, addressing all complaints within 7.4 days, on average, below the goal of 8 days for 80%.

During the year the Group was again distinguished in Portugal for its market strategy and for the services provided to customers and partners, having received the following awards:

- "Professionals' Choice of the insurance industry", renewed for the 4th consecutive year;
- "Best Buy Award", which recognises Tranquilidade as the company having the best Price/Quality ratio, for the second two-year period since 2015;
- SuperBrand 2017, elected by consumers.

The Group has made no investment and has performed no activities in research and development in the current financial year and also has not acquired any of its own shares.

2.3. Key Variables and Business Indicators

(in TEUR)

	2017	2016	VAR 17/16 (%)
Balance Sheet			
Investments	1 568 048	1 629 867	-3,8%
Net assets	2 322 024	2 313 967	0,3%
Equity	184 957	234 043	-21,0%
Provision for unearned premiums (DI+RA)	160 769	156 139	3,0%
Mathematical provision - Life	591 765	654 581	-9,6%
Provision for claims (DI+RA)	994 864	895 028	11,2%
Provision for claims, net of reinsurance	916 278	838 936	9,2%
Technical Provisions (DI+RA)	1 776 607	1 753 436	1,3%
Gains & Losses			
Gross direct insurance premiums written	755 201	539 142	40,1%
Premiums earned, net of reinsurance	654 666	478 217	36,9%
Cost of Direct Insurance Claims	648 039	420 237	54,2%
Costs of claims, net of reinsurance	586 432	397 895	47,4%
Operating costs	181 759	128 857	41,1%
Income	28 916	27 767	4,1%
Net Income	-47 381	12 484	-479,5%
Indicators			
Gross premiums written/ nº of employees	649,4	409,1	58,7%
Direct insurance claims rate of	78,5%	72,7%	5,8 p.p.
Claims rate net of reinsurance	89,6%	86,0%	3,6 p.p.
Net Income/ Gross premiums written	-6,3%	2,3%	-8,6 p.p.
Combined ratio net of reinsurance	109,5%	104,6%	4,9 p.p.

On August 5, 2016, the Group acquired the whole of Açoreana, and therefore the changes presented both in the balance sheet variables and in gains and losses variables, reflect this effect.

2.4. – The Business of the Group in 2017

2.4.1. – Total Production

Consolidated direct insurance production amounted to €754,939k in 2017, which means, on a comparable basis, a + 1.9% change over the previous year (assuming €740,836k in 2016). The comparable basis assumes that the full year figures of the company acquired in August 5, 2016 (Açoreana), would have impact in consolidated numbers.

The Group recorded, on a comparable basis, a 31.1% decrease in the volume of direct life insurance premiums and a 5.9% increase in Non-Life.

TOTAL DIRECT INSURANCE PRODUCTION (in TEUR)

	2017	%	2016	%	VAR 17/16 (%)
Life business	**55 289**	**7,3**	**52 956**	**9,8**	**4,4%**
Insurance contracts	55 289	7,3	52 956	9,8	4,4%
Non-Life business	**699 650**	**92,7**	**486 186**	**90,2**	**43,9%**
Accidents & health	230 641	30,6	149 979	27,8	53,8%
Fire & other damage	106 267	14,1	83 138	15,4	27,8%
Motor	298 968	39,6	212 824	39,5	40,5%
Transport	6 334	0,8	5 862	1,1	8,1%
Third-party liability	17 300	2,3	12 111	2,2	42,8%
Sundry	40 140	5,3	22 272	4,1	80,2%
TOTAL	**754 939**	**100,0**	**539 142**	**100,0**	**40,0%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

2.4.2. – Costs of Direct Insurance Claims

Consolidated total claims costs for non-life insurance in 2017 amounted to €541,931k, which represents, on a comparable basis, a decrease of 11.3% compared to 2016.

On a comparable basis, the Fire & Other Damage sector presented a significant increase in costs with claims of 46.3% in 2017 compared to the previous year, especially the increase in Multi-risk. This growth was mainly due to the large fires that devastated Portugal in the second half of 2017, whose impact on costs of direct insurance claims amounted to approximately €51,600k.

DIRECT INSURANCE CLAIMS COSTS & BENEFITS PAID (in TEUR)

	2017	2016	VAR 17/16 (%)
Life business	**106 108**	**72 776**	**45,8%**
Insurance contracts	106 108	72 776	45,8%
Non-Life business	**541 931**	**347 461**	**56,0%**
Accidents & health	194 507	145 266	33,9%
Fire & other damage	100 029	40 995	144,0%
Motor	233 934	153 472	52,4%
Transport	2 189	1 949	12,3%
Third-party liability	9 886	3 299	199,7%
Sundry	1 386	2 480	-44,1%
TOTAL	**648 039**	**420 237**	**54,2%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

The non-life loss ratio in 2017 (costs of gross claims / gross premiums acquired) stood at 78.5%, which represents, on a comparable basis, an increase of 7.8pp over the previous year.

CLAIMS COSTS / GROSS PREMIUMS EARNED * (%)

	2017	2016
Accidents & health	85,4	102,0
Fire & other damage	93,6	47,5
Motor	80,4	72,1
Transport	32,8	31,4
Third-party liability	56,9	24,6
Sundry	3,5	11,1
TOTAL	**78,5**	**72,7**

* costs of claims with costs imputed as % of premiums earned

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

2.4.3. – Technical Provisions

The technical provisions for direct insurance and reinsurance accepted in 2017 amounted to €1,776,607k, resulting in a variation of + 1.3% (+ €23,171k) compared to 2016.

TECHNICAL PROVISIONS (in TEUR)

	2017	2016	VAR 17/16 (%)
Mathematical provision	591 765	654 581	-9,6%
Provisions for unearned premiums	160 769	156 139	3,0%
Provisions for Claims	994 864	895 028	11,2%
Life	65 452	46 474	40,8%
Workers' compensation	553 024	533 289	3,7%
Other business	376 388	315 265	19,4%
Other technical provisions	29 209	47 688	-38,7%
TOTAL	**1 776 607**	**1 753 436**	**1,3%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

2.4.4. – Reinsurance Ceded

The balance of reinsurance ceded in 2017 amounted to €14,826k negative.

Within the reinsurance balance, the impact on claims and changes in technical provisions resulting from the aforementioned fires occurred in Portugal in 2017, which resulted in the recognition of reinsurance recoverables amounting to €41,127k.

REINSURANCE CEDED (in TEUR)

	2017	2016	VAR 17/16 (%)
Premiums	89 552	70 503	27,0%
Commissions	-13 979	-12 488	11,9%
Claims and variation of technical provisions	-60 747	-21 181	186,8%
RESULT	**14 826**	**36 834**	**-59,7%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

2.4.5. – Operating Costs

Operating costs amounted to €181,759k in 2017, on a comparable basis, +12.2% over the previous year.

Staff costs amounting to €101,720k, on a comparable basis, increased by 45.2% over 2016. This increase is directly related to non-recurring costs related to the post-merger Tranquilidade restructuring (+ €35,610k). Without this effect, the Staff Costs would be 5.7% below 2016. Third-party supplies & services costs decreased, on a comparable basis, by 14.4% compared to 2016.

OPERATING COSTS (in TEUR)

	2017	2016	VAR 17/16 (%)
Staff costs	101 720	52 697	93,0%
Third-party supplies & services	60 601	58 702	3,2%
Taxes and charges	5 910	4 712	25,4%
Depreciation	11 524	11 154	3,3%
Other	2 004	1 592	25,9%
TOTAL	**181 759**	**128 857**	**41,1%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

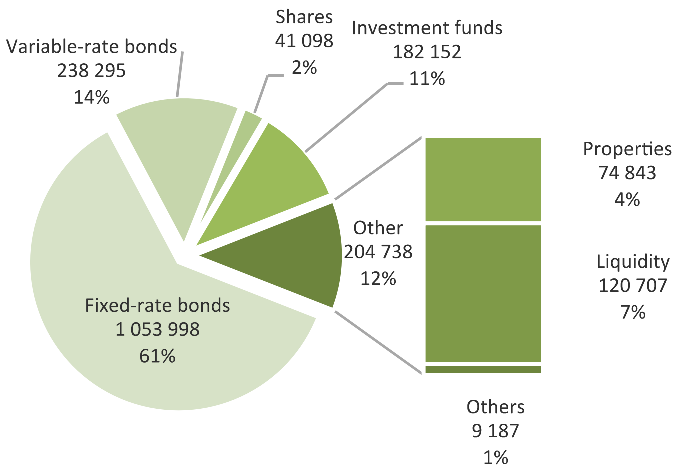
2.4.6. – INVESTMENTS

The financial activity of the Group generated an overall average yield of 2%, driven by the maintenance of the strategy of investment in fixed-rate bonds and diversified investment funds and the process of reduction of exposure to the real-estate sector.

The evolution of the financial markets in 2017 was similar to that of recent years, characterised by high volatility and historically low interest rates. In this connection, and due to uncertainty as to the evolution of the financial markets, the Group maintained a conservative investment strategy focused mainly on fixed-income assets, both through direct investments and through investment funds.

2017 INVESTMENT PORTFOLIO

(Amounts in TEUR, from a management standpoint - does not include UL)



The main vectors of the investment strategy adopted included management of the duration of the assets and liabilities and minimisation of the interest-rate risk of the investment portfolio, following the regulation of the insurance business designated as Solvency II.

Thus, the investment strategy implemented in 2017 aimed at eliminating the duration gap between assets and liabilities, particularly in Non-Life and identifying assets with higher yields, improving the RoSCR and freeing capital for the Group’s core business.

In order to promote an increase of the duration of the investment portfolios, the Group has invested in long-duration Euro Core public-debt (or quasi-government) bonds, having maintained exposure in short maturities in High Yield, Investment Grade and Financials to capture a significant correlation with the EIOPA reference portfolio adjustment in terms of Volatility Adjustment.

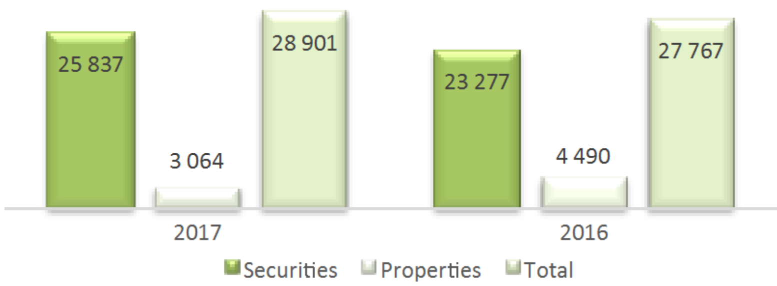
With a view to dispersal of the risk to other issuers outside the Euro area and to other classes of assets of greater profitability, a gradual reduction in exposure to southern European issuers was offset against increased exposure to issuers in the European core area.

Investment in stocks and real estate was sharply reduced throughout the year, with the Group's intention during 2018 to eliminate the remainder of these asset classes.

At the end of the year, the Group’ investment portfolio stood at €1,720,282k. Investment in fixed-rate bonds accounted for the larger share of the investment, with 61,3% of the total investment portfolio. The bond portfolio (direct investment) had an investment grade (A) average rating and an exposure to sovereign debt of €771,255k, with strong exposure to Euro Core countries.

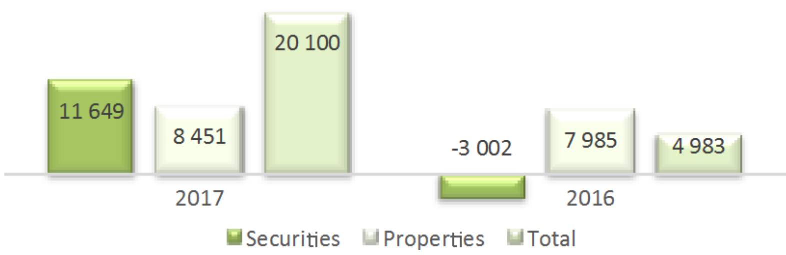
INTEREST, RENTS AND DIVIDENDS

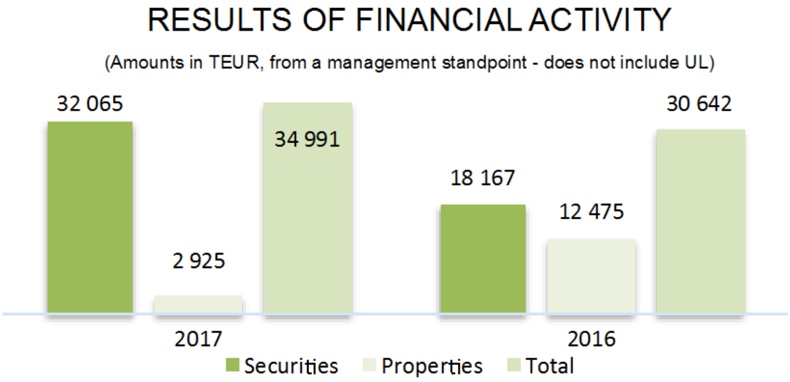
(Amounts in TEUR, from a management standpoint - does not include UL)



GAINS RECORDED IN PROFIT AND LOSS

(Amounts in TEUR, from a management standpoint - does not include UL)





In 2017, the result of the consolidated financial activity of the Group was positive at €34,991K, which represents an increase of €4,349K compared to the previous year.

2.4.7. – Equity and Solvency Margin

The Group returned a net loss in 2017 of -€47.4 million compared with a profit of €12.5 million in 2016. However, it should be noted that the 2017 net income was negatively affected by a number of non-recurrent events of which the following are underscored:

- Recognition in 2017 of the total cost to be incurred with the process of the Group's restructuring, estimated at €35.6 million;
- Recognition of the potential loss to be incurred with the sale in 2018 of a number of properties, estimated at €18.8 million;

Equity fell by €45 million, mainly the result of net loss for the year (€47.4 million).

EQUITY (in TEUR)

	2017	2016	VAR 17/16 (%)
Share capital	41.467	41.467	0,0%
Other capital instruments	105.836	105.836	0,0%
Revaluation reserves	-8.379	-5.718	46,5%
Other reserves	6.806	1.686	303,7%
Retained earnings	64.257	51.913	23,8%
Net income	-47.381	12.484	-479,5%
TOTAL	**162.606**	**207.668**	**-21,7%**
Non-controlling interests	22.351	26.375	-15,3%
Total Equity and non-controlling interests	**184.957**	**234.043**	**-21,0%**

In 2016 figures presented include Açoreana (acquired on August 5, 2016).

The Group monitors solvency in accordance with the new regime in force. In keeping with legislation, the definitive solvency-margin data and more detailed information on Risk Management will be publicly disclosed during the month of June 2018 through the solvency and financial-situation report.

2.4.8. – Risk Management, Internal Control System and Compliance

Risk Management and Internal Control System

Application of the qualitative requirements set out in the Solvency II Directive and the entry into force of the new Access to and Exercise of Insurance and Reinsurance Business Legislation, (RJASR) introduced significant changes to insurance business, with particular focus on the principles associated with the development of good practices in risk management.

The creation of qualitative requirements fostered the efficiency of the governance and risk-management systems, as well as the internal-control procedures. In this connection, attention is drawn to the greater interconnection between the insurer’s management structures and the self-assessment of the risk, now seen as an integral, fundamental part of the business strategy.

In terms of Governance, the new standards have focused more on the activity of the management body of the Group, entrusting to it responsibility for implementing effective internal-control and risk-management systems.

In this connection, several measures and projects were implemented during 2017, of which the following are highlighted:

- Preparation and submission to the ASF of quantitative and qualitative reports at individual and Group level;
- Finalisation of the project for the replacement of tools / Datawarehouse allowing response to the Pillar I and III requirements;
- Active involvement in the work groups of the Portuguese Insurers Association on matters relating to the evolution of the Solvency II project;
- Review and formalisation of sundry policies within the scope of monitoring the Solvency II Programme in force;
- Performance of studies for the application of capital charges to the pricing of Non-Life and review of processes, information and documentation for the purposes of the respective report;
- Publication of the report on the solvency and financial condition, at separate and group level;
- Separate and Group ORSA Report;
- Updating of the cash-flows projection tool;
- Review of the Governance System;
- Improvement of the tools for the monitoring and reporting of the operating risk related with fraud;
- Specific monitoring of the application of the Investment Policy and of the Underwriting and Reinsurance Policy;
- Regarding the Business Continuity risk:
  - An improvement was made to the exercises, in particular the involvement of the Crisis Management Team (Board) and Incident Management (Managers) in Table Top Exercises, dealing with different simulations of disruptive, high-impact events;
  - A new tool to support the reporting of incidents to employees who are part of the Business Continuity Plan was implemented and tested;
- Preparation of specific training and information programmes.

Regarding the non-financial information called for in article 66-B of the Companies Code and in compliance with article 451(6) of the Companies Code. We are pleased to inform that the Entity will draft a report separate from the management report that will include the required non-financial information and will be published on its Internet site by the legal deadline.

2.5. Events after the reporting period

As anticipated in Note 11, at the end of April 2018, a promissory agreement was signed for the purchase and sale of a group of real estate assets held by the former Açoreana S.A. from which no relevant impacts are expected in the financial statements.

On May 21, 2018, the Group sold its 47% interest in Europ Assistance, Companhia Portuguesa de Seguros, S.A. for a value of €22.3 million and the reimbursement of supplementary capital amounting to €1.4 million.

2.6. Goals for 2018

From a macroeconomic viewpoint, 2018 is expected to see a consolidation of the recovery of the Portuguese and European economies, despite the uncertainties as to the solidity of some asset classes and the preparatory process for the United Kingdom's exit from the European Union (EU) planned for the beginning of 2019.

Following 2017, when the economy returned one of the biggest growths of recent decades, 2018 is set to entail a certain correction, especially as a result of the performance of the foreign market. Private consumption is set to remain in line with 2017, while a reduction of gross fixed capital formation is to be expected.

The employment market should maintain the good performance of the past two years, reflected in the ongoing reduction of the jobless rate to levels lower than those of the EU. The inflation rate may suffer a slight correction, particularly as a result of the review of the reference interest rates in the main foreign-trade markets and of the rationalisation of private consumption compared to last year.

In the insurance industry in particular, a consolidation is expected of the trend of recovery of premiums, in step with the increase of household purchasing power and an increasing appetite for non-traditional products. Innovation will continue to be a focus of the market, in respect both of product and also of the service functions available to customers and partners.

All the more so in that, from the standpoint of the competitive environment, continuation of the focus on the technical balance in the various branches is to be expected.

For the Group, 2018 has three main goals:

1. Consolidation of the operative resulting from the merger and from making use (at cruising speed) of the respective synergies;

2. Strengthening the market position through innovation in the service and simplification of procedures;

3. Achievement of the objective efficiency levels across all areas of the Group.

Meeting these objectives is based on the execution of a number of strategic initiatives, namely:

1. Conclusion of the integration of the systems and decommissioning the legacy and duplicated systems;

2. Development of a more effective Distribution Network, notably through systematic commercial monitoring of the agents and of analytical models for the prevention of erosion and identification of opportunities;

3. Strengthening the value proposition of those branches of greater profitability, namely Health and Life Risk and Small and Medium Enterprises;

4. Sophistication of the pricing models and detection of fraud propensity;

5. Simplification of the operative, particularly through process digitisation;

6. Training employees and cultural transformation towards an increasingly unique and collaborative culture, open to change and focused on execution capacity.

It is on the basis of these strategic objectives and challenges, which we shall continue, that the Group expects to implement the growth and profitability plan and objectives by 2020.

2.7. Closing Remarks

In this extremely challenging year, the Board of Directors wishes to express its appreciation to its Customers, Brokers, Employees and other Partners, for their contribution to the mitigation of the negative impacts on the Group and to its development.

The Group also acknowledges the collaboration that the Portuguese Insurers Association has provided in various areas within its field of competence and in ensuring the defence of the sector's interests.

A last word of thanks for the support of the Insurance and Pension Funds Supervisory Authority, which also made a decisive contribution in enabling the Group to successfully overcome yet another challenging year of its history.

Luxembourg, 17th August 2018

THE BOARD OF MANAGERS

AP VIII Euro UP (Lux) S.à r.l.

Itself represented by:

By: ______________________

Name: Laurent Ricci

Title: Permanent representative

KPMG

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L - 1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
AP VIII Calm Eagle Holdings S.C.A.
2, avenue Charles de Gaulle
L-1653 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AP VIII Calm Eagle Holdings S.C.A., and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers of the Managing Partner is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our report of "Réviseur d'Entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Board of Managers of the Managing Partner`s responsibilities for the consolidated financial statements

The Board of Managers of the Managing Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers of the Managing Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers of the Managing Partner is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the Managing Partner either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

KPMG

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the Managing Partner.

— Conclude on the appropriateness of the Board of Managers of the Managing Partner`s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 20 August 2018

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

C. Veeckmans

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3. CONSOLIDATED FINANCIAL STATEMENTS - CONSOLIDATED BALANCE SHEET (ASSETS) AS AT DECEMBER 31, 2017 & 2016

(in TEUR)	Notes to the Financial Statements	AS AT DECEMBER 31, 2017 Gross value	Impairment, depreciation / amortisation or adjustment	Net value	AS AT DECEMBER 31, 2016
Cash & cash equivalents and sight deposits	8	110.627		110.627	90.397
Investments in affiliates, associates and joint venture	4	63.529	27.760	35.769	65.365
Financial assets held for trading	7	4.211		4.211	483
Financial assets classified in the initial recognition at fair value through profit or loss	7	366.902		366.902	101.784
Available-for-sale assets	7	1.119.841	4.590	1.115.252	1.334.289
Loans & Receivables		**58.001**	**15.000**	**43.001**	**48.629**
Deposits at cedent companies	7	2		2	2
Other deposits	7	34.123		34.123	31.471
Loans granted	7	19.851	15.000	4.851	8.508
Other	7	4.025		4.025	8.648
Land & Buildings		**3.143**	**230**	**2.913**	**79.317**
Property, plant and equipment	9	2.877	230	2.647	35.426
Investment property	9	266		266	43.891
Other tangible assets	10	52.717	47.519	5.198	4.535
Inventories	5	80		80	51
Goodwill	12	65.981		65.981	65.981
Other intangible assets	12	144.436	129.073	15.363	21.225
Technical provisions for reinsurance ceded		**101.219**		**101.219**	**81.474**
Provisions for unearned premiums	5	21.482		21.482	24.374
Mathematical provision for life business	5	1.151		1.151	1.004
Provisions for claims	5	78.586		78.586	56.092
Provision for profit-sharing	5				4
Assets for post-employment benefits & other long-term benefits	23	209		209	
Other debtors for insurance & other operations		**164.560**	**20.582**	**143.978**	**86.615**
Receivables for direct insurance operations	13	72.522	9.180	63.342	55.865
Accounts receivable for reinsurance operations	13	53.025	3.980	49.045	13.011
Accounts receivable for other operations	13	39.013	7.422	31.591	17.739
Tax assets		**108.929**		**108.929**	**93.970**
Current tax assets	24	6.444		6.444	2.074
Deferred tax assets	24	102.485		102.485	91.896
Accruals & deferrals	13	3.243		3.243	4.229
Other items of assets	13	124.571		124.571	131.617
Available-for-sale non-current assets	11	74.577		74.577	104.006
TOTAL ASSETS		**2.566.776**	**244.753**	**2.322.024**	**2.313.967**

The accompanying notes form an integral part of these consolidated financial statements.

3. Consolidated financial statements - Consolidated Balance sheet (Liabilities & Equity) as at December 31, 2017 & 2016

(in TEUR)	Notes to the Financial Statements	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
LIABILITIES			
Technical provisions		**1.776.607**	**1.753.436**
Provisions for unearned premiums	5	160.769	156.139
Mathematical provision for life business	5	591.765	654.581
Provisions for claims		**994.864**	**895.028**
For life insurance	5	65.452	46.474
Workers' compensation	5	553.024	533.289
Other business lines	5	376.388	315.265
Provision for profit-sharing	5	16.491	20.812
Provision for rate commitments	5		9.236
Portfolio stabilisation provision	5	427	127
Provision for unexpired risks	5	12.291	17.513
Financial liabilities of the deposit component of insurance contracts and of insurance contracts and transactions considered investment contracts for accounting purposes	6	142.913	151.610
Other financial liabilities		**20.116**	**35.280**
Subordinated liabilities	6		8.540
Deposits received from reinsurers	6	400	11.722
Other	6, 7	19.716	15.018
Liabilities for post-employment benefits & other long-term b	23	415	4.491
Other creditors for insurance & other operations		**109.357**	**68.671**
Payables for direct insurance operations	13	35.131	28.764
Payables for reinsurance operations	13	56.421	23.335
Payables for other operations	13	17.805	16.572
Tax liabilities		**18.660**	**20.189**
Current tax liabilities	24	18.660	20.189
Accruals & deferrals	13	64.922	44.495
Other Provisions	13	4.077	1.752
TOTAL LIABILITIES		**2.137.067**	**2.079.924**
EQUITY			
Equity capital	25	41.467	41.467
Revaluation reserves		**-7.438**	**-6.157**
For adjustment of the fair value of financial assets	26	-1.756	-4.045
For currency translation differences	26	-5.682	-2.112
Deferred tax reserve	26	-941	439
Other reserves	26	6.806	1.686
Retained earnings		64.257	51.913
Share premium		105.836	105.836
Net result for the year		-47.381	12.484
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**162.606**	**207.668**
Non-controlling interests	4	22.351	26.375
TOTAL EQUITY		**184.957**	**234.043**
TOTAL LIABILITIES & EQUITY		**2.322.024**	**2.313.967**

The accompanying notes form an integral part of these consolidated financial statements.

3. Consolidated Financial Statements - Profit & Loss Account for the years ended December 31, 2017 & 2016

(in TEUR)		AS AT DECEMBER 31, 2017				AS AT DECEMBER 31, 2016
CONTINUING OPERATIONS	Notes to the Financial Statements	**Technical Life**	**Technical Non-Life**	**Non-Technical**	**Total**	
Premiums earned net of reinsurance		**50 075**	**604 591**		**654 666**	**478 217**
Gross premiums written	14	55 294	699 907		755 201	539 142
Ceded reinsurance premiums	14	-4 765	-84 787		-89 552	-70 503
Changes in provisions for unearned premiums	5, 14	-457	-9 389		-9 846	11 389
Changes in provisions for unearned premiums, reinsurers' part	5, 14	3	-1 140		-1 137	-1 811
Commissions on insurance contracts and transactions considered investment contracts or provision of services contracts for accounting purposes	15	573			573	430
Costs of claims, net of reinsurance		**103 882**	**482 550**		**586 432**	**397 895**
Amounts paid		**85 452**	**416 175**		**501 627**	**363 556**
Gross amounts	5	87 133	453 421		540 554	382 279
Reinsurers' part	5	-1 681	-37 246		-38 927	-18 723
Provision for claims (change)		**18 430**	**66 375**		**84 805**	**34 339**
Gross value	5	18 974	88 642		107 616	37 958
Reinsurers' part	5	-544	-22 267		-22 811	-3 619
Other technical provisions, net of reinsurance	5	-8 958	-5 246		-14 204	-1 161
Mathematical Provision of Life Business, Net of Reinsurance		**-65 916**			**-65 916**	**-34 305**
Gross amount	5	-65 770			-65 770	-34 202
Reinsurers' part	5	-146			-146	-103
Profit sharing, net of reinsurance	5	-4 416			-4 416	-741
Net operating costs & expenses	21	**22 639**	**192 026**		**214 665**	**144 589**
Acquisition costs		15 115	151 746		166 861	108 644
Deferred acquisition costs (change)	5	-304	-3 272		-3 576	1 409
Administrative costs		9 399	55 960		65 359	47 024
Reinsurance commissions and profit sharing		-1 571	-12 408		-13 979	-12 488
Financial Income	16	**9 893**	**9 701**	**9 322**	**28 916**	**27 767**
On interest on financial assets not carried at fair value through profit or loss		7 566	6 100	425	14 091	17 976
Other		2 327	3 601	8 897	14 825	9 791
Financial Costs	16	**1 830**	**3 091**	**192**	**5 113**	**4 656**
Other		1 830	3 091	192	5 113	4 656
Net gains on financial assets & liabilities not carried at fair value through profit or loss		**-1 297**	**6 943**	**-648**	**4 998**	**-5 146**
On available-for-sale assets	17, 18	2 783	6 943	-165	9 561	-1 439
On financial liabilities carried at amortised cost	6, 17	-4 080			-4 080	-4 107
On others	17			-483	-483	400
Net gains on financial assets & liabilities carried at fair value through profit or loss		**3 903**	**-70**	**8 390**	**12 223**	**1 550**
Net gains of financial assets & liabilities held for trading	17, 18			6 477	6 477	
recognition at fair value through profit or loss	6, 17, 18	3 903	-70	1 913	5 746	1 550
Currency translation differences	19		-30	-6 884	-6 914	-849
Net gains on the sale of non-financial assets not classified as available-for-sale non-current assets and discontinued operating units	17, 18	-499	-5 762		-6 261	9 233
Impairment losses (net of reversal)		**-637**	**-41 127**	**-756**	**-42 520**	**-20 379**
On available-for-sale assets	7	-637	-5 179	-7	-5 823	-2 108
On others	12, 13		-35 948	-749	-36 697	-18 271
Other technical income/costs, net of reinsurance	20		-3 804		-3 804	-2 953
Other provisions (change)	13			-2 393	-2 393	3 294
Other income/expenses	20			1 730	1 730	800
Gains & losses on associates and joint ventures carried using the equity method	4, 16			5 570	5 570	5 459
as held for sale	18			14 712	14 712	-1 249
Net result before tax		**12 950**	**-101 982**	**28 850**	**-60 182**	**-14 759**
Corporation tax for the period - Current tax	24			-4 672	-4 672	-3 544
Corporation tax for the period - Deferred tax	24			12 423	12 423	32 782
Other taxes	24			-64	-64	-141
Net result from continuing operations		**12 950**	**-101 982**	**36 538**	**-52 494**	**14 338**
DICONTINUED OPERATIONS						
Net result from discontinued operations						
Net result for the year		**12 950**	**-101 982**	**36 538**	**-52 494**	**14 338**
Attributable to:						
- Owners of the parent						
Net result from continuing operations					-47 381	12 484
Net result for the year					**-47 381**	**12 484**
- Non-controlling interests						
Net result from continuing operations					-5 113	1 854
Net result for the year					**-5 113**	**1 854**
					-52 494	**14 338**

The accompanying notes form an integral part of these consolidated financial statements.

4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2017 & 2016

(in TEUR)	2017	2016
Net result for the year	**(52 494)**	**14 338**
Items that may be reclassified to the consolidated statement of profit or loss	**(2 995)**	**10 293**
Change in fair value of available-for-sale investments	2 576	12 084
Change in current and deferred taxes	(1 553)	(3 203)
Change in currency reserve	(4 018)	1 412
Items that will not be reclassified to the consolidated statement of profit or loss	**4 814**	**2 207**
Change of actuarial deviations recognised in reserves	4 814	2 207
Change in current & deferred taxes	-	-
Total comprehensive income for the year	**1 819**	**12 500**
Total income for the year	**(50 675)**	**26 838**
Attributable to:		
- Owners of the parent	(45 765)	23 840
- Non-controlling interests	(4 910)	2 998
	(50 675)	**26 838**

The accompanying notes form an integral part of these consolidated financial statements.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2017 & 2016

		Revaluation reserves									
(In TEUR)	**Share capital**	For adjustment of the fair value of financial assets	For currency translation differences	**Deferred tax reserve**	**Other reserves**	**Retained earnings**	**Share premium**	**Net income for the period**	**Total Equity attributable to the Group**	**Non-controlling interests**	**TOTAL EQUITY**
Balance as at January 1, 2016	**23.164**	**(14.970)**	**(3.389)**	**3.335**	**(240)**	**-**	**71.486**	**52.539**	**131.925**	**14.933**	**146.858**
Increase/ (reduction) of the capital	18.303	-	-	-	-	-	34.350	-	**52.653**	-	**52.653**
Changes in fair value, net of taxes	-	10.925	1.277	(2.896)	-	-	-	-	**9.306**	987	**10.293**
Actuarial differences recognised in reserves	-	-	-	-	2.050	-	-	-	**2.050**	157	**2.207**
Other reserves	-	-	-	-	(124)	-	-	-	**(124)**	237	**113**
Allocation of net result for the previous year to retained earnings	-	-	-	-	-	52.539	-	(52.539)	**-**	-	**-**
Change in the consolidation scope	-	-	-	-	-	(626)	-	-	**(626)**	8.207	**7.581**
Net result for the year	-	-	-	-	-	-	-	12.484	**12.484**	1.854	**14.338**
Balance as at December 31, 2016	**41.467**	**(4.045)**	**(2.112)**	**439**	**1.686**	**51.913**	**105.836**	**12.484**	**207.668**	**26.375**	**234.043**
Increase/ (reduction) of the capital	-	-	-	-	-	-	-	-	**-**	-	**-**
Changes in fair value, net of taxes	-	2.289	(3.570)	(1.380)	-	-	-	-	**(2.661)**	(334)	**(2.995)**
Actuarial differences recognised in reserves	-	-	-	-	4.277	-	-	-	**4.277**	537	**4.814**
Other reserves	-	-	-	-	843	-	-	-	**843**	106	**949**
Allocation of net result for the previous year to retained earnings	-	-	-	-	-	12.484	-	(12.484)	**-**	-	**-**
Change in the consolidation scope	-	-	-	-	-	(140)	-	-	**(140)**	780	**640**
Net result for the year	-	-	-	-	-	-	-	(47.381)	**(47.381)**	(5.113)	**(52.494)**
Balance as at December 31, 2017	**41.467**	**(1.756)**	**(5.682)**	**(941)**	**6.806**	**64.257**	**105.836**	**(47.381)**	**162.606**	**22.351**	**184.957**

The accompanying notes from an integral part of these consolidated financial statements.

6. Consolidated Statement of Cash Flows for the years ended December 31, 2017 & 2016

Consolidated Statement of Cash Flow

(in TEUR)	2017	2016
Cash flow from operating activities	**63 751**	**(70 590)**
Profit for the year	(52 494)	14 338
Depreciation and amortisation	11 524	11 153
Impairment of assets, net of reversals and recoveries	42 520	20 379
Post-employment benefits	(4 281)	(2 324)
Increase in other provisions	2 326	(23 894)
Variation of receivables from operation of direct insurance, reinsurance and other	(46 296)	(8 704)
Variation of other assets and liabilities for taxes	(17 868)	(27 101)
Variation of other assets and liabilities	104 226	(32 844)
Variation of payables from operation of direct insurance, reinsurance and other	29 364	8 274
Increase in provisions for direct technical insurance	23 171	20 827
Decrease in provisions for ceded technical reinsurance	(19 743)	(24 657)
Decrease in Financial liabilities of the deposit component	(8 698)	(26 037)
Cash flow from investing activities	**(30 957)**	**65 906**
Purchase of investments	(41 499)	(31 009)
Gross cash inflow / (outflow) on acquisition of shares	-	(7 124)
Acquisition of tangible and intangible assets	(8 757)	(3 963)
Disposal of tangible and intangible assets	83	1 386
Acquisition of properties	-	(5 725)
Disposal of land and buildings	19 216	112 341
Cash flow from financing activities	**(12 564)**	**33 662**
Proceeds from issue of equity instruments	-	18 384
Proceeds from payment of share capital without issuance of shares	-	41 705
Proceeds from borrowings	-	253
Investments in subordinated liabilities	(8 540)	-
Acquisition of non-controlling interests	(4 024)	(26 680)
Net change in cash & cash equivalents & sight deposits	**20 230**	**28 978**
Cash & cash equivalents at the start of the year	90 397	61 419
Cash & cash equivalents at the end of the year	110 627	90 397

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017 & 2016

NOTE 1 - GENERAL INFORMATION

AP VIII Calm Eagle Holdings S.C.A (hereafter the "Company") was incorporated on November 14, 2014 and is organised under the laws of Luxembourg as a Société en Commandite par Actions for an unlimited period. The Company is controlled by the affiliate investment funds of Apollo Global Management, LLC.

The Company was initially incorporated under the laws of Luxembourg as a Société à Responsabilité Limitée for an unlimited period. On December 30, 2015, an extraordinary general meeting decided to change the legal form of the Company into a corporate partnership limited by shares (Société en Commandite par Actions). The registered office of the Company is established at 44 avenue John F. Kennedy, L-1855 Luxembourg. The Company's financial year starts on January 1 and ends on December 31 of each year.

The main activity of the Company is acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations. The Company may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise.

Further, it may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin. The Company may borrow in any form, except by way of public offer. It may issue, by way of private placement only, notes, bonds and any kind of debt and equity securities. It may lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all of its assets to guarantee its own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated financial sector activities without having obtained the requisite authorisation.

The Company may use any legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. The Company may carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property which, directly or indirectly, favours or relates to its corporate object.

As at December 31, 2017 the Company owns direct and indirect subsidiaries (jointly referred to as the "Group"). The core business activity of the Group is carried out through its subsidiary in Portugal - Seguradoras Unidas, SA -, an insurance company resulting from the merger by incorporation into Companhia de Seguros Tranquilidade, SA., of the insurance companies wholly owned by it, T-Vida, Companhia de Seguros, SA (established in July 2006), the Seguros LOGO, SA (established in December 2007) and Açoreana Seguros, SA (acquired on August 5, 2016 - Note 32).

This merger was registered and came into effect on December 30, 2016, after approval of the management and supervisory bodies of the four entities involved and upon prior approval by the Insurance and Pension Funds Supervisory Authority (ASF), the incorporated entities having been extinguished by incorporation on that date. On the same day, Companhia de Seguros Tranquilidade, SA, changed its style to Seguradoras Unidas, SA. Nevertheless, from a commercial viewpoint, the Group's board decided to keep the Tranquilidade, Açoreana and LOGO brands active.

The Group was formed on January 15, 2015 by the way of acquisition of 32,000,000 shares representing 100% of the share capital of Tranquilidade, the acquisition having received the prior approval of the Insurance and Pension Fund Supervisory Authority (ASF). Tranquilidade has its registered office and principal place of business at Av. da Liberdade, 242, Lisbon.

It is registered at the Lisbon Registry of Companies. It currently operates through its offices in Lisbon, Porto and Ponta Delgada. The distribution network is divided into commercial zones and delegations, which are supported by a total of 616 physical points of sale geographically spread throughout the whole of mainland Portugal and the autonomous regions (Azores and Madeira). By type, the physical network comprises 44 Company Shops and 568 Partners' Shops bearing the Tranquilidade or Açoreana image, of which 214 are Exclusive of one of the brands.

LOGO, the digital-brand insurer launched in January 2008, the first low-cost insurer to provide services and industry products in the Non-Life segment solely via the Internet and telephone, currently provides motor (including motorbike), home, health and mortgage-loan life risk, and it currently has more than 120,000 customers.

NOTE 2 – INFORMATION BY SEGMENTS

The Group is engaged in all Life and Non-life branches of insurance for which is has been authorised by the ASF and its underwriting policies and rules are defined with a view to obtaining for each product the best cost/benefit balance for the Group, the customer and the business partner, using for the purpose every available source of information for a proper assessment of the quality of the physical, financial and moral risks.

The operating segments reported are keeping with a business-lines framework typology.

The breakdown of the main headings of the profit & loss account as at December 31, 2017 & 2016, segmented by the main Life business lines, is as follows:

(in TEUR)

2017	Total Life	Traditional	With-profits capitalisation	Without-profits capitalisation
Profit & loss headings				
Gross premiums written	55 294	41 103	9 620	4 571
Commissions on investment contracts	573	-	-	573
Gross premiums earned	54 837	40 646	9 620	4 571
Returns on investments	9 533	7 037	1 625	871
Gross cost of claims	106 107	26 674	76 295	3 138
Change in mathematical reserve	(65 770)	(8 263)	(57 507)	-
Other technical provisions	(8 958)	(4 487)	(4 471)	-
Profit-sharing	(4 416)	1 291	(5 707)	-
Gross operating costs	24 210	12 681	2 131	9 398
Balance of reinsurance	(820)	(820)	-	-
Other amounts of the profit & loss account	-	-	-	-
Technical result	12 950	18 968	504	(6 522)

(in TEUR)

2016	Total Life	Traditional	With-profits capitalisation	Without-profits capitalisation
Profit & loss headings				
Gross premiums written	52 956	36 131	16 819	6
Commissions on investment contracts	430	-	-	430
Gross premiums earned	52 674	35 849	16 819	6
Returns on investments	9 482	7 058	3 059	(635)
Gross cost of claims	72 776	22 805	49 972	-
Change in mathematical reserve	(34 202)	(119)	(34 083)	-
Other technical provisions	12 375	1 794	10 580	-
Profit-sharing	(738)	(1 015)	277	-
Gross operating costs	13 587	12 195	1 140	252
Balance of reinsurance	490	490	-	-
Other amounts of the profit & loss account	3	3	-	-
Technical result	(719)	7 740	(8 008)	(451)

The breakdown of the main headings of the profit & loss account as at December 31, 2017 & 2016, segmented by the main Non-Life business lines, is as follows:

(in TEUR)

2017	Total Non-Life	Workers' Compensation	Fire & Other Damage	Motor	Other
Profit & loss headings					
Gross premiums written	699 907	144 164	106 407	298 982	150 354
Reinsurance ceded premiums	(84 787)	(2 817)	(41 658)	(1 172)	(39 140)
Gross premiums earned	690 518	143 063	107 319	291 170	148 966
Returns on investments	(33 436)	(15 169)	(4 091)	(11 286)	(2 890)
Gross cost of claims	542 063	132 738	100 048	234 256	75 021
Gross operating costs	204 434	36 176	42 097	84 713	41 448
Technical result	(101 982)	(36 905)	(25 536)	(41 445)	1 904

(in TEUR)

2016	Total Non-Life	Workers' Compensation	Fire & Other Damage	Motor	Other
Profit & loss headings					
Gross premiums written	486 186	98 769	83 299	212 500	91 618
Reinsurance ceded premiums	(67 255)	743	(35 183)	(5 147)	(27 668)
Gross premiums earned	497 857	105 032	86 895	213 182	92 748
Returns on investments	14 239	8 712	2 559	5 716	(2 748)
Gross cost of claims	360 961	123 468	41 022	152 706	43 765
Gross operating costs	142 739	27 005	27 499	61 142	27 093
Technical result	(25 059)	(56 358)	6 141	1 902	23 256

The breakdown of the main headings of the profit & loss account as at December 31, 2017 & 2016, of the Non-Life technical account by geographic zone is as follows:

(in TEUR)

2017	Total	Portugal	Mozambique	Angola
Profit & loss headings				
Gross premiums written	699 907	681 119	2 394	16 394
Reinsurance ceded premiums	(84 787)	(79 451)	(689)	(4 647)
Gross premiums earned	690 518	673 083	2 323	15 112
Returns on investments	(33 436)	(33 963)	104	423
Gross cost of claims	542 063	532 815	1 183	8 065
Gross operating costs	204 434	201 887	685	1 862
Technical result	(101 982)	(106 351)	302	4 067

(in TEUR)

2016	Total	Portugal	Mozambique	Angola
Profit & loss headings				
Gross premiums written	486 186	471 239	1 561	13 386
Reinsurance ceded premiums	(67 255)	(63 157)	(662)	(3 436)
Gross premiums earned	497 857	482 547	1 510	13 800
Returns on investments	14 239	12 743	775	721
Gross cost of claims	360 961	352 778	698	7 485
Gross operating costs	142 739	139 498	800	2 441
Technical result	(25 059)	(28 774)	680	3 035

The Life technical account as of December 31, 2017 & 2016, arises primarily from the operations in Portugal, bearing in mind that the amounts in respect of the African operations are not significant.

During 2016 the Group closed its branch in Spain, and it is pointed out that the respective amounts are immaterial in terms of the separate report.

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

STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). For the purposes of these consolidated financial statements, the term IFRS will be used to encompass both IFRS and the International Accounting Standards (IAS) still in force, as well as all relevant interpretations ('IFRIC') issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

BASES OF PRESENTATION

The Group's consolidated financial statements have been adopted by the Board of Managers on August 17, 2018.

The Group adopted the IFRS and the mandatory-application interpretations as from the incorporation date as detailed in Note 35.

Recently issued accounting standards and interpretations that have not yet come into force and that the Group has not yet applied in the preparation of its financial statements may also be consulted in Note 35.

The accounting policies described hereunder have been applied consistently for all periods presented in the financial statements.

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

The consolidated financial statements have been prepared on a going concern basis and in accordance with the historic cost principle, with the exception of assets and liabilities carried at fair value, particularly available-for-sale financial assets, 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 carried at amortised cost or historic cost less any impairment losses.

Preparation of the consolidated financial statements requires the Group to make judgements and estimates and use assumptions that affect the application of the accounting policies and the amounts of income, costs, assets and liabilities.

The estimates and assumptions used are based on the most recent information available, acting as support for judgements on the value of assets and liabilities valued solely using these sources of information. The actual results may differ from the estimates.

MAIN ACCOUNTING PRINCIPLES AND VALUATION CRITERIA ADOPTED

Financial assets

Classification

The Group classifies its financial assets at the start of each transaction, taking into account the underlying intention, in accordance with the following categories:

- Financial assets at fair value through profit or loss, which include:
    - Financial assets held for trading, which essentially correspond to securities acquired for the purpose of realising gains as a result of short-term fluctuations in market prices. Also included in this category are derivative financial instruments, excluding those that meet hedge-accounting requirements;
    - Financial assets designated at the time of their initial recognition at fair value, with variations, are recognised in profit or loss, particularly where:

  - such financial assets are managed, valued and analysed in-house on the basis of their fair value;
  - Such designation eliminates any inconsistency of recognition and measurement (accounting mismatch);
  - such financial assets contain embedded derivatives.

- Available-for-sale financial assets, which includes:

  - non-derivative financial assets the intention of which is to be held for an indeterminate period;
  - financial assets that are designated as available-for-sale at the time of their initial recognition;
  - financial assets that do not fall within the other categories.

- Loans and receivables, in which financial assets with fixed or determinable payments, not listed on an active market, are classified, which includes sums receivable related with direct insurance operations, reinsurance ceded and transactions related with insurance contracts and other transactions.

- Financial assets held to maturity, which includes non-derivative financial assets with fixed or determinable payments and fixed maturity for which the Group has the intent and ability to hold to maturity and were not assigned to any other category of financial assets. Any reclassification or sale of financial assets recognised in this category that is not undertaken close to maturity requires the Group to reclassify this entire portfolio as available-for-sale financial assets and the Group will, during two years, be unable to classify any financial asset in this category. During 2014, the Group sold assets of this category without complying with the requirements of IAS 39 ("tainting"). On this basis, and up to the end of 2016, the Group cannot have assets classified in this category.

Recognition, initial measurement and derecognition

Purchases and sales of financial assets at fair value through profit or loss and available-for-sale financial assets are recognised on trade date, that is, on the date the Group undertakes to buy or sell the asset.

Financial assets are initially recognised at their fair value plus trading costs, except where classified as financial assets at fair value though profit or loss, in which case these costs are recognised in profit or loss.

These assets are derecognised where (i) the Group's contractual rights to receive their cash flows expire or (ii) the Group has transferred substantially the whole of the risks and benefits associated with holding them.

Subsequent measurement

Following initial recognition, financial assets at fair value through profit or loss are carried at fair value, and changes are recognised in profit or loss.

Investments classified as available for sale financial assets are carried at fair value, and any changes are recognised under reserves until such time as the investments are derecognised or an impairment loss is recognised, when the accumulated amount of the potential gains and losses is recorded under reserves and transferred to profit or loss.

Exchange differences associated with these investments are also recognised under reserves, in the case of equity instruments, and recognised in profit or loss in the case of debt instruments. Interest, calculated at the effective interest rate, and dividends are recognised in the income statement.

The fair value of quoted financial assets is their current bid price. In the absence of quotation, the Group estimates the fair value using (i) valuation methodologies such as the use of prices of recent similar transaction at arm's length, discounted cash-flow techniques and customised options valuation models designed to reflect the specifics and circumstances of the instrument, and (ii) valuation assumptions based on market information.

Loans and receivables are subsequently carried at amortised cost on the basis of the effective interest-rate method.

Financial instruments in respect of which the fair value cannot be measured reliably are carried at acquisition cost, net of impairment losses.

Transfers between categories

In October 2008 the IASB issued a revision of IAS 39 - Reclassification of financial instruments *(Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7: Financial Instruments Disclosures).*

This amendment came to allow an enterprise to transfer financial assets at fair value through profit or loss to the available-for-sale financial assets portfolio, to Loans and receivables or to financial assets held to maturity, provided such financial assets meet the characteristics of each category.

Additionally, transfers of financial assets recognised in the available-for-sale financial assets category to the categories of Loans and advances to customers - Securitised credit and Financial assets held to maturity are permitted in certain specific circumstances.

Impairment

The Group regularly assesses whether there is objective evidence that a financial asset or group of financial assets shows triggers of impairment. For those financial assets showing triggers of impairment, the respective recoverable value is determined and impairment losses are recorded in profit or loss.

A financial asset or group of financial assets is impaired where there is objective evidence of impairment as a result of one or more events occurring after its initial recognition, such as: (i) for equity securities, prolonged or significant declined in the fair value, and (ii) for debt securities, where this event (or events) impact(s) on the estimated future cash flows of the financial asset or group of assets, which can be estimated reasonably.

In accordance with the Group's policy, a decrease in the fair value of an equity instrument of 30% is considered a significant decrease and the period of 1 year is presumed a prolonged decrease in the fair value.

When there is evidence of impairment of available-for-sale financial assets, the unrealised loss accumulated under reserves, corresponding to the difference between acquisition cost and fair value, less any impairment loss of the asset already recognised in profit or loss, is transferred to profit or loss.

If in a subsequent period the amount of the impairment loss falls, the impairment loss previously recognised is reversed and offset under profit or loss for the year until the acquisition cost is re-established, provided the increase of the fair value is objectively related with an event occurring after recognition of the impairment loss, except with regard to equity instruments, in which case the increase of the fair value is recognised against reserves.

Derivative financial instruments

Derivative financial instruments are recognised on their trade date at fair value. Subsequently, the fair value of derivative financial instruments is revalued on a regular basis, and the resultant gains or losses are recorded directly in profit or loss for the period.

The fair value of derivative financial instruments is their market value, where available, or is determined on the basis of valuation techniques, including discounted cash-flow models and options valuation models, as appropriate.

Embedded Derivatives

Derivatives embedded in other financial instruments are treated separately where their economic characteristics and their risks are not closely related with the principal instrument and the principal instrument is not carried at fair value through profit & loss. These embedded derivatives are recorded at fair value and changes in fair value are recognised in profit & loss.

Financial liabilities

An instrument is classified as a financial liability where there is a contractual obligation for its settlement to be made by paying cash or another financial asset, regardless of its legal form.

Non-derivative financial liabilities include borrowings, creditors for direct insurance and reinsurance operations and other liabilities. These financial liabilities are recorded (i) initially at their fair value less transaction costs incurred and (ii) subsequently at amortised cost, on the basis of the effective-rate method, with the exception of investment contract liabilities in which the investment risk is borne by the policyholder, which are carried at fair value.

The Group derecognises financial liabilities when they are settled, cancelled or extinguished.

Transactions in foreign currency

Transactions in foreign currency are translated at the exchange rate on the transaction date. Monetary assets and liabilities expressed in foreign currency are translated into euros at the exchange rate on the reporting date. The exchange differences are recognised in profit or loss except where classified as cash-flow hedges or net investment hedges, in which case the exchange differences are recognised under reserves.

Non-monetary assets and liabilities carried at historical cost, expressed in foreign currency, are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities expressed in foreign currency carried at fair value are translated at the exchange rate on the date the fair value was determined.

The Group applied IAS 29, considering that the conditions established for Angola (hyperinflationary economy) were met. Therefore, before the working currency is translated into the reporting currency for the financial statements of Angola subsidiaries, the carrying values of assets, liabilities, equity, income and expenses were restated based on the general price index that reflects changes in the purchasing power of the currency of the country in which the operations are generated (Note 34).

Tangible assets

The Group's tangible assets are carried at acquisition cost less accumulated depreciation and impairment losses.

Subsequent costs incurred with the tangible assets are capitalised only if it is probable that they will generate future economic benefit for the Group. All maintenance and repair costs are recognised as a cost in accordance with the accrual accounting principle.

Land is not depreciated. Depreciation of tangible assets is calculated using the straight-line method at the following rates which reflect the expected useful lives of the assets:

Asset Type	Number of years
Owner-occupied properties	13 to 72
IT hardware	3 to 6
Furniture & materials	4 to 8
Indoor facilities	5 to 20
Machines and tools	4 to 8
Transport material	4
Other equipment	7 to 10

The expected useful life of the assets is reviewed on each balance sheet data and is adjusted, if appropriate, in accordance with the expected pattern of consumption of the future economic benefits that are expected to be obtained from the use of the asset.

Where there is an indication that an asset might be impaired, IAS 36 requires that its recoverable value be estimated, and an impairment loss recognised in the event that the net value of an asset exceeds its recoverable value. Impairment losses are recognised in the income statement.

The recoverable value is determined as the higher of the fair value less cost to sell and the value in use, the latter calculated on the basis of the present value of the estimated cash flows that are expected to be obtained from ongoing use of the asset and from its sale at the end of its useful life.

Investment properties

The Group classifies as investment properties real estate held for rental, for capital gains or both.

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

Subsequent related expenditure is capitalised where it is probable that the Group will incur future economic benefits over and 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 sell such assets, they are available for immediate sale and their sale is very likely.

Immediately before their classification as non-current assets classified as held for sale, the measurement of all non-current assets is carried out in accordance with the applicable IFRS. After their reclassification, these assets are measured at the lower of the carrying amount and of fair value less costs to sell.

The fair value is based on market value, which is determined on the basis of the expected selling price obtained through periodic valuations carried out by the Group.

The subsequent measurement of these assets is performed at the lower of the carrying amount and the corresponding fair value less costs to sell, and they are not subject to depreciation. Unrealised losses are recognised as impairment losses on the profit or loss.

Intangible assets

The value in force (ViF) of the acquired business is recognised as an intangible asset and is written down over the period of recognition of the income associated with the acquired policies. The ViF is the estimated present value of the future cash flows of contracts in force on the acquisition date.

Costs incurred with the acquisition of software are capitalised, as the additional expenses borne by the Group required to implement it. These costs are amortised using the straight-line method over the expected useful lives of these assets, usually 3 years.

Costs directly related with the development of software by the Group, which is expected to generate future economic benefits over a period of more than one year are recognised and recorded as intangible assets. These costs are amortised on a straight-line basis over the expected useful lives of these assets, which do not, in the main, exceed 5 years.

All other charges related with IT services are recognised as costs when incurred.

Where there is an indication that an asset might be impaired, IAS 36 requires that its recoverable value be estimated, and an impairment loss recognised in the event that the carrying amount exceeds its recoverable value.

The recoverable amount is determined based on the greater of the value in use of the assets and the fair value less costs to sell, and is calculated with recourse to valuation methodologies supported by discounted cash-flow techniques, considering market conditions, time value and business risks.

Impairment losses are recognised in the income statement.

Leasing

The Group classifies lease transactions as finance leases or operating leases in the light of their substance and not of their legal form, complying with the criteria established in IAS 17 – Leases.

Transactions in which the risks and benefits inherent in the ownership of an asset are transferred to the lessee are classified as finance leases. All other lease transactions are classified as operating leases.

In operating leases, payments made by the Group in the light of operating lease contracts are recorded as costs during the periods to which they refer.

Finance lease contracts are recorded on their start date, under assets and liabilities, at the acquisition cost of the leased property, which is equivalent to the present value of the future rent payments. The rents comprise (i) the financial charge debited to profit and loss and (ii) the financial amortisation of capital, which is deducted from liabilities.

Financial charges are recognised as costs over the life of the lease, in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Cash & cash equivalents

For the purpose of preparing the statement of cash flows, the Group considers as "Cash & cash equivalents" the total of "Cash & cash equivalents and short deposits." Cash & cash equivalents includes amounts recorded in the balance sheet maturing at less than three months of the reporting date, and includes cash and balances at credit institutions.

Reinsurance

Reinsurance contracts are reviewed to determine whether the respective contractual provisions involve the transfer of a significant insurance risk. Reinsurance contracts that do not involve transfer of significant insurance risk are recorded using the deposit accounting method and are carried under loans as financial assets or liabilities related with reinsurance business. Amounts received or paid under these contracts are recorded as deposits using the effective interest-rate method.

In the course of its business the Group accepts and cedes business. Receivables or payables related with reinsurance business include balances receivable from or payable to insurance and reinsurance companies in keeping with the provisions defined in advance in the respective ceded-reinsurance treaties.

The accounting principles applicable to liabilities related with reinsurance accepted within the scope of insurance contracts that involve significant insurance risks are treated in a manner identical to that of direct insurance contracts.

Employee benefits

Liabilities for employee benefits are recognised in accordance with the principles laid down by IAS 19 – Employee Benefits.

Post Retirement Benefit Plan

Some Group entities assume liability for the payment to its employees of benefit complements over and above the Social Security old-age and disability pensions under the terms established in the applicable Collective Bargaining Agreements (CBAs).

The collective bargaining agreement that originally applied to the labour relations which affected some Group entities was the Collective Bargaining Agreement published in BTE nº 32 of August 9, 2008, which determined that employees covered by this agreement, admitted into the sector up until June 22, 1995, may access a pecuniary benefit complementing the pension granted by Social Security.

Some Group entities, in line with other insurance undertakings in identical circumstances, declared the end of the life and application of this agreement with effect from December 31, 2016, especially as regards the said supplementary defined-benefit pension plans.

The Group's liabilities for the said retirement-pension complements (defined-benefit plan) are calculated annually, on the reporting date, for each plan individually.

On December 23, 2011, a new Insurance Collective Bargaining Agreement was approved, published in BTE nº 2 of January 15, 2012, altering a previously-defined set of benefits. This collective bargaining agreement was succeeded and replaced by the Collective Bargaining Agreement published in BTE nº 4 of January 29, 2016.

The Collective Bargaining Agreement was the object of an extension order-in-council, published in BTE nº 25, dated July 8, 2016, which determined the application of the provisions of this agreement to all employees of Group entities not affiliated with the signatory unions, except for employees affiliated with Sinapsa - National Union of Insurance and Related Professionals.

Of the changes resulting from the Collective Bargaining Agreement of 2012, which have been maintained in the new Collective Bargaining Agreement, the following are underscored:

(i) with regard to post-employment benefits, employees come to be covered by a defined-contribution plan;
(ii) length-of-service bonus equal to 50% of their actual salary, which will be due, upon fulfilment of the respective conditions for its grant, when the employees complete one or more multiples of 5 years with the Group.

With regards to the change of the supplementary pension plan, the nature of which was changed from defined benefit to defined contribution, and taking into account that the fully-funded amount of the liabilities for past services in respect of old-age pensions payable to current employees was converted into individual accounts of these employees, forming part of their individual retirement plan, according to IAS 19, the Group settled the liability.

The Group's net liability for the defined-benefit pension plan, in the said limited cases in which it continues, is calculated separately for each plan, through an estimate of the value of future benefits that each employee is to receive in exchange for his service during the current and past periods.

The benefit is discounted to determine its current value, and the discount rate corresponding to the rate of high-quality corporate bonds of companies with a high rating with a maturity similar to that of the liabilities of the plan. The net liability is determined after deducting the fair value of the Pension Fund's assets.

The interest income/ cost of the pension plan is calculated by the Group by multiplying the net asset/ liability involved in retirement pensions (liabilities less the fair value of the fund's assets) by the discount rate used in determining the retirement-pension liabilities as mentioned above. On this basis, the net income/ cost of interest includes interest costs associated with the retirement-pension liabilities and the estimated return on the fund's assets, both measured on the basis of discount rate used in the calculation of the liabilities.

The re-measurement gains and losses, namely (i) the actuarial gains and losses resulting from differences between actuarial assumptions used and the amounts actually incurred (gains and losses of experience) and from the changes in actuarial assumptions and (ii) gains and losses arising from the difference between the estimated returns on the fund's assets and the amounts obtained are recognised in equity under other comprehensive income (Other reserves).

In its profit and loss account the Group recognises a total net value that includes (i) the cost of the current service, (ii) the net interest income/cost of the pension plan, (iii) the effect of early retirements, (iv) past service costs and (v) the effects of any settlement or curtailment during the period. The net income/cost of the pension plan is recognised under staff costs. Costs of early retirements corresponds to the increase of liabilities due to retirement before the worker reaches retirement age.

The plan is financed each year through the Group's contributions to cover the projected pension liabilities, including complementary benefits as appropriate. The minimum financing of the liabilities is 100% for pensions under payment and 95% for the past services of personnel still in service.

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

Defined-contribution plan

For the defined contribution plans, which cover most employees, the liabilities relating to the benefit attributable to employees of some Group entities are recognised as cost for the year when they fall due.

As at December 31, 2017, and except for employees covered by a defined-benefit plan, some Group entities have two defined-contribution plans, depending on the initial origin of the employer (Tranquilidade or Açoreana, prior to the merger) for employees in service taken on by June 22, 1995, as well as for all employees who meet the conditions set out in the new Collective Bargaining Agreement, making annual contributions taking into account the individual remuneration of each employee.

Length-of-service bonus

The length-of-service bonus is 50% of the salary when the employee, over and above the conditions laid down in Clause 42 of the said collective bargaining agreement, completes one or more multiples of 5 years with the Group. The length-of-service bonus is determined using the same methodology and assumptions as those of post-employment benefits.

Any actuarial gains and losses are recognised in profit or loss when incurred.

This benefit applies to all employees covered by the 2016 Collective Bargaining Agreement.

Health benefits

Additionally, some Group entities granted a medical-assistance benefit to its employees in service and to pre-retirees up to retirement age. The measurement and recognition of the Group's obligations with health benefits attributable to pre-retirees up to retirement age is performed in a manner similar to the pension liabilities.

Short-term benefits:

Other short-term benefits, including variable remuneration as and when payable to employees, are accounted for as costs for the financial year to which it refers.

Corporate tax

The Group is subject to Corporate Income Tax (CIT) and to the Municipal Surcharge in Portugal. It is also subject to CIT and Net Wealth Tax (NWT) in Luxembourg. The corporate income tax is 19% for 2017, and taking into consideration the solidarity surtax of 7%, and including 6.75% municipal business tax rate, the overall tax rate is 27.08% in Luxembourg. The Group is incurring the minimum NWT in Luxembourg.

Group companies having their registered office in Portugal are subject to Corporation Tax (IRC) and to the Municipal Surcharge, the aggregate rate of which in 2017 and 2016 is 22.5%, plus the respective State Surcharge determined in accordance with Law 66-B/2012 of December 31, leading to the application of an additional 3% on the portion of taxable income exceeding €1,500,000 and less than €7,500,000, 5% on the portion of taxable income exceeding €7,500,000 and less than €35,000,000, and 7% on the portion of taxable income exceeding the latter amount.

The other Group entities are subject to local taxes in the countries/ territories in which they are established.

Corporation tax includes current taxes and deferred taxes. Corporation tax is recognised in profit or loss except where it is directly related with items recognised directly in equity, in which case it is also recorded with a contra-entry under equity.

Deferred taxes recognised under equity stemming from the revaluation of available-for-sale financial assets are subsequently recognised in profit or loss at the time the gains and & losses that gave rise to them are recognised.

Current tax is calculated on the basis of the taxable profit for the year, which differs from the book profit owing to adjustments to the taxable income resulting from costs and income not relevant for tax purposes, or that will only be considered in other accounting periods, as well as adjustments of value for the purpose of calculation of the taxable capital gains.

Deferred tax corresponds to the impact on tax recoverable/ payable in future periods resulting from temporary deductible or taxable differences between the carrying amount of the assets and liabilities and their tax base, used in determining the taxable profit.

Deferred tax liabilities are generally recorded for all taxable temporary differences, while deferred tax assets are only recognised up to the amount where it is probable that future taxable profits will allow the use of the corresponding deductible tax or tax-loss differences.

Additionally, deferred tax assets are not recorded where their recoverability may be questioned due to other situations, including questions of interpretation of tax legislation in force.

Deferred taxes are calculated at the tax rates that are expected will be in force at the time of reversal of the temporary differences, which correspond to the rates approved or substantially approved on the reporting date.

Provisions and contingent liabilities

Provisions are set aside when there is a present (legal or constructive) obligation resulting from past events for which the future expenditure of resources is probable and can be determined reliably. The amount of the provision is the best estimate of the amount to be paid to settle the liability as of the reporting date.

Should no future expenditure of resources be probable, it is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of their payment is remote.

Other provisions are intended to address tax and other contingencies resulting from the Group's business.

Recognition of interest

Income in respect of interest on available-for-sale financial assets and financial assets at fair value though profit or loss are recorded under specific headings of gains & losses.

Calculation of the amortised cost is performed using the effective-rate method, its impact recorded under returns on investments.

The effective interest rate is the rate that discounts future payments or receipts estimated over the expected life of the financial instrument.

In calculating the effective interest rate future cash flows are estimated considering all the contract terms of the financial instrument (e.g., put options), though possible future credit losses are not considered. The calculation includes commissions constituting an integral part of the effective interest rate, transaction costs and all premiums and discounts related with the transaction.

Dividends received

Returns on capital instruments (dividends) are recognised as and when received.

Earnings per share

Basic earnings per share are calculated dividing the Group's net profit/(loss) by the weighted average number of ordinary shares issued.

Offsetting financial instruments

Financial assets and liabilities are carried in the balance sheet at net value where there is a legal possibility of offsetting the amounts already recognised and there is the intention of settling them at their net value or of realising the asset and settling the liability simultaneously.

Adjustments of receipts pending collection and of doubtful debt

On each date of presentation of financial statements, the Group assesses the existence of impairment of assets originated by insurance and reinsurance contracts, such as receivables from the insured, brokers, reinsurers and of technical provisions for reinsurance ceded, and also of other receivables.

Should impairment losses be encountered, the carrying amount of the respective asset is reduced against the profit and loss account for the year, and the cost is reflected under Impairment losses (net of reversals). The amounts of these adjustments are calculated on the basis of the value of premiums pending collection and of doubtful debt, in keeping with the criteria established by the ASF.

Report by operating segments

The Group determines and presents operating segments based on the management information produced in-house.

A business operating segment is an identifiable component of the Group that is intended to provide an individual product or service or a group of related products or services, within a specific economic environment, and is subject to risks and benefits that can be differentiated from others operating in different economic environments.

The Group controls its business through the main operating segments referred to in Note 2, in keeping also with the disclosure requirements defined by the ASF (business lines and geography). The Group has not adopted IFRS 8, since it is not a listed entity.

MAIN ESTIMATES AND JUDGEMENTS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

IFRS establish a series of accounting procedures and require the Board of Managers to make the necessary judgements and estimates to decide the most appropriate accounting procedures.

The main accounting estimates and judgements used by the Group in the application of the accounting principles are detailed as follows, with a view to improving the understanding of how their application affects the Group's reported results and their disclosure.

Considering that in many situations there are alternatives to the accounting treatment adopted by the Board of Managers, the results reported by the Group could be different had a different treatment been chosen.

The Board of Managers considers that the choices made are appropriate and that the financial statements adequately present the Group's financial position and the results of its operations in all materially relevant aspects.

The alternatives analysed hereunder are presented only to help readers to understand the financial statements and are not intended to suggest that other alternatives or estimates are more appropriate.

Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed to or has rights to the variability of the returns generated by its involvement with that entity and may take possession thereof them through its power over that entity (*de facto* control).

The decision that an entity has to be consolidated by the Group requires the use of judgement, estimates and assumptions to determine the extent to which the Group is exposed to the variability of the returns and the ability to take possession thereof through its power.

Other assumptions and estimates could lead to a different consolidation perimeter of the Group, with a direct impact on the consolidated results.

Impairment of investments in associates

The Group annually evaluates the recoverable value of investments in associates, regardless of the existence of impairment indicators. Impairment losses are determined based on the difference between the recoverable amount of investments in associates and their carrying amount. The impairment losses determined are recorded against the statement of income, and are subsequently reversed through profit or loss if there is a reduction of the estimated impairment loss in a subsequent period.

The recoverable amount is determined based on the greater of the value in use of the assets and the fair value less costs to sell, and is calculated with recourse to valuation methodologies supported by multiple approach, which require the use of certain assumptions or judgement in establishing fair value estimates.

Alternative methodologies and the use of different assumptions and estimates could lead to a different level of impairment losses recognised, with a consequent impact on the Group's results.

Fair value of financial instruments and other assets at fair value

Fair value is based on market quotations, where available, and in the absence of quotations, it is determined on the basis of prices of recent similar transactions realised under market conditions, or on the basis of valuation methodologies based on discounted future cash flows taking into account market conditions, the time value, the yield curve and volatility factors.

These methods may require the use of assumptions or judgements in estimating the fair value.

Consequently, the use of other methods or different assumptions or judgements in applying a given model could give rise to financial results different from those reported.

Impairment of Available-for-sale Financial Assets

The Group determines that there is impairment of its available-for-sale assets where there is a prolonged or significant declined of the fair value. Determination of prolonged or significant declined requires judgement.

In accordance with the Group's policy, a decrease in the fair value of an equity instrument of 30% is considered a significant decrease and the period of 1 year is presumed a prolonged decrease in the fair value, for capital instruments and events that alter the estimated future cash flows of debt securities.

Additionally, valuations are based on market prices or measurement models that always require the use of certain assumptions or judgements in order to establish the fair value estimates.

The use of alternative methodologies and of different assumptions and estimates could lead to a different level of impairment losses recognised, with a consequent impact on the Group's results.

Corporate tax

Determination of corporation tax requires certain interpretations and estimates. Other interpretations and estimates could result in a different amount of corporation tax, current and deferred, recognised during the period.

In keeping with tax legislation in force, the Tax Authorities are entitled to review the calculation of the taxable income made by the Group companies having their registered office in Portugal, during a period of four years or longer period if deduction of tax losses is involved, in which case a period identical to the time limit for their deduction applies.

There may therefore be corrections to the taxable income as a result of differences in the interpretation of tax legislation. Nevertheless, the Board of Managers of the Group’s parent company is convinced that there will be no significant corrections to the corporation tax recorded in the consolidated financial statements.

Impairment of Goodwill

The recoverable amount of the goodwill carried in the Group’s assets is reviewed annually, regardless of the existence of signs of impairment.

For this purpose, the carrying amount under assets of the respective goodwill is compared with its recoverable value. An impairment loss associated with goodwill is recognised when the recoverable amount of the entity to be tested is lower than its carrying amount.

In the absence of an available market value, it is calculated on the basis of discounted-value techniques using a discount rate that considers the risk associated with the unit to be tested. The determination of the future cash flows to be discounted and the discount rate to be used involves judgement.

Impairment of long-term assets

Long-term intangible assets (ViF) are reviewed for impairment when there are facts or circumstances that indicate that the carrying amount is not recoverable. Considering the uncertainties regarding the determination of the recoverable amount of the intangible assets, based as it is on the best information available at the time, changes of the assumptions may result in different impacts on the determination of the level of impairment and consequently on the Group's results.

Technical provisions and liabilities relating to investment contracts

Determination of the Group's insurance companies liabilities for insurance contracts is performed based on the methodologies and assumptions described in Note 4. These liabilities reflect a quantified estimate of the impact of future events on the Group’s accounts, carried out on the basis of actuarial assumptions, claims history and other methods accepted with in the sector.

Technical provisions in respect of traditional life products and annuities have been determined on the basis of various assumptions, namely, mortality, longevity and interest rate, applicable to each cover, including a risk and uncertainty margin.

Technical provisions in respect of Accident and Health products have been determined on the basis of various assumptions, namely, mortality, longevity and interest rate, applicable to each cover, including a risk and uncertainty margin.

The assumptions used were based on the past experience of the Group and of the market. These assumptions may be reviewed in the event that future experience confirms their inadequacy.

Technical provisions arising from insurance and investment contracts with discretionary profit sharing include (i) provision for profit sharing, (ii) provision for unearned premiums, (iii) provision for unexpired risks, (iv) liabilities adequacy test and (v) provisions for reported and unreported claims, including their settlement costs, (vi) mathematical reserve of Life contracts and (vii) portfolio-stabilisation provision.

The mathematical reserve includes the valuation resulting from the liabilities adequacy test.

The provision for profit-sharing includes the liability determined through shadow accounting.

The provision for claims includes the estimate of liabilities for claims incured as of the balance-sheet date. Where there are claims indemnifiable under insurance contracts, any sum paid or that is expected to be paid by the Group is recognised as a loss in profit or loss.

The Group sets aside provisions for the payment of claims arising from with-profits insurance and investment contracts. In their determination it periodically assesses its liabilities using actuarial methods and taking into account the respective reinsurance covers. The provisions are periodically reviewed by qualified actuaries.

The Group records provisions for claims in Non-Life business to cover payments to be made, considering the estimated final cost of reported and unreported claims on each balance-sheet date.

The provisions for claims do not represent an exact calculation of the amount of the liabilities, rather an estimate resulting from application of actuarial valuation techniques. These estimated provisions correspond to the Group's expectation of the ultimate cost of settling claims based on an evaluation of the facts and circumstances known at the time, on a review of the historic settlement patterns, on an estimate of trends in terms of claims frequency and costs, and other factors.

Variables used in the determination of the estimate of the provisions may be affected by internal and/or external events, especially alterations to claims management processes, inflation and legal alterations. Many of these events are not directly quantifiable, particularly on a prospective basis.

Additionally, there may be a significant time difference between the moment of occurrence of the insured event (claim) and the moment when this event is reported to the Group. The provisions are regularly reviewed through an ongoing process as an when additional information is received and the liabilities come to be liquidated.

In view of the above and taking into account the nature of the insurance business, the determination of provisions for claims and other liabilities for insurance contracts is highly subjective, and the actual amounts payable in the future may turn out to be significantly different from estimates made.

However, the Group believes that the insurance contract liabilities carried in the financial statements properly reflect the best estimate of amounts payable by the Group as of the reporting date.

NOTE 4 - CONSOLIDATION

Consolidation principles

The consolidated financial statements now presented reflect the assets, liabilities and results of Seguradora Unidas, S.A. and its subsidiaries ("Group" or "Grupo Seguradoras Unidas") and the results attributable to the Group related to financial investments in associated companies.

The accounting policies have been applied consistently by all Group companies.

Subsidiaries

Subsidiaries are entities (including investment funds and securitisation vehicles) controlled by the Group. The Group controls an entity when it is exposed to or has rights to the variability of the returns generated by its involvement with that entity and may take possession thereof them through its power over that entity (*de facto* control). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group acquires control until the date on which control ceases.

The accumulated losses are attributed to non-controlling interests in the respective proportion, which may involve recognition of negative non-controlling interests.

In a step acquisition transaction that results in the acquisition of control, when calculating the goodwill, the revaluation of any holding previously acquired is recognised in profit or loss. At the time of a partial sale leading to loss of control of a subsidiary, any remaining holding is measured at fair value on the date of sale and the gain or loss resulting from this revaluation is recorded in profit or loss.

Associates

All companies over which the Group has powers to exert significant influence over their financial and operational policies, though it does not exercise control over them, are classified as associates. The Group is normally presumed to exert significant influence when it is empowered to exercise more than 20% of the associate's voting rights.

Even where voting rights are less than 20% the Group may exert significant influence through participation in the management of the associate or in the composition of the board of directors with executive powers. Investments in associates are recorded using the equity method, provided the Group acquires significant influence, until such time as it ends.

When the value of accumulated losses incurred by an associate and attributable to the Group equals or exceeds the carrying amount of the holding and of any other medium- and long-term interests in that associate, the equity method is discontinued, unless the Group has a legal or constructive obligation to recognises such losses or has made payments on behalf of the associate.

Goodwill

Business combinations are recorded using the purchase method. The acquisition cost is equal to the fair value determined on the date of purchase of the assets transferred and of liabilities incurred or assumed. The costs directly related to the acquisition of a subsidiary are allocated directly to profit or loss. On the acquisition date, which is the moment when the Group obtains control of the subsidiary, the assets, liabilities and contingent liabilities that meet the recognition requirements of IFRS 3 – "Business Combinations" are recorded at their fair value.

Positive goodwill resulting from acquisitions is recognised as an asset and recorded at acquisition cost and is not subject to amortisation. Goodwill arising on the acquisition of holdings in subsidiary companies is defined as the difference between the acquisition cost and the total or proportional fair value of the assets and liabilities and contingent liabilities of that business, depending on the option taken.

If it is found that the portion corresponding to the percentage of the holding acquired by the Group in the assets, liabilities and contingent liabilities of a subsidiary exceeds the acquisition cost, the excess is recorded directly in the income statement for the year in which the business combination occurs.

The recoverable amount of the goodwill is assessed annually, regardless of the existence of impairment indicators, in accordance with the requirements of IAS 36 - "Impairment of Assets".

Any impairment losses are recognised in profit or loss for the period and cannot be reversed. The recoverable amount is determined based of the value in use of the assets and the fair value less selling costs, and is calculated with recourse to valuation methodologies supported by discounted cash-flow techniques, considering market conditions, time value and business risks.

Goodwill is not corrected on the basis of the final determination of the value of the contingent price paid, being this impact being recognised against profit or loss, against or in equity, if applicable.

Impairment

The recoverable amount of investments in associates is assessed annually, regardless of the existence of impairment indicators. Impairment losses are determined based on the difference between the recoverable amount of investments in associates and their carrying amount. The impairment losses determined are recorded against the statement of income, and are subsequently reversed through profit or loss if there is a reduction of the estimated impairment loss in a subsequent period.

The recoverable amount is determined based on the greater of the value in use of the assets and the fair value less selling costs, and is calculated with recourse to valuation methodologies such as discounted cash flow techniques, considering the market conditions, the time value and the business risks.

Acquisition and dilution of non-controlling interests

The acquisition of non-controlling interests that do not cause a change of control of a subsidiary is accounted for as a transaction with shareholders and, as such, is no additional goodwill resulting from such a transaction is recognised. The difference between the acquisition cost and the fair value of non-controlling interests is recognised directly in reserves. Likewise, gains or losses arising from sales of controlling interests that do not lead to a loss of control over a subsidiary are always recognised against reserves.

Loss of control

Gains or losses arising from the dilution or sale of a portion of the financial holding in a subsidiary, with loss of control, are recognised by the Group in the income statement.

In dilutions of controlling interests without loss of control, differences between the acquisition cost and the fair value of the non-controlling interest are recorded against reserves.

Investments in foreign subsidiaries and associates

The financial statements of the foreign subsidiaries and associates of the Group are prepared in their functional currency, defined as the currency of the primary economic environment in which they operate or the currency in which the subsidiaries obtain their income or finance their activity. In the consolidation process, assets and liabilities, including goodwill, of foreign subsidiaries not considered as functional currency of a hyperinflationary economy, are converted into euro at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated in the Group accounts under the full consolidation and equity methods, for exchange differences between the conversion to Euros of the opening net assets at the beginning of the year and their value in Euros at the exchange rate ruling at the balance sheet date, for consolidated accounts, are charged against consolidated reserves – exchange differences.

The income and expenses of these subsidiaries are converted to Euros at an approximate rate of the rates ruling at the dates of the transactions. Exchange differences from the conversion to Euros of the profits and losses for the reporting period, arising from the difference between the exchange rate used in the income statement and the exchange rate prevailing at the balance sheet date, are recognised in reserves - exchange differences.

On disposal of investments in foreign subsidiaries for which there is loss of control, exchange differences related to the investment in the foreign operation and to the associated hedge transaction previously recognised in reserves, are transferred to profit and loss as part of the gains or loss arising from the disposal.

If the functional currency of a foreign subsidiary is the currency of a hyperinflationary economy, then its financial statements are first adjusted to reflect the purchasing power at the date of the current balance sheet and later converted into the reporting currency using the exchange rate at the current balance sheet date.

In this regard, non-monetary items are updated at the end of the reporting period through the application of a general price index, from the acquisition date or the last revaluation date, whichever occurred most recently. Income and expenses items, including other comprehensive income, are also updated, and the gain or loss on the net monetary position is calculated, which reflects the gain or loss on the net monetary position of the foreign subsidiary.

As at 31 December 2017, for Angola, the inflation rate accumulated in the past three years is close to or above 100%, depending on the index used, and there is also the prospect that it will continue to cumulatively exceed 100% in 2018. This is an objective quantitative condition in addition to the existence of other conditions set forth in IAS 29, that the functional currency of Tranquilidade – Corporação Angolana de Seguros, S.A. and ADV Angola – Planos e Sistemas de Saúde, Lda financial statements as of 31 December 2017 corresponds to the currency of a hyperinflationary economy.

Balances and transactions eliminated in the consolidation

Balances and transactions between Group companies, including any unrealised gains or losses arising from intragroup transactions, are eliminated in the consolidation process, except where the unrealised losses evidence the existence of an impairment that should be recognised in the consolidated accounts. Unrealised gains arising from transactions with associates are eliminated in the proportion of the Group's holding therein. Unrealised losses are also eliminated, but only in situations where they do not evidence the existence of impairment.

Consolidation Perimeter

The summarised financial information of the subsidiaries and associates listed in the consolidation perimeter, taken from its statutory accounts as of December 31, 2017 & 2016, except where otherwise indicated, are as follows:

Company	Location	Consolidation method	2017 Percentage of control	2017 Percentage of interest	2016 Percentage of control	2016 Percentage of interest
Seguradoras Unidas, S.A.	Lisbon, Portugal	Full	100,00%	88,85%	100,00%	89,05%
Tranquilidade Mocambique Companhia de Seguros, S.A.	Maputo, Mozambique	Full	99,996%	88,85%	99,996%	89,05%
Tranquilidade Mocambique Companhia de Seguros Vida, S.A.	Maputo, Mozambique	Full	99,997%	88,85%	99,997%	89,05%
Advancecare Health International, S.A.	Lisbon, Portugal	Full	100,00%	88,85%	100,00%	89,05%
ADV Angola - Planos e Sistemas de Saude, Lda	Luanda, Angola	Full	100,00%	88,85%	100,00%	89,05%
Tranquilidade - Corporação Angolana de Seguros, S.A.	Luanda, Angola	Full	49,00%	43,54%	49,00%	43,63%
CRIA - Centro de Reabilitaçao Integrada de Seguros, S.A.	Porto, Portugal	Full	0,00%	0,00%	70,00%	62,34%
GIGA - Grupo Integrado de Gestao de Acidentes, S.A.	Lisbon, Portugal	Full	0,00%	0,00%	60,00%	53,43%
GNB, Companhia de Seguros, S.A.	Lisbon, Portugal	Equity	25,00%	22,21%	25,00%	22,26%
Europ Assistance, S.A.	Lisbon, Portugal	Equity	47,00%	41,76%	47,00%	41,85%
Calm Eagle Holdings S.à r.l.	Luxembourg, Luxembourg	Full	100,00%	88,85%	100,00%	89,05%
Calm Eagle Intermediate Holdings S.à r.l.	Luxembourg, Luxembourg	Full	100,00%	88,85%	100,00%	89,05%
Calm Eagle Parent Holdings S.C.A.	Luxembourg, Luxembourg	Full	88,85%	88,85%	89,05%	89,05%
AP VIII Calm Eagle Holdings S.C.A.	Luxembourg, Luxembourg	Parent	-	-	-	-

During 2016, the Group sold its 55.42% holding in the share capital of Espírito Santo Contact Center, SA, for the sum of €997k, having recorded under Net gains of financial assets and liabilities not carried at fair value through profit or loss the capital loss of €330k resulting from this sale (Note 17).

Also during 2016, the Group acquired 100% of the share capital of Açoreana Seguros, SA, for the amount of €7,124k, and also paid up capital increases of €34,300k, and later, as referred to in Note 1, a merger process occurred.

As a result of this acquisition there appeared via the assets of Açoreana Seguros, SA, two new holdings in subsidiaries and associates, CRIA - Centro de Reabilitação Integrada de Acidentes and GIGA - Grupo Integrado de Gestão de Acidentes, of 70% 60%, respectively. At the end of 2107 the Group sold these two holdings, having recorded under Net gains of financial assets not carried at fair value through profit or loss a gain of €19k and a loss of €68 million respectively (Note 17).

At the beginning of the fourth quarter of 2016, in order to access new asset classes, the Group set up, for an amount of €2, a collective investment undertaking called Tranquilidade Diversified Income ICAV (Irish Collective Asset-management Vehicle), which is wholly-owned by the Group. This body has no assets and is merely a legal entity in the form of a fund holding tradable sub-funds such as individual investment funds.

Additionally, and within the scope of the application of IFRS 10 – Consolidated financial statements, the Group's consolidation perimeter includes the following special purpose vehicles as of December 31, 2017 & 2016:

	Registered office	Activity	% Economic interest 2017	2016
Corpus Christi - Fundo de Investimento Imobiliário Fechado	Portugal	Closed-end-Real-estate Investment Fund	100,00%	100,00%
Imoprime - Fundo de Investimento Imobiliário Fechado	Portugal	Closed-end-Real-estate Investment Fund	84,89%	84,89%
AAME TRQ CORP LOANS/HIGH YIELD BONDS FUND	Ireland	Open-end Securities Investment Fund	100,00%	100,00%
AAME TRQ GLOBAL INV GRADE CORP CREDIT	Ireland	Open-end Securities Investment Fund	100,00%	100,00%
AAME MULTI-CREDIT STRATEGY FUND	Ireland	Open-end Securities Investment Fund	100,00%	-
AAME FINANCIAL BOND FUND	Ireland	Open-end Securities Investment Fund	100,00%	-
AAME TRQ LOAN ORIGINATION FUND	Ireland	Open-end Securities Investment Fund	100,00%	-

At the beginning of the fourth quarter of 2016, the Group, through the collective investment undertaking named Tranquilidade Diversified Income ICAV (Irish Collective Asset-management Vehicle), invested €90 million in the 2 open-ended real-estate investment sub-funds referred to in the table, and throughout 2017 it increased the investments by an additional €270 million, providing an accumulated total of €360 million, now distributed among 5 open-end securities investment sub-funds.

Investments in associates

As of December 31, 2017 & 2016, the financial information concerning associates is presented in the following table:

(in TEUR)

	Interest hel	Income of the associate attr. to the Group		Carrying amount	
	2016/2017	2017	2016	2017	2016
GNB, Companhia de Seguros, S.A.	25%	1 581	2 366	12 068	12 836
Europ Assistance S.A.	47%	3 989	3 093	23 701	52 529
		5 570	**5 459**	**35 769**	**65 365**

Movement under this heading during 2017 & 2016 is as follows:

(in TEUR)

Balance as at the acquisition date of subsidiary	**60 919**
Income of the associates attributable to the Group	5 459
Other changes in equity attributable to the Group	2 145
Dividends	(3 158)
Balance as at 1 January 2017	**65 365**
Income of the associates attributable to the Group	5 570
Other changes in equity attributable to the Group	(2 336)
Impairment	(27 759)
Dividends	(5 071)
Balance as at 31 December 2017	**35 769**

In 2017, the Group recorded an impairment of €27,8 million following the sale in May, 2018 of the holding in Europ Assistance SA for the amount of €22,3 million, which was previously accounted at a fair value resulting from the Purchase Price Agreement (PPA) at the time of the acquisition of Tranquilidade in 2015.

The equity method calculation was performed based on the estimated net asset of EA, which provided impairment loss above referred. If considered the final net asset of EA the impairment loss would have been €28,9 million, but with no effect on consolidated equity.

The breakdown and the financial information concerning associates is presented in the following tables:

(in TEUR)

	Assets		Liabilities		Equity		Net income	
	2017	2016	2017	2016	2017	2016	2017	2016
GNB, Companhia de Seguros, S.A.	122 287	114 705	90 915	80 262	31 372	34 443	6 322	9 461
Europ Assistance, S.A.	82 351	77 034	41 732	37 096	40 619	39 938	9 015	6 581

Non-controlling interests

The breakdown of non-controlling interests as at December 31, 2017 & 2016, is as follows:

(in TEUR)

	% Non-controlling interest		Non-controlling interest (Balance sheet)		Non-controlling interest (Income statement)	
	2017	2016	2017	2016	2017	2016
Espírito Santo Contact Center, S.A.	0,00%	0,00%	-	-	-	(915)
Imoprime-Fundo de Investimento Imobiliário Fechado	15,11%	15,11%	5 166	5 523	(357)	190
Tranquilidade - Corporação Angolana de Seguros, S.A	51,00%	51,00%	4 881	2 722	1 080	1 002
CRIA - Centro de Reabilitaçao Integrada de Seguros, S.A.	0,00%	30,00%	-	253	41	7
GIGA - Grupo Integrado de Gestao de Acidentes, S.A.	0,00%	40,00%	-	473	19	(14)
Calm Eagle Parent Holdings S.C.A.	11,15%	10,95%	12 304	17 404	(5 897)	1 584
Total			**22 351**	**26 375**	**(5 113)**	**1 854**

NOTE 5 – NATURE AND EXTENT OF THE HEADINGS AND OF THE RISKS RESULTING FROM INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS

PROVISION OF INFORMATION ALLOWING IDENTIFICATION AND EXPLANATION OF THE AMOUNTS INDICATED IN THE FINANCIAL STATEMENTS RESULTING FROM INSURANCE AND INVESTMENT CONTRACTS

Accounting policies adopted in respect of insurance and investment contracts

The Group issues contracts that include insurance risk, financial risk or a combination of insurance and financial risks.

A contract in which the Group accepts a significant insurance risk from another party, agreeing to compensate the insured in the case of a specific uncertain future event adversely affecting the insured is classified as an insurance contract.

A contract issued by the Group in which the transferred insurance risk is not significant, but the financial risk transferred is significant, in particular due to the existence of profit-sharing with a discretionary component of the Group, is considered an investment contract and is recognised and measured in accordance with the accounting policies applicable to insurance contracts.

A contract issued by the Group that transfers just the financial risk, with no profit-sharing with a discretionary component of Group, is classified as a financial instrument.

Life contracts, in which the investment risk is borne by the policyholder (Unit-Linked) issued by the Group, which merely transfer the financial risk, without profit-sharing with a discretionary component of the Group, were classified as investment contracts and are carried as financial instruments. Liabilities correspond to the value of the associated unit, less management commissions, redemption commissions and any penalties.

Unit-linked contracts held by the Group are classified as financial liabilities at fair value through profit or loss, which depends on the fair value of the financial assets, derivatives and investment property that form part of the collective unit-linked investment fund. Valuation techniques are used to determine the fair value of the issue date and on each reporting date.

The fair value of the financial liability is determined through the units, which reflect the fair value of the assets that make up the investment fund, multiplied by the number of units attributable to each policyholder on the reporting date.

Liabilities for Unit-Linked contracts represent the capitalised value of the premiums received as of the balance-sheet date, including the fair value of any guarantees or embedded derivatives.

IFRS 4 Insurance Contracts applies to all insurance contracts (including reinsurance contracts) that the Group issues and to reinsurance contracts it holds, except for specified contracts covered by other IFRSs. IFRS 4 focuses on types of contracts rather than types of entities. Therefore it applies to both entities regulated as insurance entities and all other entities.

With-profits insurance contracts and investment contracts are recognised and measured as follows:

Recognition of costs & income

Costs and income are recorded during the year to which they refer, irrespective of the moment of their payment or receipt, in accordance with the accrual accounting principle.

Premiums

Gross premiums written of the Non-life direct insurance branches and reinsurance accepted and reinsurance ceded premiums are carried respectively as income and costs under Premiums earned net of reinsurance in the profit and loss during the year to which they refer, regardless of the moment of their receipt or payment.

Premiums of discretionary with-profits life insurance policies and investment contracts considered as long-duration contracts are recognised as income when owed by the policyholders.

The benefits and other costs are recognised simultaneously with recognition of the income over the life of the contracts. The accrual involves setting aside provisions/ liabilities for discretionary with-profits insurance contracts and investment contracts.

Quantitative analysis of direct insurance and reinsurance accepted and reinsurance ceded premiums is addressed in Note 14.

Provisions for Unearned Premiums

The provision for unearned premiums reflects the amount of written premiums of insurance contracts attributable to future years, that is, the part corresponding to the period from the reporting date up until the end of the period to which the premium refers.

The Group calculated this provision receipt by receipt, through application of the *pro-rata temporis* method based on gross premiums written in respect of contracts in force.

Acquisition costs

Acquisition costs that are directly or indirectly related to sales contracts, including brokerage commissions and other expenses charged to the acquisition, are capitalised and deferred over the life of the respective contracts and are recognised as a deduction from the amount of the technical provisions of insurance contract and reflected under Provisions for unearned premiums. Deferred acquisition costs are subject to recoverability tests at the time of issue of the contracts and are subject to impairment tests on the balance-sheet date.

Deferred acquisition costs of the Non-life branch are written down over the period during which the premiums associated with these contracts are acquired. Deferred acquisition costs for each technical business line are limited to 20% of the provision for unearned premiums.

Life mathematical reserve

The purpose of Life mathematical reserves is to record the present value of the Group's future liabilities in respect of discretionary with-profits insurance and investment contracts issued. They are calculated using actuarial tables and formulae fully in keeping with the ASF rules and regulations, as follows:

Tranquilidade products portfolio	Mortality Table	Technical rate	Açoreana products portfolio	Mortality Table	Technical rate
Retirement Savings Plans and Capitalisation Products (*)			***Retirement Savings Plans and Capitalisation Products (*)***		
Up to December 1997	GKM 80	4%	Up to December 1998	GKM 80	4%
January 1998 to June 1999	GKM 80	3.25%	January 1999 to June 2003	GKM 80	3%
After July 1, 1999	GKM 80	3% & 2.5%	August 2003 to September 2011	GKM 80	3% and variable
After March 2003	GKM 80	2.75%	After October 3, 2011 (**)	GKM 80	1% to 3%
After January 1, 2004 (**)	GKM 80	0% & 0.919%			
Insurance in case of Life (*)			***Insurance in case of Life (*)***		
Annuities – Up to June 2002	TV 73/77	4%	Annuities – Up to December 1997	PF 6064	6%
After July 1, 2002	TV 73/77	3%	After December 1, 1997	GKF 80	3% & 4%
After January 1, 2004	GKF 95	3%	After January 1, 2007	GKF 95 & GKF 80	2% & 3%
After October 1, 2006	GKF 95 & GKF 80	3%, 2.25% and 1.15%	After October 1, 2016.	GRF 95	1,5%
Other insurance in case of Life	TV 73/77	4%			
Insurance in case of Death (*)			***Insurance in case of Death (*)***		
Up to December 2004	GKM 80	4%	Up to April 2013	GKM 80	3% & 4%
After January 1, 2005	GKM 80	4%	After April 1, 2013	GKM 95	3% & 4%
After January 1, 2008	GKM 80 & GKM 95	4%			
After October 1, 2013	PASEM 2010	0%			
Mixed Insurance (*)			***Mixed Insurance (*)***		
Up to September 1998	GKM 80	4%	Up to February 2001	PM 6064	4%
After October 1, 2008	GKM 80	3.25%	After March 29, 2001	GKM 80	3% & 4%

(*) Technical bases of the products in accordance with the year they were marketed
(**) Rates defined annually, the figures refer to the definition in respect of 2017

With regard to the portfolio purchased from Açoreana Seguros, SA, on August 5, 2016, for the purposes of determining their fair value, the liabilities were discounted taking into account the EIOPA (risk-free interest rate) curve with volatility adjustment.

Non-life mathematical reserve

The aim of the Non-life mathematical reserves is to record the present value of the Group's future liabilities in respect of insurance contracts issued. They are calculated on the basis of recognised actuarial methods under applicable legislation.

For Non-redeemable Pensions (including future payments to the FAT [Workers' Compensation Fund]) 95% of the TD 88/90 mortality table applies for men (2016: 95% of TD 88/90) and 95% of the TV 88/90 mortality table applies for women (2016: 95% of the TV 88/90), with an interest rate of 2.75% (2016: 2.75%) and management fees of 1.5% (2016: 1.5%), and for Redeemable Pensions the TD 88/90 mortality table (2016: TD 88/90) with an interest rate of 5.25% (2016: 5.25%) and management fees of 0% (2016: 0%).

With regard to the portfolio purchased from Açoreana Seguros, SA, on August 5, 2016, for the purposes of determining their fair value, the liabilities were discounted taking into account of the EIOPA (risk-free interest rate) curve with volatility adjustment.

Provisions for claims

The provision for claims corresponds to the estimated, undiscounted amount of compensation payable for existing claims, including the estimated liability for claims incurred but not reported (IBNR), and the direct and indirect costs to be incurred with the future settlement of claims that are currently in the process of management and of the IBNR claims. The provision for reported and unreported claims is estimated by the Group on the basis of past experience, on available information and application of actuarial methods.

To determine this provision an analysis is performed of claims in progress at the end of each year, with a consequent estimate of the liabilities existing as of that date. In Workers' Compensation, in that part not in respect of pensions and Motor, the average cost method is applied. The provision for claims management costs is also calculated using the average cost method.

In order to calculate the liabilities associated with claims incurred but not reported (IBNR), actuarial estimates were made for the most significant branches, based on triangulations of amounts paid, taking into account the specific characteristics of each branch; as for the branches of insufficient dimension a generic rate is applied to the amount of claims costs for the year in respect of reported claims.

In Workers' Compensation a Mathematical Reserves is also set aside for claims occurred up to December 31, 2017, that involve payment of pensions already approved by the Labour Court or having reached conciliation agreement, and also the estimated liabilities for pensions claims recorded up to December 31, 2017, that are pending final agreement or sentence.

Mathematical Reserves to claims occurred, involving payment of life-long pensions in respect of Workers' Compensation are calculated using actuarial assumptions under recognised actuarial methods and current labour legislation. Additionally, there is also a Mathematical Reserve to meet pension liabilities for claims occurred relating to the potential permanent disability of the injured undergoing treatment as at December 31, 2017, or for claims occurred by not yet reported.

The provision for claims is not discounted, except for those of Workers' Compensation that are calculated using life or similar techniques, and the Group therefore assesses the adequacy of the liabilities based on the projection of future cash flows, discounted at interest rates that correspond to the expected profitability of the assets assigned to these liabilities. Any shortfall is recorded in the Group's profit or loss when determined.

Provision for attributed profit-sharing

The provision for attributed profit-sharing corresponds to the amounts attributed to the insured or beneficiaries of the insurance and investment contracts, in the form of profit-sharing, that have not yet been distributed or incorporated.

This provision is calculated in accordance with the technical bases of the products and taking into account, as and where applicable, the income from the allocated asset portfolios, including capital gains and losses realised and unrealised recognized profit or loss for the year and impairment losses recorded in the period, less the negative balances of previous years, where this deduction is contractually laid down.

Provision for profit-sharing to be attributed (Shadow accounting)

The provision for profit sharing of the Life branch to be attributed reflects the net value of potential gains and losses (fair-value adjustments) of financial assets allocated to the liabilities of with-profits insurance and investment contracts, of the estimated share of the policyholders or beneficiaries of the contract, provided that the balances per portfolio do come to be negative, based on the expectation that they will participate in such unrealised gains and losses as and where they occur, in accordance with the contractual and regulatory conditions applicable.

This provision is set aside directly with a contra entry under revaluation reserves for adjustments to the fair value of available-for-sale financial assets allocated to with-profits life products.

Provision for unexpired risks

The provision for unexpired risks corresponds to the estimated amount to cover probable indemnities and other costs to be borne following the year-end in excess of the amount of premiums imputable to subsequent years in respect of contracts in force as of the reporting date.

As stipulated by the ASF, the amount of the provision for unexpired risks to be set aside must be equal to the product of the sum of gross premiums written imputable to a future period or periods (unearned premiums) and of premiums enforceable not yet processed in respect of contracts in force, by a ratio based on the sum of the claims ratios, expenses and ceding less the investments ratio.

Provisions for reinsurance ceded

Provisions for reinsurance ceded are determined by applying the foregoing criteria for direct insurance, taking into account the percentages of the assignment, as well as the other provisions of treaties in force. Depending on whether the reinsurance stems from direct insurance or reinsurance accepted, the Provision for Claims is calculated in accordance with the rules in force.

<u>Changes in Direct Insurance and Reinsurance Technical Provisions</u>

The breakdown of the direct insurance and reinsurance accepted unearned premiums reserve (UPR) reflected in liabilities net of deferred acquisition costs (DAC) is as follows:

(in TEUR)

BALANCE SHEET	2017			2016		
Businesses/ Groups of Businesses	UPR gross	DAC	UPR Net	UPR gross	DAC	UPR Net
Life						
Traditional	3 829	327	3 502	3 345	-	3 345
Non - Life						
Accidents & health	28 261	5 153	23 108	26 744	4 371	22 373
Fire & other damage	39 139	7 823	31 316	40 217	7 900	32 317
Motor	107 424	21 455	85 969	99 624	18 825	80 799
Marine, air and transport	1 657	329	1 328	2 020	358	1 662
General third-party liability	4 544	895	3 649	4 633	909	3 724
Credit and fidelity insurance	53	10	43	76	8	68
Legal protection	85	12	73	93	13	80
Assistance	13 736	2 557	11 179	13 526	2 519	11 007
Sundry	751	149	602	954	190	764
Total	**199 479**	**38 710**	**160 769**	**191 232**	**35 093**	**156 139**

The change of the direct insurance and reinsurance accepted provision for unearned premiums (UPR) is reflected in profit or loss at its gross value within the premiums earned group and the amount of deferred acquisition costs (DAC) in the operating costs & expenses group, broken down as follows:

(in TEUR)

	2017			2016		
Businesses/ Groups of Businesses	UPR gross	DAC	UPR Net	UPR gross	DAC	UPR Net
Life						
Traditional	457	304	153	282	151	131
Non - Life						
Accidents & health	2 944	759	2 185	(5 639)	(1 099)	(4 540)
Fire & other damage	(912)	(77)	(835)	(3 597)	(518)	(3 079)
Motor	7 812	2 634	5 178	(682)	257	(939)
Marine, air and transport	(358)	(28)	(330)	(366)	(54)	(312)
General third-party liability	(73)	(14)	(59)	(1 282)	(216)	(1 066)
Credit and fidelity insurance	(23)	2	(25)	(11)	5	(16)
Legal protection	(8)	(1)	(7)	(94)	(2)	(92)
Assistance	209	37	172	(54)	56	(110)
Sundry	(202)	(40)	(162)	54	11	43
Total	**9 846**	**3 576**	**6 270**	**(11 389)**	**(1 409)**	**(9 980)**

The breakdown of provisions for unearned reinsurance ceded premiums reflected under assets and the respective annual variation in the profit & loss account is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Life				
Traditional	11	-	3	(29)
Non - Life				
Accidents & health	55	1 180	445	405
Fire & other damage	8 386	10 949	(2 406)	(2 085)
Motor	3	23	(6)	(68)
Marine, air and transport	697	969	(268)	(189)
General third-party liability	508	489	40	(40)
Credit and fidelity insurance	14	25	(11)	2
Legal protection	22	25	(3)	2
Assistance	11 126	9 953	1 170	198
Sundry	660	761	(101)	(7)
Total	**21 482**	**24 374**	**(1 137)**	**(1 811)**

The breakdown of the mathematical reserve of Life business reflected under liabilities and the respective annual change in profit or loss in 2017 & 2016 are as follows:

(in TEUR)

	2017	2016
Balance as at January 1	**654 581**	**271 628**
Variation of the year	(65 770)	(34 202)
Incorporation of profit sharing	2 609	261
Change in scope of consolidation	-	393 970
Other movements	345	22 924
Balance as at December 31	**591 765**	**654 581**

The figures for Other movements in 2017 and 2016 relate to reclassifications of products that now have provision for discretionary profit sharing.

The breakdown of provisions for unearned reinsurance ceded premiums reflected under assets and the respective annual change in the profit & loss account are as follows:

(in TEUR)

Products	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Traditional	1 151	1 004	146	103
With-profits capitalisation	-	-	-	
Total	**1 151**	**1 004**	**146**	**103**

The breakdown of the provision for direct insurance and reinsurance accepted claims reflected in liabilities and the respective change in the profit & loss account are as follows:

(in TEUR)

Businesses/ Groups of Businesses	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Life				
Traditional	65 452	18 956	18 974	2 895
With-profits capitalisation	-	27 518	-	10 653
Non - Life				
Workmen's compensation	553 024	533 289	26 714	25 507
Personal accidents & health	18 079	16 196	1 808	136
Fire & other damage	81 119	42 202	38 804	1 479
Motor	237 370	219 567	18 769	(1 518)
Marine, air and transport	3 229	3 745	(489)	(494)
General third-party liability	32 212	30 041	2 107	(1 742)
Credit and fidelity insurance	184	236	(27)	(3)
Legal protection	13	13	-	(6)
Assistance	24	10	12	2
Sundry	4 158	3 255	944	1 049
Total	**994 864**	**895 028**	**107 616**	**37 958**

The balance of the provision for Workers' Compensation claims includes the amount of €417,604k (2016: €408,892k) in respect of the Workers' Compensation mathematical reserve. This balance of the mathematical reserve includes the result obtained through the liabilities adequacy test which, in 2017 and 2016, was zero, and a provision for the contributions to the Workers' Compensation Fund in the amount of €23,633k (2016: €22,009k).

The Group has amended the actuarial assumptions used to calculate the mathematical reserves of Workers' Compensation insurance and of the respective adequacy test as at December 31, 2016. In this connection, (i) the discount rate used in the calculation of these provisions has been changed to 2.75% (4.0%: 2015), (ii) the TD 88/90 mortality table was replaced by 95% of the TD 88/90 mortality table, for the male population, and the TV88/90 mortality table was replaced by 95% of the TV 88/90 mortality table for the female population, and (iii) the rate of expenditure, in the Tranquilidade brand, was changed from 2.0% to 1.5%.

The effect of the alteration of the actuarial assumptions entailed an increase of liabilities for works accidents carried by the Group as of December 31, 2016, and a reduction of the net income for the year in the sum of €17.3 million (€13.5 million after considering the respective tax effect) in respect of the Tranquilidade portfolio. Regarding the effect of this topic on the Açoreana portfolio, the corresponding impact amounts to €25.9 million (€20 million after considering the respective tax effect), and this effect is included in the measurement of technical provisions at fair value in accordance with the requirements of IFRS 3 – Business combinations.

With regard to the portfolio purchased from Açoreana Seguros, SA, on August 5, 2016, for the purposes of determining their fair value, the liabilities were discounted taking into account of the EIOPA (risk-free interest rate) curve with volatility adjustment.

The balance of the provision for claims includes an estimated provision in the amount of €59,698k (2016: €41,065k) in respect of claims that occurred up to December 31, 2017, and not yet reported (IBNR). It also includes an estimate in the amount of €25,704k (2016: €16,618k) for management fees relating to the settlement of outstanding claims declared.

The evolution of the provision for claims in respect of previous years and their readjustments is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Provision for claims* as at 31.12.2016 (1)	Claims* paid in 2017 (2)	Provision for claims* as at 31.12.2017 (3)	Readjustments (3) + (2) - (1)
Life				
Risk products	41 191	20 414	14 001	(6 776)
Other traditional products	5 283	9 248	9 650	13 615
Non-Life				
Accidents & health	549 485	83 715	470 783	5 013
Fire & other damage	42 202	21 032	24 809	3 639
Motor				
- Third-party liability	183 520	82 227	107 871	6 578
- Other covers	36 047	24 337	12 508	798
Marine, air and transport	3 745	1 952	1 248	(545)
General third-party liability	30 041	5 851	26 146	1 956
Credit and fidelity insurance	236	9	183	(44)
Legal protection	13	15	12	14
Assistance	10	1	11	2
Sundry	3 255	231	1 496	(1 528)
Total	**895 028**	**249 032**	**668 718**	**22 722**

* Claims incurred in 2016 and earlier

Being the first year after the merger of the two companies, the adjustments result mainly from the harmonization of criteria for settlement of claims and the normal management. It should also be noted that adjustments in the Workers' Compensation branch, in the Accidents and Health branch, are also explained by the fact that the table does not consider the financial income from the investment of the Mathematical Provisions.

The breakdown of the ceded-reinsurance claims provision reflected under assets and of the respective annual change in profit or loss is as follows:

(in TEUR)

	Balance sheet balance		Change in gains & losses	
Businesses/ Groups of Businesses	**2017**	**2016**	**2017**	**2016**
Life				
Traditional	3 338	2 961	544	698
Capitalization with results participating	-	-	-	-
Non - Life				
Workmen's compensation	5 253	5 666	(392)	(98)
Personal accidents & health	702	782	(351)	193
Fire & other damage	44 291	20 620	24 138	1 998
Motor	11 998	13 329	(1 409)	495
Marine, air and transport	1 262	1 068	206	(214)
General third-party liability	8 478	8 273	208	(757)
Credit and fidelity insurance	349	393	(44)	9
Legal protection	-	-	-	-
Assistance	12	9	-	4
Sundry	2 903	2 991	(89)	1 291
Total	**78 586**	**56 092**	**22 811**	**3 619**

The balance of the provision for reinsurance-ceded claims includes an estimated provision in the sum of €3,025k (2016: €2,014k) in respect of claims that occurred up to December 31, 2017, and not yet reported (IBNR).

The breakdown of costs of claims in 2017 is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Amounts paid - Instalments (1)	Amounts paid- Claims-management costs imputed (2)	Change of provision for claims: (3)	Cost of claims (4) = (1) + (2) + (3)
Life				
Traditional	22 269	6	4 400	26 675
Capitalization with results participating	61 719	3 139	14 574	79 432
Non - Life				
Accidents & health	156 368	9 654	28 485	194 507
Fire & other damage	58 721	2 491	38 817	100 029
Motor				
-Third-party liability,	129 633	13 236	6 918	149 787
- Other covers	67 159	5 109	11 879	84 147
Marine, air and transport	2 448	316	(575)	2 189
General third-party liability	6 396	1 382	2 108	9 886
Credit and fidelity insurance	5	4	(27)	(18)
Legal protection	10	6	-	16
Assistance	4	-	15	19
Sundry	413	15	942	1 370
Total	**505 145**	**35 358**	**107 536**	**648 039**
Reinsurance accepted	51	-	80	131
Grand total	**505 196**	**35 358**	**107 616**	**648 170**

The breakdown of costs of claims in 2016 is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Amounts paid - Instalments (1)	Amounts paid- Claims-management costs imputed (2)	Change of provision for claims: (3)	Cost of claims (4) = (1) + (2) + (3)
Life				
Traditional	19 630	545	2 890	23 065
Capitalization with results participating	38 356	697	10 658	49 711
Non - Life				
Accidents & health	114 420	5 910	25 533	145 863
Fire & other damage	37 215	2 317	1 463	40 995
Motor				
- Third-party liability	90 790	7 235	(2 539)	95 486
- Other covers	52 305	2 997	2 684	57 986
Marine, air and transport	2 266	176	(493)	1 949
General third-party liability	4 493	560	(1 754)	3 299
Credit and fidelity insurance	(39)	1	(3)	(41)
Legal protection	26	4	(5)	25
Assistance	-	-	2	2
Sundry	1 427	17	1 050	2 494
Total	**360 889**	**20 459**	**39 486**	**420 834**
Reinsurance accepted	931	-	(1 528)	(597)
Grand total	**361 820**	**20 459**	**37 958**	**420 237**

The breakdown of the provision for profit sharing is reflected under liabilities and the respective annual change in profit or loss is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Life	16 491	20 812	(4 416)	(738)
Non - Life				
Accidents & health	-	-	-	(3)
Total	**16 491**	**20 812**	**(4 416)**	**(741)**

The evolution of the provision for profit-sharing in Life and Non-Life carried under liabilities was as follows in 2017 & 2016:

(in TEUR)

	2017	2016
Balance as at January 1	**20 812**	**4 252**
Changes to the consolidation perimeter	-	17 992
Appropriation for the year	3 169	4 211
Payments	(1 135)	(7 213)
Incorporation into mathematical reserve	(2 609)	-
Change of holding to be assigned (shadow accounting)	(3 746)	1 570
Balance as at December 31	**16 491**	**20 812**

The breakdown of the provision for reinsurance ceded profit sharing reflected in assets and the respective annual change in the profit & loss account is as follows:

(in TEUR)

Products	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Traditional	-	4	(4)	(543)
With-profits capitalisation	-	-	-	-
Total	**-**	**4**	**(4)**	**(543)**

The breakdown of the rate-commitment provision carried under liabilities and of the respective annual change in the profit & loss is as follows:

(in TEUR)

Products	Balance sheet balance 2017	Balance sheet balance 2016	Change in gains & losses 2017	Change in gains & losses 2016
Traditional	-	8 870	(8 870)	7 872
With-profits capitalisation	-	366	(366)	231
Total	**-**	**9 236**	**(9 236)**	**8 103**

Given the evolution of the rate of return on assets in 2017, the technical analysis showed there was no need for this provision to be constituted.

The breakdown of the portfolio-stabilisation provisions reflected in liabilities is as follows:

(in TEUR)

Products	Balance sheet balance		Change in gains & losses	
	2017	2016	2017	2016
Traditional	427	127	300	127
With-profits capitalisation	-	-	-	-
Total	427	127	300	127

The breakdown of the provision for unexpired risks reflected under liabilities and the respective annual change in profit or loss is as follows:

(in TEUR)

Businesses/ Groups of Businesses	Balance sheet balance		Change in gains & losses	
	2017	2016	2017	2016
Accidents & health	5 453	13 872	(8 426)	(951)
Fire & other damage	4 681	71	4 592	(747)
Motor	2 139	2 864	(725)	(6 514)
Marine, air and transport	19	63	(44)	(35)
General third-party liability	-		-	-
Credit and fidelity insurance	-		-	-
Legal protection	(3)	-	(3)	-
Assistance	(33)	530	(563)	(55)
Sundry	35	113	(78)	8
Total	12 291	17 513	(5 247)	(8 294)

In accordance with Regulatory Standard 10/2016-R of September 15, costs of an extraordinary nature, including staff costs related to pre-retirement and indemnities or compensation granted to employees of insurance companies by way of termination of employment contracts by mutual agreement, arising unequivocally and duly proven from restructuring processes not included in the scope of business combinations, may not be taken into account in the calculation of the provision for risks in progress.

Under this Standard, in 2016 & 2017, the calculation of the provision for unexpired risks was subject to an extraordinary procedure requested by some of the Group's insurance companies and duly approved by the ASF, through which the special and particular nature of concentration operations was taken into account.

It should be noted that since its acquisition by Apollo Global Management, the Group was involved in business-combination processes and, during 2016 it acquired the whole of the share capital of Açoreana Seguros, SA. The resulting cost increase was to cause an increase of the amount of the provision for risks in progress not related to pricing deficiencies.

Thus, in 2017, the Group considered that the amount of €35,610k relating to the total extraordinary costs incurred with personnel relating to indemnities or compensation granted to employees arising from termination by mutual agreement that in no way represents the recurring levels associated with an operation in the normal course of business and therefore the Group decided not to consider, for the purpose of calculating this provision, the amount imputed to Non-Life, i.e., €32,097k.

Likewise, the Group considered that the amount of €6,927k related to project advisory costs, costs incurred with extraordinary personnel related to indemnities or compensation granted to employees resulting from terminations by mutual agreement and the impact of the curtailment at the level of the benefit plans, do not represent the recurring levels associated with a normal ongoing operation, and therefore the Group opted not to consider such amounts for the purposes of calculating this provision.

NATURE AND EXTENT OF SPECIFIC INSURANCES RISKS

With the introduction of the Solvency II regime, the Group has developed its structure and procedures with a view to providing the necessary tools to meet the Risk-Management requirements.

The Group still has its Overall Risk Management Committee, the main responsibilities of which are to analyse and check the conformity of the decisions taken by the Group with the strategy and policy established for risk management, internal control system and compliance.

After the introduction of the Overall Risk Management Committee economic and financial risk work groups were set up, the main duties of which are:

- to orient the introduction of integrated risk-management models, as well as economic capital models, approved by the Board of Managers;
- to validate, from a technical standpoint, the modelling of the technical and financial risks to be drawn up by the Overall Risk Department and approved by the Board of Managers;
- to draw up tolerance indicators based on the models and to monitor variations of the indicators;

- to draw up risk-control mechanisms considering the appetite for risk and the respective tolerances defined by the Board of Managers;
- to define integrated risk-mitigation strategies, from a standpoint of adequacy of assets and liabilities for analysis by the Overall Risk Management Committee.

In this connection the management of the sundry risks to which the Group is subject is also monitored, and plans of action are proposed to the Board of Managers as and where warranted.

Parallel to the definition and disclosure of policies associated with various business activities (Investments, Subscription, Reinsurance, etc.), the Group developed a Risk-Management Policy that aims to establish limits and tolerances of the Group and to define a set of priority and urgent measures to be implemented in the event of capital losses.

The specific insurance risk is the risk inherent in marketing insurance contracts, in product design and respective pricing, in the subscription process, in the provisions set aside for liabilities and in the management of claims and reinsurance.

In Life insurance the risk can be subdivided into biometric risks (Longevity, Mortality, Disability) Expenditure Risk, Revision Risk, Lapses Risk and Catastrophic Risk.

In Non-Life insurance the risk can be subdivided into Premiums Risk, Reserves Risk, Lapses Risk and Catastrophic Risk.

In Non-life insurance classified as "Health" in Solvency II – Personal Accidents, Health and Work Accidents – the risk is treated as follows:

- Workers' Compensation and Lifelong Assistance pensions are considered to be health risks assessed using techniques similar to those of life insurance and, as such, their risk is subdivided in a manner similar to life products.
- General Workers’ Compensation and Personal Accident and Health claims are treated as Non-Life and their risks are subdivided in a similar manner.

The processes of subscription, setting aside provisions and reinsurance are duly documented in the report on risk policy insofar as the main activities, risks and controls are concerned.

Succinctly, the more relevant control mechanisms are:

- Delegation of competences formally defined for the various processes;
- segregation of functions between the areas that undertake risk analysis, that draw up price lists, that issue technical opinions and that issue policies;
- limited access to the various applications in keeping with the user's profile;
- document scanning in the issue processes and in claims management;
- procedures involving case-by-case checks, exceptions reports and audits;
- recruiting and training policy suited to the responsibilities and technical complexity of the various functions.

The level of provisions is monitored monthly, with a prime focus on the provisions for claims, which are subject to regular analysis as to their sufficiency. Valuation models involving stochastic models have also been implemented.

Any adjustments resulting from alterations to the estimates of the provisions are reflected under current operating profit or loss. However, owing to the fact that setting aside provisions for claims is of necessity an uncertain process, there can be no guarantee that the actual losses will not be greater than estimated, this risk being covered by the supplementary solvency capital.

The evolution of the comparison between (i) the amounts paid of the non-life branches, net of reimbursements, without management costs, gross of reinsurance and excluding the Workers' Compensation mathematical reserve, and ii) the final cost estimate, is as follows:

(in TEUR)

Amounts paid net of repayments (cumulative amounts)

Years elapsed	Year of occurrence 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
0	206 721	203 512	237 626	236 495	226 700	240 781	229 333	219 856	221 562	234 674
1	306 169	317 476	358 391	341 803	328 281	340 519	329 132	313 660	320 537	
2	329 944	347 970	383 391	363 125	351 829	362 834	352 612	330 352		
3	342 503	362 827	395 329	374 118	365 156	375 874	361 171			
4	348 998	369 912	403 580	379 458	370 723	383 910				
5	353 282	375 089	410 214	383 758	376 150					
6	359 158	377 835	414 548	387 361						
7	361 693	381 203	416 781							
8	363 619	384 481								
9	366 404									

(in TEUR)

Final estimate of cost of claims net of reimbursements

Years elapsed	Year of occurrence 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
0	407 898	398 229	434 023	397 411	393 793	398 437	384 823	364 180	366 782	468 393
1	391 712	397 715	431 281	402 057	387 096	392 668	392 917	364 804	359 641	
2	396 434	404 384	438 271	403 487	388 828	400 612	400 628	362 568		
3	385 509	396 449	428 598	401 755	390 357	405 148	402 538			
4	379 282	391 028	426 586	400 511	390 413	405 797				
5	375 951	389 925	425 883	401 815	390 957					
6	373 325	389 074	428 858	403 166						
7	372 912	389 968	429 227							
8	372 875	390 927								
9	372 566									

The Group uses a reinsurance policy whose primary objective is to protect the impact of large claims or catastrophic events, mitigating the risk, reducing the need for capital and protecting the interests of its policyholders, insured, other insurance beneficiaries, shareholders and employees.

In order to implement it, the Group contracts the type of reinsurance most appropriate to mitigate the risks accepted, based on proportional and non-proportional treaties, in accordance with the following tables:

Non-Life Insurance	Type of reinsurance
Assistance	Proportional
Performance bonds	Proportional
(Fidelity) insurance	Proportional
Engineering	Proportional
Fire (simple risks)	Proportional
Fire (condominium)	Proportional
Fire and loss of profits (establishment and industrial risks)	Proportional
Fire and other damage (disaster-retention protection)	Not Proportional
Fire and other damage (disaster-retention sub-layer protection)	Not Proportional
Fire and other damage (disaster-retention sub-layer protection)	Not Proportional
Fire and other damage (aggregate-retention protection)	Not Proportional
Health (serious illnesses)	Proportional
Health (medical expenses)	Not Proportional
Health (2nd opinion)	Proportional
Cyber risks civil liability	Proportional
General third-party liability	Not Proportional
General third-party liability	Proportional
Environmental third-party liability	Proportional
Health professionals third-party liability	Proportional
Directors' third-party liability (article 396)	Proportional
D&o third-party liability	Proportional
Marine (cargo)	Proportional
Marines (hulls)	Proportional
Marines (hull- fleets)	Proportional
Maritime (retention protection)	Not Proportional
Motor (third-party liability)	Not Proportional
Motor (own damage)	Not Proportional
Personal accidents	Not Proportional
Personal accidents	Proportional
Personal Accident (Loan Protection)	Proportional
Workers' compensation	Not Proportional
Agro	Proportional

Life Insurance	Type of reinsurance
Life Mortgage Loan	Proportional
Life Group	Proportional
Individual Life	Proportional
Life VTCC2.0	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
Life Contributive Group & Non-Contributive Group	Proportional
Banif Life Treasury Management	Proportional
Capitalisation / PPR	Proportional

The sensitivity analysis of the insurance risk, taking its main conditioning factors into account, is as follows:

(in TEUR)

Area of analysis	Scenarios	Impact on pre-tax income 2017	2016
Cost of claims	5% increase of the year's costs of claims, net of reinsurance	(34 349)	(29 731)
Expenses	10% increase of operating costs, net of reinsurance	(24 827)	(21 188)
Mortality	10% decrease of the mortality of the insured of life business	770	(2 883)
Life expectancy	Decrease of 10% in mortality of current Works Accid. pensioners	(7 023)	(6 891)

The risks of changes in the cost of claims and in general expenses stems from the influence exercised on these items either for reasons of greater occurrence of cost-generating facts, inflation or lesser internal efficiency.

The longevity risk covers uncertainty as to effective losses caused by insured people living longer than expected. It can be more relevant in, for example, the mathematical pensions in the Workers' Compensation segment.

The longevity risk is managed through the price, the subscription policy and regular review of the mortality tables used to define the prices and to set aside provisions accordingly. When the conclusion is that the longevity is greater than assumed in the mortality tables, supplementary provisions are set aside and the tables are updated.

It should be noted that for the purposes of sensitivity analysis of the life Mortality risk, future premiums are not taken into account.

NATURE AND EXTENT OF THE MARKET RISK, CREDIT RISK, LIQUIDITY RISK, CURRENCY RISK AND OPERATING RISK

Market Risk

Market risk is normally associated with the risk of loss or occurrence of adverse alterations to the Group's financial position. It is the result of the level or volatility of the market prices of financial instruments, and is also closely related with the mismatching-risk between assets and liabilities, for which the Group has implemented an ALM policy.

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

Market-risk management lies within the scope of the Investments Policy, under the rules of allocation of assets by class and type of issue, and is undertaken through the Financial Committee structure. The investment policies adopted by the Group, duly formalised in a special document, are governed by prudent risk-acceptance levels and portfolio diversification, taking the evolution of the financial markets into account

It should also be pointed out that Investment Policy in force at the Group defined by the Finance Committee, in conjunction with the limits set by the Overall Risk Management Committee and approved by the Board of Managers, and there is therefore effective segregation of competence in this matter.

Exchange-Rate Risk

The exchange-rate risk stems from the volatility of exchange rates against the euro and the sensitivity analysis is as follows:

(in TEUR)

		Impact on pre-tax income	
Area of analysis	**Scenarios**	**2017**	**2016**
Currency	10% depreciation of the value of all foreign currencies against EUR	(5 089)	(3 316)

The segregation of the financial instruments exposure is as follows:

(in TEUR)

2017	**EUR**	**USD**	**GBP**	**Others**	**Total**
Available-for-sale financial assets	1 114 687	-	-	565	1 115 252
Investments in associates and joint ventures	35 769	-	-	-	35 769
Term deposits	7 000	4 113	-	23 010	34 123
Financial assets at fair value through profit or loss	165 369	155 704	43 154	2 675	366 902
Financial assets held for trading	4 211	-	-	-	4 211
Held-to-maturity investments	-	-	-	-	-
Total holdings and financial instruments	**1 327 036**	**159 817**	**43 154**	**26 250**	**1 556 257**

(in TEUR)

2016	**EUR**	**USD**	**GBP**	**Others**	**Total**
Available-for-sale financial assets	1 333 715	-	-	574	1 334 289
Investments in associates and joint ventures	65 365	-	-	-	65 365
Term deposits	13 003	3 607	-	14 861	31 471
Financial assets at fair value through profit or loss	72 256	24 295	5 233	-	101 784
Financial assets held for trading	483	-	-	-	483
Held-to-maturity investments	-	-	-	-	-
Total holdings and financial instruments	**1 484 822**	**27 902**	**5 233**	**15 435**	**1 533 392**

The currency risk of Financial Assets accounted at fair value through the profit and loss is fully covered through forward contracts for which there is a permanent roll over in place. As such, the exchange rate risk is nil for this class of assets.

Equities Risk

The equity risk stems from the volatility of the market prices of equities, and only the systematic risk is measured, in that the non-systematic is taken into account in the concentration risk.

Stock market securities held by the Group are exposed to this risk, as are the investment funds consisting wholly or partly of such securities. The sensitivity analysis is as follows:

(in TEUR)

		Impact on income and fair-value reserves before tax	
Area of analysis	**Scenarios**	**2017**	**2016**
Equities	10% decrease of stock-market values	(19 915)	(23 127)

Real-Estate Risk

The real-estate risk is caused by the volatility of real-estate market prices. The sensitivity analysis is as follows:

(in TEUR)

Area of analysis	Scenarios	Impact on pre-tax income 2017	Impact on pre-tax income 2016
Properties	10% decrease in the value of real estate and real estate funds	(9 518)	(24 632)

Interest-rate Risk

Interest-rate risk is inherent in all assets and liabilities whose value is sensitive to alterations of the time frame or to interest-rate volatility. In risk-exposure terms, as far as assets are concerned, this applies mainly to bonds.

Liabilities are exposed through Workers' Compensation pensions, not mandatorily redeemable, and through life insurance mathematical reserves.

A scenario of rising interest rates is the one that implies loss of value for the Group.

(in TEUR)

Area of analysis	Scenarios	Impact on income and fair-value reserves before tax 2017	Impact on income and fair-value reserves before tax 2016
Interest rate	100 b.p. decrease of the interest-rate curve - Effect on Assets	101 406	95 853
	100 b.p. increase of the interest-rate curve - Effect on Assets	(77 500)	(83 178)

(in TEUR)

Area of analysis	Scenarios	Impact on pre-tax income 2017	Impact on pre-tax income 2016
Interest rate	10 b.p. decrease of the interest-rate curve - Effect on Liabilities	(46 157)	(51 672)
	10 b.p. increase of the interest-rate curve - Effect on Liabilities	29 705	25 025

In 2016, this analysis does not include the Açoreana Seguros, SA, effect, since the technical provisions were recognised at fair value at the time of acquisition (Note 32).

Spread Risk

The spread risk reflects the volatility of credit spreads across the risk-free interest-rate curve. Securities exposed to this risk are mainly corporate bonds.

(in TEUR)

Rating	2017 %	2017 value	2016 %	2016 value
AAA	17%	220 449	22%	254 397
AA	30%	381 579	20%	235 255
A	10%	123 616	10%	117 332
BBB	28%	356 868	33%	385 669
BB	6%	73 535	11%	125 002
B	3%	36 631	2%	19 916
CCC	0%	1 473	0%	527
Unrated	8%	98 722	4%	35 900
Total	**100%**	**1 292 873**	**100%**	**1 173 998**

These figures do not include deposits, because they are understood to lie outside the scope of analysis for the risk involved.

Concentration Risk

Concentration risk refers to the additional volatility inherent in highly concentrated portfolios and to partial or total losses through issuer default. The breakdown of their distribution by sectors of activity is as follows:

(in TEUR)

Sector of activity	2017 %	2017 Gross Amount	2016 %	2016 Gross Amount
Basic resources	1%	10 608	1%	17 330
Communications	3%	39 043	3%	42 334
Consumables (cyclic)	2%	26 053	2%	34 169
Consumables (non-cyclic)	4%	60 494	4%	50 899
Energy	2%	32 050	3%	45 703
Financial	16%	239 971	15%	206 340
Funds	11%	164 676	12%	175 251
Public debt	51%	761 237	50%	712 136
Industrial	5%	74 693	3%	45 088
Medicine	1%	9 846	0%	1 918
Technology	1%	10 946	0%	5 174
Public / collective services	4%	67 382	5%	69 084
Other	0%	5 858	0%	6 713
	100%	**1 502 857**	**100%**	**1 412 139**

The figures include the headings of Investments in associates and joint ventures, Financial assets held for trading, Financial assets classified on initial recognition at fair value through profit or loss and Available-for-sale assets and loan capital and ancillary capital contributions under the Loans heading. The Available-for-sale assets heading does not include real-estate investment funds for reasons of consistency with the non-inclusion in this breakdown of investments in Land & buildings.

These figures do not include deposits, because they are understood to lie outside the scope of analysis for the risk involved.

Liquidity Risk

The liquidity risk stems from the possibility that the Group may not hold assets of sufficient liquidity to meet cash-flow requirements to fulfil its obligations to policyholders and other creditors as they fall due. It should be pointed out that to mitigate this risk the Group prepares a cash-flow plan on a monthly basis, adjusted weekly to its cash requirements/surpluses.

The breakdown of the maturity and estimated flows of the assets and liabilities subject to this type of risk, as at December 31, 2017 & 2016 is as follows:

(in TEUR)

2017	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Without maturity	Total
Financial assets	63 428	140 430	75 657	360 088	1 017 741	251 197	1 908 541
Financial liabilities and mathematical reserve	38 841	97 733	80 305	310 557	334 960	1 755	864 151
	24 587	**42 697**	**(4 648)**	**49 531**	**682 781**	**249 442**	**1 044 390**

(in TEUR)

2016	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Without maturity	Total
Financial assets	83 358	90 115	49 980	343 346	923 572	306 069	1 796 440
Financial liabilities and mathematical reserve	17 357	55 260	94 870	309 103	426 410	5 689	908 689
Net	**66 001**	**34 855**	**(44 890)**	**34 243**	**497 162**	**300 380**	**887 751**

Credit Risk

The credit risk corresponds to the possible losses through default or through deterioration of the counterparties' credit levels that mitigate the existing risk, such as reinsurance contracts or derivatives, amounts receivable from brokers and other exposures to credit not considered in the spread risk.

One of the control procedures involves systematic monitoring of the amounts and age of overdue premiums. In the selection of depository banks and of reinsurers their ratings are taken into account and their evolution is periodically monitored throughout the year.

The breakdown of the balances of deposits is as follows:

(in TEUR)

	2017		2016	
Rating	%	value	%	value
AAA	0%	-	0%	-
AA	0%	-	0%	-
A	37%	53 774	27%	31 893
BBB	5%	7 407	3%	4 095
BB	0%	330	14%	16 403
B	0%	20	4%	4 166
CCC	26%	36 995	18%	21 678
Unrated	32%	46 054	34%	39 822
Total	**100%**	**144 580**	**100%**	**118 057**

The breakdown of the debtor balances of the reinsurers, without deduction of impairment, is as follows:

(in TEUR)

	2017		2016	
Rating	%	value	%	value
AAA	0%	-	0%	-
AA	44%	23 460	40%	5 806
A	55%	29 327	53%	7 639
BBB	0%	-	0%	-
BB	0%	-	0%	-
B	0%	-	0%	-
CCC	0%	-	0%	-
Unrated	1%	238	7%	950
Total	**100%**	**53 025**	**100%**	**14 395**

Operational Risk

Operational risk is the risk of major losses stemming from inadequacy or failures in processes, people or systems, or external events, within the scope of the Group's day-to-day business, and it can be subdivided into the following categories:

- intentional professional malpractice (internal fraud);
- illicit activities carried on by third parties (external fraud);
- practices related with human resources and safety at work;
- customers, products and commercial practices;
- external events causing damage to physical assets;
- interruption of the business and systems failures;
- Risks related with business processes.
- Legal risk

Strategic Risk

Strategic Risk is the risk arising from strategic decisions. We define Strategic Risk as the risk of taking inadequate business decisions, implementing decisions in an improper manner or not being able to adapt to changes in the operating environment. As a general rule, the Strategic Risk is a risk that arises in conjunction with other risks, but it may also arise as an individual risk.

Reputation Risk

Reputation Risk is the risk arising from possible damage to the reputation of the companies, resulting in a negative perception by the public (for example, among customers, business partners, shareholders or supervisory authorities). Like the strategic risk, reputation risk is one that arises in conjunction with other risks, but it may also arise as an individual risk.

Systemic Risk

The risk of destabilisation of the financial system or market with consequences in terms of assets, interest rates, exchange rates, affecting the economy as a whole.

Emerging Risks

Existing risks or those that may arise that are difficult to quantify and have high loss potential. Characterised by a high degree of uncertainty, where even basic information is scarce, which would support a proper evaluation of the frequency and severity of a given risk.

Mitigation measures

As the Group's main mitigation measures and in the light of the risks detailed above we would underscore the following:

- existence of a Code of Conduct;
- constant updating of internal rules and of procedures manuals;
- implementation of internal and external fraud-prevention policies and procedures:
- implementation of measures related with security in access to the owner-occupied properties;
- implementation of measures related with security in accessing databases and information systems;
- definition and implementation of the human-resources management policy;
- existence of training programmes covering knowledge recycling;
- training employees who interact directly with customers;
- implementation and documentation of a disaster-recovery plan and performance of periodic tests and simulation in respect of the plan;
- implementation and documentation of a business-continuity plan, as well as procedures allowing the recuperation of critical business activities and functions.

SOLVENCY

In 2015 the Solvency II Directive (Directive 2009/138/EC of the European Parliament and of the Council of November 25) on access to insurance and reinsurance business and the exercise thereof, and respective amendments were transposed to Portuguese law through Law 147/2015 of September 9, 2015, which set the date of entry into force of the new Solvency II legislation as January 1, 2016.

The Group monitors solvency in accordance with the new regime in force. In keeping with legislation, the definitive solvency-margin data and more detailed information on Risk Management will be publicly disclosed during the month of June 2018 through the solvency and financial-situation report.

ADEQUACY OF PREMIUMS AND PROVISIONS

With regard to the adequacy of the premiums and provisions an annual analysis is performed of the technical bases and of the actuarial principles and rules used to construct the pricing of the insurance. To the extent reasonably predictable, a check is performed of the adequacy of the premiums charged, on a prudent actuarial basis, so as to cover the commitments assumed by the Group stemming from claims associated with the insurance in question.

In general terms, the Group's provisions policy is of a prudential nature, using actuarially-recognised methods and complying with legal rules and regulations.

BUSINESS RATIOS

The main Non-Life business ratios, gross of reinsurance, are as follows:

(%)	2017	2016
a) Claims ratio	78,3%	75,3%
b) Acquisition ratio	21,2%	20,7%
c) Administrative ratio	8,0%	8,6%
Combined ratio	**107,5%**	**104,6%**

a) (Costs of claims + imputed costs + variation of technical provisions + Other costs - technical income) / premiums earned.
b) (Acquisition brokerage remuneration + imputed costs + variation of deferred acquisition costs) / gross premiums written
c) (Administrative brokerage remuneration + imputed costs) / gross premiums written

The main Life business ratios, gross of reinsurance, are as follows:

(%)	2017	2016
Claims / Premiums (IFRS 4)	191,9%	240,7%
Benefits Paid / Deposits Received (IAS 39)	2176,8%	1797,3%
Acquisition Costs / (Premiums + Deposits Received)	26,3%	11,3%
Administrative Costs / (Premiums + Deposits Received)	16,7%	5,4%

AMOUNTS RECOVERABLE ON CLAIMS

The amounts recoverable in respect of payments made against claims, stemming from the acquisition of rights or the obtaining of ownership, and the risk of failure to collect them are included under the following headings and involve the following amounts:

(in TEUR)	2017	2016
Receivables	4 469	9 864
Adjustment of doubtful loans	(2 410)	(2 059)
Net total	**2 059**	**7 805**

As far as acquisition of legal ownership of the insured goods is concerned, the amounts are included under the following heading and are as follows:

(in TEUR)	2017	2016
Salvage	80	51
Other stocks	-	-
Inventories	**80**	**51**

Note 6 - Liabilities for Investment Contracts and Other Financial Liabilities

The movements under liabilities for investment contracts are as follows:

(in TEUR)

	Financial without profit-sharing	Unit Linked	PPR Unit Linked	Capitalisation Operations Unit Link	Total
Balances as at 31 December 2015	**138 321**	**8 428**	**30 898**	**-**	**177 647**
Changes to the consolidation perimeter	314	124	43	1 032	1 514
Additional liabilities in the year, net of commissions	796	168	201	-	1 164
Amounts paid	(5 776)	(1 734)	(3 674)	(984)	(12 168)
Technical interest	103	93	150	251	597
Other movements	(17 398)	-	254	-	(17 144)
Balances as at 31 December 2016	**116 360**	**7 078**	**27 872**	**300**	**151 610**
Additional liabilities in the year, net of commissions	585	-	-	-	585
Amounts paid	(13 911)	-	8	-	(13 903)
Technical interest	5 128	-	9	-	5 137
Other movements	20	-	(505)	(31)	(516)
Balances as at 31 December 2017	**108 182**	**7 078**	**27 384**	**269**	**142 913**

The figures for Other movements in 2017 and 2016 relate to reclassifications of products that now have provision for discretionary profit sharing.

The amount of the financial liabilities of Unit Linked contracts, totalling €34,731k, (2016: €35,250k) corresponds to level 2 of the valuation method, in accordance with the levels prescribed in IFRS 13, since they are financial instruments valued in accordance with (non-adjusted) prices available on official markets and with prices quoted by entities that provide transaction prices of liquid markets.

The breakdown of gains and losses on financial liabilities for investment contracts is as follows:

(in TEUR)

	2017			2016		
	Gain	Loss	**Balance**	Gain	Loss	**Balance**
Carried at fair value through profit or loss	**5 906**	**(2 131)**	**3 775**	**6 434**	**(2 923)**	**3 510**
Capitalisation	3 881	(727)	3 154	4 118	(1 050)	3 068
PPR	2 025	(1 404)	621	2 316	(1 873)	443
Carried at amortised cost	**-**	**(4 080)**	**(4 080)**	**-**	**(4 107)**	**(4 107)**
Capitalisation	-	(3 454)	(3 454)	-	(3 233)	(3 233)
PPR	-	(626)	(626)	-	(874)	(874)
Total	**5 906**	**(6 211)**	**(305)**	**6 434**	**(7 031)**	**(597)**

The amounts carried in the financial statements also include the amounts of Notes 17 and 18, so the analysis should be performed in conjunction with these notes.

The breakdown of Other financial liabilities is as follows:

(in TEUR)

	2017	2016
Other financial liabilities		
Deposits received from reinsurers	400	11.722
Bank loans	-	-
Derivatives	1.006	
Trade creditors	-	-
Subordinated liabilities	-	8.540
Other	18.710	15.018
Book value	**20.116**	**35.280**

Deposits received from reinsurers represent the amount of bond posted by reinsurers as a result of acceptance of risks and of the receipt of premiums arising from the reinsurance-ceded business.

The figures for Other recorded in 2017 & 2016 have to do with financial transactions in the settlement stage taking into account their value dates and also derivative financial instruments of negative value. The breakdown of the Derivatives figures is provided in Note 7.

The breakdown and detail of the subordinated financial liabilities is as follows:

(in TEUR)

	2016		
	Amount	Rate	Maturity
Bond Loan	8 540	1,283%	17/12/17

Note 7 - Financial Instruments

The detailed inventory of holdings and financial instruments is presented at the end of the notes to the consolidated financial statements in Appendix 1, and can be summarised as follows:

(in TEUR)

	2017	2016
Available-for-sale financial assets	1 115 252	1 334 289
Investments in associates and joint ventures	35 769	65 365
Term deposits	34 123	31 471
Financial assets at fair value through profit or loss	366 902	101 784
Financial assets held for trading	4 211	483
Held-to-maturity investments	-	-
Total holdings and financial instruments	**1 556 257**	**1 533 392**
Other financial assets	8 878	17 158
Total financial assets	**1 565 135**	**1 550 550**

In 2017, Appendix 1 takes into consideration €1,006k in respect of derivative financial instruments having a negative value that are carried in the balance sheet under Other financial liabilities under Liabilities (Note 6).

In 2017, Term deposits include an amount of €24,893k (2016: €16,029k) related to deposits from Tranquilidade – Corporação Angolana de Seguros, S.A. with Angolan banks denominated mostly in Angolan Kwanzas, with a term of less than one year.

Investments in associates are detailed in Note 4, while information on the remaining financial instruments is provided throughout this Note 7.

FINANCIAL ASSETS CLASSIFIED IN THE INITIAL RECOGNITION AT FAIR VALUE THROUGH PROFIT OR LOSS

This heading includes securities that, as provided for in IAS 39 and in accordance with the option taken and the documented risk-management strategy, the Group considers (i) to be managed and their performance measured on the basis of their fair value, and/or (ii) or contain embedded derivative instruments.

The breakdown of the balance of this type of asset is as follows:

(in TEUR)

	2017	2016
Bonds & other fixed-income securities		
Public issuers'	53 800	21 677
Other issuers'	136 825	63 264
Corporate loans	110 418	13 493
Equities	-	-
Other floating-rate securities	65 859	3 350
Book value	**366 902**	**101 784**
Acquisition cost	365 645	101 131

As at December 31, 2017, this heading includes fixed income securities with embedded derivatives in the sum of €8,508k (2016: €13,132k).

Additionally, this heading includes hybrid fixed-income securities in the sum of €2,922k (2016: €7,252k). These securities are valued at their fair value determined on the basis of the prices indicated by the sources used by the Group for the entire instrument, in accordance with the market conditions prevailing on the reporting date.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The breakdown of this type of asset is as follows:

	2017	2016
Bonds & other fixed-income securities		
Public issuers'	717 454	691 009
Other issuers'	272 923	384 555
Equities	5 330	23 831
Other floating-rate securities	119 545	234 894
Book value	**1 115 252**	**1 334 289**

(in TEUR)

The breakdown of the final balance sheet figures as at December 31, 2017 & 2016, is as follows:

(in TEUR)

	Amortised or acquisition cost	Accrued interest	Fair-value reserve	Impairment	**Book value**
Bonds & other fixed-income securities					
Public issuers'	682 919	8 809	(719)	-	691 009
Other issuers'	375 951	7 724	880	-	384 555
Equities	22 826	-	2 534	(1 529)	23 831
Other floating-rate securities	230 770	-	4 369	(245)	234 894
Balance as at December 31, 2016	**1 312 466**	**16 533**	**7 064**	**(1 774)**	**1 334 289**
Bonds & other fixed-income securities					
Public issuers'	710 587	9 317	(2 450)	-	717 454
Other issuers'	257 396	5 306	10 221	-	272 923
Equities	5 689	-	698	(1 057)	5 330
Other floating-rate securities	117 784	-	5 294	(3 533)	119 545
Balance as at December 31, 2017	**1 091 456**	**14 623**	**13 763**	**(4 590)**	**1 115 252**

As at December 31, 2017, Other floating-rate securities include €17,694k, relating to the Group's participations in real-estate investment funds (2016: €23,554k).

Movements under impairment losses are as follows:

(in TEUR)

	2017	2016
Balance as at January 1	**1 774**	**5 753**
Appropriations of the year	3 949	2 108
Cancellations for the period for sale of assets	(1 133)	(6 087)
Written back in the year	-	-
Changes to the consolidation perimeter	-	-
Balance as at December 31	**4 590**	**1 774**

The impairments recorded in profit or loss through adjustment of fair value in investments, segregated by the respective categories, are as follows:

(in TEUR)

	2017	2016
Bonds & other fixed-income securities	-	-
Equities & other floating-rate securities	(3 949)	(2 108)
	(3 949)	**(2 108)**

FINANCIAL ASSETS/LIABILITIES HELD FOR TRADING

The breakdown of the balance of this type of assets and liabilities is as follows:

(in TEUR)

	2017		2016	
	Fair value	Notional value	Fair value	Notional value
Derivatives - forward and swap contracts - Asset	4 211	289 859	483	26 307
Derivatives - forward and swap contracts - Liability	(1 006)	169 505	(1 040)	19 160
Book value	**3 205**	**459 364**	**(557)**	**45 467**

Investments made by the Group are predominantly in euros, although its portfolio does contain some transactions expressed in other currencies. In this way, though always with the authorisation of its Financial Committee, the Group entered into several exchange-rate hedge contracts for its investments in foreign currency.

Though they do not provide perfect hedging, these exchange-rate hedges endeavour to cover the exchange-rate risk on the principal and interest through successive renovation throughout the year, using swap and forward mechanisms for the purpose. Changes in the fair value of these derivative instruments are recognised directly profit or loss, since the Group does not use hedge accounting in that the requirements set out for the purpose by IAS 39 have not been met.

Contracts with positive fair value are carried under Assets, under Financial assets held for trading and contracts with negative fair value they are carried under Liabilities, under Other financial liabilities – Other.

HELD-TO-MATURITY INVESTMENTS

As at December 31, 2017 & 2016, no assets are classified in this category. Nevertheless, it should be pointed out that during 2014, the Group sold assets of this category without complying with the requirements of IAS 39 ("tainting"). On this basis, and up to the end of 2016, the Group cannot have assets classified in this category.

OTHER FINANCIAL ASSETS

Besides the financial instruments described above, the Group also has other assets, as follows:

(in TEUR)

	2017	2016
Loans granted	4 851	8 508
Deposits at cedent companies	2	2
Other	4 025	8 648
Total of other financial assets	**8 878**	**17 158**

In 2017 and 2016, the figures for Other are in respect of financial transactions pending settlement, taking their value dates into account.

The breakdown of Other financial assets as at December 31, 2017 & 2016, is as follows:

(in TEUR)

	Acquisition cost	Impairment	Book value
Other financial assets			
Loan capital	3 125	-	3 125
Loans	20 383	(15 000)	5 383
Other financial assets	8 650	-	8 650
Balance as at December 31, 2016	**32 158**	**(15 000)**	**17 158**
Other financial assets			
Loan capital	-	-	-
Loans	19 851	(15 000)	4 851
Other financial assets	4 027	-	4 027
Balance as at December 31, 2017	**23 878**	**(15 000)**	**8 878**

Impairment losses under Loans correspond to the whole of the cash loan to Espírito Santo Financial Portugal, SGPS, SA.

Movements under impairment losses are as follows:

(in TEUR)

	2017	2016
Balance as at January 1	**15 000**	**15 000**
Appropriations during the year	-	-
Cancelations in the year for derecognition	-	-
Written back during the year	-	-
Balance as at December 31	**15 000**	**15 000**

The breakdown of loans granted as at December 31, 2017 & 2016, is as follows:

(in TEUR)

	2017	2016
Loan capital	-	3 125
Loans to employees	1 922	2 483
Other loans	1 750	1 750
Shareholder's loan	1 179	1 150
Total loans granted	**4 851**	**8 508**

As of December 31, 2016, the value of the loan capital is in respect of loans granted to Imocrescente - Closed Real Estate Investment Fund.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

The breakdown of the fair value of financial assets and liabilities carried at amortised cost is as follows:

(in TEUR)

	2017		2016	
	Fair value	Book value	Fair value	Book value
Cash & cash equivalents and sight deposits	110 627	110 627	90 397	90 397
Loans & receivables	43 001	43 001	48 629	48 629
Other debtors for insurance & other operations	143 978	143 978	86 615	86 615
Other	124 571	124 571	131 617	131 617
FINANCIAL ASSETS AT AMORTISED COST	**422 177**	**422 177**	**357 258**	**357 258**
Financial liabilities on investment contracts	151 328	142 913	145 981	151 610
Other financial liabilities	20 116	20 116	35 280	35 280
Other creditors for insurance & other operations	109 357	109 357	68 671	68 671
FINANCIAL LIABILITIES AT AMORTISED COST	**280 801**	**272 386**	**249 932**	**255 561**

The fair value of the financial liabilities of investment contracts is estimated contract by contract using the best estimate of the assumptions to project the expected future cash flows and the risk-free interest rate on the issue date.

For the other ones, taking into account the fact that these are short-term assets and liabilities, their balance as at the reporting date is considered a reasonable estimate of their fair value.

With regard to the valuation method used, according to the levels prescribed in IFRS 13, all financial instruments carried at amortised cost are Level 3, except Cash and cash equivalents and sight deposits, which are Level 1.

VALUATION METHODS

Financial instruments are stratified according to the levels prescribed in IFRS 13, described as follows:

- Level 1 - Financial instruments measured according to (unadjusted) prices available on official markets having quotations disclosed by entities providing transaction prices in liquid markets.
- Level 2 - Financial instruments measured using internal valuation methods that mainly consider parameters and variables observable in the market.
- Level 3 - Financial instruments measured in accordance with internal valuation methodologies considering parameters or variables not observable in the market, having a significant impact on the valuation of the instrument and prices provided by third parties whose parameters are not observable in the market.

The breakdown of the value of the financial instruments stratified by the measurement method used, in accordance with the levels prescribed in IFRS 13, is as follows:

(in TEUR)

	2017			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	**1 020 866**	**65 277**	**29 109**	**1 115 252**
Securities & equity paper	80 263	20 366	18 916	119 545
Equities & other floating-rate securities	2 021	659	2 650	5 330
Bonds & other fixed-income securities				
Public issuers'	680 294	29 617	7 543	717 454
Other issuers'	258 288	14 635	-	272 923
Financial assets at fair value through profit or loss	**181 472**	**75 007**	**110 423**	**366 902**
Securities & equity paper	3 035	4 135	58 689	65 859
Equities & other floating-rate securities	-	-	-	-
Bonds & other fixed-income securities				
Public issuers'	53 800	-	-	53 800
Other issuers'	124 637	12 188	-	136 825
Corporate loans	-	58 684	51 734	110 418
Financial assets held for trading	**-**	**4 211**	**-**	**4 211**
Securities & equity paper	-	-	-	-
Equities & other floating-rate securities	-	-	-	-
Bonds & other fixed-income securities				
Public issuers'	-	-	-	-
Other issuers'	-	-	-	-
Derivatives	-	4 211	-	4 211
Total Financial Assets	**1 202 338**	**144 495**	**139 532**	**1 486 365**
Derivatives	-	(1 006)	-	(1 006)
Total Financial Liabilities	**-**	**(1 006)**	**-**	**(1 006)**

(in TEUR)

	2016			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	**1 303 808**	**574**	**29 907**	**1 334 289**
Securities & equity paper	207 892	-	27 002	234 894
Equities & other floating-rate securities	20 926	-	2 905	23 831
Bonds & other fixed-income securities				
Public issuers'	690 435	574	-	691 009
Other issuers'	384 555	-	-	384 555
Financial assets at fair value through profit or loss	**42 777**	**56 255**	**2 752**	**101 784**
Securities & equity paper	3 077	-	273	3 350
Equities & other floating-rate securities	-	-	-	-
Bonds & other fixed-income securities				
Public issuers'	21 677	-	-	21 677
Other issuers'	18 023	45 210	31	63 264
Corporate loans	-	11 045	2 448	13 493
Financial assets held for trading	**-**	**483**	**-**	**483**
Securities & equity paper	-	-	-	-
Equities & other floating-rate securities	-	-	-	-
Bonds & other fixed-income securities				
Public issuers'	-	-	-	-
Other issuers'	-	-	-	-
Derivatives	-	483	-	483
Total Financial Assets	**1 346 585**	**57 312**	**32 659**	**1 436 556**
Derivatives	-	(1 040)	-	(1 040)
Total Financial Liabilities	**-**	**(1 040)**	**-**	**(1 040)**

In 2016 and 2017 there were no transfers between levels.

The reconciliation of Level 3 assets is as follows:

(in TEUR)

	31 Dec 2016	Potential gains	Purchases	Sales	Impairments	Gains realised	31 Dec 2017
Available-for-sale financial assets	**29 907**	**(1 744)**	**10 558**	**(7 814)**	**(3 519)**	**2 205**	**29 593**
Securities & equity paper	27 002	(1 907)	2 656	(7 814)	(3 226)	2 205	**18 916**
Equities & other floating-rate securities	2 905	85	437	-	(293)	-	**3 134**
Bonds & other fixed-income securities							
Public issuers'	-	78	7 465	-	-	-	**7 543**
Other issuers'	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	**2 752**	**(815)**	**173 600**	**(64 739)**	-	**(375)**	**110 423**
Securities & equity paper	273	(566)	99 077	(39 889)	-	(206)	**58 689**
Equities & other floating-rate securities	-	-	-	-	-	-	-
Bonds & other fixed-income securities							-
Public issuers'	-	-	-	-	-	-	-
Other issuers'	31	-	-	(31)	-	-	-
Corporate loans	2 448	(249)	74 523	(24 819)	-	(169)	**51 734**

The Securities and units dealt with in this level include €14,583k in respect of units in closed-end investment funds (2016: 20,715k) and €4,551k in respect of private equity funds (2016: 6,183k), whose fair value resulted from the publication of the Total Net Value of the Fund (TNVF) determined by the management companies.

The assets of these funds results from a diverse set of assets and liabilities carried in the respective accounts at fair value, using the internal methodologies of the management company. Since it is not feasible to present a sensitivity analysis of the various components of the respective assumptions used by the entities, the impact of a +/-10% change to the TNVF and corporate loans, in 2017 and 2016, is detailed as follows:

(in TEUR)

2017		Impact on profit or loss for the period		Impact on the fair-value reserve de justo valor	
Area of analysis	**Assets type**	**10% rise**	**10% decrease**	**10% rise**	**10% decrease**
Investment fund	Closed real estate investment funds	-	-	1 458	(1 458)
Investment fund	Private equity funds	22	(271)	433	(184)
Loans	Corporate loans	5 173	(5 173)	-	-

(in TEUR)

2016		Impact on profit or loss for the period		Impact on the fair-value reserve de justo valor	
Area of analysis	**Assets type**	**10% rise**	**10% decrease**	**10% rise**	**10% decrease**
Investment fund	Closed real estate investment funds	-	-	2 072	(2 072)
Investment fund	Private equity funds	-	-	618	(618)
Loans	Corporate loans	245	(245)	-	-

NOTE 8 - CASH, CASH EQUIVALENTS & SIGHT DEPOSITS

The balance of this heading is as follows:

(in TEUR)

	2017	2016
Cash in hand	170	1 309
Deposits at credit institutions	110 457	89 088
Total	**110 627**	**90 397**

At the end of 2016, the Bank of Mozambique abolished the Nosso Banco banking institution, withdrawing its right to carry on its business in the country. The Group's two insurance companies Tranquilidade Moçambique Companhia de Seguros Vida, SA, and Tranquilidade Moçambique Companhia de Seguros, SA, had deposits with this institution amounting to €15k.

An impairment loss was recorded in 2016 for that amount, but as the repayment of the amount occurred by the Deposit Guarantee Fund at the end of 2017, the impairment was fully cancelled.

NOTE 9 - LAND & BUILDINGS

As mentioned in note 3 above, land and buildings held by the Group are valued using the cost model in the case of the owner-occupied properties in keeping with the option provided for by IAS 16, and using the fair-value model in the case of investment properties, in keeping with the procedure laid down in IAS 40. Regardless of the measurement model, valuations are performed on all properties on a regular basis.

Valuations of land and buildings are performed with a view to obtaining the presumed transaction value, usually the market value (fair value), that is, the price at which the land or building could be sold, on the valuation date, by private agreement between an independent, interested seller and buyer, it being understood that the property is subject to a public offer on the market, that the conditions thereof allow a regular and orderly sale, and that there is a normal period of time to negotiate the sale, taking the nature of the property into account.

These valuations are performed using a weighted combination of the "Market Comparison" and "Income" valuation methods. The respective values lead to alterations of the fair value of investment properties (real estate held for income) and are used for the purpose of impairment tests of the tangible assets (owner-occupied properties).

The "Market Comparison" method is based on market evidence, which involves market research on properties comparable to the one subject to valuation, the values being based on an analysis of transactions involving similar properties. The "Income" method consists of determining the value of the land or building on the basis of the ratio between the effective annual rent and an appropriate capitalisation rate.

Income properties that are transferred to non-current assets held for sale and discontinued operations under IFRS 5 are valued in accordance with the amounts described in the promissory purchase and sale contracts, less possible selling costs.

As provided for by IFRS 13 - Fair value measurement, valuations of land and buildings maximise use of observable market data. However, since the valuations in general also consider non-observable data, the fair value of the Group's land and buildings is classified at level 3 of the fair-value hierarchy defined by IFRS 13.

The Group believes that the land and buildings it owns are subject to their greatest and best use, and therefore the valuations carried out to ascertain the respective fair value are prepared taking into account their current use, as laid down by IFRS 13 - Fair value measurement.

Land and buildings are classified as Owner-occupied properties when used in the Group's operational activity and as investment properties in other cases. In those cases that, since their use is shared, warrant classification as mixed, and each part analysed and measured separately. The valuers responsible for the valuation of the assets are duly certified for the purpose and are registered with the CMVM.

Fair-value model

The breakdown of balances and movements involving Investment Properties in both years is as follows:

(in TEUR)

Investment properties - Income-generating Buildings	2017	2016
Net Balance as at January 1	**43 891**	**76 706**
Changes to the consolidation perimeter	-	40 327
Increases through acquisition	-	-
Increases through improvements	-	92
Transfers to assets to be discontinued	(34 939)	(72 344)
Transfers to investment properties	7 697	-
Written off/Sales	(9 959)	(6 472)
Variations of fair value	(6 424)	5 582
Net Balance as at December 31	**266**	**43 891**

During 2016, the changes to the consolidation perimeter are in respect of the acquisition of Açoreana Seguros, SA, as mentioned in Note 4.

All income properties held directly by the Group are intended to generate rents, even if for some reason rent is not charged; there are no properties for the sole purpose of appreciation.

The amount of Transfers in 2017 has to do with real-estate assets that the Group intends to sell, and the respective processes are expected to be finalised during 2018. Due to this fact they were transferred to Non-current Assets held for sale and discontinued operations (Note 11).

The amount of Transfers referred to in 2016 is primarily in respect of real-estate assets in respect of which, in December of that year, the Group entered into two promissory purchase and sale contracts the date of conveyance of which was scheduled for a date subsequent to December 31, 2016, or also of other assets that the Group intends to sell. Due to this fact they were transferred to Non-current Assets held for sale and discontinued operations (Note 11).

The breakdown of rental properties in keeping with their ability to generate income is as follows:

	2017	2016
		(in TEUR)
Properties that generate rental income	220	20 339
Properties that generate no rental income	46	23 552
Total	**266**	**43 891**

The amounts recognised in profit & loss in respect of the income and costs of investment properties are as follows:

	2017	2016
		(in TEUR)
Rental income	**1 207**	**4 490**
Operating costs	**465**	**250**
- on properties that generate rental income	75	123
- on properties that do not generate rental income	390	127

Cost model

The breakdown of Owner-occupied properties as at December 31, 2017 & 2016, is as follows:

	2017	2016
		(in TEUR)
Gross value	**2 877**	**35 818**
Accumulated depreciation and impairments	(230)	(392)
Net Balance as at December 31	**2 647**	**35 426**

Movements under Owner-occupied properties in both years is as follows:

Tangible assets - Own Service Buildings	2017	2016
		(in TEUR)
Net Balance as at acquisition date of subsidiary	**35 426**	**36 058**
Changes to the consolidation perimeter	(272)	33 178
Additions through acquisition	-	543
Increases through improvements	-	21
Transfers to assets to be discontinued	(15 789)	(32 911)
Transfers to investment properties	(7 697)	-
Written off/Sales	(667)	(123)
Impairments - [(Allocation)/Use]	(8 590)	-
Depreciation charges for the period	(550)	(850)
Currency translation differences	785	(490)
Net Balance as at December 31	**2 647**	**35 426**

The amount of Transfers in 2017 has to do with real-estate assets that the Group intends to sell, and the respective processes are expected to be finalised during 2018. Due to this fact they were transferred to Non-current Assets held for sale and discontinued operations (Note 11).

The amount of Transfers referred to in 2016 is in respect of real-estate assets in respect of which, in December of that year, the Group entered into two promissory purchase and sale contracts the date of conveyance of which was scheduled for a date subsequent to December 31, 2016, or also of other assets that the Group intends to sell. Due to this fact they were transferred to Non-current Assets held for sale and discontinued operations (Note 11).

The final carrying amount in 2016 corresponds to the fair value of the respective assets taking into account the valuation methodology used in the process of acquisition of Açoreana Seguros, SA.

NOTE 10 - OTHER TANGIBLE FIXED ASSETS AND INVENTORIES

Besides the owner-occupied properties referred to Note 9, the Group has other tangible assets measured using the cost model, details of which, as at December 31, 2017 & 2016, are as follows:

(in TEUR)

	2017	2016
Equipment	**50 666**	**50 318**
Office equipment	5 722	5 704
Machines and tools	2 056	2 033
IT Hardware	34 680	34 607
Indoor fixtures & fittings	2 686	2 685
Leased buildings expenditure	4 208	3 853
Transport material	561	578
Other tangible assets	752	858
Fixed assets in progress	**2 051**	**-**
Accumulated depreciation	**(47 519)**	**(45 783)**
Impairments	-	-
Total	**5 198**	**4 535**

The breakdown of movements under this heading, in net value, under this heading, is as follows:

(in TEUR)

	Equipment	Fixed assets in progress	Total
Balance as at January 1, 2016	**5 422**	**13**	**5 435**
Additions	831	-	831
Transfers	-	(14)	(14)
Depreciation charges for the period	(1 697)	-	(1 697)
Written off/Sales	(1 261)	(13)	(1 274)
Changes to the consolidation perimeter	1 240	14	1 254
Balance as at December 31, 2016	**4 535**	**-**	**4 535**
Changes to the consolidation perimeter	(52)	-	(52)
Additions	320	2 051	2 371
Depreciation charges for the period	(1 778)	-	(1 778)
Written off/Sales	(83)	-	(83)
Currency translation differences	1	-	1
Hyperinflationary effect - IAS 29	205	-	205
Balance as at December 31, 2017	**3 147**	**2 051**	**5 198**

Mention is also made of the fact that there are other assets fundamentally related with salvage, which, in 2017, amount to €78k (2016: €49k).

NOTE 11 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONAL UNITS

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

The breakdown of the balance of Non-current Assets held for sale and discontinued operations is as follows:

(in TEUR)

	Buildings - Income	Buildings - Owner occupied	Total
Balance as at January 1, 2016	**-**	**-**	**-**
Transfers	71 113	32 893	104 006
Fair value changes	-	-	-
Written off/Sales	-	-	-
Balance as at December 31, 2016	**71 113**	**32 893**	**104 006**
Transfers	34 939	15 788	50 727
Fair value changes	(4 719)	1 139	(3 580)
Written off/Sales	(52 347)	(24 229)	(76 576)
Balance as at December 31, 2017	**48 986**	**25 591**	**74 577**

The amount of Transfers in 2017 has to do with real-estate assets that the Group intends to sell, and the respective processes are expected to be finalised during 2018. (Note 9). At the end of April 2018, a promissory agreement was signed for the purchase and sale of a group of real estate assets held by the former Açoreana S.A. from which no relevant impacts are expected in the financial statements.

The 2016 figures relate to real-estate assets that were transferred from Income Properties and Owner-occupied Properties, in respect of which, in December of that year, the Group entered into two promissory purchase and sale contracts, the conveyance having been scheduled for a date subsequent to December 31, 2016, or to other assets that the Group intends to sell.

The properties that were transferred to this item in 2016 and 2017 under IFRS 5 were valued according to the values described in the proposals or in the promissory notes of the purchase or sale, or deducted from possible disposal costs, with the exception of amounts of Owner-occupied properties in 2016, where the fair value was €42,817k.

NOTE 12 - INTANGIBLE ASSETS

All intangible assets are measured using the cost method. With the exception of goodwill, all the estimated useful lives are finite, 5 years for the development of computer applications (straight-line amortisation), 3 years for software (straight-line amortisation) and duration until maturity of the respective portfolio acquired and non-linear amortisation, in the case of Value in force (ViF).

As at December 31, 2017, goodwill corresponds just to the positive difference between the acquisition cost and the fair value attributable to the respective net assets acquired, in the amount of €65,981k thousand euros, in respect of the acquisition on August 5, 2016, of Açoreana Seguros, SA. (Note 32).

In 2017 a Goodwill impairment test was performed, based on the business plan, using the discounted cash flow method, in the basis of which there was no sign of impairment of the Goodwill. The key assumptions used were:

- discount rate: 10%;
- in perpetuity growth rate of the cash flows: 2%;
- free cash-flow: on the basis of the excess over the capital ratio target (125%).

As at December 31, 2017, the Value in Force (ViF) corresponds to the acquisition cost of the contractual positions resulting from acquired contracts, including all rights, obligations and guarantees emerging therefrom in the amount, net of amortisation, of:

- €5,353k in respect of the acquisition in 2006 of the policy portfolio relating to the traditional broker channel from GNB - Companhia de Seguros de Vida, SA;
- €311k in respect of the acquisition in 2014 of the policy portfolio relating to the traditional broker channel from the branch in Portugal of A.M.A. - Agrupación Mutual Aseguradora, Mútua de Seguros a Prima Fija;
- €2,619k, related to the acquisition in 2016 of the life policy portfolio of Açoreana Seguros, SA.

These assets are written down over the period of recognition of the income associated with the acquired contracts. As stated and provided for in the accounting policies, the Group conducted a review of the recoverable amount of the ViF of the portfolio acquired in 2006 from GNB - Companhia de Seguros de Vida, having concluded that an impairment loss existed in the amount of €18,498k.

The breakdown of Goodwill and Other intangible assets is as follows:

(in TEUR)

	2017	2016
Goodwill	**65 981**	**65 981**
Other intangibles	**144 436**	**143 246**
Software development costs	74 275	71 384
Software	12 970	12 263
Intangibles in progress	355	2 763
Value in force	56 836	56 836
Accumulated amortisation	**(110 575)**	**(101 394)**
Impairments	(18 498)	(20 627)
	81 344	**87 206**

Movements in both years are as follows:

(in TEUR)

	Goodwill	Other intangibles	Software development costs	Software	Intangibles in progress	Value in force	Total
Balance as at January 1, 2016	**651**	**37 772**	**5 648**	**1 033**	**1 566**	**29 525**	**38 423**
Additions	65 981	9 669	(97)	712	3 462	5 592	75 650
Depreciation for the year	-	(8 606)	(2 109)	(1 539)	-	(4 958)	(8 606)
Impairments	-	(20 627)	-	-	-	(20 627)	(20 627)
Transfers	-	-	1 991	1 819	(3 810)	-	-
Writtten off / Sales	-	(112)	-	(6)	(106)	-	(112)
Changes to the consolidation perimeter	(651)	3 129	9	1 539	1 651	(70)	2 478
Balance as at December 31, 2016	**65 981**	**21 225**	**5 442**	**3 558**	**2 763**	**9 462**	**87 206**
Additions	-	6 440	42	481	5 917	-	6 440
Amortisation charges for the period	-	(9 196)	(5 448)	(440)	-	(3 308)	(9 196)
Impairments	-	2 129	-			2 129	2 129
Transfers	-	(5 283)	3 042	-	(8 325)	-	(5 283)
Written off/Sales	-	-	-	-	-	-	-
Changes to the consolidation perimeter	-	(2)	-	(2)	-	-	(2)
Hyperinflationary effect - IAS 29	-	51	-	51	-	-	51
Balance as at December 31, 2017	**65 981**	**15 363**	**3 078**	**3 648**	**355**	**8 283**	**81 344**

The outstanding balance of the value in force will be amortised as follows:

(in TEUR)

	2018	2019	2020	2021	Subsequent	Total
Estimated amortisation	1 401	1 239	1 453	444	3 746	**8 283**

Amortisation of intangible assets is allocated to items of the profit & loss account as follows:

(in TEUR)

	2017	2016
Amortisation of intangible assets for the period:	**9 196**	**8 606**
Costs of claims, net of reinsurance		
Amounts paid - Gross amounts	1 602	738
Net operating costs & expenses		
Acquisition costs	3 096	1 852
Administrative costs	4 175	6 015
Financial Costs		
Other	323	1

NOTE 13 – OTHER ASSETS, LIABILITIES, ADJUSTMENTS AND PROVISIONS

Assets and adjustments

The breakdown of the balance of Receivables for direct insurance operations is as follows:

(in TEUR)

	2017	2016
Gross assets	**72 522**	**64 885**
Policyholders		
Receipts pending collection	55 465	46 471
- reimbursement of claims	7 317	12 554
Insurance brokers	1 915	445
Co-insurers	7 825	5 415
Adjustments	**(9 180)**	**(9 020)**
Receipts pending collection	(4 239)	(3 820)
Doubtful debt	(4 941)	(5 200)
Net Assets	**63 342**	**55 865**

Reimbursements required in respect of payments made as a result of claims occurring during the guarantees suspension period and not yet received amount to €4,416k (2016: 9,828k euros).

The breakdown of the balance of Account Receivables for reinsurance operations is as follows:

(in TEUR)

	2017	2016
Gross assets	**53 025**	**14 395**
Reinsurers	53 025	14 395
Reinsured	-	-
Adjustments	**(3 980)**	**(1 384)**
Doubtful debt	(3 980)	(1 384)
Net Assets	**49 045**	**13 011**

The breakdown of the balance of Account Receivables for other operations is as follows:

(in TEUR)

	2017	2016
Gross assets	**39 013**	**25 422**
Related entities	1 245	282
Real-estate operations	553	-
IFAP	2 397	22
FAT	1 222	1 228
Management on account of IDS and Principals	5 153	3 214
Performance bonds	1 446	1 190
Rents & other amounts pending collection	943	5 880
Staff	390	396
Advances to suppliers	124	330
Clients	8 508	5 593
Other receivables	17 032	7 287
Adjustments	**(7 422)**	**(7 683)**
Doubtful debt	(7 422)	(7 683)
Net Assets	**31 591**	**17 739**

As of December 31, 2017, the balance of "Customers" includes the amount of €6,780k (2016: €4,220k) related to receivables from customers of ADV Angola - Planos e Sistemas de Saúde, Lda, having its registered office in Angola, an entity wholly owned by the subsidiary AdvanceCare Health International.

Movements in respect of adjustments to Receivables are reflected in Impairment losses – Other, in the profit & loss account, and are broken down as follows:

(in TEUR)

Adjustment of receipts pending collection	2017	2016
Balance as at January 1	**3 820**	**6 520**
Appropriations for the year	409	44
Use for the year	10	(1 964)
Changes to the consolidation perimeter	-	(780)
Balance as at December 31	**4 239**	**3 820**

Adjustment of doubtful loans		
Balance as at January 1	**14 267**	**4 235**
Appropriations for the year	2 076	139
Use for the year	-	(575)
Changes to the consolidation perimeter	-	10 468
Balance as at December 31	**16 343**	**14 267**

The balance of accruals and deferrals under Assets is as follows:

(in TEUR)

	2017	2016
Accrued income	**1 501**	**1 800**
- Services rendered	1 499	904
- Financial Income on Reinsurance Ceded	-	-
- Other accruals	2	896
Deferred costs	**1 742**	**2 429**
- Insurance	72	52
- Rentals	284	17
- Acquisition costs	1 095	2 084
- Other deferred costs	291	276
- Outsourcing	-	-
Total	**3 243**	**4 229**

The balance of Other items of assets primarily has to do, essentially, with investment contracts marketed by the Group but whose assets are operationally managed by GNB – Seguros Vida, their breakdown being as follows:

(in TEUR)

	2017	2016
Balance as at January 1	**131 617**	**146 352**
Deposits received	520	717
Benefits paid	(12 414)	(19 419)
Technical interest for the year	4 848	3 967
Balance as at December 31	**124 571**	**131 617**

Liabilities and provisions

The breakdown of the balance of Payables for direct insurance operations under Liabilities is as follows:

(in TEUR)

	2017	2016
Policyholders (return premiums payable)	4 367	5 225
Insurance brokers	0	0
- Commissions payable	3 575	4 151
- Current accounts	4 026	3 394
Co-insurers	8 755	11 963
Advances	14 408	4 031
Total	**35 131**	**28 764**

The breakdown of the balance Payables for reinsurance operations under Liabilities is as follows:

(in TEUR)

	2017	2016
Reinsurers	56 409	23 319
Reinsured	12	16
Total	**56 421**	**23 335**

The breakdown of the balance of Payables for other operations under Liabilities is as follows:

(in TEUR)

	2017	2016
Related entities	1 866	266
Suppliers of leased goods	-	-
Other suppliers of goods & services	5 492	6 908
IFAP	1 013	2 569
WA Pensions	1 571	2 743
Bank loans	1 675	-
Other payables	5 908	4 040
Commissions and other charges payable	280	46
Total	**17 805**	**16 572**

The balance of accruals and deferrals under Liabilities is as follows:

(in TEUR)

	2017	2016
Deferred income	**4 754**	**3 589**
- Rentals	187	215
- Billed services	4 567	3 374
Accrued costs	**60 168**	**40 906**
- Staff costs (subsidies, charges & bonuses)	34 135	9 654
- Acquisition costs (incentives & commissions)	10 654	7 712
- Third-party supplies & services	13 704	20 000
- Services rendered to related companies	-	-
- Other	1 675	3 540
Total	**64 922**	**44 495**

The breakdown of Other provisions under Liabilities and respective movements are as follows:

(in TEUR)

	2017	2016
Taxes	2 257	1 677
Other adjustments	1 001	-
Other risks	819	75
Total	**4 077**	**1 752**

(in TEUR)

	2017	2016
Balance as at January 1	**1 752**	**5 980**
Appropriations for the period	2 925	407
Use for the year	(600)	(5 905)
Change to the consolidation perimeter	-	1 270
Balance as at December 31	**4 077**	**1 752**

In 2017, the Group set aside provisions for i) a possible contingency with Social Security in the amount of €2,257k in respect of differences of interpretation of contributions payable on some variable remunerations in respect of past years and ii) contractual contingencies relating to the sale of properties in the amount of €750k.

In 2016 the Group subscribed to the Special Programme for the Reduction of Debt to the State (PERES), which allowed the pardon of interest in those cases referred to above, and it therefore book as income the interest that was recorded here for the sake of prudence at the end of 2015, in the amount of about €2.2 million. Besides this income, there were other amounts of interest relating to the 2016 fiscal year that, together with some differences compared to the final amount pardoned, resulted in a total gross positive effect of approximately €2.7 million.

Still in 2016 the value of Use of the year is explained by the full reversal of provisions constituted in 2015 aimed at essentially safeguarding eventual liabilities arising from operations in Africa.

These movements are included in Other provisions (change) of the statement of income.

NOTE 14 - INSURANCE CONTRACT PREMIUMS

The breakdown of gross premiums written, changes of the unearned premiums (UPR) provision, and the earned direct insurance and reinsurance accepted premiums is as follows:

(in TEUR)

Businesses/ Groups of Businesses	2017 Gross premiums written	2017 UPR change	2017 Premiums earned	2016 Gross premiums written	2016 UPR change	2016 Premiums earned
Life						
Traditional	41 103	457	40 646	36 131	282	35 849
With-profits capitalisation	14 191	-	14 191	16 825	-	16 825
Non-life						
Accidents & Health	230 666	2 944	227 722	150 043	(5 639)	155 682
Fire & other damage	106 407	(912)	107 319	83 299	(3 596)	86 895
Motor	298 981	7 812	291 169	212 500	(684)	213 184
Marine, air and transport	6 367	(358)	6 725	5 915	(366)	6 281
General third-party liability	17 318	(73)	17 391	12 131	(1 282)	13 413
Credit and fidelity insurance	79	(23)	102	59	(11)	70
Legal protection	199	(8)	207	1 771	(94)	1 865
Assistance	37 007	209	36 798	17 365	(53)	17 418
Sundry	2 883	(202)	3 085	3 103	54	3 049
Total	**755 201**	**9 846**	**745 355**	**539 142**	**(11 389)**	**550 531**

The breakdown of gross premiums written, of variation of the unearned premiums reserve (UPR) and of the earned premiums, in reinsurance ceded, is as follows:

(in TEUR)

Businesses/ Groups of Businesses	2017 Premiums written	2017 UPR change	2017 Premiums earned	2016 Premiums written	2016 UPR change	2016 Premiums earned
Life						
Traditional	4 765	3	4 762	3 248	(29)	3 277
Non-life						
Accidents & Health	7 729	445	7 284	3 210	405	2 805
Fire & other damage	41 657	(2 406)	44 063	35 183	(2 085)	37 268
Motor	1 172	(6)	1 178	5 146	(68)	5 214
Marine, air and transport	2 923	(268)	3 191	3 241	(189)	3 430
General third-party liability	1 866	40	1 826	1 574	(40)	1 614
Credit and fidelity insurance	22	(11)	33	16	2	14
Legal protection	28	(3)	31	95	2	93
Assistance	26 532	1 170	25 362	15 830	198	15 632
Sundry	2 858	(101)	2 959	2 960	(7)	2 967
Total	**89 552**	**(1 137)**	**90 689**	**70 503**	**(1 811)**	**72 314**

Details of some amounts in respect of Non-Life direct insurance and reinsurance accepted, for 2017, are as follows:

(in TEUR)

Businesses/ Groups of Businesses	Gross premiums written	Gross premiums earned	Gross cost of claims	Gross operating costs	Balance of reinsurance
Accidents & Health	230 641	227 861	194 175	60 081	(4 084)
Fire & other damage	106 268	106 905	100 037	42 031	17 727
Motor					
-Third-party liability,	185 305	181 356	149 808	49 911	987
- Other covers	113 662	109 783	84 452	34 800	(621)
Marine, air and transport	6 334	6 680	2 187	2 594	(1 478)
General third-party liability	17 300	17 363	9 887	6 972	(1 114)
Credit and fidelity insurance	79	102	(18)	22	(41)
Legal protection	199	208	16	37	(31)
Assistance	37 007	36 798	19	7 004	(24 846)
Sundry	2 855	3 060	1 368	1 046	(1 533)
Total	699 650	690 116	541 931	204 498	(15 034)
Reinsurance accepted	258	402	132	(64)	1 028
Grand total	699 907	690 518	542 063	204 434	(14 006)

Details of some amounts in respect of Non-Life direct insurance and reinsurance accepted, for 2016, are as follows:

(in TEUR)

Businesses/ Groups of Businesses	Gross premiums written	Gross premiums earned	Gross cost of claims	Gross operating costs	Balance of reinsurance
Accidents & Health	149 979	156 300	159 363	40 349	(2 694)
Fire & other damage	83 138	86 242	40 995	27 406	(13 670)
Motor					
-Third-party liability,	134 941	136 435	95 487	35 872	(4 171)
- Other covers	77 187	76 371	57 985	24 388	(1 242)
Marine, air and transport	5 862	6 201	1 949	1 706	(2 032)
General third-party liability	12 111	13 389	3 299	4 584	(2 044)
Credit and fidelity insurance	62	73	(40)	12	9
Legal protection	1 771	1 865	25	402	(93)
Assistance	17 365	17 418	2	3 784	(14 262)
Sundry	3 073	3 023	2 493	693	17
Total	485 490	497 317	361 558	139 196	(40 182)
Reinsurance accepted	697	540	(597)	970	2 311
Grand total	486 186	497 857	360 961	140 166	(37 871)

Some amounts of the Life business line are as follows:

(in TEUR)

	2017	2016
Gross direct insurance written and reinsurance accepted premiums	**55 294**	**52 956**
In respect of personal contracts	36 127	36 917
In respect of group contracts	19 167	16 039
	55 294	**52 956**
Periodic	44 385	41 193
Non-periodic	10 909	11 763
	55 294	**52 956**
On without-profits contracts	31 709	28 696
On with-profits contracts	23 585	24 260
	55 294	**52 956**
Balance of reinsurance	**(820)**	**490**

NOTE 15 - INSURANCE CONTRACT COMMISSIONS RECEIVED

The insurance contracts issued by the Group in respect of which there is only the transfer of a financial risk without discretionary profit sharing, including fixed-income capitalisation products and products in which the investment risk is borne by the policyholder are classified as investment contracts and accounted for as a liability, the subscription, management and redemption commissions thereof being recorded as revenues and calculated fund by fund in accordance with the general conditions of each product.

NOTE 16 – INVESTMENT INCOME/REVENUE AND EXPENDITURE

The accounting policies adopted for the recognition of income and costs in respect of investments are addressed in Note 3.

The balance of the Income and of the Gains & losses on associates headings, segregated by the various types of income, is as follows:

(in TEUR)

	2017	2016
Interest	**21 550**	**19 546**
Available-for-sale financial assets	13 086	14 047
Financial assets at fair value through profit or loss	7 459	2 713
Held-to-maturity investments	-	-
Deposits, loans & other assets	1 005	2 786
Rents	**3 064**	**4 490**
Land & buildings	3 064	4 490
Dividends	**4 288**	**3 731**
Financial assets at fair value through profit or loss	3	-
Available-for-sale financial assets	4 285	3 731
Net income of associates	**5 570**	**5 459**
Total	**34 472**	**33 226**

The breakdown of Income by type of asset is as follows:

(in TEUR)

	2017	2016
Bonds & other fixed-income securities		
Public issuers'	6 431	5 157
Other issuers'	13 704	11 604
Corporate loans	410	-
Equities	6 681	6 454
Other floating-rate securities	3 177	2 840
Properties	3 064	4 490
Deposits	800	2 388
Loans & other assets	205	293
Total	**34 472**	**33 226**

The breakdown of Financial costs is as follows:

(in TEUR)

	2017	2016
Costs imputed to the investments function	4 542	3 719
Direct operating costs	571	937
Total	**5 113**	**4 656**

NOTE 17 - GAINS & LOSSES REALISED ON INVESTMENTS

The amounts carried under net gains of financial and non-financial assets and liabilities, segregated by category, are as follows:

(in TEUR)

	2017			2016		
	Gain	Loss	Balance	Gain	Loss	Balance
Financial - Not at fair value	**11 532**	**(2 454)**	**9 078**	**9 346**	**(10 385)**	**(1 039)**
Available-for-sale financial assets	11 513	(1 952)	9 561	8 097	(9 536)	(1 439)
Investments in associates and joint ventures	19	(502)	(483)	1 249	(849)	400
Financial - At fair value	**11 778**	**(7 616)**	**4 162**	**(355)**	**(1 673)**	**(2 028)**
Financial assets at fair value through profit or loss	1 583	(1 167)	416	(355)	(1 673)	(2 028)
Financial assets held for trading	10 195	(6 449)	3 746	-	-	-
Non-financial	**493**	**(330)**	**163**	**7 177**	**-**	**7 177**
Land & buildings - Own use	4	(143)	(139)	-	-	-
Land & buildings - Held for income	489	(187)	302	7 177		7 177
Non-current assets classifies as held for sale	**18 012**	**(3 300)**	**14 712**	**-**	**(1 249)**	**(1 249)**
Land & buildings - Owner occupied	11 746	-	11 746	-	-	-
Land & buildings - Income	6 266	(3 300)	2 966	-	(1 249)	(1 249)
Total	**41 815**	**(13 700)**	**28 115**	**16 168**	**(13 307)**	**2 861**

The 2017 figures for Investments in associates and joint ventures are in respect of the gain on the sales of CRIA - Centro de Reabilitação Integrada de Acidentes and of GIGA - Grupo Integrado de Gestão de Acidentes, respectively a gain of €19k and a loss of €68k.

During 2016, losses on investments in associates and joint ventures are in respect of the loss on sale of Espírito Santo Contact Center, SA, (Note 7).

The amounts Financial assets managed by third parties have to do with the return generated by the assets operationally managed by GNB – Seguros Vida, SA, relating to Non Unit-Linked investment contracts marketed by the Group.

In addition to the amounts of gains and losses realised on investments, the amounts carried in the financial statements include the technical interest of financial liabilities carried at amortised cost amounting to -€4,080k (2016: -€4,107k), as shown in Note 6.

NOTE 18 - GAINS & LOSSES STEMMING FROM ADJUSTMENTS TO THE FAIR VALUE OF INVESTMENTS

The breakdown of gains and losses stemming from adjustments to the fair value of investments is as follows:

(in TEUR)

	2017			2016		
	Gain	Loss	Balance	Gain	Loss	Balance
Financial - At fair value	**8 613**	**(4 327)**	**4 286**	**3 546**	**(3 480)**	**66**
Financial assets at fair value through profit or loss	5 330	(3 775)	1 555	3 546	(3 480)	66
Financial assets managed by third parties	3 283	(552)	2 731			-
Non-financial	**7 017**	**(22 030)**	**(15 013)**	**13 686**	**(11 629)**	**2 057**
Land & buildings - Held for income	7 017	(13 441)	(6 424)	13 686	(11 629)	2 057
Land & buildings - Own use	-	(8 589)	(8 589)	-	-	-
Total	**15 630**	**(26 357)**	**(10 727)**	**17 232**	**(15 109)**	**2 123**

The amounts Financial assets managed by third parties have to do with the return generated by the assets operationally managed by GNB – Seguros Vida, SA, relating to Non Unit-Linked investment contracts marketed by the Group.

In addition to the amounts of fair-value adjustment gains and losses on investments, the amounts carried in the financial statements include the technical interest of financial liabilities carried at fair value through profit or loss amounting to €3.775k (2016: €3,510k), as shown in Note 6.

NOTE 19 - GAINS & LOSSES ON CURRENCY TRANSLATION DIFFERENCES

This heading includes the results of the exchange-rate revaluation of monetary assets and liabilities expressed in foreign currency in accordance with the accounting policy described in Note 3, except those that stem from financial instruments measured at fair value though profit or loss.

The balance is broken down as follows:

(in TEUR)

	2017			2016		
	Gain	Loss	**Balance**	Gain	Loss	**Balance**
Available-for-sale financial assets	1 040	(1 040)	-	2 544	(2 224)	320
Financial assets held for trading	15	(5 295)	(5 280)	427	(813)	(386)
Other	779	(2 413)	(1 634)	2 345	(3 128)	(783)
Total	**1 834**	**(8 748)**	**(6 914)**	**5 317**	**(6 165)**	**(849)**

Note 20 – Other Income, Expenses and variation of Other Provisions

The breakdown of the balance of Other technical income/expense, net of reinsurance, is as follows:

(in TEUR)

	2017	2016
Other technical income	**9 263**	**7 387**
Co-insurance management commissions	499	141
Claims management charges	-	9
Management on account of claims	8 764	7 236
Other technical expense	**(13 067)**	**(10 340)**
Co-insurance management commissions	(515)	(585)
Management on account of claims	(12 552)	(9 755)
Value of gains & losses	**(3 804)**	**(2 953)**

The breakdown of the Other income/expense heading is as follows:

	2017	2016
		(in TEUR)
Other non-technical income	**25 109**	**52 081**
Reimbursement of taxes	4 898	212
Other gains	6 109	22 320
Interest & other financial gains	44	369
Services provided	14 031	29 121
Gains on disposal of tangible assets	28	59
Other non-technical expense	**23 379**	**51 281**
Donations	198	113
Sponsorship	67	74
Gifts for customers	42	171
Fines	40	15
Subscriptions	2 359	16
Contractual terminations	1 895	-
Services provided	9 653	20 291
Other expenses	8 460	30 345
Banking services & default interest	665	256
Value of gains & losses	**1 730**	**800**

Income for services rendered refer mostly to the operating income of Group entities other than insurers, while the expenses for services rendered refer mostly to staff costs and third-party supplies and services of these entities.

In 2017, Other expenses include the impact of the application of IAS 29 in the amount of €2,015k.

In 2016, Other expenses include about of €5.5 million of tax costs paid within the scope of the merger and respective inclusion of real-estate assets and other tangible assets, about which an application for exemption was delivered, which in case of acceptance by the Tax Authority will result in a revenue of like amount.

In 2017 the Group received partial approval of this reimbursement in the amount of €4.9 million, which is the justification for the amount under Reimbursement of Taxes. While the approval was not for the full amount, consideration is to be given to a judicial claim for the remaining €0.6 million.

In 2016, Other expenses also includes the cost of social security contributions of about €0.6 million in respect of past years, settlement of which is being claimed through the courts.

Also in 2016, Other gains primarily include about €2.5 million of income as a result of the Group have subscribed to the Special Plan to Reduce Debt to the State (PERES), which allowed the pardon of €2.2 million of interest and €0.3 million of other associated costs. Other gains also include about €0.9 million in respect of excess income tax estimates in past years.

NOTE 21 - SUNDRY COSTS BY FUNCTION AND NATURE OF EXPENSE

Costs carried under Costs by nature of expense to be imputed are not shown directly in the profit & loss account, in that they are distributed to the Group's four main functions and are reflected in and distributed to the following headings:

- Claims Function: Claims costs - Gross amounts paid
- Acquisition Function: Operating costs and expenses – Acquisition costs
- Administrative Function: Operating costs and expenses – Administrative costs
- Investment Function: Financial costs - Other

The process of imputing costs by nature of expense is in keeping with the following criteria, depending on the case:

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

The breakdown of these expenses and their distribution using the classification based on their function as at December 31, 2017 & 2016, is as follows:

(in TEUR)

	Cost of claims		Acquisition costs		Administrative costs		Cost of investments		Other costs not allocated		**Total 2017**	
Staff costs	23 541	23%	43 928	43%	29 716	29%	1 379	1%	3 156	3%	101 720	100%
Third-party supplies & services	9 151	15%	23 400	39%	20 535	34%	697	1%	6 816	11%	60 600	100%
Taxes	691	12%	9	0%	4 979	84%	231	4%	-	0%	5 910	100%
Depreciation	1 967	17%	3 842	33%	4 961	43%	394	3%	360	3%	11 524	100%
Other costs	7	0%	11	1%	145	7%	1 841	92%	-	0%	2 004	100%
Total	**35 358**	**19%**	**71 190**	**39%**	**60 337**	**33%**	**4 542**	**2%**	**10 332**	**6%**	**181 759**	**100%**

(in TEUR)

	Cost of claims		Acquisition costs		Administrative costs		Cost of investments		Other costs not allocated		**Total 2016**	
Staff costs	11 734	22%	23 922	45%	16 042	30%	630	1%	369	1%	52 697	100%
Third-party supplies & services	6 705	11%	18 925	32%	17 802	30%	525	1%	14 745	25%	58 702	100%
Taxes	864	18%	11	0%	3 684	78%	153	3%	-	0%	4 712	100%
Depreciation	1 292	12%	2 785	25%	6 503	58%	309	3%	265	2%	11 154	100%
Other costs	(135)	-8%	(219)	-14%	(156)	-10%	2 102	132%	-	0%	1 592	100%
Total	**20 460**	**11%**	**45 424**	**32%**	**43 875**	**30%**	**3 719**	**2%**	**15 379**	**29%**	**128 857**	**100%**

Staff costs are detailed in Note 22.

The breakdown of Third-party supplies & services is as follows:

(in TEUR)

	2017	2016
Electricity and water	696	701
Fuel	636	407
Office material, stationery, etc.	205	186
Gift articles	629	630
Office equipment & property maintenance	389	404
Hardware maintenance	5 974	2 676
Rents	4 397	4 139
Operational rental of vehicles & other rentals	2 280	1 104
Travel & entertainment costs	1 207	1 118
Telephone communications and networks	480	938
Post	3 095	2 006
Insurance	312	191
Retainers & fees	1 600	231
Advertising & marketing	4 967	5 330
Cleaning, hygiene and comfort	569	566
Surveillance and security	185	272
Outsourcing, consultancy & specialised work	21 627	22 468
Software services & development	7 745	2 792
Subscriptions	882	404
Premium collection	1 379	798
Broker training	64	177
Temporary work	161	51
Other sundry supplies & services	1 122	11 113
Total	**60 600**	**58 702**

The breakdown of Taxes and charges is as follows:

(in TEUR)

	2017	2016
VAT borne	-	5
Insurance Authorities levy	1 785	1 219
FAT levy	1 866	1 750
Municipal property tax	7	103
Fee for the General Secretariat of the MAI (Home Affairs)	1 815	1 182
Portuguese Green Card Office levy	103	65
Other taxes, fees and licenses	334	388
Total	**5 910**	**4 712**

The breakdown of the Amortisation charges is as follows:

(in TEUR)

	2017	2016
Software development costs	4 094	2 109
Software	294	1 539
Other intangible assets	4 808	4 958
IT Hardware	718	749
Owner-occupied properties	550	850
Office equipment & machines	210	312
Indoor facilities	124	91
Leasing	-	1
Other equipment	726	545
Total	**11 524**	**11 154**

The breakdown of the Other costs is as follows:

(in TEUR)

	2017	2016
Interest on reinsurers' deposits	60	(520)
Interest on financial leases	104	-
Securities' custody & management and other commissions	1 840	2 112
Total	**2 004**	**1 592**

The breakdown of Net operating costs and expenses is as follows:

(in TEUR)

	2017	2016
Acquisition costs		
Brokerage remuneration	79 720	53 982
Imputed costs insurance companies	71 190	45 424
Other acquisition costs	**15 951**	**9 238**
Deferred acquisition costs (change)	(3 576)	1 409
Administrative costs		
Brokerage remuneration	5 022	3 282
Imputed costs insurance companies	60 337	42 991
Other administrative costs	-	751
Reinsurance commissions & profit-sharing	(13 979)	(12 488)
Total	**214 665**	**144 589**

NOTE 22 - STAFF COSTS

The breakdown of average number of workers in the Group's service by professional category is as follows:

	2017	2016
Senior managers	29	49
Managers	42	156
Co-ordinators	149	299
Technicians	468	252
Specialists	458	528
Ancillary staff	17	34
Total	**1 163**	**1 318**

Staff costs are detailed as follows:

(in TEUR)

	2017	2016
Remuneration - Corporate officers	2 512	1 856
Remuneration - Personnel	47 071	36 018
Charges on remuneration - Corporate officers	413	342
Charges on remuneration - Personnel	11 601	7 900
Post-employment benefits - Defined-benefit pension plans	397	-2 856
Other employee long-term benefits	1 071	37
Employment termination benefits	35 610	6 205
Mandatory insurance	1 061	1 754
Social welfare costs	1 110	1 013
Training	392	178
Other staff costs	482	251
Total	**101 720**	**52 697**

The 2017 amount of Employment termination benefits includes both the amounts already incurred and also those estimated in respect of the restructuring process approved by the Board of Directors in the wake of the merger process at the end of 2016, which has also been submitted to and approved by the Ministry for Labour, Solidarity and Social Security.

In 2017 Staff costs include a cost in respect of individual retirement plans amounting to €1,071k (2016: €806k), of which €425k (2016: €367k) relate to the governing bodies. As at December 31, 2017 & 2016, the Group had no loans or advances extended to corporate officers.

The remunerations paid to the Governing Bodies in 2017 are as follow:

(thousand euros)

	Remuneration		Total
	Fixed	Variable	
Board of Directors			**2 326**
Gustavo Alexander P.T. Mesquita Guimarães (Chair)	150,0	-	150,0
Alexander Wallace Humphreys (Member)	-	-	-
Augusto Tomé Pires Fernandes Pedroso (Member) (1)	225,6	180,0	405,6
Gernot Wilhelm Friedrich Lohr (Member)	-	-	-
Jan Adriaan de Pooter (Member)	400,0	341,0	741,0
Nuno Miguel Pombeiro Gomes Diniz Clemente (Member) (1)	275,0	150,0	425,0
Pedro Luís Francisco Carvalho (Member)	275,0	238,0	513,0
Gonçalo Fernando S Marques Oliveira	91,4	-	91,4
Board of Auditors			**110,0**
Luís Maria Viana Palha da Silva (Chair)	50,0	-	50,0
Manuel Maria de Paula Reis Boto (Full Member)	30,0	-	30,0
Pedro Manuel Aleixo Dias (Full Member)	30,0	-	30,0
Sandra Maria Simões Filipe de Ávila Valério (Alternate Member)	-	-	-
Total Remuneration	1 527,0	909,0	**2 436,0**

(1) The members of the corporate bodies listed above no longer hold the positions in question.

The fees billed and to be billed by KPMG e Associados, SROC, SA, the outgoing Statutory auditor, for 2017, excluding expenses and value added tax, amount to €427k, of which €378k relate to the statutory audit of the accounts (of which €100k belongs to KPMG Luxembourg as group auditor) and €49k to other reliability-guarantee services, in particular within the scope of Solvency II and of the specific procedures for the combat against money laundering and the anti-fraud policy.

NOTE 23 - OBLIGATIONS INVOLVING EMPLOYEE BENEFITS

Retirement pensions and health benefits

As stated in Note 3, some entities of the Group assume liability for the payment to its employees of benefit complements over and above the Social Security old-age and disability pensions under the terms established in the applicable Collective Bargaining Agreements (CBAs).

In accordance with the Collective Bargaining Agreement originally applicable, published in BTE nº 32 of August 9, 2008, employees covered by this agreement, admitted into the sector up until June 22, 1995, may access a pecuniary benefit complementing the pension granted by Social Security.

As stated in Note 3, those entities of the Group declared the end of the life and application of this agreement with effect from December 31, 2016, especially as regards the said supplementary defined-benefit pension plans.

There are also plans covering a number of health benefits for employees in service and pre-retirees up to normal retirement age.

As also mentioned in Note 3, on December 23, 2011, a new Insurance Collective Bargaining Agreement was approved, published in BTE nº 2 of January 15, 2012, altering a previously-defined set of benefits.

In the meantime, this Collective Bargaining Agreement was succeeded and replaced by the Collective Bargaining Agreement published in BTE nº 4 of January 29, 2016, which was the object of an extension order-in-council, published in BTE nº 25, dated July 8, 2016, which determined the application of the provisions of this agreement to all employees of those entities of the Group not affiliated with the signatory unions, except for employees affiliated with Sinapsa - National Union of Insurance and Related Professionals.

Of the changes resulting from the Collective Bargaining Agreement of 2012, which have been maintained in the new Collective Bargaining Agreement, the following are underscored:

(i) with regard to post-employment benefits, employees come to be covered by an individual defined-contribution retirement plan;

(ii) length-of-service bonus equal to 50% of the actual salary, which will be due, upon fulfilment of the respective conditions for its grant, when the employees complete one or more multiples of 5 years with the Group.

With regard to the alteration of the pension plan applicable to employees, the nature of which was changed from defined benefit to defined contribution, and taking into account that the fully-funded amount of the liabilities for past services in respect of old-age pensions payable to current employees was converted into individual accounts of these employees, forming part of their individual retirement plan, according to IAS 19, the Group settled the liability.

Since actuarial deviations are recognised in reserves, the Group had no additional impact on profit or loss and on reserves as a result of the actual settlement of the plan.

Additionally, the Group curtailed the defined-benefit pension plan of the directors that it had up until December 31, 2015. In the course of 2016 the renunciation of the plan in force was agreed between the Associate (Tranquilidade) and the participants and beneficiaries with vested rights.

These participants agreed to the transfer the amount of the funded liabilities in the pension fund, on the date of the renunciation, to subscription to an open defined-contribution pension fund. For pensioners with pensions payable, the liability is covered through the purchase of annuities, ensuring future payments.

The actuarial valuation of the retirement pensions and health benefits is performed annually at the Group, the most recent one with reference to December 31, 2017.

The main assumptions considered in the actuarial studies as at December 31, 2017 & 2016, used to determine the updated value of the liabilities of the Group Tranquilidade and GNB Seguros Vida Pension Fund for employee pensions and health benefits are as follows:

	2017	2016
Financial assumptions		
Wage growth rates	0,50%	0,25%
Pension growth rate	0,50%	0,25%
Early-retirement pension growth rate	0,50%	0,25%
Discount rate	1,00%	0,75%
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*	

The main assumptions considered in the actuarial studies as at December 31, 2017, used to determine the updated value of the liabilities of the Açoreana Seguros Pension Fund for the pensions and health benefits of employees and former directors of Global Seguros are as follows:

	2017	2016
Financial assumptions		
Wage growth rates	0,50%	0,25%
Pension growth rate	0,50%	0,25%
Discount rate	1,55%	1,75%
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*

In accordance with the accounting policy described in Note 3, the discount rate used to estimate retirement pension and health benefit liabilities is the market rate on the reporting date associated with high-rating corporate bonds having maturities similar to those of the liabilities.

As at 31 December 2017 & 2016, the number of participants covered by the defined-benefit plan was as follows:

	2017	2016
On service	59	92
Pensioners	299	319
	358	**411**

As at December 31, 2017 & 2016, the Group's liabilities for past services, according to actuarial studies carried out, as well as the funds and provisions available for the coverage thereof amounted to:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
Liabilities as at December 31	(47 585)	(357)	(47 942)	(54 003)	(770)	(54 773)
Balance of the fund as at December 31	48 179	-	48 179	51 048	-	51 048
Net assets/ (liabilities) in the balance sheet as at December 31	**594**	**(357)**	**237**	**(2 955)**	**(770)**	**(3 725)**

In 2017, the heading Assets for post-employment benefits and other long-term benefits includes, besides the amount of €237k, a deduction of the liabilities for defined-contribution benefits of €28k, thus totalling €209k.

Also in 2017, the heading Liabilities for post-employment benefits and other long-term benefits includes length-of-service bonus liabilities in the amount of €415k.

In 2016, besides the amount of €3,725k, Liabilities for post-employment benefits and other long-term benefits also includes length-of-service bonus liabilities in the amount of €766k, thus totalling €4,491k.

It should also be said that, in the past, a part of the retirement pension liabilities was transferred by the Fund to the Group through the acquisition of life assurance (annuities) policies from T-Vida, Companhia de Seguros, SA (the entity whose merger by incorporation into Seguradoras Unidas took place on December 31, 2016).

The number of pensioners (annuity recipients) covered by these policies amounts to 288 (2016: 303), and the total amount of the liability amounts to €5,877k (2016: €6,356k).

In accordance with ASF Regulatory Standard nº 5/2007-R, of April 27, insurance companies shall ensure at the end of each year:

a) full funding of the current value of pension liabilities payable, including pre-retirement and early retirement benefits up to the normal retirement age and thereafter; and

b) funding of a minimum of 95% of the current value of the liability for past services of personnel in service, excluding pre-retirees or early retirees.

As at December 31, 2017 & 2016, the Group's liabilities for pensions payable were fully financed.

The pension plan in question is non-contributory, is independent of social security and is financed by the entities of the Group's pension fund.

Given the current level of financing of the fund, no contributions are expected to be required next year. The pension fund of the entities of the Group has an average duration of about 8 years (Tranquilidade Group Pension Fund) and 9 years (Açoreana Seguros Pension Fund).

The breakdown of liabilities for retirement pensions and health benefits is as follows:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
Liabilities as at January 1	**54 003**	**770**	**54 773**	**43 359**	**706**	**44 065**
Cost of current service	216	-	216	186	27	213
Interest cost	455	14	469	557	-	557
Actuarial (gains) and losses on liabilities	(2 820)	(345)	(3 165)	(962)	(77)	(1 039)
Pensions paid by the fund	(4 150)	-	(4 150)	(3 162)	-	(3 162)
Benefits paid by the Company	-	(82)	(82)	-	(79)	(79)
Curtailment	(119)	-	(119)	(3 271)	-	(3 271)
Perimeter change	-	-	-	17 296	193	17 489
Liabilities as at December 31	**47 585**	**357**	**47 942**	**54 003**	**770**	**54 773**

The evolution of the value of the pension fund in 2017 & 2016 is as follows:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
Balance of the Fund as at January 1	**51 048**	**-**	**51 048**	**32 722**	**-**	**32 722**
Interest income	411	-	411	436	-	436
Actuarial gains & losses	1 112	-	1 112	3 129	-	3 129
Contributions paid by the fund's participants	-	-	-	-	-	-
Pensions paid by the fund	(4 150)	-	(4 150)	(3 162)	-	(3 162)
Transfers to other pension funds	(242)	-	(242)	-	-	-
Perimeter change	-	-	-	17 923	-	17 923
Balance of the fund as at December 31	**48 179**	**-**	**48 179**	**51 048**	**-**	**51 048**

The evolution of actuarial deviations recognised in the reserve is as follows:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
Deviations recognised in reserves as at January 1	**(846)**	**608**	**(238)**	**1 278**	**685**	**1 963**
Actuarial (gains) & losses						
- on liabilities	(2 820)	(345)	(3 165)	(962)	(77)	(1 039)
- on the plan's assets	(1 112)	-	(1 112)	(3 129)	-	(3 129)
Perimeter change	-	-	-	1 967	-	1 967
Deviations recognised in reserves as at December 31	**(4 778)**	**263**	**(4 515)**	**(846)**	**608**	**(238)**

The evolution of assets receivable/ liabilities deliverable in 2017 and 2016 is as follows:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
(Assets)/ liabilities receivable or payable as at January 1	**2 955**	**770**	**3 725**	**10 637**	**706**	**11 343**
Actuarial gains & losses on liabilities	(2 820)	(345)	(3 165)	(962)	(77)	(1 039)
Actuarial gains & losses of the funds	(1 112)	-	(1 112)	(3 129)	-	(3 129)
Charges for the year:						
- Cost of current service	216	-	216	186	27	213
- Net interest costs in the balance of the cover of liabilities	44	14	58	121	-	121
Contributions made in the period and pensions paid by the Company	-	(82)	(82)	-	(79)	(79)
Curtailment	123	-	123	(3 271)	-	(3 271)
Perimeter change	-	-	-	(627)	193	(434)
(Assets)/ liabilities receivable or payable as at December 31	**(594)**	**357**	**(237)**	**2 955**	**770**	**3 725**

The breakdown of the costs for the period incurred with retirement pensions and health benefits is as follows:

(TEUR)

	2017			2016		
	Retirement pensions	Benef. Health	Total	Retirement pensions	Benef. Health	Total
Cost of current service	216	-	216	186	27	213
Net interest costs in the balance of the cover of liabilities	44	14	58	121	-	121
Curtailment	123	-	123	(3 271)	-	(3 271)
Costs for the year	**383**	**14**	**397**	**(2 964)**	**27**	**(2 937)**

The sensitivity analysis and its impacts on the accumulated post-employment benefits liability, taking its main conditioning factors into account, is as follows:

(TEUR)

	2017		2016	
	+25 p.p.	-25 p.p.	+25 p.p.	-25 p.p.
Change of the discount rate of the liabilities	(581)	604	(604)	632
Change in the evolution of pensions	668	(651)	562	(539)
Change in the evolution of wages	295	(259)	248	(215)

Bearing in mind that two funds coexist as at December 31, 2017, the total assets of the pension fund are reported separately, as per the two tables.

The values of assets disclosed hereunder represent the whole of the assets of the Pension Fund of the Tranquilidade Group and of GNB Seguros Vida, of which the Group holds about 53.7% (2016: 58.7%) and can be broken down as follows:

(TEUR)

	2017	2016
Equities & other floating-rate securities	4 495	3 495
Fixed-income securities	47 016	35 674
Real estate	783	14 969
Liquidity	1 769	1 774
Other assets	100	676
	54 163	**56 588**

As at December 29, 2016, Açoreana Seguros cancelled collective subscription nº 2 to the Banif Open-end Companies Welfare Pension Fund, FP, and set up the Açoreana Seguros Pension Fund, a closed-end fund set up on December 29, 2016, retroacting its effects to January 1, 2012.

This Fund is an Autonomous Asset allocated solely to the implementation of the three Pension Plans provided for in the Pension Fund Contract (two Defined Benefit Plans and one Defined Contribution Plan) and the breakdown of their assets is as follows:

(TEUR)

	2017	2016
Equities & other floating-rate securities	4 240	3 637
Fixed-income securities	12 314	13 776
Real estate	2 786	2 803
Liquidity	1 058	656
Other assets	1 763	2 393
	22 161	**23 265**

The breakdown of the total value of the assets of the 2 funds (Tranquilidade Group Pension Fund and GNB Seguros Vida and Fundo de Pensões Açoreana Seguros) stratified by the valuation method used and accordance with the levels described in Note 7, is as follows:

(TEUR)

	2017	2016
Level 1	72 197	62 141
Level 2	1 368	15 162
Level 3	2 759	2 550
	76 324	**79 853**

The reconciliation of Level 3 assets is as follows:

	(TEUR)
	Level 3
December 31, 2016	**2 550**
Purchases	321
Disposals	(52)
Change in fair value	(60)
December 31, 2017	**2 759**

Level 3 essentially comprises the closed real-estate funds and the change of their fair value of about 10% would correspond to an estimated loss or gain of €276k.

NOTE 24 - CORPORATE TAX

The Group is subject to Corporate Income Tax (CIT) and to the Municipal Surcharge in Portugal. It is also subject to CIT and Net Wealth Tax (NWT) in Luxembourg. The corporate income tax is 19% for 2017, and taking into consideration the solidarity surtax of 7%, and including 6.75% municipal business tax rate, the overall tax rate is 27.08% in Luxembourg. The Group is incurring the minimum NWT in Luxembourg.

As mentioned in Note 3, the Group companies which have registered office in Portugal are subject to the tax regime established by the Corporation Tax Code (IRC), this tax being determined at each company individually, and the Group does not therefore determine its tax on the consolidated result.

Since there was a tax loss in 2017, the calculation of the current tax of the parent company of the Group for 2016 was determined on the basis of the nominal tax rate and of the various rungs of the municipal surcharge, totalling about 22.5%, which was the nominal rate approved as of the reporting date.

The Group companies have been subject to annual inspections by the tax authority, whose latest report refers to 2015. Generally speaking, there have been no significant adjustments to the tax returns delivered and inspected.

Subsequent years are subject to inspection and possible adjustment by the Tax Authority during a period of four years or longer period if deduction of tax losses is involved, in which case a period identical to the time limit for their deduction applies. Given the nature of any corrections that might be made, it is not possible to quantify them at this time. However, in the opinion of the Group's Board of Managers no significant correction to the accompanying financial statements in respect of the years referred to above is to be expected.

In the following situations of tax benefits not accepted by the tax authority, despite the parent company of the Group having a different interpretation and the fact that as of December 31, 2017, claims have been filed and are under judicial review, the respective tax assessments payable have been settled by the parent company of the Group in the meantime:

- Tax deferral of the merger in 2004, in the sum of €40,780k;
- Reinvestment of gains on the sale of a financial holding in 2006, in the sum of €28,754k.

Group entities presented tax losses for the fiscal years described, as follows:

(in TEUR)

Period	Brought forward	Used	Unrecognized	Carried forward	Last year for use
2013	2 404	-	2 404	-	2018
2014	116 149	-	-	116 149	2026
2015	2 308	-	-	2 308	2027
2016	93 374	-	-	93 374	2028
2017	23 692	-	-	23 692	2022
Total	**237 927**	-	**2 404**	**235 523**	

For the purpose of calculation of deferred taxes and determination of the base amount of temporary differences, Group companies conducted a recoverability test vis-à-vis the business plans approved by management bodies and the resultant taxable profits expected.

This analysis resulted in non-recognition of losses in respect of 2013, generated by the Group's merged entity LOGO Seguros, SA, totalling about €2.4 million which, though they have not yet reached the limit-year for use, were not considered in the determination of deferred tax, bearing in mind the expectations of taxable profit of the said business plan.

Any tax losses carried forward still recoverable to be undertaken in each taxation period may not exceed 70% of the respective taxable income, though without prejudice to the deduction of that part of these losses that has not been deducted, under the same conditions, by the end of the respective deduction period.

By virtue of the merger that took place, the tax losses of the merged entities, with the exception of those relating to the incorporating entity, are subject to an annual deduction limitation corresponding to the ratio between the respective equity of each and of the last period ended before the merger and the whole of the equity of all the entities involved in the merger during the same period.

In respect of the 2015 tax losses of the Group's merged entity, Açoreana Seguros, SA, taking into account the change of ownership of more than 50% of the share capital in 2016 and the limitation to the deduction of tax losses enshrined in paragraph 8 of the Corporation Tax (IRC) Code, the Group decided not to recognise in its accounts the deferred tax asset arising from losses carried forward in the amount of €7.8 million, which could be used during the 12 fiscal years next following.

The Group's merged entity, Açoreana Seguros, SA, delivered in 2016, within the statutory deadlines, the respective applications for maintenance of these tax losses, and is awaiting approval thereof by the Tax Authority.

The breakdown of current tax assets and liabilities reported in 2017 and 2016 is as follows:

(in TEUR)

	2017		2016	
	Current tax assets	Current tax liabilities	Current tax assets	Current tax liabilities
Corporation tax	753	2 851	1 464	3 326
Tax withheld at source	29	1 712	7	2 048
Value added tax	157	949	84	527
Other taxes & levies	411	11 528	334	12 379
Social security contributions	195	1 620	185	1 814
Local authority taxes	4 899	0	0	95
Total	**6 444**	**18 660**	**2 074**	**20 189**

Bearing in mind the restrictions of the accounting standards on recording assets, in 2016 the Group booked under Other non-technical expenses (Note 20) the amounts paid i) to the tax authority in the sum of €5.5 million for taxes paid within the scope of the merger process and of the respective inclusion real-estate assets and other tangible assets, in respect of which an application for exemption was submitted, and ii) to Social Security in the sum of €631k in respect of contribution differences encountered in respect of past years, settlement of which is being claimed in court.

In both situations, if the orders of the entities concerned are favourable to the Group, the reimbursement of the said amounts will constitute income of a like amount.

In 2017 the Group received partial approval of the reimbursement of taxes within the merger process in the amount of €4.9 million, which is the justification for the amount of the local authority levies. While the approval was not for the full amount, consideration is being given to a judicial claim for the remaining €0.6 million.

The breakdown of the net amount of deferred tax assets and liabilities recognised in the 2017 and 2016 balance sheets is as follows:

(in TEUR)

	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
Investments	25 658	22 578	(5 572)	-	20 087	22 578
Post-employment benefits	5 548	315	-	-	5 548	315
Technical provisions	16 506	17 672	-	-	16 506	17 672
Value in force	4 595	4 351	(651)	-	3 945	4 351
Doubtful debt provision	955	2 180	-	-	955	2 180
Tax losses	49 460	42 936	-	-	49 460	42 936
Properties	4 493	-	-	(969)	4 493	(969)
Other temporary differences	1 492	2 833	-	-	1 492	2 833
Total	**108 707**	**92 865**	**(6 222)**	**(969)**	**102 485**	**91 896**

In 2017, caused by the purchase of Açoreana Seguros, S.A., a deferred tax asset of €17,107k is recognised (2016: €14,462k), arising from the impairments (available-for-sale assets) or potential losses (financial assets classified at initial recognition at fair value through profit or loss) related to the holding in BANIF, SA.

Recognition of the said asset stems from the fact that it can be expected that these losses will count for the purpose of determining the taxable profit when they are effectively realised, notably through the liquidation of BANIF, SA, under the terms of article 81(1) of the IRC Code.

As of December 31, 2017, Other temporary differences include about €695k (2016: €736k) relating to the extraordinary amortisation of intangible assets, which will only be accepted for tax purposes in future years.

On December 31, 2017, and on the basis of i) the rates in force after January 1, 2018, and ii) the expectation of conversion into costs and income accepted for tax purposes and the perspective of tax loss or profit in each future fiscal year, the Group changed the rate (base rate and surcharges) used in the calculation of deferred taxes, of 24.7% and 21%, depending on the specific situations associated with temporary differences, to 24.84% (increase of about €3,293k).

Current and deferred taxes in 2017 & 2016 were recognised as follows:

(in TEUR)

	Fair-value reserve	Gains & losses	**Total 2017**
Current Tax	**454**	**(4 736)**	**(4 282)**
Corporation tax estimate	454	(3 459)	**(3 005)**
Autonomous tax	-	(1 277)	**(1 277)**
Deferred tax	**(1 834)**	**12 423**	**10 589**
Investments	(207)	(2 284)	**(2 491)**
Post-employment benefits	-	5 233	**5 233**
Doubtful debt provision	-	(1 326)	**(1 326)**
Properties held for sales	-	5 462	**5 462**
Value in force	-	(407)	**(407)**
Technical provision	-	(1 166)	**(1 166)**
Tax losses	(1 626)	8 150	**6 524**
Other temporary differences	-	(1 240)	**(1 240)**
Total	**(1 380)**	**7 687**	**6 307**

(in TEUR)

	Fair-value reserve	Gains & losses	Changes to the consolidation perimeter	**Total 2016**
Current Tax	**48**	**(3 544)**	-	**(3 496)**
Corporation tax estimate	48	(2 586)	-	**(2 538)**
Autonomous tax	-	(958)	-	**(958)**
Deferred tax	**(3 261)**	**32 782**	**52 415**	**81 936**
Investments	(2 582)	(7 762)	27 169	**16 825**
Benefícios pós-emprego		24	229	**253**
Allowances for doubtful receivables		(1 594)	3 722	**2 128**
Properties for sales		(2 872)	491	**(2 381)**
Value in force		5 095	(744)	**4 351**
Technical provision			17 672	**17 672**
Tax losses	(679)	41 119	1 975	**42 415**
Other temporary differences		(1 228)	1 901	**673**
Total	**(3 213)**	**29 238**	**52 415**	**78 440**

The amounts shown in the above table do not consider the effect of non-controlling interests.

Reconciliation of the effective tax rate is as follows:

(in TEUR)

	2017	2016
Pre-tax income	(60 182)	(14 759)
Income tax calculated at 27.08%	**16 297**	**4 313**
Autonomous Tax	(1 647)	(1 244)
Tax losses carried forward not considered	(367)	31 420
Untaxed impairments	(8 713)	(384)
Non-taxable items	(445)	(3 358)
Properties	5 176	-
Dividends excluded from taxation	1 348	1 704
Tax benefits	241	148
Other income & costs excluded from taxation	(68)	(159)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1 881)	(2 991)
Differences in capital gains accepted for tax purposes	(2 253)	(352)
Current and Deferred Tax	**7 688**	**29 097**
Effective tax rate	**12,8%**	**197,1%**

NOTE 25 - SHARE CAPITAL

As at December 31, 2017, the subscribed capital is EUR 137,466,670.00 (2016: EUR 137,466,670.00) and is represented as shown in the table below, paid up to EUR 41,466,670.00. The remaining EUR 96,000,000.00 capital unpaid is uncalled at year end.

Class of shares	Numbers of shares 31/12/2016	Value of shares 31/12/2016 (EUR)	Unpaid capital 31/12/2016 (EUR)	Numbers of shares 31/12/2017	Value of shares 31/12/2017 (EUR)	Unpaid capital 31/12/2017 (EUR)
Class A shares	128 000 000	128 000 000	96 000 000	128 000 000	128 000 000	96 000 000
Class B shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class C shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class D shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class E shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class E shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class G shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class H shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class I shares	1 051 851	1 051 851	-	1 051 851	1 051 851	-
Class J shares	1 051 858	1 051 858	-	1 051 858	1 051 858	-
UP shares	4	4	-	4	4	-
Total	**137 466 670**	**137 466 670**	**96 000 000**	**137 466 670**	**137 466 670**	**96 000 000**

NOTE 26 - RESERVES

Under equity there are sundry types of reserves, the nature and purpose of which are as follows:

Legal reserve

In accordance with Luxembourg company law, the Partnership is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Fair-value reserves

Fair-value reserves represent the potential gains and losses in respect of the available-for-sale investments, net of the impairment recognised in profit or loss during the year and/or previous years.

(in TEUR)

	2017	2016
Investments in associates and joint ventures	(10 109)	(8 376)
Floating-rate securities	5 992	6 903
Fixed-income securities	7 771	161
Currency translation differences reserve	(5 682)	(2 112)
Other reserves	(5 410)	(2 733)
Fair-value reserves	**(7 438)**	**(6 157)**

Deferred and current tax reserves

Deferred and current taxes recognised under equity stemming from the revaluation of available-for-sale investments are subsequently recognised in profit or loss at the time the gains & losses that gave rise to them are recognised.

Deferred taxes are calculated, in accordance with the liabilities method based on the balance sheet, on the temporary differences between the book values of the assets and liabilities and their tax basis, using the tax rates approved or substantially approved on the reporting date in each jurisdiction that are expected to be applied when the temporary differences are reversed.

Actuarial Deviations Reserve

In keeping with IAS 19 - Employee Benefits, the Group recognises actuarial gains against reserves.

Reserve of currency translation differences

Currency translation differences differences reserve includes the amount resulting from the variation in national currency of the net assets of subsidiaries and associates expressed in foreign currency resulting from the conversion of the respective financial statements.

Share premium

As at December 31, 2017 the share premium amounts to EUR 105,836,415 (2016: EUR 105,836,415).

NOTE 27 – EARNINGS PER SHARE

Earnings per share attributable to the parent company's shareholders as at December 31, 2017 and 2016 was as follows:

	2017	2016
Net income for the year (TEUR)	(47 381)	12 484
Number of shares (closing)	9 466 670	9 466 670
Earnings per share (EUR)	**(5,01)**	**1,32**

NOTE 28 - DIVIDENDS PER SHARE

As of December 31, 2017, the Group's sole shareholder was the partnership AIF VIII Euro Leverage, L.P., owned by the Apollo Group, to which no dividends were paid in 2017 and 2016.

NOTE 29 - TRANSACTIONS BETWEEN RELATED PARTIES

On January 15, 2015, the Apollo Group, via the firm Calm Eagle Holdings, S.à.r.l. acquired the whole of the Group's share capital, this acquisition having warranted prior approval of the ASF.

As defined in IAS 24, related parties of Seguradoras Unidas, SA, are considered to be (i) subsidiary companies; (ii) subsidiaries and associated companies of the Group Apollo; (iii) members of the Board of Managers and of the supervisory bodies; and, (iv) pension fund. Besides the members of the Board of Managers, persons closely related with them and entities that they control or over whose management they have significant influence are considered related parties.

The relationships between related entities were made on terms equivalent to those that prevail in arm's length transactions and cover several business areas, the most relevant services and operations being health-insurance management, consultancy and medical services.

As of December 31, 2017 & 2016, the overall amount of the Group's assets and liabilities that refer to transactions with associate and related companies can be summarised as follows:

(in TEUR)

	2017				2016			
	Assets	**Liabilities**	**Costs**	**Income**	**Assets**	**Liabilities**	**Costs**	**Income**
Advancecare	2 555	1 132	6 431	188	2 019	1 030	3 608	193
Apollo Management International	-	-	1 423	-	-	-	568	-
Apollo Management VIII, L.P.	-	-	500	-	-	-	500	-
Esumédica	6	-	147	-	32	8	750	-
GNB Seguros	-	-	-	2 176	-	-	-	1 375
Apollo Investment Fund VIII, L.P.	-	733	-	-	-	438	-	-
AIF VIII Euro Leverage, L.P.	1 338	35	-	21	1 316	35	-	23
AP VIII C.E Parent Holdings II	8	-	-	-	-	-	-	-
Apollo Management Holdings LP	-	12	521	-	-	12	317	-
Europ Assistance	-	1 946	-	2 214	-	158	-	1 833
Total	**3 907**	**3 858**	**9 022**	**4 599**	**3 367**	**1 680**	**5 743**	**3 424**

In addition to the above amounts, it should be noted that Advancecare Health International, SA was part of a financing agreement with Calm Eagle Portugal - Sociedade Unipessoal Limitada for a total amount €25 million, which allowed the latter to acquire the remaining capital of AdvanceCare, Gestão de Servicios de Saúde, SA, having the shares of Advancecare Health

International, SA, with a nominal value of €100k, been subject of a financial pledge in favour of the financing entity.

In 2017 a cost was recorded of a third-party liability insurance for the duties of the Board of Directors in the amount of €204k (2016: €200k).

In 2017 a cost was recorded of individual retirement plans of members of the Board of Directors in the amount of €425k (2016: €367k).

In 2017 a cost with termination benefits was recorded relating to members of the Board of Directors in the amount of €761k (2016: zero).

With regard to other employee benefits, see also the information disclosed in Note 22 and in the Remuneration Policies.

NOTE 30 - STATEMENT OF CASH FLOWS

The Group presents its cash flows using the indirect method.

NOTE 31 – COMMITMENTS & CONTINGENCIES

As previously mentioned in notes 9 and 13 in December 2016 two promissory purchase and sale agreements were concluded for the sale of most of the properties held by the Group and by the Pension Fund of the Group's parent company, as well as the real-estate funds held by the Group, namely Imoprime and Imocrescente.

Under the agreement the Group entered into a commitment and guarantee of payment of compensation not exceeding 15% of the price of the real-estate portfolio sold, in the event of disagreements as to the representations and warranties provided by the Group, of which the following are underscored: (i) absence of structural or construction defects, (ii) licensing of the properties, (ii) absence of disputes, debts or commitments to third parties, and (iv) ownership of the properties sold. As at December 31, 2016 & 2017, this possible contingency amounts to a maximum of €18,743k, and it expires 24 months after the signature of the public deeds.

Also as a result of the contract referred to above, rental agreements were concluded with the purchasers of the various spaces occupied by the Group with rent guarantees having the following maturity:

(in TEUR)

	Up to 3 months	4 to 12 months	>1 to 5 years
Contracted rents	549	1 646	6 312

The Group also has an option for the purchase of 2% of the share capital of Tranquilidade – Corporação Angolana de Seguros, SA, which, if it comes about, will change the holding to 51% of the share capital and voting rights of this entity, the entire process being contingent upon prior authorisation by the competent Angolan authorities.

The Group has operating lease agreements relating to transport material and, up until December 31, 2015, financial lease agreements for the acquisition of IT hardware and transport material.

The contractual commitments expressed in the balance sheet in respect of finance lease contracts are as follows:

(in TEUR)

	2017	2016
Tangible assets (gross value)	11 171	11 171
Accumulated depreciation	(11 171)	(11 171)
Tangible assets (net value)	-	-
Creditors - Suppliers of goods	-	-

The maturity of the outstanding operational-lease instalments is as follows:

(in TEUR)

	Up to 3 months	4 to 12 months	>1 to 5 years
Operating lease contracts	252	546	767

An anti-jurisdictional proceeding initiated by the Competition Authority concerning alleged anti-competitive practices in the sector is underway, a process that is under a fair trial. The Group is cooperating fully with the Competition Authority in said proceeding. The Group estimates that a fine will not be imposed, since is not anticipated by legal advisors that are monitoring the process.

NOTE 32 – BUSINESS COMBINATIONS

In order to increase market share and capture synergies, on August 5, 2016, Companhia da Seguros Tranquilidade, SA, acquired the whole of Açoreana Seguros, SA, which, with the effective date of December 30, 2016, was merged with Companhia de Seguros Tranquilidade, SA, itself, T-Vida, Companhia de Seguros, SA, and a Seguros LOGO, SA, into what is now Seguradoras Unidas, SA.

In accordance with IFRS 3 – Business Combinations, and due to the positive difference between the cost of acquisition of Açoreana Seguros, SA, and the allocation of the fair value attributable to the assets and liabilities as of the date of acquisition, goodwill was generated in the sum of €65,981k, as follows:

(in TEUR)

	Carrying amount	Fair value	Adjustment
Financial assets classified on initial recognition at fair value through profit or loss	12 392	12 392	-
Available-for-sale assets	689 118	689 168	50
Land & buildings - Owner occupied	33 691	33 691	-
Land & buildings held for income	40 327	40 327	-
Assets for post-employment benefits	2 478	2 478	-
Tangible assets	1 360	1 360	-
Intangible assets	3 304	8 896	5 592
Deferred tax assets	34 907	52 284	17 377
Other assets	77 025	77 025	-
ASSETS	894 603	917 622	23 019
Technical provisions	808 935	908 688	99 753
Subordinated liabilities	8 540	8 540	-
Other Liabilities	58 641	58 569	(72)
LIABILITIES	876 116	975 797	99 681
EQUITY	18 487	(58 175)	(76 662)
Non-controlling interests*	682	682	-
ATTRIBUTABLE EQUITY	17 805	(58 857)	(76 662)
Acquisition cost		7 124	
GOODWILL		65 981	

* Minorities of GIGA – Grupo Integrado de Gestão de Acidentes, SA and CRIA – Centro de Reabilitação Integrada de Acidentes, SA, held by Açoreana.

The goodwill determined was essentially due to the booking at fair value of the financial mathematical reserves for Workers' Compensation and Life, through the discount of the estimated cash flows of these liabilities at the curve determined by the European Insurance and Occupational Pensions ("EIOPA") with volatility adjustment, as defined by the Solvency II requirements.

The accounting of this asset (goodwill) is based on capturing synergies arising from the increase of the size of the Group, as well as on the operational merger of Açoreana Seguros, SA, with Seguradoras Unidas, SA.

The variation of €17,377k under deferred taxes corresponds to the tax component resulting from adjustments made to the fair value. Other assets primarily assets at amortised cost net of impairment. For these items it was considered that the net carrying amount was the best estimate of the fair value considering their maturity and recoverability, as follows:

(in TEUR)

	Gross Amount	Impairment	Net value
Cash and banks	8 895	-	8 895
Receivables for direct insurance operations	39 729	(6 134)	33 595
Receivables from other reinsurance operations	4 943	(1 059)	3 884
Receivables from other operations	18 180	(15 679)	2 501
Loans & receivables	1 306	-	1 306
Technical provisions for reinsurance ceded	23 877	-	23 877
Current tax assets	992	-	992
Other	1 974	-	1 974
TOTAL OTHER ASSETS	99 897	(22 872)	77 025

It should be noted that within the scope of this transaction, €28,637k were incorporated by means of a share capital increase, in respect of the subordinated debt held by previous shareholders of Açoreana Seguros, SA.

The said acquisition cost is primarily broken down into: (i) €3.6 million paid in cash; (ii) €3.3 million through the issue of a note maturing in July 2018 with a remuneration rate of 5%.

The results presented in 2016 reflect the results of the acquired entity from August 5, 2016, until December 31, 2016.

NOTE 33 - SUBSEQUENT EVENTS

As anticipated in Note 11, at the end of April 2018, a promissory agreement was signed for the purchase and sale of a group of real estate assets held by the former Açoreana S.A. from which no relevant impacts are expected in the financial statements.

On May 21, 2018, the Group sold its 47% interest in Europ Assistance, Companhia Portuguesa de Seguros, S.A. for a value of €22.3 million and the reimbursement of supplementary capital amounting to €1.4 million.

NOTE 34 – HYPERINFLATION EFFECT

As mentioned in the accounting policies, on December 31, 2017, the Group applied IAS 29, considering that the conditions established for Angola (hyperinflationary economy) were met.

Therefore, before the working currency is translated into the reporting currency for the financial statements of Tranquilidade - Corporação Angolana de Seguros, SA and ADV Angola - Planos e Sistemas de Saúde, Lda., the carrying values of assets, liabilities, equity, income and expenses were restated based on the general price index that reflects changes in the purchasing power of the currency of the country in which the operations are generated, as follows:

(i) monetary items are not restated because they are already expressed in terms of the current monetary unit at the reporting date;
(ii) the assets and liabilities linked by agreement to price changes are adjusted under the terms of the agreement to determine the amount outstanding at the date of the statement of financial position;
(iii) all other assets and liabilities that are not monetary are restated (with the exception of certain items that are recorded at current amounts at the reporting date, such as the net realizable value and the market value);
(iv) all items of the income statement are restated by applying the change in the general price index from the dates on which the items of income and expenses were initially recorded in the financial statements.

The gain or loss on the net monetary position calculated is included in the results and disclosed separately. On this basis, the Group's financial statements include the following impacts related to the application of IAS 29 to the above entities:

- Increase of reserves, by €2,104k
- Decrease in net income for the year, by €2,691k.

The price index used was the Consumer Price Index published by the National Bank of Angola based on information from the National Statistics Institute of Angola, which amounted to 287.79 and 227.95 (base December 31, 2010 = 100), at the end of 2017 and 2016, respectively.

NOTE 35 – OTHER INFORMATION

RECENTLY-ISSUED STANDARDS AND INTERPRETATIONS

Recently-issued accounting standards and interpretations that have come into force and that the Group has applied in the preparation of its financial statements are as follows.

The IASB issued :

- On January 19, 2016, and applicable to periods beginning on or after January 1, 2017, amendments to IAS 12 that sought to clarify the requirements for the recognition of deferred tax assets for unrealised losses to resolve discrepancies (adopted by European Commission Regulation nº 1989/2017, of November 6).

- On January 29, 2016, and applicable to periods beginning on or after 1 January 2017, amendments to IAS 7 - Disclosure initiative, requiring companies to provide information about changes in their financial liabilities, providing information to assist investors in understanding the debt of the companies (adopted by European Commission Regulation nº 1990/2017, of November 6).

- The annual improvements of the 2014-2016 cycle issued by the IASB on December 8, 2016, introduce amendments to IFRS 12 (clarification of the scope of the standard), with effective date on or after January 1, 2017.

None of these amendments had an impact on the Group's consolidated financial statements.

The Group decided not to opt for early application of the following standards and/or interpretations adopted by the European Union.

IFRS 9 - Financial instruments (issued in 2009 and amended in 2010 and 2014)

This amendment was adopted by European Commission Regulation nº 2067/2016 of November 22, 2016 (setting the entry into force at the latest as from the start date of the first financial period on or after January 1, 2018).

IFRS 9 (2009) introduced new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduced additional requirements related to financial liabilities. IFRS 9 (2013) introduced the hedge method. IFRS 9 (2014) introduced amendments limited to the classification and measurement contained in IFRS 9 and new requirements for dealing with the impairment of financial assets.

The requirements of IFRS 9 constitute a significant change from the current requirements of IAS 39 in respect of financial assets. The standard contains three categories of measurement of financial assets: amortised cost, fair value with a contra-entry in other comprehensive income (OCI), and fair value with a contra-entry in profit or loss.

A financial asset is measured at amortised cost if it is held within the business model whose objective is to hold the asset in order to receive the contractual cash flows and the terms of its cash flows give rise to collections, on specified dates, related only to the nominal amount and interest in force.

If the debt instrument is held within a business model that both captures the contractual cash flows of the instrument and also captures them for sales, the measurement will be at fair value with a contra-entry in other comprehensive income (OCI), interest income continuing to affect results.

For an investment in equity instruments that is not held for trading, the standard allows an irrevocable designation, on initial recognition, on an instrument-by-instrument basis, of presentation of the fair-value movements through OCI. No amount recognised in OCI shall be reclassified to profit or loss at any future date. However, dividends generated by such investments are recognised as income in profit or loss rather than OCI, unless they clearly represent partial recovery of the investment cost.

The remaining situations, both in cases in which the financial assets are held within a trading business model and in other instruments whose sole purpose to receive interest and amortisation of capital, are measured at fair value with a contra-entry in profit or loss. This situation also includes investments in equity instruments, which the entity fails to present the alterations of the fair value in OCI, which are therefore measured at fair value with the alterations recognised in profit or loss.

The standard requires that derivatives embedded in contracts whose master contract is a financial asset within the scope of application of the standard shall not be separated; on the contrary, the hybrid financial instrument is assessed in its entirety, and, if there are embedded derivatives, they will have to be measures at fair value through profit of loss. The standard eliminates the existing categories currently in IAS 39, “held to maturity”, “available for sale” and “accounts receivable and payable”.

IFRS 9 (2010) introduces a new requirement applicable to financial liabilities designated at fair value, by option, and comes to enforce the separation of the change in fair value component attributable to the credit risk of the entity and its presentation in OCI rather than in profit or loss. Except for this change, IFRS 9 (2010) transposes in general the classification and measurement guidelines contained in IAS 39 for financial liabilities, with no substantial changes.

IFRS 9 (2013) introduced new requirements for hedge accounting that it aligns more closely with risk management. The requirements also establish a greater approach of principles to hedge accounting resolving some weaknesses in contained in the hedge model of IAS 39. IFRS 9 (2014) establishes a new model for impairment based on “expected losses” that will replace the current model based on “losses incurred” laid down in IAS 39.

Thus, the loss event no longer needs to exist before impairment is constituted. This new model is intended to accelerate the recognition of losses through impairment applicable to debt instruments held, whose measurement is at amortised cost or at fair value, with a contra-entry in OCI.

In the event that the credit risk of a financial asset has not increased significantly since its initial recognition, financial assets will generate a cumulative impairment equal to the expectation of the loss that can be expected over the next 12 months.

In the event that the credit risk increases significantly, the financial asset will generate a cumulative impairment equal to the loss can be expected up to maturity, thereby increasing the amount of impairment recognised. Once the loss event occurs (today known as “objective evidence of impairment”), the accumulated impairment is directly allocated to the instrument in question, its accounting being similar to that laid down in IAS 39, including the treatment of respective interest.

IFRS 9 will apply on or after January 1, 2018.

Amendments to IFRS 4: Application of IFRS 9 Financial Instruments with IFRS 4: Insurance Contracts (issued September 12, 2016) allows an insurer, meeting certain specified criteria, to make a temporary exception to IFRS 9 and to maintain application of IAS 39 until January 1, 2021.

Considering that the criteria laid down for the temporary exception are met, the Group chose not adopt the standard with reference to January 1, 2018. This option is based on the understanding already provided by the ASF, which will adopt this amendment of IFRS 4. Nevertheless, given the nature of the Group's business it can be expected that this standard will have material impacts on the Group's consolidated financial statements.

IFRS 15 - Revenue from contracts with customers

On May 28, 2014, the IASB issued IFRS 15 - Revenue from contracts with customers. IFRS 15 was adopted by European Commission Regulation nº 1905/2016 of September 22, 2016. With mandatory application in periods beginning on or after January 1, 2018.

Its early adoption is permitted. This standard revokes standards IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer loyalty programmes IFRIC 15 Agreements for the construction of real estate, IFRIC 18 Transfers of assets from customers and SIC 31 Revenue: Barter transactions involving advertising services.

IFRS 15 determines a model based on 5 steps of analysis in order to determine when the revenue must be recognised and for what amount. The model specifies that the revenue must be recognised when an entity transfers goods or services to the customer, measured as the amount to which the entity expects to be entitled. Depending on the fulfilment of certain criteria, revenue is recognised:

- at the precise moment when control of the goods or services is transferred to the customer; or
- throughout the period, to the extent that it portrays the performance of the entity.

The Group does not expect significant impacts arising from the adoption of this standard, considering that most of its business involves contracts that fall under IFRS 4.

IFRS 16 - Leases

On January 13, 2016, the IASB issued IFRS 16 - Leases, with mandatory application for periods beginning on or after January 1, 2018. Its early adoption is permitted provided that IFRS 15 is also adopted. This standard revokes IAS 17 - Leases. IFRS 16 withdraws the classification of leases as operational or financial, treating all leases as financial.

Short-term leases (less than 12 months) and leases of assets of little value (such as personal computers) are exempt from application of the requirements of the standard.

The Group expects no significant impact on application of this standard.

<u>Standards, amendments and interpretations issued but not yet in effect for the Group</u>

IFRS 14 - Deferred Regulatory Accounts

On January 30, 2014 the IASB issued a standard that defines provisional measures for those adopting the IFRS for the first time and have a rate-regulated activity. The European Commission decided to initiate the process of adoption of this interim standard and to await the final standard.

This standard is not applicable to the Group.

IFRIC 22 - Transactions in foreign currency and consideration of advances

The IFRIC interpretation was issued in December 8, 2016, with mandatory application for periods beginning on or after January 1, 2018.

The new IFRIC 22 determines that, in the event of advance consideration in foreign currency for the purpose of acquisition of assets, support of expenses or generation of income, on applying paragraphs 21 to 22 of IAS 21 the transaction date considered for the purposes of determining the exchange rate to be used in the recognition of the inherent asset, expense or income (or part thereof) is the date when the entity initially recognises the non-monetary asset or liability resulting from payment or receipt of the prepayment in the foreign currency (or in the event of multiple prepayments, the rates in force at the time of each prepayment).

The Group does not expect any significant changes upon the adoption of this interpretation.

IFRIC 23 – Uncertainty over Income Tax Treatments

An interpretation was issued on June 7, 2017 on how to deal, for accounting purposes, with uncertainties about the treatment of income taxes, especially when the tax law requires that payment be made to the Authorities within the scope of a tax dispute and the entity intends to appeal the understanding in question that led it to such payment.

The interpretation came to define that the payment may be considered a tax asset if it concerns income taxes, under the terms of IAS 12, with application of the criterion of probability defined by the standard as to the favourable outcome in favour of entity on the disputed matter at issue.

In this connection, the entity may use the most likely amount method or, should the resolution dictate ranges of values at issue, using the expected-value method. IFIRC 23 is applied for years beginning on or after January 1, 2019, and may be adopted in advance.

The Group does not expect any significant changes upon the adoption of this interpretation.

Other amendments

The IASB also issued :

- On June 20, 2016, and applicable to periods beginning on or after January 1, 2018, amendments to IFRS 2 - Classification and measurement of share -based payment transactions.

- On December 8, 2016, and applicable to periods beginning on or after 1 January 2018, amendments to IAS 40 - Transfer of investment properties, clarifying the moment when which the entity must transfer properties under construction or development, from or to, investment properties, when there is an alteration of the use of such properties that is supported by evidence (other than what is listed in paragraph 57 of IAS 40).
- The annual improvements of the 2014-2016 cycle, issued by the IASB on December 8, 2016, introduce amendments, with effective date of application for periods beginning on or after July 1, 2018, to IFRS 1 (elimination of the short-term exception for first-time applicants of the IFRS) and IAS 28 (measurement of an associate or joint venture at fair value) and effective date on or after January 1, 2017, to IFRS 12 (clarification of the scope of application of the standard).
- The improvements of the 2015-2017 cycle, issued by the IASB on December 12, 2017, introduced changes, with effective date for periods beginning on or after January 1, 2019, to the IFRS 3 (remeasurement of previously held interest as a joint operation joint when it obtains control over the business), IFRS 11 (non-remeasurement of a previously held interest in the joint operation when it obtains joint control over the business), IAS 12 (accounting for all tax consequences of paying consistent dividends), IAS 23 (treatment as a general loan of any loan originally made to develop an asset when it becomes fit for use or sale).

The Group expects no impact from the application of these amendments to its consolidated financial statements.

APPENDIX 1 – INVENTORY OF HOLDINGS AND FINANCIAL INSTRUMENTS (UNAUDITED)

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Carrying amount (Includes accrued interest) Total
1 - AFFILIATES, ASSOCIATES, JOINT VENTURES AND OTHER RELATED COMPANIES							
1.1 - Domestic securities							
1.1.2 - Holdings in associates							
GNB SEGUROS	750 000			5,01	3 758 668	16,09	12 068 000
EUROP ASSISTANCE	705 000			5,99	4 221 800	33,62	23 701 000
sub-total	1 455 000	0			7 980 468		35 769 000
1.2 - Foreign Securities							
1.2.2 - Holdings in associates							
TRANQUILIDADE DIVERSIFIED INCOME ICAV	2			1,00	2	1,00	2
Calm Eagle Parent Holdings II S.à.r.l. - Class A	6 192			0,01	62	0,95	5 898
Calm Eagle Parent Holdings II S.à.r.l. - Preference Shares	415 629			0,01	4 156	1,00	415 628
Calm Eagle Parent Holdings II S.à.r.l. - Class B1	1 548 250			0,01	15 483	0,01	15 483
Calm Eagle Parent Holdings II S.à.r.l. - Class B2	1 548 250			0,01	15 483	0,01	15 483
Calm Eagle Parent Holdings II S.à.r.l. - Class B3	1 548 250			0,01	15 483	0,01	15 483
Calm Eagle Parent Holdings II S.à.r.l. - Class B4	1 548 250			0,01	15 483	0,01	15 483
sub-total	6 614 823	0			66 150		483 458
Total	8 069 823	0			8 046 618		36 252 458
2 - OTHER							
2.1 - Domestic securities							
2.1.1 - Capital instruments and unit trusts							
2.1.1.1 - Equities							
B.P.G. SA	10 472			2,09	21 905	1,51	15 811
BANIF SGPS	6 954 651 167			0,00	0	0,00	0
COMP. PREVIDENTE	6			532,54	3 195	0,00	0
COMP. PREVIDENTE SCPF	198			109,86	21 752	247,87	49 077
COMPTA	306 960			1,64	503 700	0,13	39 905
ESTELA GOLF	40			5 540,45	221 618	1 015,06	40 602
FETAL	2 760			20,84	57 528	0,00	0
FINPRO SCR SA	1 425 332			0,00	0	0,00	0
HOTEL TURISMO ABRANTES	125			0,00	0	0,00	0
IMOVALORSGII	90 000			0,00	0	0,00	0
LUSITANIA GASCOMP GAS DO CENTRO	595			2,80	1 667	3,05	1 814
MADIBEL	7 955			0,01	81	0,00	0
NORMA ACORES	4 000			35,77	143 083	35,75	142 986
NOS ACORES	13 936			24,65	343 497	23,71	330 462
NOS MADEIRA	17 314			62,39	1 080 220	48,76	844 196
Portugal Capital VenturesS.C.R. S.A.	2 525			6,06	15 300	5,67	14 328
QUINTA DOS CONEGOS	140 600			3,15	443 241	4,23	595 390
S.N.I.SOC NAC IMOBILIARIA SA	7 500			0,00	0	0,00	0
SOCIEDADE PORTUGUESAEMPREENDIMENTOS	4 441			0,13	577	1,21	5 364
SONAGI	55 600			0,44	24 294	3,15	175 140
SONAGI AN	100			0,06	6	0,01	1
SPECTACOLOR PORTUGAL	7 500			14,66	109 986	13,01	97 584
VIA LITORAL	1 001			373,90	374 275	373,90	374 275
sub-total	6 956 750 127	0			3 365 926		2 726 936
2.1.1.3 - Investment fund units							
BANIF IMOGEST	257 879			21,91	5 650 696	17,76	4 579 054
Dublin Real Estate Fund Class ID	2 000 000			1,44	2 872 220	1,56	3 110 320
ESP SANTO INFRASTRUCTURE FUND I	3 500			323,35	1 131 736	526,78	1 843 728
ESPÍRITO SANTO VENTURES III	200 000 000			0,01	1 832 238	0,01	1 492 000
EXPLORER II	94			10 711,16	1 006 282	10 627,91	998 460
IMOCRESCENTE FD DE INV IMOB FECHADO	6 548			997,11	6 529 522	1 527,58	10 003 263
SC1 Classe A Fundo Capital Risco	1 000 000			0,77	772 573	0,66	657 490
sub-total	203 268 021	0			19 795 267		22 684 315
sub-total	7 160 018 148	0			23 161 193		25 411 251
2.1.2 - Debt securities							
2.1.2.1 - Public debt							
O.T. Fev 3.875% /15-02-2030		700 000	115,83%	105,9%	741 459	119,2%	834 482
PT OT 4.45% 06/15/18		1 100 000	102,10%	103,1%	1 134 380	104,5%	1 149 733
PT OT 4.8% 06/15/20		4 040 000	111,73%	109,2%	4 411 433	114,3%	4 619 416
PT OT 4.95% 10/25/23		3 200 000	123,12%	113,8%	3 641 289	124,0%	3 968 852
PT OT 5.65% 02/15/24		1 100 000	127,06%	117,4%	1 291 922	132,0%	1 451 988
sub-total	0	10 140 000			11 220 483		12 024 471

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
2.1.2.3 - Other issuers'							
BCP FINANCE VAR 49-14		500 000	62,01%	53,8%	269 119	62,0%	310 050
BRISA 1.875% 04/25		1 600 000	103,86%	102,4%	1 638 917	105,1%	1 681 849
BRISA 3.875% 04/21		400 000	111,78%	112,3%	449 114	114,7%	458 744
ENTIGERE		23 200	0,00%	0,0%	0	0,0%	0
A. GAUDENCIO TF 25/05/1995		49 900	0,00%	0,0%	0	0,0%	0
BANIF 09/19 TV 30/06/2019		5 000 000	0,00%	0,0%	0	0,0%	0
BCP FINANCE 05/49 TF/TV 4,239% 13/10/2049 CALL 2015		450 000	58,65%	44,2%	198 907	58,7%	263 925
BRISA 6.875% 04/18		1 700 000	101,69%	103,9%	1 765 556	106,8%	1 816 146
C.G.D. TV CMS Cap-Floor/05-08-2021		1 000 000	80,00%	80,0%	800 000	82,0%	820 274
E.D.P. 5.375%/16-09-2075		800 000	111,74%	101,9%	815 443	116,0%	928 084
EDP FINANCE 2.625% 01/22		1 900 000	109,14%	107,0%	2 033 843	111,6%	2 121 094
EDP FINANCE 4.125% 01/21		500 000	111,95%	111,0%	555 172	115,9%	579 255
EDP FINANCE 4.875% 09/20		2 500 000	112,79%	112,2%	2 805 293	114,2%	2 855 737
FNAC INVEST 22/05/1995		24 950	0,00%	0,0%	0	0,0%	0
GALP ENERGIA 3% 01/14/21		1 200 000	107,08%	103,4%	1 240 488	110,0%	1 319 615
GALP ENERGIA 4.125% 01/19		200 000	104,18%	104,4%	208 742	108,0%	216 053
MOTA ENGIL 5.5% 04/19		300 000	102,96%	93,7%	281 171	104,0%	312 094
REN FINANCE 4.75%		2 200 000	112,95%	113,3%	2 492 687	113,9%	2 506 681
REN FINANCE BV 2.5% 02/25		750 000	108,94%	106,2%	796 350	111,1%	833 591
RENTIGLOBO SGPS 0% 17-200626		401 000	0,00%	0,0%	0	0,0%	0
RENTIGLOBO SGPS 0% 200626		2 006 000	0,00%	0,0%	0	0,0%	0
RENTIGLOBO SGPS 1,5% 17-200626		992 700	0,00%	0,0%	0	0,0%	414
Semapa TV /30-11-2020		100 000	101,77%	101,1%	101 116	102,0%	102 004
GALP ENERGIA 1% 17-15/02/2023		133 846	99,51%	99,7%	133 433	99,6%	133 356
GALP ENERGIA 1% 17-15/02/2023		166 154	99,51%	99,7%	165 640	99,6%	165 545
sub-total	0	24 897 750			16 750 991		17 424 510
sub-total	0	35 037 750			27 971 474		29 448 921
Total	7 160 018 148	35 037 750			51 132 667		54 860 232
2.2 - Foreign securities							
2.2.1 - Capital instruments and unit trusts							
2.2.1.1 - Equities							
ALLIANZ AG	560			160,01	89 608	191,70	107 352
AUDATEX PORTUGAL	150			301,47	45 220	301,47	45 220
AXA	3 619			24,87	90 003	24,74	89 516
BANCO SANTANDER CENTRAL HISPANO	9 951			4,26	42 409	5,48	54 512
BASF SE	1 311			69,12	90 623	91,75	120 284
BAYERISCHE MOTOREN WERKE	933			96,59	90 116	86,95	81 124
BNP PARIBAS	1 706			53,00	90 411	62,24	106 181
DAIMLER CHRYSLER AG	1 185			76,13	90 213	70,72	83 803
MUENCHENER RUECKVER AG	498			183,13	91 201	180,75	90 014
NCG BANCO NC	185 838			0,50	92 919	0,50	92 919
PUBLICIS GROUP	687			60,38	41 478	56,59	38 877
RENAULT SA	976			92,14	89 925	83,82	81 808
ROYAL DUTCH PETROLEUM COMPANY	12 077			20,28	244 960	27,78	335 439
SCHNEIDER ELECTRIC SA	1 720			52,32	89 986	70,86	121 879
SIEMENS AG	1 034			87,81	90 794	116,04	119 985
SOCIETE GENERALE	2 104			42,83	90 119	43,04	90 556
UNILEVER NV-CVA	9 780			38,79	379 343	46,96	459 220
sub-total	234 129	0			1 839 329		2 118 691
2.2.1.3 - Investment fund units							
Aberdeen GlobalMManager World Equity Fund A-2	11 900			15,80	187 991	18,21	216 699
ACE CREDIT ALLOCATION FUND I	19 916			1 004,21	20 000 000	1 022,59	20 366 061
DBX S&P 500 EUR UCITS ETF	21 969			31,80	698 563	41,59	913 691
FIDELITY TARGET 2020 ACÇÕES	83 160			11,97	995 757	14,90	1 239 081
FIDELITY TARGET 2025 ACÇÕES	54 030			9,88	533 895	15,20	821 257
FIDELITY TARGET 2030 ACÇÕES	22 804			10,47	238 727	16,04	365 778
FIDELITY TARGET 2035 ACÇÕES	7 471			21,23	158 585	34,46	257 462
FIDELITY TARGET 2040 ACÇÕES	10 018			20,31	203 449	34,67	347 322
FIDELITY TARGET 2045 ACÇÕES	80			13,65	1 095	14,53	1 165
FIDELITY TARGET 2050 ACÇÕES	199			13,49	2 685	14,53	2 893
INCOMETRIC FUND	190 447			5,74	1 092 712	6,46	1 230 289
ISHARES CORE EURO CORP BOND	21 533			131,68	2 835 432	130,91	2 818 885
ISHARES EURO CORP EX-FINCL	40 067			119,52	4 788 769	117,76	4 718 290
ISHARES EURO GOVT 15-30 YR	55 081			254,62	14 024 760	226,43	12 471 991
ISHARES EURO HY CORP	82 235			105,13	8 645 747	107,26	8 820 526
ISHARES EURO ULTRASHORT BOND	299 948			100,47	30 136 420	100,38	30 108 780
ISHARES GL CORP BD EU HEDGED	102 133			107,49	10 978 424	105,79	10 804 589
ISHARES JPM USD EM BND EURH	45 152			106,05	4 788 239	102,06	4 608 385
ASIAN TRADE FIN	149 834			8385,8%	12 564 711	8342,0%	12 499 072
BAF LATAM CREDIT FD	54 450			85963,4%	46 807 055	84432,1%	45 973 270
APOLLO HEDGING OVERLAY FUND	5 000			84434,5%	4 221 725	82669,1%	4 133 457
sub-total	1 277 428	0			163 904 741		162 718 944
sub-total	1 511 557	0			165 744 070		164 837 635

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
2.2.2 - Debt securities							
2.2.2.1 - Public debt							
B.T.P.S. ITALIA 04/24 TF 5,125% 31-07-2024		3 500 000	122,35%	128,7%	4 506 036	124,5%	4 357 545
B.T.P.S. ITALIA 08/19 TF 4,5% 01/03/2019		3 910 000	105,53%	106,8%	4 175 333	107,0%	4 184 384
B.T.P.S. ITALIA 09/20 TF 4,25% 01/03/2020		2 000 000	109,25%	110,4%	2 208 298	110,7%	2 213 037
B.T.P.S. Italia 2.00% /01-12-2025		2 000 000	102,36%	106,9%	2 138 532	102,5%	2 050 382
B.T.P.S. Italia 3.50%/01-03-2030		680 000	112,04%	124,4%	845 936	113,2%	769 766
B.T.P.S. ITALIA 4.50% /01-02-2018		14 000	100,37%	101,9%	14 268	102,2%	14 312
B.T.P.S. ITALIA 4.50% /01-02-2020		630 000	109,43%	110,7%	697 338	111,3%	701 143
B.T.P.S. Italia 4.50% /01-08-2018		5 438 000	102,90%	104,2%	5 664 301	104,8%	5 696 767
B.T.P.S. Italia 4.75% /01-09-2021		2 500 000	115,79%	117,6%	2 940 694	117,4%	2 933 903
B.T.P.S. Italia 5,50%/01-09-2022		350 000	121,89%	124,7%	436 508	123,7%	432 975
BELGIUM KINGDOM 1% 06/22/26		14 852 700	104,44%	103,7%	15 397 899	105,0%	15 590 141
BELGIUM KINGDOM 1% 06/22/31		7 701 400	99,93%	100,3%	7 724 388	100,5%	7 736 829
BELGIUM KINGDOM 1.6% 06/22/47		34 000 000	97,92%	96,8%	32 919 800	98,8%	33 578 959
BELGIUM KINGDOM 2.25% 06/22/57		3 500 000	110,06%	113,1%	3 959 200	111,2%	3 893 525
Belgium Kingdom 4.00%/28-03-2022		3 200 000	118,17%	120,9%	3 868 780	121,2%	3 878 770
BELGIUM KINGDOM 4.25% 09/28/21		600 000	117,14%	118,7%	712 422	118,2%	709 419
BELGIUM KINGDOM 5% 03/28/35		6 120 000	160,59%	164,0%	10 037 624	164,4%	10 060 987
Bonos Spanish 4,6% 30/07/2019		3 700 000	107,78%	108,9%	4 027 985	109,7%	4 059 559
Bonos Spanish 4,85% 31/10/2020		10 955 000	113,93%	115,2%	12 619 080	114,7%	12 569 717
Bonos Spanish 5.15% /31-10-2028		4 230 000	133,83%	141,9%	6 004 345	134,7%	5 697 458
Bonos Spanish 5.50% /30-04-2021		4 190 000	118,04%	119,7%	5 016 209	121,7%	5 100 604
BONOS Y OBLIG DEL ESTADO 5.85% 01/22		8 000 000	123,00%	124,6%	9 965 037	128,4%	10 268 172
BTPS 0.65% 11/01/20		50 000	101,41%	101,5%	50 770	101,5%	50 757
BTPS 3.75% 09/24		6 970 000	115,17%	119,2%	8 311 497	116,4%	8 114 027
BTPS 4.5% 03/01/26		600 000	121,29%	127,3%	763 847	122,8%	736 653
BTPS 4.5% 03/24		1 800 000	119,19%	123,1%	2 215 103	120,7%	2 172 195
BTPS 4.5% 05/23		3 900 000	118,27%	121,4%	4 733 107	119,0%	4 641 371
BTPS 5% 03/01/25		9 282 000	123,88%	129,3%	12 003 681	125,5%	11 651 860
BTPS 5.5% 11/22		3 620 000	122,30%	125,5%	4 544 859	123,2%	4 460 035
Bund Deutschland 4.75% /04-07-2028		2 900 000	143,42%	153,9%	4 464 124	145,8%	4 226 967
Bund Deutschland 4.75% /04-07-2034		500 000	160,10%	178,6%	892 774	162,4%	812 207
BUNDES 0% 03/16/18		6 570 000	100,12%	100,4%	6 599 080	100,1%	6 577 950
BUNDES 0% 08/10/21		3 680 000	101,44%	101,7%	3 744 173	101,4%	3 732 992
BUNDES 0% 15/08/26		45 475 000	97,59%	97,6%	44 373 034	97,6%	44 379 053
BUNDES 4% 01/04/37		36 530 000	152,98%	159,5%	58 269 092	156,9%	57 330 607
BUNDES 5.5% 01/04/31		21 337 400	160,27%	168,3%	35 919 112	165,7%	35 357 080
COMMUNAUTE FRANCAISE BEL 2.1% 30/06/2067		20 000 000	97,02%	99,5%	19 901 800	98,1%	19 615 126
EFSF 1.8% 07/10/48		10 000 000	105,48%	103,8%	10 382 000	106,3%	10 633 315
EFSF 2 28/02/56		20 000 000	109,31%	107,3%	21 454 000	111,0%	22 198 142
FRANCE GOVT 0% 05/25/22		2 940 000	100,60%	100,3%	2 949 454	100,6%	2 957 758
FRANCE GOVT 0.25% 25/11/26		35 160 000	97,46%	95,8%	33 670 531	97,5%	34 275 254
FRANCE GOVT 1.25% 05/25/36		43 140 000	98,20%	98,7%	42 578 666	99,0%	42 688 939
FRANCE GOVT 1.5% 05/25/31		41 465 100	105,69%	106,3%	44 087 490	106,6%	44 198 939
FRANCE GOVT 2% 05/25/48		4 500 000	105,38%	106,3%	4 783 500	106,6%	4 796 482
IRISH GOVT 0.8% 03/22		2 000 000	103,72%	102,6%	2 051 779	104,4%	2 087 136
IRISH GOVT 5% 10/18/20		1 250 000	115,32%	116,6%	1 458 051	116,3%	1 454 134
IRISH GOVT 5.92% 05/42		5 590 065	165,15%	157,6%	8 808 822	168,8%	9 435 936
Irish Treasury Gov. 4.40%/18-06-2019		950 000	107,17%	108,7%	1 032 842	109,5%	1 040 533
Irish Treasury Gov. 4.50% /18-04-2020		320 000	111,56%	112,8%	360 936	114,7%	367 125
Netherlands Gov. 3.75%/15-01-2023		5 000 000	119,62%	123,2%	6 161 921	123,2%	6 160 895
NETHERLANDS GOVT 0% 01/15/22		820 000	101,08%	101,2%	830 213	101,1%	828 848
NETHERLANDS GOVT 0% 04/15/18		50 000	100,18%	101,0%	50 485	100,2%	50 091
NETHERLANDS GOVT 0.5% 15/07/2026		11 480 000	101,06%	100,8%	11 575 300	101,3%	11 628 609
NETHERLANDS GOVT 2.5% 01/15/33		6 617 900	122,79%	127,9%	8 464 823	125,2%	8 284 702
NETHERLANDS GOVT 4% 01/15/37		8 580 000	152,33%	158,1%	13 566 044	156,2%	13 399 010
O.A.T. 3.75%/25-04-2021		4 500 000	113,62%	115,4%	5 191 311	116,2%	5 228 617
O.A.T. 4.00% /25-04-2055		6 000 000	158,16%	165,2%	9 914 032	160,9%	9 653 984
O.A.T. 5.75% /25-10-2032		2 000 000	164,19%	178,4%	3 567 517	165,2%	3 304 970
Republic Austria 3.90% /15-07-2020		4 840 000	111,11%	112,7%	5 456 661	112,9%	5 464 880
Republic Austria 4.65% /15-01-2018		100 000	100,14%	101,9%	101 950	104,6%	104 596
Republic Austria 6.25% /15-07-2027		1 350 000	154,09%	161,6%	2 182 209	157,0%	2 119 255
Republic Austria TV CMS Floor/28-07-2025		1 000 000	106,27%	106,5%	1 064 600	106,7%	1 066 964
REPUBLIC OF AUSTRI 2.4% 05/23/34		3 430 000	120,23%	124,4%	4 265 740	121,7%	4 173 786
REPUBLIC OF AUSTRI 4.15% 03/15/37		4 260 000	152,27%	156,2%	6 653 962	155,6%	6 627 437
REPUBLIC OF AUSTRIA 0.75% 10/20/2026		8 388 000	102,25%	102,5%	8 594 867	102,4%	8 589 056
REPUBLIC OF AUSTRIA 3.5% 09/15/21		350 000	114,22%	115,4%	404 060	115,2%	403 368
REPUBLIC OF PERU 2.75% 01/30/26		1 200 000	111,25%	109,5%	1 313 609	113,8%	1 365 288
REPUBLIC OF POLAND 4% 03/23/21		2 000 000	113,00%	114,0%	2 279 066	116,1%	2 322 027
Republic Poland 4.2% /15-04-2020		600 000	109,75%	111,0%	665 786	112,7%	676 451
Republica Slovakia 4%/27-04-2020		200 000	110,08%	111,5%	223 020	112,8%	225 596
Republica Slovenia 4.125%/26-01-2020		1 800 000	109,22%	110,2%	1 984 410	113,1%	2 034 939
REPUBLIKA OF SLOVENIJA 1.50% 03/35		5 550 000	98,58%	87,7%	4 869 015	99,7%	5 535 115
REPUBLIKA SLOVENIJA 1.75% 11/03/40		5 000 000	99,21%	97,7%	4 884 781	99,5%	4 974 304
REPUBLIKA SLOVENIJA 4.625% 09/24		1 000 000	129,94%	127,4%	1 274 017	131,4%	1 313 708
SPANISH GOV 4% 04/30/20		2 402 000	109,73%	110,6%	2 656 593	112,4%	2 700 255
SPANISH GOVT 1.95% 07/30		6 900 000	100,16%	104,4%	7 206 089	101,0%	6 967 947
SPANISH GOVT 2.15% 10/25		2 980 000	107,55%	109,5%	3 263 636	107,9%	3 215 549
SPANISH GOVT 2.75% 10/24		1 490 000	112,69%	113,4%	1 689 084	113,1%	1 685 884
SPANISH GOVT 5.4% 01/31/23		1 550 000	124,91%	126,5%	1 960 581	129,8%	2 012 650
SPGB 0.75% 07/30/21		50 000	102,36%	102,6%	51 275	102,7%	51 340
SPGB 4.2% 01/31/37		2 200 000	127,78%	123,4%	2 714 733	131,6%	2 895 734
SPGB 4.4% 10/31/23		3 630 000	121,64%	123,3%	4 476 806	122,4%	4 442 152
SPGB 4.9% 07/30/40		4 400 000	139,83%	149,9%	6 593 498	141,9%	6 243 309
SPGB 5.15% 10/31/44		1 700 000	144,94%	142,8%	2 426 978	145,8%	2 478 646
SPGB 5.9% 07/30/26		550 000	137,39%	133,4%	733 444	139,9%	769 358
SPGB 6% 01/31/29		4 000 000	143,02%	139,4%	5 574 235	148,5%	5 940 256

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
SWEDEN KINGDOM 0.875% 01/18		6 280 000	100,09%	100,3%	6 297 063	100,9%	6 336 123
UNITED MEXICAN STATES 1.625% 03/06/24		1 000 000	104,25%	99,6%	996 417	105,6%	1 055 856
BT 91 DIAS COM ACORDO RECOMPRA		563 170	100,00%	100,0%	563 170	100,0%	566 124
DEUTSCHLAND REP 1% 14-15/08/2024		223 077	106,41%	107,3%	239 406	106,8%	238 221
DEUTSCHLAND REP 1.25% 17-15/08/2048		294 462	99,76%	100,0%	294 420	100,2%	295 137
BUNDESSCHATZANW 0% 17-15/03/2019		580 000	100,88%	101,3%	587 795	100,9%	585 080
DEUTSCHLAND REP 5.625% 98-04/01/2028		1 293 846	150,77%	156,9%	2 029 816	156,3%	2 022 815
BUNDES 5.5% 01/04/31		2 230 769	160,38%	170,8%	3 809 402	165,8%	3 699 069
FRANCE GOVT 0% 05/25/22		16 345 393	100,66%	100,8%	16 481 134	100,7%	16 452 537
DEUTSCHLAND REP 1% 14-15/08/2024		276 923	106,41%	107,3%	297 194	106,8%	295 723
DEUTSCHLAND REP 1.25% 17-15/08/2048		365 538	99,76%	100,0%	365 487	100,2%	366 377
BUNDESSCHATZANW 0% 17-15/03/2019		720 000	100,88%	101,3%	729 677	100,9%	726 307
DEUTSCHLAND REP 5.625% 98-04/01/2028		1 606 154	150,77%	156,9%	2 519 771	156,3%	2 511 081
BUNDES 5.5% 01/04/31		2 769 231	160,38%	170,8%	4 728 913	165,8%	4 591 947
FRANCE GOVT 0% 05/25/22		6 554 609	100,66%	100,9%	6 613 962	100,7%	6 597 574
FRANCE GOVT 0% 05/25/22		6 683 209	100,66%	100,8%	6 738 710	100,7%	6 727 017
FRANCE GOVT 0% 05/25/22		5 116 793	100,66%	100,8%	5 159 286	100,7%	5 150 334
sub-total	0	623 471 738			719 822 114		719 647 823
2.2.2.2 - Other public issuers'							
GENERALITAT DE CATALUNYA 4.75% 06/18		40 000	101,30%	100,9%	40 368	104,0%	41 615
K.F.W. TV Ei Cap/Floor /24-07-2018		250 000	100,97%	103,3%	258 138	104,0%	259 998
Ontario Province 4.75% /23-04-2019		900 000	106,75%	108,2%	973 522	110,0%	990 265
Reseau Ferre France 6.00% /12-10-2020		400 000	117,37%	119,6%	478 285	118,7%	474 748
COMMUNITY OF MADRID 4.125% 05/24		3 000 000	120,03%	120,2%	3 605 855	122,6%	3 676 695
KOMMUNAL LANDSP 15-10/06/2045 FRN		485 010	113,28%	111,0%	538 197	115,7%	560 947
KOMMUNAL LANDSP 15-10/06/2045 FRN		1 214 990	113,28%	111,0%	1 348 228	115,7%	1 405 219
sub-total	0	6 289 999			7 242 592		7 409 487
2.2.2.3 - Other issuers'							
A2A SPA 4.375% 01/10/21		260 000	112,87%	114,2%	296 882	117,1%	304 525
Abertis Infra. 4.375%/25-10-2019		1 100 000	108,65%	110,1%	1 210 737	109,5%	1 204 741
ADIDAS AG 1.25% 10/21		750 000	102,82%	99,5%	746 165	103,1%	773 300
AIR PRODUCTS & CHEMICALS 1% 02/12/25-14		750 000	101,71%	99,6%	746 936	102,6%	769 426
AMERICA MOVIL 6.375% 09/06/73		2 500 000	122,44%	116,3%	2 906 275	124,5%	3 111 526
ARCELORMITTAL 3.125% 01/22		1 000 000	109,32%	99,9%	998 511	112,3%	1 123 241
ASSIST PUBL HOPIT PARIS 1.75% 11/27/41		7 500 000	100,42%	99,6%	7 467 975	100,6%	7 543 351
AT&T INC 1.3% 09/05/23		700 000	102,51%	101,2%	708 114	102,9%	720 466
AURIZON NETWORK PTY 3.125% 06/01/26		5 100 000	112,82%	109,6%	5 590 315	114,6%	5 847 029
AUSTRALIA PACIFIC AIRPORTS 1.75% 10/24		500 000	105,36%	99,3%	496 420	105,7%	528 626
BANIF FINANCE 3% 31/12/2019 CALL 2014		200 000	0,00%	0,0%	0	0,0%	0
BARCLAYS 6.5% 12/29/49		2 000 000	106,78%	94,8%	1 895 959	107,0%	2 140 997
BARCLAYS 6.625% 03/30/22		600 000	122,64%	118,2%	708 929	127,7%	765 910
BARCLAYS BANK 6% 01/14/21		2 100 000	115,49%	113,7%	2 386 733	121,3%	2 546 415
Barclays Bank CMS Floor/25-06-2018		400 000	101,84%	108,3%	433 300	104,3%	417 329
BERKSHIRE HATHAWAY 1.125% 03/16/27		1 000 000	99,17%	99,0%	990 004	100,1%	1 000 678
BG ENERGY CAPITAL 3.625% 07/19/19		1 000 000	105,75%	106,9%	1 068 989	107,4%	1 074 225
BHARTI AIRTEL INTERNAT 3,375% 05/2021		750 000	108,82%	99,6%	747 115	110,9%	831 754
BK TOKYOMITSUBISHI UFJ 0.875% 03/22		880 000	101,87%	99,7%	877 499	102,6%	902 714
BLACKROCK 1.25% 05/06/25		1 100 000	102,93%	99,6%	1 095 746	103,7%	1 141 211
BNP PARIBAS 05/49 TF 4,875% 17/10/2049 CALL 2011		2 000 000	104,06%	100,7%	2 013 691	105,1%	2 101 154
BNP PARIBAS 1.375% 11/21/18		50 000	101,34%	102,9%	51 425	101,5%	50 745
BOMBARDIER 6.125% 05/15/21		1 100 000	106,74%	100,1%	1 101 263	107,5%	1 182 529
C.D.C. IXIS 5.375% /29-11-2027		1 900 000	119,67%	113,4%	2 154 092	120,1%	2 282 645
C10 CAPITAL SPV LTD 07/49 TF/TV 6,277% 30/06/2049 CALL 2017		1 000 000	85,54%	80,9%	809 461	85,6%	855 522
CARREFOUR 1.25% 06/25		500 000	101,96%	99,6%	498 073	102,7%	513 418
CARREFOUR 1.75% 07/22		500 000	105,68%	99,6%	497 904	106,5%	532 431
CARREFOUR 3.875% 04/25/21		3 000 000	112,09%	114,2%	3 424 932	114,7%	3 442 203
Casino Guichard Call 4.87%/31-01-2048		1 100 000	101,77%	95,2%	1 046 946	106,2%	1 168 512
CASINO GUICHARD PERRACHO 2.33% 25-24		1 500 000	105,04%	100,0%	1 500 231	108,2%	1 623 679
CASINO GUICHARD PERRACHO 3.311% 01/23		300 000	112,73%	109,8%	329 326	117,0%	350 936
CIE DE SAINT-GOBAIN 3.625% 06/15/21		300 000	111,55%	113,0%	338 918	113,5%	340 588
Cie Financement Foncier 5.75% /04-10-2021		500 000	121,84%	124,5%	622 682	123,2%	616 107
CITIGROUP INC 05/30 TF/TV 4,25% 25/02/2030 CALL 2025		3 500 000	117,11%	113,7%	3 979 081	120,7%	4 224 708
CLOVERIE PLC SWISS REINS 6.625% 09/01/42		3 400 000	126,53%	126,1%	4 285 700	128,7%	4 376 726
COCA-COLA 1.125% 03/09/27		1 000 000	100,98%	99,2%	992 419	101,9%	1 018 944
Commerzbank AG 7.75%/16-03-2021		100 000	121,63%	117,0%	117 033	127,8%	127 786
CREDIT SUISSE 5.75% 09/18/25		3 500 000	113,53%	107,3%	3 756 086	115,2%	4 030 857
CREDIT SUISSE LONDON 09/19 TF 4,75% 05/08/2019		1 460 000	107,73%	108,8%	1 588 415	109,7%	1 601 022
DAIMLER AG 1.875% 07/24		1 000 000	107,72%	105,7%	1 057 058	108,6%	1 086 241
DELPHI AUTOMOTIVE 1.5% 03/25		700 000	102,72%	99,7%	697 699	103,9%	727 569
DEUTSCHE ANN FIN 2.125% 07/22		500 000	107,02%	99,7%	498 277	108,0%	540 179
EASTER CREATION II INV 1% 03/19/18		280 000	100,16%	100,0%	279 888	100,9%	282 655
EDENRED 1.375% 03/25		1 000 000	102,30%	99,2%	992 074	103,4%	1 034 111
ELECTRICITÉ DE FRANCE 09/21 TF 6.25% 25/01/2021		1 500 000	118,66%	121,2%	1 818 050	124,5%	1 867 154
Electricite France Call 4.125% TV/22-01-2048		1 900 000	106,75%	94,9%	1 802 918	110,6%	2 101 920
Electricite France Call 5.0% TV/22-01-2049		2 000 000	110,90%	94,4%	1 888 095	115,6%	2 311 953
ENAGAS FIN 1% 03/25/23		500 000	102,43%	99,8%	498 993	103,2%	515 974
ENAGAS FINANCIACIONES 1.25% 02/25		700 000	102,65%	99,3%	695 218	103,8%	726 385
ENBW 6.125% 07/39		1 000 000	166,68%	145,4%	1 454 159	169,7%	1 696 502
ENEL 5% 01/15/75		3 000 000	108,50%	107,3%	3 218 597	113,3%	3 398 896
ENEL FINANCE 4.875% 04/17/23		1 000 000	123,06%	125,8%	1 258 337	126,5%	1 265 099
Enel Societa 5.25%/20-05-2024		3 000 000	128,32%	133,0%	3 989 448	131,6%	3 946 689
ENERGIE AG OBEROSTERREICH 05/25 TF 4,5% 04/03/2025		1 720 000	124,51%	124,9%	2 148 589	128,2%	2 205 630
Eni Spa 4.125%/16-09-2019		700 000	107,10%	108,4%	758 914	108,3%	758 079
ERSTE GROUP BANK 7.125% 10/10/22		3 000 000	129,64%	114,7%	3 441 382	131,2%	3 937 191
ESM 1.85 01/12/55		15 000 000	108,74%	105,0%	15 747 000	108,9%	16 333 658
EVONIK INDUSTRIES 1% 01/23/23		500 000	102,86%	99,5%	497 731	103,8%	518 990

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
FCE BANK PLC 1.134% 02/10/22		500 000	102,21%	100,0%	500 066	103,2%	516 093
FERROVIAL SA 2.5% 07/24		1 100 000	109,22%	107,1%	1 177 922	110,4%	1 214 153
FIAT CHRYSLER 4.75% 07/15/22		225 000	112,64%	108,0%	242 971	114,8%	258 379
FIAT CHRYSLER FINANCE		630 000	101,21%	102,8%	647 497	106,5%	670 899
FIAT FINANCE 4.75% 03/21		1 000 000	110,92%	107,4%	1 073 718	114,6%	1 146 119
FIAT FINANCE 6.75% 10/19		305 000	111,15%	109,3%	333 310	112,6%	343 410
FINMEC FINANCE 4.5% 01/21		730 000	111,82%	110,5%	806 569	116,1%	847 441
Finmeccanica Fin. 5.25% /21-01-2022		2 640 000	117,21%	116,0%	3 061 473	122,2%	3 224 838
FLOWSERVE CORPORATION 1.25% 03/17/22		2 000 000	98,75%	99,6%	1 991 558	99,7%	1 994 695
FRESENIUS SE & CO 4% 02/01/24		1 200 000	116,85%	117,0%	1 404 578	118,5%	1 422 055
Gas Natural Capital 5.125%/02-11-2021		2 000 000	118,92%	120,6%	2 412 196	119,8%	2 395 048
GAS NATURAL FENOSA 2.875% 03/24		1 000 000	112,13%	99,9%	998 716	114,5%	1 144 536
GAS NATURAL FENOSA 4.125% 11/29/49		2 400 000	109,01%	101,8%	2 443 363	109,5%	2 627 783
GAZPROM 3.389% 03/20/20		500 000	105,42%	102,2%	510 991	108,1%	540 377
GDF SUEZ 1% 03/13/26		2 400 000	100,67%	99,4%	2 385 995	101,5%	2 435 274
GENERAL ELECTRIC 05/35 TF 4,125% 19/09/2035		500 000	130,51%	147,7%	738 423	131,7%	658 385
GENERAL MOTORS FINANCIAL 1.875% 10/15/19		500 000	103,29%	100,0%	499 822	103,7%	518 423
GIE PSA TRESORERIE 03/33 TF 6% 19/09/2033		800 000	128,90%	121,5%	971 986	130,6%	1 044 737
GOLDMAN SACHS GROUP 06/21 TF 4,75% 12/10/2021		490 000	114,86%	113,9%	557 894	115,9%	567 925
GOLDMAN SACHS GROUP 1.375% 07/26/22		1 050 000	103,75%	99,5%	1 044 783	104,3%	1 095 646
GOLDMAN SACHS GROUP 3.25% 02/01/23		1 585 000	112,32%	112,7%	1 786 437	115,3%	1 827 316
GRAND CITY PROPERTIES 3.75% 12/29/49		1 900 000	106,83%	101,0%	1 918 339	110,1%	2 091 512
GROUPAMA 6% 01/23/27		3 000 000	126,09%	100,0%	2 998 684	131,7%	3 951 358
GROUPAMA SA 7.875% 10/27/39		700 000	113,48%	104,0%	728 011	114,9%	804 198
HALIFAX BK SCOTLAND 05/30 TF/TV 4,5% 18/03/2030 CALL 2025		3 050 000	117,39%	108,4%	3 307 419	120,9%	3 688 813
Heidelberg Cement 7.5%/03-04-2020		800 000	116,66%	117,0%	936 297	118,5%	947 748
HEIDELBERGCEMENT FIN 9.5% 12/15/18		1 500 000	109,09%	111,8%	1 676 747	109,5%	1 642 243
HSBC 5.25% 12/29/49		1 000 000	110,43%	95,8%	957 736	112,0%	1 119 587
IBERDROLA 2.5% 10/22		1 000 000	109,96%	99,8%	998 160	110,4%	1 104 238
IBERDROLA 5.75% 02/27/49		800 000	100,90%	107,5%	860 263	105,7%	845 890
IBERDROLA FIN 4.125% 03/20		2 000 000	109,05%	110,6%	2 212 778	112,2%	2 244 946
IBM CORP 1.25% 05/26/23		2 000 000	103,90%	99,9%	1 997 250	104,7%	2 093 040
INTESA SANPAOLO 1.125% 01/20		270 000	102,08%	99,7%	269 305	103,2%	278 526
INTESA SANPAOLO 1.125% 03/22		500 000	102,15%	99,8%	498 890	103,1%	515 384
INTESA SANPAOLO 6.625% 09/13/23		1 285 000	125,48%	117,3%	1 506 997	127,5%	1 637 815
ITALCEMENTI FINANCE 6.625% 03/20		800 000	111,38%	119,3%	954 312	115,6%	924 811
JP MORGAN CHASE 1.5% 01/27/25		1 000 000	104,02%	100,0%	999 567	105,4%	1 054 120
KELLOGG CO 1.25% 03/10/25		1 500 000	100,65%	100,0%	1 499 628	101,7%	1 524 970
KENNEDY WILSON EUR 3.25% 11/12/25		7 700 000	103,86%	103,8%	7 989 960	104,3%	8 030 430
KONINKLIJKE 6.125% 03/29/49		2 000 000	103,98%	107,0%	2 139 691	105,8%	2 115 747
KPN NV 5.625%/30-09-2024		1 125 000	131,34%	133,7%	1 504 451	132,8%	1 493 492
LA POSTE 03/23 TF 4,375% 26/06/2023		1 500 000	121,20%	123,9%	1 858 083	123,5%	1 851 816
Landbk Sachsen Giro 6.195% /21-05-2031		400 000	142,38%	143,6%	574 201	146,2%	584 611
MACQUARIE BANK 1% 09/16/19		200 000	101,73%	100,0%	200 002	102,0%	204 041
Merril Lynch TV CMS Floor/04-10-2019		200 000	107,53%	110,5%	221 000	108,7%	217 465
METRO AG 1.5% 03/25		500 000	100,64%	99,9%	499 370	101,8%	509 117
MOODYS CORP 1.75% 03/27-26		500 000	102,95%	98,3%	491 699	104,4%	521 870
MORGAN STANLEY 1.75% 01/30/25		1 000 000	104,48%	99,9%	998 635	106,1%	1 060 862
MUNICH RE 6.25% 05/26/42		400 000	123,25%	122,0%	488 000	127,0%	507 980
NATIONAL GRID NA INC 0.75% 02/22		300 000	101,52%	99,6%	298 726	102,2%	306 548
NATIONWIDE BLDG SOCIETY 1.25% 03/25		1 000 000	102,30%	100,0%	999 532	103,3%	1 033 357
NRW 1 16/10/46		10 000 000	87,50%	85,5%	8 545 000	87,7%	8 770 922
OBRASCON HUARTE LAIN 4.75% 03/15/22		200 000	100,49%	74,3%	148 662	101,9%	203 767
ORANGE 5.25% 12/29/49		2 200 000	118,77%	110,8%	2 437 572	123,5%	2 716 481
P TELECOM 05/25 TF 4,5% 16/06/2025		1 700 000	40,76%	20,7%	351 050	40,8%	692 971
Pemex TR 5.50%/24-02-2025		2 000 000	117,89%	110,8%	2 216 775	122,6%	2 451 305
PETROBRAS 5.875% 03/22		1 500 000	115,94%	97,9%	1 468 596	120,8%	1 811 305
PETROBRAS GLOBAL FINANCE 4.25% 10/02/23		1 080 000	109,47%	89,4%	965 275	110,5%	1 193 572
PEUGEOT 6.5% 01/19		725 000	106,61%	108,3%	785 113	112,8%	817 731
POHJOLA BANK PLC 0.75% 03/22		500 000	102,00%	99,8%	498 903	102,6%	513 113
PPG INDUSTRIES 1.4% 03/13/27		1 000 000	100,90%	98,9%	989 123	102,0%	1 020 208
PROLOGIS LP 1.375% 10/07/20		1 000 000	103,17%	99,9%	999 238	103,5%	1 034 892
R.B.S. TV CMS FLOOR /10-06-2019		500 000	105,80%	102,5%	512 500	108,4%	542 119
RABOBANK 5.5% 01/22/49		500 000	108,29%	98,5%	492 553	108,3%	541 621
RABOBANK 6.875% 03/19/20		5 300 000	114,88%	112,4%	5 959 063	120,3%	6 374 884
RABOBANK NEDERLAND 08/18 TF 4,75% 15/01/2018		550 000	100,17%	101,8%	559 991	104,7%	575 986
RCI BANQUE 0.625% 03/20		1 610 000	101,04%	99,9%	1 608 720	101,6%	1 635 118
REDEXIS GAS FINANCE 2.75% 04/21		2 000 000	106,85%	99,7%	1 993 964	108,9%	2 177 313
REPSOL 3.875% 12/29/49		1 800 000	107,33%	92,4%	1 663 085	110,3%	1 985 584
REPSOL INTL FINANCE 4.875% 02/19		1 200 000	105,46%	107,2%	1 286 461	109,7%	1 315 970
ROYAL BANK OF SCOTLAND 3.625% 03/25/24		2 500 000	103,19%	99,2%	2 479 863	106,0%	2 649 594
SANTANDER CONSUMER BANK 0.625% 04/18		500 000	100,25%	100,0%	499 886	100,7%	503 438
SES SA 4.625% 12/29/49		1 900 000	107,15%	103,3%	1 962 483	111,7%	2 123 186
SFR GROUP SA 5.375% 05/15/22		1 400 000	102,95%	103,1%	1 443 498	105,0%	1 469 533
SHELL INT. FIN. 09/18 TF 4,375% 14/05/2018		2 000 000	101,68%	103,2%	2 063 242	104,4%	2 088 897
SINOPEC GRP OVERSEA 2015 0.5% 04/18		280 000	100,18%	99,9%	279 824	100,5%	281 452
SMURFIT KAPPA ACQUISITIO 3.25% 06/01/21		770 000	107,89%	106,5%	819 826	108,2%	832 792
SOCIETE GENERALE 4% 06/07/2023		2 000 000	115,41%	112,0%	2 239 824	117,7%	2 353 510
SOCIETE GENERALE 9.375% 09/29/49		1 950 000	114,72%	123,3%	2 403 375	117,8%	2 296 161
SODEXO 1.75% 01/24/2022		700 000	105,50%	100,0%	699 883	107,1%	749 917
STANDARD CHARTERED 3.625% 11/23/22		500 000	112,05%	105,1%	525 575	112,4%	562 112
STATE GRID EUROPE DEV 1.5% 01/22		1 000 000	102,91%	99,8%	998 476	104,3%	1 042 982
STORA ENSO OYJ 5.5% 03/19		300 000	106,19%	107,9%	323 610	110,7%	332 092
SVENSKA CELLULOSA 1.125% 03/25		1 000 000	100,76%	99,8%	998 369	101,7%	1 016 917
TDC 1.75% 02/27		500 000	101,15%	99,2%	496 243	102,6%	513 085
TELECOM ITALIA 3.25% 01/23		400 000	109,73%	107,5%	429 964	112,8%	451 346
TELECOM ITALIA 5.25% 02/22		3 250 000	117,60%	114,8%	3 732 412	122,3%	3 973 589
TELECOM ITALIA FIN SA 03/33 TF 7,75% 24/01/2033		100 000	153,65%	134,9%	134 918	160,9%	160 886
TELEFONICA 4.693%/11-11-2019		2 150 000	108,74%	110,2%	2 369 723	109,4%	2 351 818
TELEKOM FINANZ 4% 04/04/22		1 400 000	115,25%	117,2%	1 640 844	118,2%	1 655 078
TELENET FINANCE VI 4.875% 15/07/27		1 900 000	108,79%	105,4%	2 001 941	111,0%	2 109 520
TEOLLISUUDEN 2.125% 02/04/25		1 500 000	99,29%	99,5%	1 492 407	101,2%	1 518 183
TESCO CORP 1.375% 07/19		952 000	101,79%	99,9%	950 970	102,5%	975 613

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
TOTAL 2.625% 12/29/49		1 630 000	105,22%	95,1%	1 550 090	107,4%	1 751 208
TRASM. ELET. RETE NAZIONALE 04/24 TF 4,9% 28/10/2024		3 100 000	128,58%	134,8%	4 178 403	129,4%	4 012 646
TS ENERGY ITALY 4.2% 30/06/2032		13 778 850	100,00%	100,0%	13 778 850	100,0%	13 778 850
TYCO INT FINANCE 1.375% 02/25/25		500 000	95,16%	99,9%	499 357	96,3%	481 640
UBS AG TF\TV 4.75%/12-02-2026		1 200 000	111,94%	106,4%	1 276 836	116,1%	1 393 654
UNIBAIL-RODAMCO 1% 03/14/25		1 000 000	101,30%	99,7%	997 463	102,1%	1 020 990
UNICREDIT 5.75% 10/28/25		2 200 000	111,06%	104,1%	2 289 456	112,1%	2 465 501
UNICREDIT SPA 6.95% 10/31/22		980 000	122,88%	110,9%	1 086 525	124,0%	1 215 626
UNICREDITO ITALIANO 04/20 TF 4,375% 29/01/2020		2 050 000	108,93%	109,4%	2 241 982	113,0%	2 315 524
Univ Politec Valencia 6.6%/15-12-2022		498 840	119,98%	113,5%	566 366	120,3%	599 951
VATTENFALL 3% 03/19/77		2 000 000	101,50%	87,8%	1 755 009	103,9%	2 077 178
VEOLIA Env. Call 18 4,45% 16/04/2048		1 800 000	101,20%	103,8%	1 867 970	104,4%	1 878 510
VNESHECONOMBANK 4.032% 02/21/23		750 000	108,88%	98,0%	734 792	112,3%	842 554
VOESTALPINE AG 2.25% 10/21		220 000	104,96%	100,0%	219 935	105,4%	231 974
VOLKSWAGEN 5.125% 09/29/49		3 000 000	115,49%	105,4%	3 161 575	117,1%	3 514 495
VOLVO 4.85% 03/10/78		2 500 000	114,60%	103,2%	2 578 861	118,5%	2 963 229
WASHINGTON MUTUAL BANK 06/17 TF 4,5% 17/01/2017		5 000 000	0,00%	0,0%	0	0,0%	0
WENDEL 2.75% 10/24		100 000	109,97%	99,6%	99 611	110,6%	110 648
WESFARMERS 1.25% 10/21		1 500 000	103,95%	100,3%	1 505 232	104,2%	1 563 646
WHIRLPOOL CORP 0.625% 03/12/20		380 000	101,14%	99,8%	379 198	101,6%	386 241
WP CAREY 2% 01/20/23		6 900 000	103,77%	102,4%	7 066 900	105,7%	7 290 706
VIENNA INSURANCE 13-09/10/2043 FRN		342 360	121,47%	118,7%	406 381	122,7%	420 129
VIENNA INSURANCE 15-02/03/2046 FRN		485 010	111,98%	109,0%	528 489	115,1%	558 257
LLOYDS BK GR PLC 4.25% 17-22/11/2027		269 918	99,91%	97,9%	264 243	100,4%	270 906
UBS GROUP FUNDIN 1.5% 16-30/11/2024		267 692	104,05%	99,8%	267 071	104,2%	278 878
CREDIT SUISSE 17-17/07/2025 FRN		133 846	101,09%	99,4%	132 984	101,7%	136 076
ZF NA CAPITAL 2.75% 15-27/04/2023		133 846	109,37%	108,5%	145 268	111,2%	148 892
LINDE AG 1.5% 13-18/04/2018		138 255	99,86%	102,2%	141 337	100,9%	139 512
ALLIANZ SE 17-06/07/2047		770 310	109,73%	107,2%	825 972	111,2%	856 901
MAPFRE 17-31/03/2047		342 360	113,90%	110,0%	376 596	117,2%	401 231
CNP ASSURANCES 14-05/06/2045 FRN		370 890	116,67%	111,5%	413 542	119,1%	441 744
SCOR SE 15-08/06/2046 FRN		656 190	110,06%	107,4%	704 790	111,8%	733 309
SCOR SE 16-27/05/2048		199 710	113,60%	112,0%	223 675	115,8%	231 188
AIR FRANCE-KLM 3.75% 16-12/10/2022		133 846	107,94%	106,0%	141 825	108,8%	145 568
GROUPAMA 6% 01/23/27		485 010	126,32%	121,2%	587 703	131,9%	639 953
LVMH MOET HENNES 0.75% 17-26/05/2024		252 077	101,25%	99,8%	251 684	101,7%	256 354
PLASTIC OMNIUM S 1.25% 17-26/06/2024		133 846	99,38%	100,4%	134 390	100,0%	133 884
MUTUELLE NAT HOSP 6.25% 30/06/2027		998 549	100,00%	100,0%	998 549	103,2%	1 030 011
ENGIE 2% 17-28/09/2037		89 231	103,65%	99,1%	88 418	104,2%	92 948
YUM BRANDS INC T/L 1L 23/05/2023		955 637	100,36%	100,4%	959 420	100,4%	959 420
MRH (GB) LIMITED TLB1 06/12/2023		752 866	100,28%	100,3%	755 240	100,3%	755 240
AT&T INC 4.9% 17-14/08/2037		125 247	101,54%	102,7%	128 653	103,5%	129 618
AT&T INC 5.15% 17-14/02/2050		106 293	101,61%	102,7%	109 136	103,7%	110 182
AMAZON.COM INC 3.15% 17-22/08/2027		217 045	100,32%	102,3%	221 946	101,4%	220 180
AMERICAN EXPRESS 2.7% 17-03/03/2022		148 661	100,35%	112,7%	167 573	101,2%	150 491
AMGEN INC 4.563% 17-15/06/2048		334 487	111,94%	109,3%	365 632	112,1%	375 077
APPLE INC 3.35% 17-09/02/2027		172 818	102,53%	111,1%	191 978	103,8%	179 450
APPLE INC 3.2% 17-11/05/2027		63 181	101,36%	109,7%	69 291	101,8%	64 316
APPLE INC 2.75% 17-13/01/2025		226 708	99,20%	103,5%	234 556	99,6%	225 700
BRDCOM CRP / FIN 3.5% 17-15/01/2028		154 607	95,50%	101,5%	156 998	96,2%	148 751
CCO HOLDINGS LLC 5% 17-01/02/2028		133 423	97,72%	100,1%	133 514	99,7%	133 015
CF INDUSTRIES IN 4.5% 16-01/12/2026		137 511	104,40%	106,8%	146 867	104,8%	144 064
CELGENE CORP 3.875% 15-15/08/2025		297 322	103,64%	116,1%	345 305	105,1%	312 478
CHEVRON CORP 1.991% 17-03/03/2020		118 929	99,15%	113,0%	134 358	99,8%	118 688
CITIGROUP INC 4.125% 16-25/07/2028		185 826	103,26%	111,0%	206 200	105,0%	195 177
CITIGROUP INC 17-24/07/2028 FRN		182 110	101,55%	104,7%	190 581	103,1%	187 823
COMCAST CORP 3.15% 16-01/03/2026		371 652	100,82%	111,9%	415 758	101,9%	378 566
COX COMMUN INC 4.6% 17-15/08/2047		29 732	101,31%	102,5%	30 466	103,1%	30 663
CREDIT SUISSE 4.282% 17-09/01/2028		260 157	104,35%	111,3%	289 502	106,4%	276 757
DNB BANK ASA 2.375% 16-02/06/2021		260 157	99,39%	113,1%	294 268	99,6%	259 045
DANSKE BANK A/S 2.2% 17-02/03/2020		111 496	99,59%	113,2%	126 214	100,3%	111 843
JOHN DEERE CAP 2.65% 17-06/01/2022		185 826	100,61%	115,6%	214 767	101,9%	189 341
DOMINION RES 2.75% 17-15/01/2022		120 787	99,91%	113,6%	137 171	101,2%	122 199
E*TRADE FINL 3.8% 17-24/08/2027		34 564	99,85%	102,3%	35 355	101,2%	34 970
EXPRESS SCRIPTS 4.5% 16-25/02/2026		148 661	106,27%	113,7%	169 001	107,8%	160 300
EXPRESS SCRIPTS 3.4% 16-01/03/2027		111 496	98,29%	104,3%	116 288	99,4%	110 847
FORTIS INC 3.055% 17-04/10/2026		260 157	96,71%	106,3%	276 542	97,4%	253 497
GOODMAN US 3.7% 17-15/03/2028		188 056	99,41%	99,8%	187 763	100,4%	188 746
GUARDIAN LIFE IN 7.375% 09-30/09/2039		277 162	180,33%	178,9%	495 971	182,5%	505 928
HSBC HOLDINGS 17-13/03/2028		148 661	104,30%	113,3%	168 392	105,5%	156 845
JOHNSON&JOHNSON 3.625% 17-03/03/2037		96 630	105,83%	112,7%	108 889	107,0%	103 406
LLOYDS BK GR PLC 3% 17-11/01/2022		297 322	100,57%	114,2%	339 560	102,0%	303 188
MASS MUTUAL LIFE 8.875% 09-01/06/2039		77 407	199,24%	204,6%	158 381	200,1%	154 892
MORGAN STANLEY 17-22/07/2028 FRN		197 347	101,01%	104,2%	205 676	102,6%	202 418
NXP BV/NXP FUNDI 4.625% 15-15/06/2022		74 330	104,85%	110,0%	81 770	105,0%	78 075
NXP BV/NXP FUNDI 4.125% 16-01/06/2021		74 330	102,22%	106,2%	78 948	102,6%	76 228
NXP BV/NXP FUNDI 3.875% 16-01/09/2022		74 330	101,35%	106,6%	79 206	102,6%	76 283
NATIONWIDE BLDG 17-18/10/2032 FRN		278 739	100,21%	101,3%	282 279	101,0%	281 611
NEW YORK LIFE 6.75% 09-15/11/2039		39 595	173,84%	174,8%	69 199	174,9%	69 234
NOVARTIS CAPITAL 3.1% 17-17/05/2027		249 007	102,05%	112,6%	280 443	102,4%	255 030
PHILLIPS 66 PTNR 3.75% 17-01/03/2028		29 732	100,23%	101,2%	30 091	101,0%	30 038
PROCTER & GAMBLE 2.45% 16-03/11/2026		371 652	96,52%	109,4%	406 427	96,9%	360 144
REPUBLIC SVCS 3.375% 17-15/11/2027		232 654	100,92%	102,7%	239 036	101,3%	235 766
ROCKWELL COLLINS 2.8% 17-15/03/2022		115 212	100,21%	110,4%	127 182	101,0%	116 394
ROYAL BK CANADA 2.75% 17-01/02/2022		260 157	101,28%	111,7%	290 668	102,4%	266 445
SANTANDER UK GRP 3.571% 17-10/01/2023		371 652	101,51%	115,6%	429 655	103,2%	383 518
SCENTRE MGMT/RE1 3.75% 17-23/03/2027		63 181	101,61%	111,1%	70 183	102,6%	64 838
SIEMENS FINAN 1.3% 16-13/09/2019		185 826	98,50%	111,3%	206 793	98,9%	183 763
SIEMENS FINAN 4.2% 17-16/03/2047		185 826	109,97%	113,1%	210 089	111,2%	206 605
TARGET CORP 2.5% 16-15/04/2026		260 157	96,23%	108,1%	281 150	96,7%	251 693
TEACHERS INS&ANN 4.27% 17-15/05/2047		551 355	127,24%	126,9%	699 804	127,9%	705 072
3M CO 2.875% 17-15/10/2027		293 605	99,56%	100,1%	293 812	100,3%	294 383
VERIZON COMM INC 4.15% 14-15/03/2024		297 322	105,29%	119,5%	355 300	106,5%	316 642

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
VMWARE INC 3.9% 17-21/08/2027		103 319	101,12%	102,2%	105 617	102,5%	105 917
WELLS FARGO CO 3% 16-23/10/2026		371 652	98,10%	107,5%	399 498	98,7%	366 668
WELLS FARGO CO 3.069% 17-24/01/2023		228 566	100,78%	112,3%	256 590	102,1%	233 386
PRUDENTIAL PLC 6.125% 01-19/12/2031		831 994	117,81%	115,0%	956 864	118,0%	981 669
NATIONAL GRID 4.375% 05-10/03/2020		178 462	109,62%	113,7%	202 855	113,2%	201 970
HSBC HLDGS PLC 6.75% 08-11/09/2028		301 426	134,27%	123,2%	371 363	136,3%	410 905
BRAMBLES FINANCE 4.625% 11-20/04/2018		223 077	101,44%	106,4%	237 443	104,7%	233 499
BG ENERGY CAP 3% 11-16/11/2018		223 077	102,86%	106,0%	236 453	103,2%	230 288
AKZO NOBEL NV 4% 11-17/12/2018		133 846	103,98%	108,4%	145 125	104,1%	139 383
SVENSKA HANDELSBANKEN 4% 12-18/01/2019		251 189	103,32%	111,3%	279 602	107,1%	269 086
COMPASS GROUP 3.125% 12-13/02/2019		89 231	103,60%	107,1%	95 530	106,3%	94 897
BAA FUNDING LTD 6% 12-20/03/2020		100 475	110,31%	118,8%	119 355	115,0%	115 560
MUNICH RE 6.25% 05/26/42		656 190	123,50%	124,7%	817 983	127,3%	835 017
GE CAP EUR FUND 2.875% 12-18/06/2019		223 077	104,45%	107,4%	239 667	106,0%	236 457
DELTA LLOYD LEVE 12-29/08/2042 FRN		171 180	136,09%	133,8%	228 987	139,2%	238 200
HANNOVER FINANCE 12-30/06/2043 FRN		656 190	120,72%	121,0%	793 790	123,2%	808 710
STANDARD LIFE ABERDEEN 12-04/12/2042 FRN		795 820	101,22%	99,8%	794 152	101,6%	808 401
AQUARIUS + INV 13-02/10/2043 FRN		370 890	116,78%	115,3%	427 636	117,8%	437 022
ACHMEA BV 13-04/04/2043 FRN		784 575	118,83%	115,5%	906 166	123,3%	967 226
AVIVA PLC 13-05/07/2043 FRN		285 300	124,51%	120,3%	343 073	127,5%	363 785
RL FINCE BNDS 13-30/11/2043 FRN		940 515	102,52%	100,2%	942 148	103,0%	968 573
FINMEC FINANCE 4.5% 01/21		44 615	111,98%	112,0%	49 969	116,2%	51 865
AXA SA 14-16/01/2054 FRN		253 216	108,69%	109,4%	276 903	113,5%	287 329
ING VERZEKERING 14-08/04/2044 FRN		627 660	116,14%	112,0%	702 825	119,5%	750 198
AEGON NV 14-25/04/2044 FRN		370 890	112,60%	105,5%	391 103	115,3%	427 774
COMPASS GROUP 1.875% 14-27/01/2023		178 462	107,33%	107,3%	191 575	109,1%	194 642
PENSION INSURNCE 6.5% 14-03/07/2024		940 515	101,60%	95,3%	896 739	104,5%	982 499
DANICA PENSION 15-29/09/2045 FRN		342 360	116,46%	114,4%	391 574	117,6%	402 523
UNIQA INSURANCE 15-27/07/2046 FRN		599 130	125,66%	120,5%	722 023	128,2%	768 339
GLAXOSMITHKLINE 0.625% 14-02/12/2019		133 846	101,38%	101,7%	136 156	101,4%	135 756
ESURE GROUP 6.75% 14-19/12/2024		813 907	105,07%	97,4%	792 726	105,3%	856 757
ASR NEDERLAND NV 15-29/09/2045 FRN		342 360	121,69%	113,8%	389 708	123,0%	421 079
LEGAL & GENL GRP 15-27/10/2045 FRN		325 563	101,60%	96,0%	312 387	102,5%	333 555
CYBG PLC 16-09/02/2026		100 475	106,70%	102,1%	102 565	108,7%	109 203
JAPAN TOBACCO 2% 16-13/04/2021		371 652	98,27%	108,4%	402 703	98,7%	366 807
JOHNSON&JOHNSON 1.15% 16-20/11/2028		267 692	101,41%	100,6%	269 352	101,5%	271 819
ZURICH INSURANCE 16-01/10/2046		142 650	112,77%	112,6%	160 659	113,6%	162 118
DEMETER INVEST 16-15/08/2052		118 784	130,78%	132,7%	157 675	133,3%	158 355
HENKEL AG & CO 1.5% 16-13/09/2019		260 157	99,03%	101,8%	264 818	99,5%	258 781
BAT INTL FINANCE 1.625% 16-09/09/2019		148 661	98,54%	108,2%	160 805	99,0%	147 228
LANDSBANKINN HF 1.625% 16-15/03/2021		133 846	103,03%	100,6%	134 582	104,3%	139 639
N&W GLOBAL VENDI 7% 16-15/10/2023		411 863	106,81%	104,5%	430 397	108,3%	445 901
AMERICAN EXPRESS 0.625% 16-22/11/2021		133 846	101,43%	99,6%	133 289	101,5%	135 844
HEINEKEN NV 1.375% 16-29/01/2027		89 231	102,60%	99,7%	88 918	104,1%	92 889
ARION BANKI HF 1.625% 16-01/12/2021		178 462	103,66%	99,5%	177 630	103,8%	185 238
AMIGO LUXEMBOURG 7.625% 17-15/01/2024		688 120	104,57%	109,4%	752 745	108,1%	743 612
WPC EUROBOND 2.25% 17-19/07/2024		535 385	104,74%	99,9%	534 606	105,8%	566 190
NESTLE HOLDINGS 2.375% 17-18/01/2022		260 157	99,84%	113,4%	294 925	102,1%	265 611
BARCLAYS PLC 3.125% 17-17/01/2024		251 189	104,79%	101,7%	255 414	107,8%	270 718
SOCIETY LLOYDS 17-07/02/2047		904 341	100,59%	97,9%	885 416	104,5%	944 755
UNILEVER PLC 1.125% 17-03/02/2022		251 189	100,20%	103,0%	258 755	101,2%	254 263
BANK OF AMER CRP 17-07/02/2022		89 231	101,62%	100,0%	89 231	102,3%	91 267
SWEDBANK AB 0.3% 17-06/09/2022		178 462	99,81%	99,8%	178 112	99,9%	178 291
BALDER 1.875% 17-14/03/2025		133 846	101,99%	99,0%	132 552	103,5%	138 514
ASAHI GROUP 1.151% 17-19/09/2025		89 231	100,21%	100,0%	89 231	100,5%	89 707
ABN AMRO BANK NV 17-27/03/2028		148 661	103,06%	111,6%	165 930	104,2%	154 897
VOLKSWAGEN INTFN 1.875% 17-30/03/2027		133 846	103,40%	99,4%	133 041	104,8%	140 300
FOUR FINANCE SA 10.75% 17-01/05/2022		222 784	107,65%	109,7%	244 483	109,4%	243 759
NESTLE HOLDINGS 2.25% 17-10/05/2022		111 496	99,22%	109,9%	122 508	100,7%	112 227
GEN ELECTRIC CO 2.125% 17-17/05/2037		267 692	99,49%	99,4%	266 201	100,8%	269 886
AKELIUS RESIDENT 1.75% 17-07/02/2025		133 846	101,49%	99,5%	133 146	102,5%	137 214
SWITCH HOLDINGS 2.25% 17-31/05/2027		89 231	103,59%	99,6%	88 884	104,9%	93 615
LEONARDO SPA 1.5% 17-07/06/2024		66 923	100,28%	99,1%	66 352	101,1%	67 681
FIDELITY NATIONA 1.1% 17-15/07/2024		133 846	99,43%	99,8%	133 541	99,9%	133 779
DEUTSCHE BAHN FIN 1.375% 17-07/07/2025		173 320	99,41%	100,3%	173 871	100,1%	173 462
AA BOND CO LTD 2.75% 17-31/07/2023		100 475	99,35%	100,6%	101 073	100,6%	101 119
ANNINGTON FND PL 2.646% 17-12/07/2025		50 238	101,95%	101,3%	50 899	103,2%	51 845
ANNINGTON FND PL 3.685% 17-12/07/2034		100 475	105,65%	101,3%	101 798	107,4%	107 899
ABN AMRO BANK NV 1% 17-30/06/2020		150 713	100,00%	97,7%	147 298	100,0%	150 717
UNITED GROUP 17-01/07/2023 FRN		575 004	100,85%	100,0%	575 004	101,8%	585 209
ADO PROPERTIES 1.5% 17-26/07/2024		133 846	101,01%	99,7%	133 379	101,7%	136 057
UNILEVER NV 0.875% 17-31/07/2025		89 231	100,79%	99,6%	88 916	101,2%	90 264
GLAXOSMITHKLINE 1% 17-12/09/2026		223 077	100,43%	99,9%	222 867	100,7%	224 703
LANSFORSAKR BANK 0.5% 17-19/09/2022		223 077	99,65%	99,9%	222 867	99,8%	222 604
NORTEGAS ENERGIA 0.918% 17-28/09/2022		89 231	100,67%	100,0%	89 231	100,9%	90 038
NORTEGAS ENERGIA 2.065% 17-28/09/2027		44 615	101,78%	100,0%	44 615	102,3%	45 647
CPI PROPERTY GRO 2.125% 17-04/10/2024		89 231	100,39%	99,0%	88 373	100,9%	90 032
RESIDOMO SRO 3.375% 17-15/10/2024		458 666	102,30%	100,0%	458 666	103,0%	472 517
AROUNDTOWN SA 3% 17-16/10/2029		75 357	100,83%	96,0%	72 315	101,5%	76 454
ABN AMRO BANK NV 1.375% 17-07/06/2022		150 713	100,51%	98,5%	148 493	100,6%	151 618
EUROPCAR DRIVE 4.125% 17-15/11/2024		225 321	100,50%	100,0%	225 321	101,2%	227 945
PICARD 5.5% 17-30/11/2024		135 059	101,82%	100,0%	135 059	102,1%	137 841
TLG IMMOBILEN 1.375% 17-27/11/2024		133 846	99,72%	99,7%	133 491	99,9%	133 648
IRON MOUNTAIN UK 3.875% 17-15/11/2025		340 295	98,17%	101,2%	344 498	98,7%	335 784
BORMIOLI PHARMA 17-15/11/2024 FRN		345 671	101,06%	100,0%	345 671	101,6%	351 058
PHILIP MORRIS IN 1.875% 17-06/11/2037		89 231	97,26%	98,9%	88 263	97,5%	87 030
AKELIUS RESIDENT 1.125% 17-14/03/2024		44 615	98,88%	99,7%	44 500	99,0%	44 182
BASF SE 0.875% 17-15/11/2027		66 923	98,79%	98,7%	66 036	98,9%	66 184
DIAGEO FIN PLC 0.5% 17-19/06/2024		133 846	98,72%	99,2%	132 795	98,8%	132 208
BRITISH TELECOMM 3.125% 17-21/11/2031		200 951	102,78%	98,7%	198 339	103,1%	207 228
VODAFONE GROUP 1.875% 17-20/11/2029		178 462	99,32%	98,8%	176 272	99,5%	177 633
VODAFONE GROUP 2.875% 17-20/11/2037		44 615	100,78%	98,2%	43 825	101,1%	45 106
ORSTED A/S 1.5% 17-26/11/2029		178 462	99,61%	98,8%	176 391	99,8%	178 044
SPAREBANKEN VEST 0.5% 17-29/11/2022		223 077	99,37%	99,7%	222 321	99,4%	221 780

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DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest)	
						Unit	Total
LANDSBANKINN HF 1% 17-30/05/2023		89 231	99,71%	99,4%	88 711	99,8%	89 049
INMOBILIARIA COL 2.5% 17-28/11/2029		89 231	99,13%	100,1%	89 288	99,4%	88 652
CPI PROPERTY GRO 2.125% 17-04/10/2024		178 462	100,39%	100,5%	179 294	100,9%	180 065
TRITAX BIG BOX 2.625% 17-14/12/2026		100 475	101,87%	100,4%	100 898	102,0%	102 474
TRITAX BIG BOX 3.125% 17-14/12/2031		100 475	101,64%	99,4%	99 897	101,8%	102 267
EQUINIX INC 2.875% 17-01/02/2026		223 077	100,17%	100,0%	223 077	100,3%	223 782
VIENNA INSURANCE 13-09/10/2043 FRN		857 640	121,47%	118,7%	1 018 018	122,7%	1 052 458
VIENNA INSURANCE 15-02/03/2046 FRN		1 214 990	111,98%	109,0%	1 323 910	115,1%	1 398 481
LLOYDS BK GR PLC 4.25% 17-22/11/2027		335 070	99,91%	97,9%	328 026	100,4%	336 297
UBS GROUP FUNDIN 1.5% 16-30/11/2024		332 308	104,05%	99,8%	331 537	104,2%	346 193
CREDIT SUISSE 17-17/07/2025 FRN		166 154	101,09%	99,4%	165 084	101,7%	168 922
ZF NA CAPITAL 2.75% 15-27/04/2023		166 154	109,37%	108,5%	180 332	111,2%	184 831
LINDE AG 1.5% 13-18/04/2018		171 627	99,86%	102,2%	175 453	100,9%	173 187
ALLIANZ SE 17-06/07/2047		1 929 689	109,73%	107,2%	2 069 127	111,2%	2 146 609
MAPFRE 17-31/03/2047		857 640	113,90%	110,0%	943 404	117,2%	1 005 118
CNP ASSURANCES 14-05/06/2045 FRN		929 110	116,67%	111,5%	1 035 957	119,1%	1 106 605
SCOR SE 15-08/06/2046 FRN		1 643 809	110,06%	107,4%	1 765 559	111,8%	1 837 001
SCOR SE 16-27/05/2048		500 290	113,60%	112,0%	560 325	115,8%	579 146
AIR FRANCE-KLM 3.75% 16-12/10/2022		166 154	107,94%	106,0%	176 058	108,8%	180 705
GROUPAMA 6% 01/23/27		1 214 990	126,32%	121,2%	1 472 246	131,9%	1 603 135
LVMH MOET HENNES 0.75% 17-26/05/2024		312 923	101,25%	99,8%	312 435	101,7%	318 232
PLASTIC OMNIUM S 1.25% 17-26/06/2024		166 154	99,38%	100,4%	166 830	100,0%	166 201
MUTUELLE NAT HOSP 6.25% 30/06/2027		2 501 449	100,00%	100,0%	2 501 449	103,2%	2 580 262
ENGIE 2% 17-28/09/2037		110 769	103,65%	99,1%	109 760	104,2%	115 383
YUM BRANDS INC T/L 1L 23/05/2023		473 655	100,36%	100,4%	475 529	100,4%	475 529
MRH (GB) LIMITED TLB1 06/12/2023		373 153	100,28%	100,3%	374 329	100,3%	374 329
AT&T INC 4.9% 17-14/08/2037		155 479	101,54%	102,7%	159 707	103,5%	160 906
AT&T INC 5.15% 17-14/02/2050		131 949	101,61%	102,7%	135 479	103,7%	136 778
AMAZON.COM INC 3.15% 17-22/08/2027		269 435	100,32%	102,3%	275 519	101,4%	273 327
AMERICAN EXPRESS 2.7% 17-03/03/2022		184 545	100,35%	112,7%	208 022	101,2%	186 816
AMGEN INC 4.563% 17-15/06/2048		415 225	111,94%	109,3%	453 888	112,1%	465 613
APPLE INC 3.35% 17-09/02/2027		214 533	102,53%	111,1%	238 318	103,8%	222 766
APPLE INC 3.2% 17-11/05/2027		78 431	101,36%	109,7%	86 017	101,8%	79 840
APPLE INC 2.75% 17-13/01/2025		281 431	99,20%	103,5%	291 173	99,6%	280 179
BRDCOM CRP / FIN 3.5% 17-15/01/2028		191 926	95,50%	101,5%	194 894	96,2%	184 657
CCO HOLDINGS LLC 5% 17-01/02/2028		165 629	97,72%	100,1%	165 741	99,7%	165 122
CF INDUSTRIES IN 4.5% 16-01/12/2026		170 704	104,40%	106,8%	182 317	104,8%	178 838
CELGENE CORP 3.875% 15-15/08/2025		369 089	103,64%	116,1%	428 655	105,1%	387 904
CHEVRON CORP 1.991% 17-03/03/2020		147 636	99,15%	113,0%	166 790	99,8%	147 337
CITIGROUP INC 4.125% 16-25/07/2028		230 681	103,26%	111,0%	255 973	105,0%	242 289
CITIGROUP INC 17-24/07/2028 FRN		226 067	101,55%	104,7%	236 583	103,1%	233 160
COMCAST CORP 3.15% 16-01/03/2026		461 362	100,82%	111,9%	516 113	101,9%	469 944
COX COMMUN INC 4.6% 17-15/08/2047		36 909	101,31%	102,5%	37 820	103,1%	38 065
CREDIT SUISSE 4.282% 17-09/01/2028		322 953	104,35%	111,3%	359 382	106,4%	343 560
DNB BANK ASA 2.375% 16-02/06/2021		322 953	99,39%	113,1%	365 299	99,6%	321 573
DANSKE BANK A/S 2.2% 17-02/03/2020		138 408	99,59%	113,2%	156 680	100,3%	138 839
JOHN DEERE CAP 2.65% 17-06/01/2022		230 681	100,61%	115,6%	266 608	101,9%	235 044
DOMINION RES 2.75% 17-15/01/2022		149 943	99,91%	113,6%	170 282	101,2%	151 696
E*TRADE FINL 3.8% 17-24/08/2027		42 907	99,85%	102,3%	43 889	101,2%	43 411
EXPRESS SCRIPTS 4.5% 16-25/02/2026		184 545	106,27%	113,7%	209 794	107,8%	198 993
EXPRESS SCRIPTS 3.4% 16-01/03/2027		138 408	98,29%	104,3%	144 357	99,4%	137 604
FORTIS INC 3.055% 17-04/10/2026		322 953	96,71%	106,3%	343 294	97,4%	314 686
GOODMAN US 3.7% 17-15/03/2028		233 449	99,41%	99,8%	233 085	100,4%	234 306
GUARDIAN LIFE IN 7.375% 09-30/09/2039		694 315	180,33%	178,9%	1 242 449	182,5%	1 267 391
HSBC HOLDINGS 17-13/03/2028		184 545	104,30%	113,3%	209 038	105,5%	194 704
JOHNSON&JOHNSON 3.625% 17-03/03/2037		119 954	105,83%	112,7%	135 172	107,0%	128 366
LLOYDS BK GR PLC 3% 17-11/01/2022		369 089	100,57%	114,2%	421 523	102,0%	376 372
MASS MUTUAL LIFE 8.875% 09-01/06/2039		193 912	199,24%	204,6%	396 756	200,1%	388 018
MORGAN STANLEY 17-22/07/2028 FRN		244 983	101,01%	104,2%	255 322	102,6%	251 277
NXP BV/NXP FUNDI 4.625% 15-15/06/2022		92 272	104,85%	110,0%	101 508	105,0%	96 921
NXP BV/NXP FUNDI 4.125% 16-01/06/2021		92 272	102,22%	106,2%	98 004	102,6%	94 628
NXP BV/NXP FUNDI 3.875% 16-01/09/2022		92 272	101,35%	106,6%	98 324	102,6%	94 696
NATIONWIDE BLDG 17-18/10/2032 FRN		346 021	100,21%	101,3%	350 416	101,0%	349 586
NEW YORK LIFE 6.75% 09-15/11/2039		99 188	173,84%	174,8%	173 349	174,9%	173 437
NOVARTIS CAPITAL 3.1% 17-17/05/2027		309 112	102,05%	112,6%	348 136	102,4%	316 589
PHILLIPS 66 PTNR 3.75% 17-01/03/2028		36 909	100,23%	101,2%	37 354	101,0%	37 289
PROCTER & GAMBLE 2.45% 16-03/11/2026		461 362	96,52%	109,4%	504 529	96,9%	447 076
REPUBLIC SVCS 3.375% 17-15/11/2027		288 812	100,92%	102,7%	296 734	101,3%	292 675
ROCKWELL COLLINS 2.8% 17-15/03/2022		143 022	100,21%	110,4%	157 881	101,0%	144 489
ROYAL BK CANADA 2.75% 17-01/02/2022		322 953	101,28%	111,7%	360 830	102,4%	330 759
SANTANDER UK GRP 3.571% 17-10/01/2023		461 362	101,51%	115,6%	533 365	103,2%	476 092
SCENTRE MGMT/RE1 3.75% 17-23/03/2027		78 431	101,61%	111,1%	87 124	102,6%	80 488
SIEMENS FINAN 1.3% 16-13/09/2019		230 681	98,50%	111,3%	256 708	98,9%	228 120
SIEMENS FINAN 4.2% 17-16/03/2047		230 681	109,97%	113,1%	260 801	111,2%	256 475
TARGET CORP 2.5% 16-15/04/2026		322 953	96,23%	108,1%	349 014	96,7%	312 446
TEACHERS INS&ANN 4.27% 17-15/05/2047		1 381 190	127,24%	126,9%	1 753 066	127,9%	1 766 265
3M CO 2.875% 17-15/10/2027		364 476	99,56%	100,1%	364 732	100,3%	365 440
VERIZON COMM INC 4.15% 14-15/03/2024		369 089	105,29%	119,5%	441 062	106,5%	393 073
VMWARE INC 3.9% 17-21/08/2027		128 259	101,12%	102,2%	131 111	102,5%	131 483
WELLS FARGO CO 3% 16-23/10/2026		461 362	98,10%	107,5%	495 928	98,7%	455 174
WELLS FARGO CO 3.069% 17-24/01/2023		283 737	100,78%	112,3%	318 526	102,1%	289 721
PRUDENTIAL PLC 6.125% 01-19/12/2031		2 084 214	117,81%	115,0%	2 397 025	118,0%	2 459 162
NATIONAL GRID 4.375% 05-10/03/2020		221 538	109,62%	113,7%	251 821	113,2%	250 722
HSBC HLDGS PLC 6.75% 08-11/09/2028		374 185	134,27%	123,2%	461 002	136,3%	510 089
BRAMBLES FINANCE 4.625% 11-20/04/2018		276 923	101,44%	106,4%	294 757	104,7%	289 861
BG ENERGY CAP 3% 11-16/11/2018		276 923	102,86%	106,0%	293 528	103,2%	285 875
AKZO NOBEL NV 4% 11-17/12/2018		166 154	103,98%	108,4%	180 156	104,1%	173 027
SVENSKA HANDELSBANKEN 4% 12-18/01/2019		311 820	103,32%	111,3%	347 092	107,1%	334 038
COMPASS GROUP 3.125% 12-13/02/2019		110 769	103,60%	107,1%	118 590	106,3%	117 803
BAA FUNDING LTD 6% 12-20/03/2020		124 728	110,31%	118,8%	148 164	115,0%	143 454
MUNICH RE 6.25% 05/26/42		1 643 809	123,50%	124,7%	2 049 116	127,3%	2 091 786
GE CAP EUR FUND 2.875% 12-18/06/2019		276 923	104,45%	107,4%	297 518	106,0%	293 532
DELTA LLOYD LEVE 12-29/08/2042 FRN		428 820	136,09%	133,8%	573 632	139,2%	596 710
HANNOVER FINANCE 12-30/06/2043 FRN		1 643 809	120,72%	121,0%	1 988 509	123,2%	2 025 885

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Carrying amount (Includes accrued interest) Total
STANDARD LIFE ABERDEEN 12-04/12/2042 FRN		1 993 596	101,22%	99,8%	1 989 417	101,6%	2 025 112
AQUARIUS + INV 13-02/10/2043 FRN		929 110	116,78%	115,3%	1 071 263	117,8%	1 094 776
ACHMEA BV 13-04/04/2043 FRN		1 965 424	118,83%	115,5%	2 270 020	123,3%	2 422 981
AVIVA PLC 13-05/07/2043 FRN		714 700	124,51%	120,3%	859 426	127,5%	911 312
RL FINCE BNDS 13-30/11/2043 FRN		2 356 069	102,52%	100,2%	2 360 159	103,0%	2 426 355
FINMEC FINANCE 4.5% 01/21		55 385	111,98%	112,0%	62 031	116,2%	64 384
AXA SA 14-16/01/2054 FRN		634 326	108,69%	109,4%	693 666	113,5%	719 782
ING VERZEKERING 14-08/04/2044 FRN		1 572 339	116,14%	112,0%	1 760 634	119,5%	1 879 309
AEGON NV 14-25/04/2044 FRN		929 110	112,60%	105,5%	979 746	115,3%	1 071 609
COMPASS GROUP 1.875% 14-27/01/2023		221 538	107,33%	107,3%	237 817	109,1%	241 625
PENSION INSURNCE 6.5% 14-03/07/2024		2 356 069	101,60%	95,3%	2 246 406	104,5%	2 461 242
DANICA PENSION 15-29/09/2045 FRN		857 640	116,46%	114,4%	980 925	117,6%	1 008 353
UNIQA INSURANCE 15-27/07/2046 FRN		1 500 870	125,66%	120,5%	1 808 726	128,2%	1 924 752
GLAXOSMITHKLINE 0.625% 14-02/12/2019		166 154	101,38%	101,7%	169 022	101,4%	168 524
ESURE GROUP 6.75% 14-19/12/2024		2 038 905	105,07%	97,4%	1 985 845	105,3%	2 146 248
ASR NEDERLAND NV 15-29/09/2045 FRN		857 640	121,69%	113,8%	976 251	123,0%	1 054 837
LEGAL & GENL GRP 15-27/10/2045 FRN		815 562	101,60%	96,0%	782 556	102,5%	835 583
CYBG PLC 16-09/02/2026		124 728	106,70%	102,1%	127 322	108,7%	135 563
JAPAN TOBACCO 2% 16-13/04/2021		461 362	98,27%	108,4%	499 907	98,7%	455 347
JOHNSON&JOHNSON 1.15% 16-20/11/2028		332 308	101,41%	100,6%	334 368	101,5%	337 430
ZURICH INSURANCE 16-01/10/2046		357 350	112,77%	112,6%	402 465	113,6%	406 118
DEMETER INVEST 16-15/08/2052		297 563	130,78%	132,7%	394 990	133,3%	396 694
HENKEL AG & CO 1.5% 16-13/09/2019		322 953	99,03%	101,8%	328 739	99,5%	321 245
BAT INTL FINANCE 1.625% 16-09/09/2019		184 545	98,54%	108,2%	199 620	99,0%	182 766
LANDSBANKINN HF 1.625% 16-15/03/2021		166 154	103,03%	100,6%	167 068	104,3%	173 345
N&W GLOBAL VENDI 7% 16-15/10/2023		204 137	106,81%	104,5%	213 323	108,3%	221 008
AMERICAN EXPRESS 0.625% 16-22/11/2021		166 154	101,43%	99,6%	165 463	101,5%	168 634
HEINEKEN NV 1.375% 16-29/01/2027		110 769	102,60%	99,7%	110 382	104,1%	115 311
ARION BANKI HF 1.625% 16-01/12/2021		221 538	103,66%	99,5%	220 506	103,8%	229 950
AMIGO LUXEMBOURG 7.625% 17-15/01/2024		341 061	104,57%	109,4%	373 093	108,1%	368 566
WPC EUROBOND 2.25% 17-19/07/2024		664 615	104,74%	99,9%	663 649	105,8%	702 857
NESTLE HOLDINGS 2.375% 17-18/01/2022		322 953	99,84%	113,4%	366 114	102,1%	329 725
BARCLAYS PLC 3.125% 17-17/01/2024		311 820	104,79%	101,7%	317 066	107,8%	336 064
SOCIETY LLOYDS 17-07/02/2047		2 265 451	100,59%	97,9%	2 218 041	104,5%	2 366 689
UNILEVER PLC 1.125% 17-03/02/2022		311 820	100,20%	103,0%	321 213	101,2%	315 636
BANK OF AMER CRP 17-07/02/2022		110 769	101,62%	100,0%	110 769	102,3%	113 297
SWEDBANK AB 0.3% 17-06/09/2022		221 538	99,81%	99,8%	221 104	99,9%	221 327
BALDER 1.875% 17-14/03/2025		166 154	101,99%	99,0%	164 547	103,5%	171 948
ASAHI GROUP 1.151% 17-19/09/2025		110 769	100,21%	100,0%	110 769	100,5%	111 361
ABN AMRO BANK NV 17-27/03/2028		184 545	103,06%	111,6%	205 982	104,2%	192 286
VOLKSWAGEN INTFN 1.875% 17-30/03/2027		166 154	103,40%	99,4%	165 155	104,8%	174 166
FOUR FINANCE SA 10.75% 17-01/05/2022		110 421	107,65%	109,7%	121 176	109,4%	120 817
NESTLE HOLDINGS 2.25% 17-10/05/2022		138 408	99,22%	109,9%	152 078	100,7%	139 316
GEN ELECTRIC CO 2.125% 17-17/05/2037		332 308	99,49%	99,4%	330 457	100,8%	335 030
AKELIUS RESIDENT 1.75% 17-07/02/2025		166 154	101,49%	99,5%	165 285	102,5%	170 334
SWITCH HOLDINGS 2.25% 17-31/05/2027		110 769	103,59%	99,6%	110 338	104,9%	116 211
LEONARDO SPA 1.5% 17-07/06/2024		83 077	100,28%	99,1%	82 368	101,1%	84 018
FIDELITY NATIONA 1.1% 17-15/07/2024		166 154	99,43%	99,8%	165 775	99,9%	166 070
DEUTSCHE BAHN FIN 1.375% 17-07/07/2025		215 156	99,41%	100,3%	215 840	100,1%	215 332
AA BOND CO LTD 2.75% 17-31/07/2023		124 728	99,35%	100,6%	125 470	100,6%	125 528
ANNINGTON FND PL 2.646% 17-12/07/2025		62 364	101,95%	101,3%	63 185	103,2%	64 360
ANNINGTON FND PL 3.685% 17-12/07/2034		124 728	105,65%	101,3%	126 370	107,4%	133 944
ABN AMRO BANK NV 1% 17-30/06/2020		187 092	100,00%	97,7%	182 852	100,0%	187 097
UNITED GROUP 17-01/07/2023 FRN		284 996	100,85%	100,0%	284 996	101,8%	290 054
ADO PROPERTIES 1.5% 17-26/07/2024		166 154	101,01%	99,7%	165 574	101,7%	168 898
UNILEVER NV 0.875% 17-31/07/2025		110 769	100,79%	99,6%	110 378	101,2%	112 051
GLAXOSMITHKLINE 1% 17-12/09/2026		276 923	100,43%	99,9%	276 663	100,7%	278 942
LANSFORSAKR BANK 0.5% 17-19/09/2022		276 923	99,65%	99,9%	276 663	99,8%	276 337
NORTEGAS ENERGIA 0.918% 17-28/09/2022		110 769	100,67%	100,0%	110 769	100,9%	111 771
NORTEGAS ENERGIA 2.065% 17-28/09/2027		55 385	101,78%	100,0%	55 385	102,3%	56 665
CPI PROPERTY GRO 2.125% 17-04/10/2024		110 769	100,39%	99,0%	109 705	100,9%	111 764
RESIDOMO SRO 3.375% 17-15/10/2024		227 334	102,30%	100,0%	227 334	103,0%	234 200
AROUNDTOWN SA 3% 17-16/10/2029		93 546	100,83%	96,0%	89 771	101,5%	94 908
ABN AMRO BANK NV 1.375% 17-07/06/2022		187 092	100,51%	98,5%	184 336	100,6%	188 215
EUROPCAR DRIVE 4.125% 17-15/11/2024		111 679	100,50%	100,0%	111 679	101,2%	112 979
PICARD 5.5% 17-30/11/2024		66 941	101,82%	100,0%	66 941	102,1%	68 320
TLG IMMOBILEN 1.375% 17-27/11/2024		166 154	99,72%	99,7%	165 714	99,9%	165 907
IRON MOUNTAIN UK 3.875% 17-15/11/2025		168 665	98,17%	101,2%	170 748	98,7%	166 429
BORMIOLI PHARMA 17-15/11/2024 FRN		171 329	101,06%	100,0%	171 329	101,6%	173 999
PHILIP MORRIS IN 1.875% 17-06/11/2037		110 769	97,26%	98,9%	109 567	97,5%	108 037
AKELIUS RESIDENT 1.125% 17-14/03/2024		55 385	98,88%	99,7%	55 241	99,0%	54 846
BASF SE 0.875% 17-15/11/2027		83 077	98,79%	98,7%	81 976	98,9%	82 160
DIAGEO FIN PLC 0.5% 17-19/06/2024		166 154	98,72%	99,2%	164 850	98,8%	164 120
BRITISH TELECOMM 3.125% 17-21/11/2031		249 456	102,78%	98,7%	246 214	103,1%	257 249
VODAFONE GROUP 1.875% 17-20/11/2029		221 538	99,32%	98,8%	218 820	99,5%	220 510
VODAFONE GROUP 2.875% 17-20/11/2037		55 385	100,78%	98,2%	54 404	101,1%	55 993
ORSTED A/S 1.5% 17-26/11/2029		221 538	99,61%	98,8%	218 969	99,8%	221 021
SPAREBANKEN VEST 0.5% 17-29/11/2022		276 923	99,37%	99,7%	275 984	99,4%	275 313
LANDSBANKINN HF 1% 17-30/05/2023		110 769	99,71%	99,4%	110 125	99,8%	110 544
INMOBILIARIA COL 2.5% 17-28/11/2029		110 769	99,13%	100,1%	110 841	99,4%	110 051
CPI PROPERTY GRO 2.125% 17-04/10/2024		221 538	100,39%	100,5%	222 572	100,9%	223 528
TRITAX BIG BOX 2.625% 17-14/12/2026		124 728	101,87%	100,4%	125 252	102,0%	127 209
TRITAX BIG BOX 3.125% 17-14/12/2031		124 728	101,64%	99,4%	124 010	101,8%	126 952
EQUINIX INC 2.875% 17-01/02/2026		276 923	100,17%	100,0%	276 923	100,3%	277 799
sub-total	0	369 773 111			408 268 960		424 497 878

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
2.2.2.4 - Corporate Loans							
ENV RESOUR MNG 1ST LIEN T/L 09/05/2021		187 050	99,97%	100,0%	186 997	100,0%	186 997
DOC GENERICI 5% 16-23/06/2023		955 637	100,36%	100,4%	959 101	100,4%	959 101
ASPECT SOFTWARE % 16-25/05/2020		218 429	98,72%	98,8%	215 857	98,8%	215 857
TMF GROUP HOLDING BV T/L 16/10/2023		334 305	100,18%	100,2%	335 060	100,2%	335 060
SLV HOLDING GMBH T/L B LN1 13/12/2023		688 933	95,57%	95,6%	658 637	95,6%	658 637
SEBIA SA % 16-31/12/2049		0	0,12%	0,1%	0	0,1%	0
ELSAN GROUPE SAS % 16-30/10/2022		668 609	100,73%	100,9%	674 790	100,9%	674 790
VERISURE HOLDING % 16-21/10/2022		668 609	99,59%	100,0%	668 772	100,0%	668 772
LSF10 XL BIDCO SCA TLB LIEN1 03/02/2024		685 071	100,42%	100,5%	688 343	100,5%	688 343
FEATHER BIDCO % 17-02/02/2024		752 866	100,64%	102,0%	767 857	102,0%	767 857
LGC LTD % 17-29/01/2023		668 609	100,52%	100,5%	672 129	100,5%	672 129
VGROUP LTD % 17-27/01/2024		276 392	99,66%	99,7%	275 555	99,7%	275 555
EIRCOM IRELAND 3.25% 17-10/03/2024		421 742	100,09%	100,5%	423 701	100,5%	423 701
TACKLE SARL TL 17-23/06/2022		668 609	100,19%	100,2%	670 058	100,2%	670 058
PROSOL GROUP T\LB 17-21/04/2024		701 153	100,82%	101,4%	710 961	101,4%	710 961
COMDATA 4.5% 17-21/04/2024		17 411	99,94%	100,0%	17 407	100,0%	17 407
GARDA WORLD SECU 5.1504% 17-05/04/2024		711 947	100,66%	101,1%	720 011	101,1%	720 011
LAUREATE EDUCATI 5.6554% 17-21/04/2024		876 048	100,99%	100,6%	881 037	100,6%	881 037
DHX MEDIA LTD 5.1809% 17-22/12/2023		277 088	100,35%	100,4%	278 171	100,4%	278 171
AI ROBIN FINCO L 4.5% 17-03/07/2024		678 791	100,22%	101,4%	688 294	101,4%	688 294
SECURUS TECH HLD 5.7018% 17-25/08/2024		278 480	101,22%	101,3%	282 025	101,3%	282 025
KIWI VFS SUB II 4.2926% 17-15/06/2024		376 433	100,84%	101,6%	382 337	101,6%	382 337
WESTERN DENTAL 6.4781% 17-23/06/2023		319 038	100,82%	100,9%	321 955	100,9%	321 955
CALDIC BV 3.25% 17-28/06/2024		334 305	100,23%	100,6%	336 339	100,6%	336 339
VERINT SYSTEMS 3.4864% 17-23/06/2024		23 818	100,45%	101,1%	24 072	101,1%	24 072
INVENTIV GRP 3.4309% 17-26/06/2024		269 776	100,25%	100,3%	270 523	100,3%	270 523
CLEAN HARBORS 3.2503% 17-28/06/2024		277 088	100,66%	100,7%	278 996	100,7%	278 996
WELLNESS MERGER 6.0174% 17-29/06/2024		304 130	100,93%	101,0%	307 265	101,0%	307 265
SK SPICE SARL 4% 17-11/07/2024		708 231	100,87%	101,9%	721 589	101,9%	721 589
ORBITER GRP SARL T/L B 07/07/2024		405 883	101,07%	101,1%	410 292	101,1%	410 292
BIO LAM LCD SELA 3.5% 17-14/06/2024		187 115	100,78%	100,9%	188 730	100,9%	188 730
PEAK 10 HOLDING 4.8035% 17-24/07/2024		277 784	100,08%	100,1%	278 130	100,1%	278 130
TRAVEL LEADERS 5.8139% 17-25/01/2024		343 365	101,53%	102,3%	351 236	102,3%	351 236
USS ULTIMATE SER 5.0628% 17-10/08/2024		381 451	100,76%	100,8%	384 609	100,8%	384 609
HOMEVI 3.25% 17-11/10/2024		668 716	100,49%	100,8%	674 354	100,8%	674 354
EUSKALTEL SA 2.75% 17-22/11/2024		334 305	100,07%	100,1%	334 544	100,1%	334 544
PACKERS HOLDINGS 4.6419% 17-17/11/2024		278 480	100,45%	100,7%	280 504	100,7%	280 504
WME IMG 19/03/2021		487 323	100,60%	101,4%	494 123	101,4%	494 123
BUSY BEESERIES LTD T/L B 12/05/2022		376 433	100,60%	100,7%	379 087	100,7%	379 087
ACTION HOLDING BV T/L 10/02/2022		1 064 097	100,59%	100,6%	1 070 637	100,6%	1 070 637
OPTIV SECURITY 1L T/L 13/01/2024		0	0,00%	0,0%	0	0,0%	0
SOLERA LLC T/L 1L COV-LITE 03/03/2023		0	0,00%	0,0%	0	0,0%	0
GLOBAL TEL LINK CO T/L 23/05/2020		277 680	100,47%	100,5%	278 991	100,5%	278 991
ENDO LUX FINANCE T\LB 1L CL 06/04/2024		849 515	100,75%	100,8%	856 328	100,8%	856 328
MAXLINEAR INC T/L 05/04/2024		697 839	100,60%	100,8%	703 312	100,8%	703 312
JADE GERMANY GMBH T/L 21/04/2023		883 407	101,09%	101,1%	893 319	101,1%	893 319
BIO LAM LCD SE T/L 26/05/2024		334 305	100,78%	101,0%	337 500	101,0%	337 500
LABEYRIE FINE FOODS SAS T/L 28/04/2023		334 305	101,04%	101,1%	337 905	101,1%	337 905
INTERNATIONAL PARKI HOLD T/L 30/06/2023		354 193	99,21%	99,4%	352 044	99,4%	352 044
KMG CHEMICALS INC T/L B 07/06/2024		0	146,40%	146,4%	0	146,4%	0
CD&R FIREFLY BIDCO LTD T/L B 13/08/2022		376 433	100,69%	100,8%	379 314	100,8%	379 314
DOC GENERICI SRL 1L T/L B 24/05/2023		70 732	100,36%	100,4%	71 012	100,4%	71 012
ESTERA TLB L+475 12/31/2022		572 644	99,55%	99,6%	570 308	99,6%	570 308
THOM EUROPE SAS T/L B 31/07/2024		222 557	100,23%	100,2%	223 079	100,2%	223 079
TERSERA TL 1L L+525 T/L 30/03/2023		657 201	98,97%	100,7%	661 658	100,7%	661 658
TRANSDIGM GROUP INCORP T/L 15/08/2024		277 088	100,56%	100,6%	278 754	100,6%	278 754
WATERMILL CT RC L 600 T/L 16/08/2023		803 721	100,05%	100,5%	807 589	100,5%	807 589
WATERMILL CT ACQ T/L L 600 16/08/2023		2 491 535	100,05%	100,7%	2 507 782	100,7%	2 507 782
4OVER INTERNATIONAL T/L L+600 07/06/2022		234 703	99,97%	100,1%	234 850	100,1%	234 850
PMG ACQUISITION T/L L+625 22/05/2022		976 701	99,97%	100,8%	984 653	100,8%	984 653
INNOVISTA SENSRS SR T/L E+575 31/07/2023		3 851 341	100,00%	100,1%	3 855 647	100,1%	3 855 647
POLYFRAME GBP L+700 T/L 15/02/2023		1 275 016	100,05%	100,1%	1 276 204	100,1%	1 276 204
EAGLE BIDCO LIMITED T/L 06/05/2022		376 433	100,60%	100,7%	378 972	100,7%	378 972
TRONOX LTD T/L B 13/09/2024		194 289	100,72%	100,8%	195 766	100,8%	195 766
MULTI COLOR CORPORATION T/L 20/09/2024		278 480	100,78%	100,8%	280 752	100,8%	280 752
TRONOX LTD T/L 13/09/2024		84 192	100,72%	100,8%	84 832	100,8%	84 832
TRAVERSE MIDSTREAM PARTN T/L 21/09/2024		278 480	101,43%	101,5%	282 609	101,5%	282 609
STONEMONT TRIPLE MEZZ T/L 15/08/2017		1 840 009	99,97%	100,2%	1 843 134	100,2%	1 843 134
SCANA UNSECURED CLAIMS T/L 01/09/2022		1 966 353	98,97%	99,0%	1 946 138	99,0%	1 946 138
TEKNI-PLEX INC. T/L 04/10/2024		278 480	100,66%	101,1%	281 472	101,1%	281 472
BEACON ROOFING SUPPLY INC T/L 11/10/2024		278 480	100,40%	100,4%	279 590	100,4%	279 590
VANTAGE SPECIAL CHEM INC T/L 20/10/2024		278 480	100,78%	101,7%	283 114	101,7%	283 114
NAVICURE INC T/L 23/10/2024		278 480	99,97%	100,4%	279 627	100,4%	279 627
DISCOVERY MIDSTEAM DD T/L 23/10/2022		1 731 285	99,97%	101,9%	1 764 850	101,9%	1 764 850
CYPRESS PERFORM T/L 1L 25/10/2024		278 480	100,53%	100,6%	280 081	100,6%	280 081
MTN INFRASTRUCT 4.6039% 17-30/10/2024		140 691	100,57%	100,6%	141 543	100,6%	141 543
MTN INFRASTRUCT 4.6039% 17-30/10/2024		137 790	100,14%	100,1%	137 980	100,1%	137 980
MICROSS T/L A L+550 07/08/2023		1 556 931	99,97%	100,4%	1 563 763	100,4%	1 563 763
WAVELENGTH USD SER B1L+700 T/L17/11/2023		566 157	99,97%	100,9%	571 239	100,9%	571 239
WAVELENGTH EUR SER B2E+700 T/L17/11/2023		1 876 322	100,00%	100,9%	1 893 595	100,9%	1 893 595
WAVELENGTH ACQ SER A L+700 T/L17/11/2022		235 899	99,97%	100,2%	236 453	100,2%	236 453
EVERGOOD 4 APS T/L 29/11/2024		986 787	98,54%	98,5%	972 374	98,5%	972 374
OPTIMAL PAYMENTS PLC T/L 01/12/2024		636 768	99,91%	99,9%	636 172	99,9%	636 172
HCO FRANCE SAS T/L 02/12/2024		334 305	100,37%	100,4%	335 528	100,4%	335 528
ARAMARK SERVICES INC T/L 06/03/2025		278 480	100,61%	100,6%	280 186	100,6%	280 186
DIPLOMAT PHARMACY INC T/L 13/12/2024		278 480	100,85%	100,8%	280 838	100,8%	280 838
CHARTER COMMUNICATION T/L 13/04/2025		352 544	100,15%	100,2%	353 074	100,2%	353 074
JACKPOTJOY T/L 27/11/2024		1 122 217	100,05%	100,3%	1 125 285	100,3%	1 125 285

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
MONARCH LANDSCAPE T/L 23/08/2023		2 358 986	99,97%	100,0%	2 358 262	100,0%	2 358 262
MAINSTREAM AE DD T/L 12% PIK 12/12/2022		2 831 346	98,47%	99,1%	2 805 209	99,1%	2 805 209
DISCOVERY MIDSTREAM T/L 23/10/2022		2 124 758	99,97%	100,0%	2 124 157	100,0%	2 124 157
AIR MEDICAL GRP 5.5672% 17-26/09/2024		278 480	100,37%	100,4%	279 504	100,4%	279 504
MISYS EUROPE SA 4.25% 17-16/06/2024		333 469	100,92%	101,3%	337 785	101,3%	337 785
AMERICAN AXLE 3.2801% 17-06/04/2024		548 606	100,49%	100,9%	553 292	100,9%	553 292
APTEAN INC 5.5174% 17-20/12/2022		398 247	100,93%	101,0%	402 147	101,0%	402 147
ASURION LLC 7.3041% 17-04/08/2025		393 149	102,94%	103,0%	404 952	103,0%	404 952
AVANTOR INC 4.25% 17-22/09/2024		571 758	100,79%	100,9%	577 015	100,9%	577 015
INTL CAR WASH GR 4.8103% 17-03/10/2024		278 480	100,47%	101,3%	282 022	101,3%	282 022
CT TECHNOLOGIES 5.3996% 15-01/12/2021		552 709	99,91%	100,0%	552 594	100,0%	552 594
CHANGE HEALTHCAR % 16-03/02/2024		760 711	100,27%	100,3%	763 006	100,3%	763 006
DOOSAN INFRACORE 3.9237% 17-11/05/2024		767 061	100,55%	101,6%	779 458	101,6%	779 458
EIG INVESTORS T/L1ST LIEN 09/11/2019		624 574	100,75%	101,3%	632 580	101,3%	632 580
ELDORADO RESORTS 3.3982% 16-17/04/2024		367 498	100,17%	100,3%	368 692	100,3%	368 692
ELECTRO RENT COR % 17-23/01/2024		389 475	101,35%	101,4%	394 933	101,4%	394 933
EQUIAN LLC 4.9204% 17-19/05/2024		277 088	101,03%	101,3%	280 559	101,3%	280 559
EVERI PAYMENTS 5.6557% 17-01/05/2024		891 295	101,12%	101,6%	905 233	101,6%	905 233
GTT COMMUNICATIO % 16-09/01/2024		275 699	100,80%	100,8%	278 030	100,8%	278 030
INFOR US INC % 17-06/02/2022		650 207	100,45%	100,8%	655 655	100,8%	655 655
INFORMATION RESO % 16-18/01/2024		553 483	100,62%	101,7%	562 787	101,7%	562 787
PHARMACEUTICAL P % 15-18/08/2022		552 709	100,24%	100,3%	554 230	100,3%	554 230
LEVEL 3 FIN INC 3.2837% 17-17/02/2024		556 961	100,11%	100,5%	559 977	100,5%	559 977
MA FINANCECO LLC 2.671% 17-21/06/2024		334 305	100,63%	100,7%	336 477	100,7%	336 477
CSC HOLDINGS CABLEVISION T/L 14/07/2025		554 176	99,73%	99,9%	553 482	99,9%	553 482
PHARMERICA CORP 4.8103% 17-06/12/2024		278 480	100,62%	100,9%	280 894	100,9%	280 894
POST HOLDINGS IN 3.432% 17-24/05/2024		368 567	100,45%	100,5%	370 240	100,5%	370 240
ROBERTSHAW HOLD 5.8072% 17-10/08/2024		277 784	100,97%	101,0%	280 624	101,0%	280 624
TUPELO BUYER INC 5.5692% 17-09/10/2024		278 480	101,10%	101,5%	282 668	101,5%	282 668
AXALTA COATING S 3.1796% 17-01/06/2024		460 758	100,50%	100,5%	463 204	100,5%	463 204
UNIVAR USA INC 3.9129% 17-01/07/2024		277 784	100,44%	100,5%	279 088	100,5%	279 088
UNIVISION COMM 3.8982% 17-15/03/2024		0	120,05%	120,0%	0	120,0%	0
VANTIV LLC 3.3092% 17-07/08/2024		102 722	100,58%	100,6%	103 314	100,6%	103 314
VANTIV LLC 3.3092% 17-07/08/2024		366 020	100,63%	100,8%	368 933	100,8%	368 933
ENV RESOUR MNG 1ST LIEN T/L 09/05/2021		92 710	99,97%	100,0%	92 684	100,0%	92 684
DOC GENERICI 5% 16-23/06/2023		473 655	100,36%	100,4%	475 372	100,4%	475 372
ASPECT SOFTWARE % 16-25/05/2020		108 263	98,72%	98,8%	106 988	98,8%	106 988
TMF GROUP HOLDING BV T/L 16/10/2023		165 696	100,18%	100,2%	166 070	100,2%	166 070
SLV HOLDING GMBH T/L B LN1 13/12/2023		341 464	95,57%	95,6%	326 449	95,6%	326 449
SEBIA SA % 16-31/12/2049		0	0,12%	0,1%	0	0,1%	0
ELSAN GROUPE SAS % 16-30/10/2022		331 391	100,73%	100,9%	334 455	100,9%	334 455
VERISURE HOLDING % 16-21/10/2022		331 391	99,59%	100,0%	331 472	100,0%	331 472
LSF10 XL BIDCO SCA TLB LIEN1 03/02/2024		339 550	100,42%	100,5%	341 172	100,5%	341 172
FEATHER BIDCO % 17-02/02/2024		373 153	100,64%	102,0%	380 583	102,0%	380 583
LGC LTD % 17-29/01/2023		331 391	100,52%	100,5%	333 136	100,5%	333 136
VGROUP LTD % 17-27/01/2024		136 992	99,66%	99,7%	136 577	99,7%	136 577
EIRCOM IRELAND 3.25% 17-10/03/2024		209 034	100,09%	100,5%	210 004	100,5%	210 004
TACKLE SARL TL 17-23/06/2022		331 391	100,19%	100,2%	332 109	100,2%	332 109
PROSOL GROUP T\LB 17-21/04/2024		347 521	100,82%	101,4%	352 383	101,4%	352 383
COMDATA 4.5% 17-21/04/2024		8 630	99,94%	100,0%	8 628	100,0%	8 628
GARDA WORLD SECU 5.1504% 17-05/04/2024		352 871	100,66%	101,1%	356 868	101,1%	356 868
LAUREATE EDUCATI 5.6554% 17-21/04/2024		434 207	100,99%	100,6%	436 680	100,6%	436 680
DHX MEDIA LTD 5.1809% 17-22/12/2023		137 337	100,35%	100,4%	137 873	100,4%	137 873
AI ROBIN FINCO L 4.5% 17-03/07/2024		336 438	100,22%	101,4%	341 148	101,4%	341 148
SECURUS TECH HLD 5.7018% 17-25/08/2024		138 027	101,22%	101,3%	139 784	101,3%	139 784
KIWI VFS SUB II 4.2926% 17-15/06/2024		186 576	100,84%	101,6%	189 503	101,6%	189 503
WESTERN DENTAL 6.4781% 17-23/06/2023		158 129	100,82%	100,9%	159 575	100,9%	159 575
CALDIC BV 3.25% 17-28/06/2024		165 696	100,23%	100,6%	166 704	100,6%	166 704
VERINT SYSTEMS 3.4864% 17-23/06/2024		11 805	100,45%	101,1%	11 931	101,1%	11 931
INVENTIV GRP 3.4309% 17-26/06/2024		133 713	100,25%	100,3%	134 083	100,3%	134 083
CLEAN HARBORS 3.2503% 17-28/06/2024		137 337	100,66%	100,7%	138 283	100,7%	138 283
WELLNESS MERGER 6.0174% 17-29/06/2024		150 740	100,93%	101,0%	152 294	101,0%	152 294
SK SPICE SARL 4% 17-11/07/2024		351 029	100,87%	101,9%	357 650	101,9%	357 650
ORBITER GRP SARL T/L B 07/07/2024		201 173	101,07%	101,1%	203 358	101,1%	203 358
BIO LAM LCD SELA 3.5% 17-14/06/2024		92 742	100,78%	100,9%	93 543	100,9%	93 543
PEAK 10 HOLDING 4.8035% 17-24/07/2024		137 682	100,08%	100,1%	137 853	100,1%	137 853
TRAVEL LEADERS 5.8139% 17-25/01/2024		170 186	101,53%	102,3%	174 087	102,3%	174 087
USS ULTIMATE SER 5.0628% 17-10/08/2024		189 063	100,76%	100,8%	190 629	100,8%	190 629
HOMEVI 3.25% 17-11/10/2024		331 444	100,49%	100,8%	334 239	100,8%	334 239
EUSKALTEL SA 2.75% 17-22/11/2024		165 696	100,07%	100,1%	165 814	100,1%	165 814
PACKERS HOLDINGS 4.6419% 17-17/11/2024		138 027	100,45%	100,7%	139 030	100,7%	139 030
WME IMG 19/03/2021		241 538	100,60%	101,4%	244 909	101,4%	244 909
BUSY BEESERIES LTD T/L B 12/05/2022		186 576	100,60%	100,7%	187 892	100,7%	187 892
ACTION HOLDING BV T/L 10/02/2022		527 412	100,59%	100,6%	530 653	100,6%	530 653
OPTIV SECURITY 1L T/L 13/01/2024		0	0,00%	0,0%	0	0,0%	0
SOLERA LLC T/L 1L COV-LITE 03/03/2023		0	0,00%	0,0%	0	0,0%	0
GLOBAL TEL LINK CO T/L 23/05/2020		137 630	100,47%	100,5%	138 280	100,5%	138 280
ENDO LUX FINANCE T\LB 1L CL 06/04/2024		421 056	100,75%	100,8%	424 433	100,8%	424 433
MAXLINEAR INC T/L 05/04/2024		345 879	100,60%	100,8%	348 591	100,8%	348 591
JADE GERMANY GMBH T/L 21/04/2023		437 854	101,09%	101,1%	442 767	101,1%	442 767
BIO LAM LCD SE T/L 26/05/2024		165 696	100,78%	101,0%	167 280	101,0%	167 280
LABEYRIE FINE FOODS SAS T/L 28/04/2023		165 696	101,04%	101,1%	167 480	101,1%	167 480
INTERNATIONAL PARKI HOLD T/L 30/06/2023		175 553	99,21%	99,4%	174 488	99,4%	174 488
KMG CHEMICALS INC T/L B 07/06/2024		0	146,40%	146,4%	0	146,4%	0
CD&R FIREFLY BIDCO LTD T/L B 13/08/2022		186 576	100,69%	100,8%	188 004	100,8%	188 004
DOC GENERICI SRL 1L T/L B 24/05/2023		35 058	100,36%	100,4%	35 197	100,4%	35 197
ESTERA TLB L+475 12/31/2022		283 827	99,55%	99,6%	282 669	99,6%	282 669
THOM EUROPE SAS T/L B 31/07/2024		110 309	100,23%	100,2%	110 568	100,2%	110 568
TERSERA TL 1L L+525 T/L 30/03/2023		503 166	98,97%	100,7%	506 578	100,7%	506 578
TRANSDIGM GROUP INCORP T/L 15/08/2024		137 337	100,56%	100,6%	138 162	100,6%	138 162
WATERMILL CT RC L 600 T/L 16/08/2023		322 297	100,05%	100,5%	323 849	100,5%	323 849
WATERMILL CT ACQ T/L L 600 16/08/2023		999 122	100,05%	100,7%	1 005 637	100,7%	1 005 637
4OVER INTERNATIONAL T/L L+600 07/06/2022		179 693	99,97%	100,1%	179 806	100,1%	179 806

AP VIII CALM EAGLE HOLDINGS S.C.A.

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
PMG ACQUISITION T/L L+625 22/05/2022		747 781	99,97%	100,8%	753 869	100,8%	753 869
INNOVISTA SENSRS SR T/L E+575 31/07/2023		2 948 661	100,00%	100,1%	2 951 957	100,1%	2 951 957
POLYFRAME GBP L+700 T/L 15/02/2023		976 177	100,05%	100,1%	977 086	100,1%	977 086
EAGLE BIDCO LIMITED T/L 06/05/2022		186 576	100,60%	100,7%	187 835	100,7%	187 835
TRONOX LTD T/L B 13/09/2024		96 298	100,72%	100,8%	97 030	100,8%	97 030
MULTI COLOR CORPORATION T/L 20/09/2024		138 027	100,78%	100,8%	139 153	100,8%	139 153
TRONOX LTD T/L 13/09/2024		41 729	100,72%	100,8%	42 046	100,8%	42 046
TRAVERSE MIDSTREAM PARTN T/L 21/09/2024		138 027	101,43%	101,5%	140 073	101,5%	140 073
STONEMONT TRIPLE MEZZ T/L 15/08/2017		1 408 746	99,97%	100,2%	1 411 139	100,2%	1 411 139
SCANA UNSECURED CLAIMS T/L 01/09/2022		1 505 477	98,97%	99,0%	1 490 001	99,0%	1 490 001
TEKNI-PLEX INC. T/L 04/10/2024		138 027	100,66%	101,1%	139 509	101,1%	139 509
BEACON ROOFING SUPPLY INC T/L 11/10/2024		138 027	100,40%	100,4%	138 577	100,4%	138 577
VANTAGE SPECIAL CHEM INC T/L 20/10/2024		138 027	100,78%	101,7%	140 323	101,7%	140 323
NAVICURE INC T/L 23/10/2024		138 027	99,97%	100,4%	138 595	100,4%	138 595
DISCOVERY MIDSTEAM DD T/L 23/10/2022		694 256	99,97%	101,9%	707 716	101,9%	707 716
CYPRESS PERFORM T/L 1L 25/10/2024		138 027	100,53%	100,6%	138 820	100,6%	138 820
MTN INFRASTRUCT 4.6039% 17-30/10/2024		69 732	100,57%	100,6%	70 155	100,6%	70 155
MTN INFRASTRUCT 4.6039% 17-30/10/2024		68 294	100,14%	100,1%	68 389	100,1%	68 389
MICROSS T/L A L+550 07/08/2023		1 192 016	99,97%	100,4%	1 197 247	100,4%	1 197 247
WAVELENGTH USD SER B1L+700 T/L17/11/2023		433 460	99,97%	100,9%	437 351	100,9%	437 351
WAVELENGTH EUR SER B2E+700 T/L17/11/2023		1 436 548	100,00%	100,9%	1 449 773	100,9%	1 449 773
WAVELENGTH ACQ SER A L+700 T/L17/11/2022		180 608	99,97%	100,2%	181 033	100,2%	181 033
EVERGOOD 4 APS T/L 29/11/2024		489 094	98,54%	98,5%	481 950	98,5%	481 950
OPTIMAL PAYMENTS PLC T/L 01/12/2024		315 609	99,91%	99,9%	315 314	99,9%	315 314
HCO FRANCE SAS T/L 02/12/2024		165 696	100,37%	100,4%	166 302	100,4%	166 302
ARAMARK SERVICES INC T/L 06/03/2025		138 027	100,61%	100,6%	138 872	100,6%	138 872
DIPLOMAT PHARMACY INC T/L 13/12/2024		138 027	100,85%	100,8%	139 195	100,8%	139 195
CHARTER COMMUNICATION T/L 13/04/2025		174 736	100,15%	100,2%	174 998	100,2%	174 998
JACKPOTJOY T/L 27/11/2024		556 219	100,05%	100,3%	557 740	100,3%	557 740
MONARCH LANDSCAPE T/L 23/08/2023		1 806 085	99,97%	100,0%	1 805 531	100,0%	1 805 531
MAINSTREAM AE DD T/L 12% PIK 12/12/2022		1 135 388	98,47%	99,1%	1 124 907	99,1%	1 124 907
DISCOVERY MIDSTREAM T/L 23/10/2022		852 042	99,97%	100,0%	851 801	100,0%	851 801
AIR MEDICAL GRP 5.5672% 17-26/09/2024		138 027	100,37%	100,4%	138 534	100,4%	138 534
MISYS EUROPE SA 4.25% 17-16/06/2024		165 281	100,92%	101,3%	167 421	101,3%	167 421
AMERICAN AXLE 3.2801% 17-06/04/2024		271 913	100,49%	100,9%	274 235	100,9%	274 235
APTEAN INC 5.5174% 17-20/12/2022		197 388	100,93%	101,0%	199 321	101,0%	199 321
ASURION LLC 7.3041% 17-04/08/2025		194 861	102,94%	103,0%	200 712	103,0%	200 712
AVANTOR INC 4.25% 17-22/09/2024		283 388	100,79%	100,9%	285 993	100,9%	285 993
INTL CAR WASH GR 4.8103% 17-03/10/2024		138 027	100,47%	101,3%	139 782	101,3%	139 782
CT TECHNOLOGIES 5.3996% 15-01/12/2021		273 946	99,91%	100,0%	273 889	100,0%	273 889
CHANGE HEALTHCAR % 16-03/02/2024		377 041	100,27%	100,3%	378 178	100,3%	378 178
DOOSAN INFRACORE 3.9237% 17-11/05/2024		380 188	100,55%	101,6%	386 333	101,6%	386 333
EIG INVESTORS T/L1ST LIEN 09/11/2019		309 565	100,75%	101,3%	313 534	101,3%	313 534
ELDORADO RESORTS 3.3982% 16-17/04/2024		182 148	100,17%	100,3%	182 739	100,3%	182 739
ELECTRO RENT COR % 17-23/01/2024		193 040	101,35%	101,4%	195 746	101,4%	195 746
EQUIAN LLC 4.9204% 17-19/05/2024		137 337	101,03%	101,3%	139 057	101,3%	139 057
EVERI PAYMENTS 5.6557% 17-01/05/2024		441 764	101,12%	101,6%	448 672	101,6%	448 672
GTT COMMUNICATIO % 16-09/01/2024		136 648	100,80%	100,8%	137 804	100,8%	137 804
INFOR US INC % 17-06/02/2022		322 270	100,45%	100,8%	324 970	100,8%	324 970
INFORMATION RESO % 16-18/01/2024		274 330	100,62%	101,7%	278 941	101,7%	278 941
PHARMACEUTICAL P % 15-18/08/2022		273 946	100,24%	100,3%	274 700	100,3%	274 700
LEVEL 3 FIN INC 3.2837% 17-17/02/2024		276 054	100,11%	100,5%	277 549	100,5%	277 549
MA FINANCECO LLC 2.671% 17-21/06/2024		165 696	100,63%	100,7%	166 773	100,7%	166 773
CSC HOLDINGS CABLEVISION T/L 14/07/2025		274 673	99,73%	99,9%	274 329	99,9%	274 329
PHARMERICA CORP 4.8103% 17-06/12/2024		138 027	100,62%	100,9%	139 223	100,9%	139 223
POST HOLDINGS IN 3.432% 17-24/05/2024		182 678	100,45%	100,5%	183 507	100,5%	183 507
ROBERTSHAW HOLD 5.8072% 17-10/08/2024		137 682	100,97%	101,0%	139 089	101,0%	139 089
TUPELO BUYER INC 5.5692% 17-09/10/2024		138 027	101,10%	101,5%	140 102	101,5%	140 102
AXALTA COATING S 3.1796% 17-01/06/2024		228 372	100,50%	100,5%	229 584	100,5%	229 584
UNIVAR USA INC 3.9129% 17-01/07/2024		137 682	100,44%	100,5%	138 328	100,5%	138 328
UNIVISION COMM 3.8982% 17-15/03/2024		0	120,05%	120,0%	0	120,0%	0
VANTIV LLC 3.3092% 17-07/08/2024		50 914	100,58%	100,6%	51 207	100,6%	51 207
VANTIV LLC 3.3092% 17-07/08/2024		181 415	100,63%	100,8%	182 859	100,8%	182 859
sub-total	0	109 905 801			110 417 951		110 417 951
sub-total	0	1 129 440 649			1 245 551 617		1 281 973 139
Total	1 511 567	1 129 440 649			1 411 295 687		1 426 810 774
2.3 - Derivatives							
Purchase forward contract Bought EUR 589017.16 Sold AUD 921778.80							-4 772
Purchase forward contract Bought EUR 5905608.03 Sold GBP 5220567.64							12 293
Purchase forward contract Bought EUR 25096116.27 Sold USD 29680925.45							182 721
Purchase forward contract Bought USD 82500.00 Sold EUR 69930.81							-585
Purchase forward contract Bought USD 208106.67 Sold EUR 176417.88							-1 484
Purchase forward contract Bought EUR 74206.48 Sold USD 87700.00							564
Purchase forward contract Bought EUR 266099.99 Sold USD 314811.19							1 901
Purchase forward contract Bought EUR 15078.28 Sold GBP 13336.48							28
Purchase forward contract Bought USD 4625.00 Sold EUR 3900.89							-24
Purchase forward contract Bought EUR 327556.26 Sold USD 388416.75							2 006
Purchase forward contract Bought USD 88833.50 Sold EUR 74976.91							-486
Purchase forward contract Bought USD 96400.00 Sold EUR 80903.15							-322
Purchase forward contract Bought EUR 877292.48 Sold USD 990000							36 377
Purchase forward contract Bought EUR 53144.66 Sold USD 60000							2 188
Purchase forward contract Bought GBP 140000 Sold EUR 158475.91							-588
Purchase forward contract Bought EUR 44108.94 Sold USD 50000							1 704
Purchase forward contract Bought EUR 22912675.39 Sold USD 26180000							769 834
Purchase forward contract Bought EUR 4163689.25 Sold GBP 3700000							-903
Purchase forward contract Bought EUR 832026.79 Sold USD 960000							22 762
Purchase forward contract Bought EUR 797683.94 Sold USD 920000							22 031
Purchase forward contract Bought EUR 1343193.82 Sold USD 1550000							36 628
Purchase forward contract Bought EUR 577705.33 Sold GBP 510000							2 412

(TEUR)

	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest)	
DESIGNATION						Unit	Total
Purchase forward contract Bought EUR 171183.93 Sold USD 200000							3 299
Purchase forward contract Bought EUR 60136.37 Sold USD 70000							1 303
Purchase forward contract Bought EUR 110474.42 Sold USD 130000							1 612
Purchase forward contract Bought EUR 798022.94 Sold USD 940000							11 122
Purchase forward contract Bought EUR 823475.74 Sold GBP 740000							-6 378
Purchase forward contract Bought EUR 521920.67 Sold GBP 470000							-4 786
Purchase forward contract Bought EUR 812575.91 Sold USD 940000							20 869
Purchase forward contract Bought EUR 293619.23 Sold USD 350000							1 785
Purchase forward contract Bought EUR 557103.06 Sold GBP 500000							-3 841
Purchase forward contract Bought EUR 796831.46 Sold USD 950000							4 756
Purchase forward contract Bought EUR 706079.34 Sold USD 840000							5 218
Purchase forward contract Bought EUR 1037389.89 Sold USD 1230000							9 977
Purchase forward contract Bought EUR 642532.1 Sold CHF 730000							12 349
Purchase forward contract Bought EUR 401621.55 Sold USD 480000							1 741
Purchase forward contract Bought EUR 1024125.72 Sold USD 1220000							6 661
Purchase forward contract Bought EUR 405550.24 Sold USD 490000							-1 195
Purchase forward contract Bought EUR 405243.35 Sold USD 490000							-1 401
Purchase forward contract Bought EUR 430781.58 Sold USD 500000							10 137
Purchase forward contract Bought EUR 524733.26 Sold USD 630000							681
Purchase forward contract Bought EUR 651503.41 Sold USD 790000							-3 497
Purchase forward contract Bought EUR 1230114.53 Sold USD 1480000							-136
Purchase forward contract Bought EUR 467537.46 Sold USD 560000							1 347
Purchase forward contract Bought EUR 35492472.55 Sold USD 42820000							12 292
Purchase forward contract Bought USD 43000000 Sold EUR 35760055.04							-9 580
Purchase forward contract Bought EUR 6580137.48 Sold GBP 5820000							25 228
Purchase forward contract Bought GBP 5780000 Sold EUR 6546704.16							-26 903
Purchase forward contract Bought CHF 730000 Sold EUR 631018.45							-4 655
Purchase forward contract Bought EUR 631356.81 Sold CHF 730000							4 633
Purchase forward contract Bought EUR 410903.19 Sold USD 490000							3 336
Purchase forward contract Bought EUR 145984.91 Sold GBP 130000							-103
Purchase forward contract Bought EUR 528320.49 Sold USD 630000							4 300
Purchase forward contract Bought EUR 258719.26 Sold USD 310000							1 277
Purchase forward contract Bought USD 3760000 Sold EUR 3200779.08							-57 374
Purchase forward contract Bought GBP 190000 Sold EUR 214586.7							-669
Purchase forward contract Bought EUR 1377738.15 Sold USD 1610000							29 529
Purchase forward contract Bought EUR 570855.48 Sold GBP 510000							-1 645
Purchase forward contract Bought EUR 594898.15 Sold USD 700000							10 071
Purchase forward contract Bought EUR 631137.82 Sold USD 750000							6 587
Purchase forward contract Bought EUR 320753.6 Sold USD 380000							3 994
Purchase forward contract Bought EUR 1673867.31 Sold GBP 1480000							6 796
Purchase forward contract Bought USD 650000 Sold EUR 547161.08							-5 796
Purchase forward contract Bought EUR 6446011.81 Sold GBP 5680000							14 880
Purchase forward contract Bought EUR 2681444.4 Sold GBP 2370000							3 874
Purchase forward contract Bought EUR 7288873.06 Sold GBP 6550000							-24 090
Purchase forward contract Bought EUR 1756559.4 Sold GBP 1590000							-9 503
Purchase forward contract Bought EUR 529296.12 Sold USD 630000							1 595
Purchase forward contract Bought EUR 592625.11 Sold GBP 540000							-4 353
Purchase forward contract Bought EUR 4267162.96 Sold USD 5090000							10 251
Purchase forward contract Bought EUR 2035249.51 Sold USD 2410000							9 096
Purchase forward contract Bought EUR 454752.16 Sold GBP 420000							-5 150
Purchase forward contract Bought EUR 966703.05 Sold GBP 890000							-10 038
Purchase forward contract Bought USD 8130000 Sold EUR 6761145.29							-773
Purchase forward contract Bought EUR 20181349.5 Sold GBP 17850000							33 016
Purchase forward contract Bought GBP 18040000 Sold EUR 20432965.93							-35 830
Purchase forward contract Bought EUR 6713896.02 Sold USD 8100000							992
Purchase forward contract Bought EUR 391736.38 Sold GBP 350000							-490
Purchase forward contract Bought USD 2050000 Sold EUR 1754262.86							-15 960
Purchase forward contract Bought EUR 1362485.26 Sold GBP 1210000							651
Purchase forward contract Bought EUR 479062.05 Sold USD 570000							1 963
Purchase forward contract Bought GBP 890000 Sold EUR 972342.85							21 069
Purchase forward contract Bought EUR 168153 Sold USD 200000							1 354
Purchase forward contract Bought EUR 4499561.02 Sold GBP 4100000							-82 686
Purchase forward contract Bought EUR 269885.14 Sold GBP 250000							-8 241
Purchase forward contract Bought EUR 56582.85 Sold GBP 50000							269
Purchase forward contract Bought EUR 190641.49 Sold USD 230000							70
Purchase forward contract Bought USD 200000 Sold EUR 166325.84							-48
Purchase forward contract Bought EUR 3787536.18 Sold GBP 3350000							15 502
Purchase forward contract Bought GBP 3460000 Sold EUR 3918961.32							-17 193
Purchase forward contract Bought EUR 112258.52 Sold GBP 100000							-111
Purchase forward contract Bought EUR 3122505.16 Sold USD 3700000							41 073
Purchase forward contract Bought USD 410000 Sold EUR 345132.37							-3 903
Purchase forward contract Bought EUR 3949553.28 Sold USD 4700000							40 068
Purchase forward contract Bought EUR 8751976.85 Sold USD 10000000							249 091
Purchase forward contract Bought EUR 4335580.9 Sold USD 5000000							101 619
Purchase forward contract Bought EUR 3903247.09 Sold USD 4590000							49 702
Purchase forward contract Bought EUR 3596785.31 Sold USD 4300000							12 603
Purchase forward contract Bought EUR 4216509.32 Sold USD 5000000							34 060
Purchase forward contract Bought EUR 2426355.11 Sold GBP 2180000							-15 667
Purchase forward contract Bought USD 2320000 Sold EUR 1933434.84							-2 735
Purchase forward contract Bought EUR 5652256.07 Sold USD 6730000							32 701
Purchase forward contract Bought EUR 1788022.77 Sold USD 2130000							9 851
Purchase forward contract Bought EUR 3203811.38 Sold USD 3860000							3 415
Purchase forward contract Bought EUR 29251035.88 Sold USD 35290000							8 582
Purchase forward contract Bought EUR 2509949.35 Sold GBP 2220000							8 152
Purchase forward contract Bought USD 35430000 Sold EUR 29464622.1							-6 687
Purchase forward contract Bought GBP 2180000 Sold EUR 2469172.16							-8 595
Purchase forward contract Bought EUR 16655701.66 Sold USD 20000000							49 374
Purchase forward contract Bought EUR 4211010.2 Sold USD 5020000							29 717
Purchase forward contract Bought EUR 658277.84 Sold USD 780000							6 882
Purchase forward contract Bought EUR 3813107.35 Sold USD 4540000							29 576
Purchase forward contract Bought EUR 11215788.06 Sold USD 13310000							107 680
Purchase forward contract Bought EUR 867849.3 Sold USD 1030000							8 282
Purchase forward contract Bought EUR 2999986.4 Sold USD 3530000							43 020

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest)	
						Unit	Total
Purchase forward contract Bought EUR 3999010.09 Sold USD 4670000							74 101
Purchase forward contract Bought EUR 165861.55 Sold USD 200000							661
Purchase forward contract Bought EUR 3647034.3 Sold USD 4340000							29 358
Purchase forward contract Bought EUR 577865.25 Sold USD 690000							3 550
Purchase forward contract Bought EUR 589017.16 Sold AUD 921778.80							-5 923
Purchase forward contract Bought EUR 5905608.03 Sold GBP 5220567.64							15 260
Purchase forward contract Bought EUR 25096116.27 Sold USD 29680925.45							226 826
Purchase forward contract Bought USD 82500.00 Sold EUR 69930.81							-726
Purchase forward contract Bought USD 208106.67 Sold EUR 176417.88							-1 842
Purchase forward contract Bought EUR 74206.48 Sold USD 87700.00							700
Purchase forward contract Bought EUR 266099.99 Sold USD 314811.19							2 360
Purchase forward contract Bought EUR 15078.28 Sold GBP 13336.48							34
Purchase forward contract Bought USD 4625.00 Sold EUR 3900.89							-30
Purchase forward contract Bought EUR 327556.26 Sold USD 388416.75							2 490
Purchase forward contract Bought USD 88833.50 Sold EUR 74976.91							-604
Purchase forward contract Bought USD 96400.00 Sold EUR 80903.15							-400
Purchase forward contract Bought EUR 877292.48 Sold USD 990000							18 030
Purchase forward contract Bought EUR 53144.66 Sold USD 60000							1 085
Purchase forward contract Bought GBP 140000 Sold EUR 158475.91							-292
Purchase forward contract Bought EUR 44108.94 Sold USD 50000							845
Purchase forward contract Bought EUR 22912675.39 Sold USD 26180000							381 563
Purchase forward contract Bought EUR 4163689.25 Sold GBP 3700000							-448
Purchase forward contract Bought EUR 832026.79 Sold USD 960000							11 282
Purchase forward contract Bought EUR 797683.94 Sold USD 920000							10 919
Purchase forward contract Bought EUR 1343193.82 Sold USD 1550000							18 154
Purchase forward contract Bought EUR 577705.33 Sold GBP 510000							1 196
Purchase forward contract Bought EUR 171183.93 Sold USD 200000							1 635
Purchase forward contract Bought EUR 60136.37 Sold USD 70000							646
Purchase forward contract Bought EUR 110474.42 Sold USD 130000							799
Purchase forward contract Bought EUR 798022.94 Sold USD 940000							5 512
Purchase forward contract Bought EUR 823475.74 Sold GBP 740000							-3 161
Purchase forward contract Bought EUR 521920.67 Sold GBP 470000							-2 372
Purchase forward contract Bought EUR 812575.91 Sold USD 940000							10 344
Purchase forward contract Bought EUR 293619.23 Sold USD 350000							885
Purchase forward contract Bought EUR 557103.06 Sold GBP 500000							-1 904
Purchase forward contract Bought EUR 796831.46 Sold USD 950000							2 357
Purchase forward contract Bought EUR 706079.34 Sold USD 840000							2 586
Purchase forward contract Bought EUR 1037389.89 Sold USD 1230000							4 945
Purchase forward contract Bought EUR 642532.1 Sold CHF 730000							6 121
Purchase forward contract Bought EUR 401621.55 Sold USD 480000							863
Purchase forward contract Bought EUR 1024125.72 Sold USD 1220000							3 301
Purchase forward contract Bought EUR 405550.24 Sold USD 490000							-593
Purchase forward contract Bought EUR 405243.35 Sold USD 490000							-694
Purchase forward contract Bought EUR 430781.58 Sold USD 500000							5 024
Purchase forward contract Bought EUR 524733.26 Sold USD 630000							338
Purchase forward contract Bought EUR 651503.41 Sold USD 790000							-1 733
Purchase forward contract Bought EUR 1230114.53 Sold USD 1480000							-68
Purchase forward contract Bought EUR 467537.46 Sold USD 560000							668
Purchase forward contract Bought EUR 35492472.55 Sold USD 42820000							6 093
Purchase forward contract Bought USD 43000000 Sold EUR 35760055.04							-4 748
Purchase forward contract Bought EUR 6580137.48 Sold GBP 5820000							12 504
Purchase forward contract Bought GBP 5780000 Sold EUR 6546704.16							-13 334
Purchase forward contract Bought CHF 730000 Sold EUR 631018.45							-2 307
Purchase forward contract Bought EUR 631356.81 Sold CHF 730000							2 296
Purchase forward contract Bought EUR 410903.19 Sold USD 490000							1 653
Purchase forward contract Bought EUR 145984.91 Sold GBP 130000							-51
Purchase forward contract Bought EUR 528320.49 Sold USD 630000							2 131
Purchase forward contract Bought EUR 258719.26 Sold USD 310000							633
Purchase forward contract Bought USD 3760000 Sold EUR 3200779.08							-28 437
Purchase forward contract Bought GBP 190000 Sold EUR 214586.7							-332
Purchase forward contract Bought EUR 1377738.15 Sold USD 1610000							14 636
Purchase forward contract Bought EUR 570855.48 Sold GBP 510000							-815
Purchase forward contract Bought EUR 594898.15 Sold USD 700000							4 991
Purchase forward contract Bought EUR 631137.82 Sold USD 750000							3 265
Purchase forward contract Bought EUR 320753.6 Sold USD 380000							1 980
Purchase forward contract Bought EUR 1673867.31 Sold GBP 1480000							3 368
Purchase forward contract Bought USD 650000 Sold EUR 547161.08							-2 873
Purchase forward contract Bought EUR 6446011.81 Sold GBP 5680000							37 275
Purchase forward contract Bought EUR 2681444.4 Sold GBP 2370000							9 705
Purchase forward contract Bought EUR 7288873.06 Sold GBP 6550000							-60 348
Purchase forward contract Bought EUR 1756559.4 Sold GBP 1590000							-23 805
Purchase forward contract Bought EUR 529296.12 Sold USD 630000							3 995
Purchase forward contract Bought EUR 592625.11 Sold GBP 540000							-10 904
Purchase forward contract Bought EUR 4267162.96 Sold USD 5090000							25 679
Purchase forward contract Bought EUR 2035249.51 Sold USD 2410000							22 787
Purchase forward contract Bought EUR 454752.16 Sold GBP 420000							-12 900
Purchase forward contract Bought EUR 966703.05 Sold GBP 890000							-25 147
Purchase forward contract Bought USD 8130000 Sold EUR 6761145.29							-1 936
Purchase forward contract Bought EUR 20181349.5 Sold GBP 17850000							82 708
Purchase forward contract Bought GBP 18040000 Sold EUR 20432965.93							-89 756
Purchase forward contract Bought EUR 6713896.02 Sold USD 8100000							2 486
Purchase forward contract Bought EUR 391736.38 Sold GBP 350000							-1 226
Purchase forward contract Bought USD 2050000 Sold EUR 1754262.86							-39 982
Purchase forward contract Bought EUR 1362485.26 Sold GBP 1210000							1 631
Purchase forward contract Bought EUR 479062.05 Sold USD 570000							4 919
Purchase forward contract Bought GBP 890000 Sold EUR 972342.85							8 449
Purchase forward contract Bought EUR 168153 Sold USD 200000							543
Purchase forward contract Bought EUR 4499561.02 Sold GBP 4100000							-33 158
Purchase forward contract Bought EUR 269885.14 Sold GBP 250000							-3 305
Purchase forward contract Bought EUR 56582.85 Sold GBP 50000							108
Purchase forward contract Bought EUR 190641.49 Sold USD 230000							28

(TEUR)

DESIGNATION	Quantity	Amount of par value	% of par value	Average acquisition cost	Total Value acquisition cost	Carrying amount (Includes accrued interest) Unit	Total
Purchase forward contract Bought USD 200000 Sold EUR 166325.84							-19
Purchase forward contract Bought EUR 3787536.18 Sold GBP 3350000							6 216
Purchase forward contract Bought GBP 3460000 Sold EUR 3918961.32							-6 894
Purchase forward contract Bought EUR 112258.52 Sold GBP 100000							-45
Purchase forward contract Bought EUR 3122505.16 Sold USD 3700000							16 470
Purchase forward contract Bought USD 410000 Sold EUR 345132.37							-1 565
Purchase forward contract Bought EUR 3949553.28 Sold USD 4700000							16 067
Purchase forward contract Bought EUR 8751976.85 Sold USD 10000000							190 709
Purchase forward contract Bought EUR 4335580.9 Sold USD 5000000							77 801
Purchase forward contract Bought EUR 3903247.09 Sold USD 4590000							38 053
Purchase forward contract Bought EUR 3596785.31 Sold USD 4300000							9 649
Purchase forward contract Bought EUR 4216509.32 Sold USD 5000000							26 077
Purchase forward contract Bought EUR 2426355.11 Sold GBP 2180000							-11 995
Purchase forward contract Bought USD 2320000 Sold EUR 1933434.84							-2 094
Purchase forward contract Bought EUR 5652256.07 Sold USD 6730000							25 036
Purchase forward contract Bought EUR 1788022.77 Sold USD 2130000							7 542
Purchase forward contract Bought EUR 3203811.38 Sold USD 3860000							2 615
Purchase forward contract Bought EUR 29251035.88 Sold USD 35290000							6 570
Purchase forward contract Bought EUR 2509949.35 Sold GBP 2220000							6 241
Purchase forward contract Bought USD 35430000 Sold EUR 29464622.1							-5 119
Purchase forward contract Bought GBP 2180000 Sold EUR 2469172.16							-6 581
Purchase forward contract Bought EUR 16655701.66 Sold USD 20000000							37 802
Purchase forward contract Bought EUR 4211010.2 Sold USD 5020000							22 752
Purchase forward contract Bought EUR 658277.84 Sold USD 780000							5 269
Purchase forward contract Bought EUR 3813107.35 Sold USD 4540000							22 644
Purchase forward contract Bought EUR 11215788.06 Sold USD 13310000							82 442
Purchase forward contract Bought EUR 867849.3 Sold USD 1030000							6 341
Purchase forward contract Bought EUR 2999986.4 Sold USD 3530000							32 937
Purchase forward contract Bought EUR 3999010.09 Sold USD 4670000							56 733
Purchase forward contract Bought EUR 165861.55 Sold USD 200000							506
Purchase forward contract Bought EUR 3647034.3 Sold USD 4340000							22 477
Purchase forward contract Bought EUR 577865.25 Sold USD 690000							2 718
EURO-BUND FUTURE 08/03/2018							-88 178
US 10YR NOTE FUT (CBT) 20/03/2018							41 689
EURO-BOBL FUTURE 08/03/2018							964
US 5YR NOTE FUTURE (CBT) 29/03/2018							4 511
LONG GILT FUTURE (LIFFE) 27/03/2018							-3 528
LONG GILT FUTURE (LIFFE) 27/03/2018							-1 131
INTEREST RATE SWAP IRS 1 1,000,000.00 GBP 23/10/2017 23/10/2027							4 998
EURO-BUND FUTURE 08/03/2018							-109 462
US 10YR NOTE FUT (CBT) 20/03/2018							51 752
EURO-BOBL FUTURE 08/03/2018							1 196
US 5YR NOTE FUTURE (CBT) 29/03/2018							5 600
LONG GILT FUTURE (LIFFE) 27/03/2018							-4 380
LONG GILT FUTURE (LIFFE) 27/03/2018							-1 404
INTEREST RATE SWAP IRS 1 1,000,000.00 GBP 23/10/2017 23/10/2027							6 205
Total	0	0			0		3 203 535
2.5 - Term deposits							
Dep Prazo EUR BES (Imoprime)					7 000 000		7 000 078
Dep Prazo EUR BES (CORPUS CHRISTI)					0		0
Dep Prazo Angola					24 419 444		24 893 127
Dep Prazo MOÇAMBIQUE					2 224 110		2 230 204
Total	0	0			33 643 554		34 123 409
Total	7 151 529 705	1 164 478 399			1 496 071 908		1 518 997 950
3 - GRAND TOTAL	7 169 599 528	1 164 478 399			1 504 118 526		1 555 250 408

APPENDIX 2 - DISCLOSURE OF REMUNERATION POLICIES (UNAUDITED)

This disclosure involves the following 3 components:

- Remuneration policy of members of the Board of Directors, the Board of Auditors and the Board of the General Meeting, including the table detailing the remuneration paid during 2017;
- Policy governing the remuneration of ‘key employees’;
- Statement of Compliance, under article 4 of ASF Standard 5/2010-R, of April 1.

REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES AND OF THE BOARD OF THE GENERAL MEETING

1. Introduction | Purpose

1.1 This remuneration policy of the Members of the Management and Supervisory bodies and of the members of the Board of the General Meeting of Seguradoras Unidas, SA (hereinafter the “Company” or “SU”), is intended to comply with the provisions of Law 28/2009 of June 19, which stipulate that public-interest entities, as is the case of insurance and reinsurance undertakings, shall annually submit to the approval of the General Meeting a statement on the remuneration policy of the members of its management and supervisory boards.

1.2 As regards insurance business, this matter is also governed by the provisions of Delegated Regulation (EU) 2015/35 of the Commission, of October 10, and by the provisions of Regulatory Standard nº 5/2010-R and Circular nº 6/2010 of the Insurance and Pension Fund Supervisory Authority (ASF), both of April 1.

1.3 It is on the basis of this legal and regulatory framework that this Remuneration Policy of the Members of the Management and Supervisory Bodies, as well as of the Board of the General Meeting of Seguradoras Unidas, SA, is drafted for 2018, (the “Remuneration Policy”), which is submitted to the approval of the General Meeting.

2. Principles applicable to the Remuneration Policy

This Remuneration Policy complies with the principles contained in Circular nº 6/2010, of April 1, particularly the following:

a) The Remuneration Policy and its practices are established, implemented and maintained in accordance with the Company’s business, (i) are consistent an effective risk management and control strategy, (ii) avoid excessive exposure to risk (iii) avoid potential conflicts of interest and (iv) and are consistent with the Company’s goals, valuesand long-term interests.

b) The Remuneration Policy complies with the principle of proportionality, and is so designed as to take into account the Company's internal organisation, as well as the dimension, nature and complexity of the risks inherent in its business.

c) The remuneration policy conforms to the limits provided for in the Company's bylaws.

3. Remuneration Policy Approval and Review

3.1 Approval

The Remuneration Policy for the Company's governing bodies is, under the terms of article 13 of the Company's bylaws, approved by the General Meeting at the proposal of the Remuneration Committee.

3.1.1 Remuneration Committee

a) Composition

The Remuneration Committee comprises two non-executive directors, elected at the General Meeting for the 2016 to 2018 term of office.

b) Duties

The Remuneration Committee performs the duties provided for in Circular 6/2010, of April 1, including the review, at least once a year, of the Company's Remuneration Policy and the implementation thereof.

3.1.2 External Consultants

Services of external consultants are not used in the definition of the said remuneration policy.

3.2 Disclosure

The Remuneration Policy is transparent and will be disclosed in-house, in particular through its publication on the Company's Portal. The Remuneration Policy shall also be included in the annual financial statements, available on the Company's institutional site during a minimum of 5 years.

3.3 Review

The Remuneration Policy is reviewed at least annually, in accordance with article 64 (5) of the Access to and Exercise of Insurance and Reinsurance Business Legalisation (RJAS).

The Remuneration policy is submitted to an independent internal evaluation performed by the Risk Department, at least once a year, with a view to determining its possible impact on risk management, internal control and necessary capital, as well as by the Compliance Unit, which is responsible for reviewing the Remuneration Policy in the light of the ASF recommendations .

4. Executive Members of the Board of Directors

41. Remuneration of the Executive Members of the Board of Directors

The remuneration of the executive members of Board of Directors shall be fixed by the Remuneration Committee in accordance with this Remuneration Policy, and shall include a fixed-remuneration component and, possibly, a variable component.

4.1.1 Fixed Component of the Remuneration

The executive members of the Board of Directors earn a monthly fixed remuneration, paid 14 (fourteen) times each full calendar year, the definition of which will be based on competitive positioning vis-à-vis the national benchmark companies.

Whenever the total annual remuneration of the executive members of the includes a fixed component and a variable component, the fixed component of the remuneration shall comply with the limits established annually at the General Meeting and shall not, as a rule, be less 60% of said total annual salary.

4.1.2 Variable Component of the Remuneration

The fixed component may be increased by a variable remuneration, calculated on the basis of individual and/or collective performance and subject to limits, under such terms as come to be defined at the General Meeting.

The variable annual remuneration, if any, shall not, as a rule, exceed 40% of the total annual remuneration, though its actual amount may vary each year, depending on the assessment of the individual and overall performance of the executive members of the Board Directors, as well as the degree of achievement of the Company's main goals, particularly the Net Income of the preceding year, the Return on Equity and the Combined Ratio, taking into account at all times in the evaluation process both the adequacy of the Company's own funds in the light of the risks and also of the representation of the technical provisions.

Payment of the variable component of the remuneration, when granted, takes place preferably after the determination of the accounts of each financial year, the annual variable remuneration of all executive members of the Board of Directors shall not exceed 5% of the profits of the financial year, if any, as determined in article 13 of the Company's bylaws.

4.1.2.1 Eligibility for the Variable Component | Performance Criteria | Grant

(a) Eligibility for the grant of variable remuneration is based on a process of evaluation of individual and/or collective performance, set by the Company on the basis of measurable and pre-determined criteria, including non-financial criteria, taking into account in particular the following indicators:

(i) net remuneration for the period of the assessment;
(ii) *ROE;*
(iii) Combined ratio; and
(iv) adequacy of the capital as to the risk level and to the technical provisions set aside.

(b) The assessment of the performance of the executive members of the Board of Directors is performed by the Company's single shareholder at the General Meeting, in keeping with the model defined internally at the company, particularly in compliance with the principles set out in this Remuneration Policy.

(c) In the event that the results show a relevant deterioration of the Company's performance in the latest financial year or when it can be expected in the current financial year, necessary and appropriate limitations may be introduced, including possible non-payment of any variable component, with a view to preserving its financial equilibrium and compliance with other solvency ratios imposed legally.

4.1.2.2 (Non) Deferral of the Variable Component

Considering the current remuneration structure, the maximum amounts considered and risk-tolerance levels defined, it has not yet been considered necessary to defer a part of the variable component of the remuneration.

4.1.2.3 Nature of Variable Component | Financial Instruments

The variable remuneration may granted in the form of a performance bonus, and/or profit sharing, as comes to be expressly determined at the General Meeting.

Without prejudice to the foregoing, the shareholder may, at the General Meeting, determine that the variable component of the remuneration, or a portion thereof, be assigned through share plans or stock-option plans involving shares in the Company or in any other company of the Group.

4.1.2.4 Conclusion of contracts

Members of the management body shall not conclude contracts either with the Company or with third parties, the effect of which is to mitigate the risk inherent in the variability of the remuneration fixed for them by the Company.

4.2 Pension Fund and Other Benefits

Executive members of the Board of Directors may also benefit from a contribution to a pension fund under the terms and conditions set out in the resolution of the decision Sole Shareholder dated July 10, 2016, as written into the book of minutes of the General Meeting as Minutes nº 35.

Other that as mentioned in the Remuneration Policy, no other forms of remuneration of the members of the Board of Directors are considered, nor are they granted any pecuniary or non-pecuniary benefits of import.

5. Non-executive Members of the Board of Directors

The non-executive members of the Board of Directors may earn a fixed annual remuneration under the terms that come to be defined by the Remuneration Committee, which, if any and in any case, will not depend on any performance element, and no variable remuneration shall be paid.

6. Limits to compensation payable for dismissal of the management body without just cause

Possible compensation for dismissal without cause of an member of the management body shall not be paid if it results from of poor performance of the outgoing member.

7. Supervisory Bodies

7.1 The Board of Auditors

7.1.1 Under Article 25 of the Company's bylaws of association, the Board of Auditors comprises three members, of whom one performs duties as Chair.

7.1.2 The respective members are remunerated through payment of a fixed monthly amount, paid 12 times each full calendar year, as defined at the General Meeting.

8. Statutory Auditor

The statutory auditor shall be remunerated in accordance with the conditions laid down in the applicable legislation. The respective fees shall be proposed by the Statutory Auditor and are approved by the Board of Directors, following the opinion of the Board of Auditors.

9. Members of the Board of the General Meeting:

9.1 Under Article 15 of the Company's bylaws, the Board of the General Meeting comprises a chair and a secretary.

9.2 The members of the Board of the General Meeting may have a remuneration fixed by the General Meeting on the date it is held, and it shall be set by the Remuneration Committee, if it is to be paid.

Table of remuneration paid in 2017 to the members of the governing bodies of Seguradoras Unidas, SA.

(thousand euros)

	Remuneration		Total
	Fixed	Variable	
Board of Directors			**2 326**
Gustavo Alexander P.T. Mesquita Guimarães (Chair)	150,0	-	150,0
Alexander Wallace Humphreys (Member)	-	-	-
Augusto Tomé Pires Fernandes Pedroso (Member) (1)	225,6	180,0	405,6
Gernot Wilhelm Friedrich Lohr (Member)	-	-	-
Jan Adriaan de Pooter (Member)	400,0	341,0	741,0
Nuno Miguel Pombeiro Gomes Diniz Clemente (Member) (1)	275,0	150,0	425,0
Pedro Luís Francisco Carvalho (Member)	275,0	238,0	513,0
Gonçalo Fernando S Marques Oliveira	91,4	-	91,4
Board of Auditors			**110,0**
Luís Maria Viana Palha da Silva (Chair)	50,0	-	50,0
Manuel Maria de Paula Reis Boto (Full Member)	30,0	-	30,0
Pedro Manuel Aleixo Dias (Full Member)	30,0	-	30,0
Sandra Maria Simões Filipe de Ávila Valério (Alternate Member)	-	-	-
Total Remuneration	1 527,0	909,0	**2 436,0**

(1) The members of the corporate bodies listed above no longer hold the positions in question.

KEY-EMPLOYEE REMUNERATION POLICY

1. Scope of application

Under the terms of Delegated Regulation (EU) 2015/235 of the Commission of October 10, as well as of Standard nº 5/2010, of April 1, of the Insurance and Pension Funds Supervisory Authority (hereinafter also "ASF"), this remuneration policy applies:

a) To those employees who perform play key roles, understood as being those who occupy a post in risk management, internal control, and compliance and actuarial systems;

b) To all employees occupying 1st level managerial positions (Top Managers) and Board of Directors Advisers, regardless of the area in which they carry on their activity, to the extent that they have regular access to privileged information and are involved in the decisions on the Company's management and business strategy.

For the purpose of this remuneration policy, the set of employees considered above will be known generically as Key Employees.

2. Approval, Disclosure and Review of the Remuneration Policy

a) Approval

The Key Employees' remuneration policy is assessed and approved by the Board of Directors at the proposal of the director responsible for human resources.

In the preparation of the remuneration-policy several members of the staff of the Company's main departments take part, in particular the Human Resources Department.

b) External Consultants

No services by external consultants are used in defining the remuneration policy applicable to the Company's Key Employees.

c) Disclosure

The Remuneration Policy is transparent and will be disclosed internally, in particular, through its publication on the Company's Portal.

The Remuneration Policy shall also be contained in the annual financial statements, available on the Company's institutional site during a minimum of 5 years.

d) Review

The Remuneration Policy is reviewed at least annually, in accordance with article 64 (5) of the Access to and Exercise of Insurance and Reinsurance Business Legalisation (RJAS).

The Remuneration policy is submitted to an independent internal evaluation performed by the Risk Department, at least once a year, with a view to determining its possible impact on risk management, internal control and necessary capital, as well as by the Compliance Unit, which is responsible for reviewing the Remuneration Policy in the light of the ASF recommendations .

<u>3. Key-Employee Remuneration Policy</u>

a) Composition of the Remuneration

The remuneration of key employees includes a fixed part and possibly a variable part. In the determination of these two components, the Board of Directors considers several factors, of which the following are underscored:

- The economic situation and the results obtained by the Company;
- The interests of the Company from a medium- and long-term perspective;
- The specifics of the duties performed;
- Salary practice in force in the insurance sector;
- Performance evaluation, both at corporate level and also at departmental and individual level.

b) Mandate of the Board of Directors

Under the law and the bylaws, fixing the remuneration of the Key Employees is entrusted to the Board of Directors within the scope of the management of its Human Resources policy with a view to meeting the Company's strategic goals.

c) Fixed component

The fixed portion is defined within the limits set by the Board of Directors, comprising the basic salary and other regular and periodic benefits attributable to all the Company's employees, representing on average, at the Company, approximately between 80% and 85% of the total annual remuneration.

d) Variable component

The variable remuneration, if any, may comprise performance bonuses, in accordance with the factors detailed above or such others as may be specifically provided for by the Board of Directors, or even the distribution of bonuses on account of profits at the proposal of the Board of Directors and in keeping with a resolution passed by the Company's General Meeting.

The variable part shall not exceed, on average, 20% of the total annual remuneration for all employees of the Company, and the maximum individual amount shall not, as a rule, exceed 40% of the total amount of the annual remuneration.

This situation is in keeping with the recommendations of Insurance and Pension Fund Supervisory Authority Circular nº 6/2010, which encourage a high percentage for the fixed component compared to the variable component of the remuneration.

e) Variable component definition criteria and its time of payment

If granted, the amount of the Variable Annual Remuneration (VAR) will lie within the limits set by the Board of Directors. The VAR is in respect of short-term performance, and its exact amount, each year, is determined in the light of the criteria laid down in subparagraph a), and in any case it is stipulated that the VAR does not constitute a right of employees, and the criteria for its grant may be altered and/or revoked at any time by the Board of Directors, and it is subject to annual approval by the Board of Directors on the basis of the annual performance and evaluation of the employees.

The appraisal of the employees covered by this Remuneration Policy is based on the performance evaluation model in force in the various areas of the Company, in particular:

- Competence assessment;
- Evaluation of Corporate Objectives;
- Evaluation of Departmental Objectives;
- Evaluation of Individual Objectives;

f) (Non) Deferral of the Variable Component

Given the characteristics inherent in the remuneration structure in force, the maximum amounts considered and the risk-tolerance levels defined, to date it has not been considered necessary to defer a part of the VaR.

g) Nature of Variable Component | Financial Instruments

If there is payment of a variable remuneration, it will be paid, as a rule, on a single occasion, in cash, save decision to the contrary by the Board of Directors.

The foregoing notwithstanding, the Board of Directors, in line with the guidelines stipulated by the shareholder in this regard, may determine that the variable component of the remuneration, or a portion thereof, be assigned through stock-option plans involving shares in the Company or any other company of the Group, under such terms it may come to define.

h) Other benefits

In addition to the fixed and variable remuneration described in this remuneration policy, “Key Employees” may also receive, if applicable, the following benefits as defined in the collective bargaining agreement (CBA) applicable to the insurance sector or in the Company’s own rules for employees as a whole:

- Health insurance;
- Life insurance;
- Individual retirement plans, in the case of old-age or disability pension.

4. Broadening the scope of this Remuneration Policy.

Save decision to the contrary taken by the Board of Directors, this Remuneration Policy shall also apply, as a rule, to the other employees of the Company not considered under the criteria defined in point 1 (Scope of application of the Remuneration Policy).

APPENDIX 3 - STATEMENT OF COMPLIANCE (ARTICLE 4(1) OF ASF STANDARD 5/2010-R, OF APRIL 1) (UNAUDITED)

Detailed description of the recommendations set out in ASF Circular 6/2010 of April 1, adopted and not adopted.

Recommendation		Degree of compliance	Comments
I.	**General Principles**		
I.1	Adoption of a remuneration policy (RP) consistent with effective risk management and control that will prevent excessive exposure to risk, will prevent potential conflicts of interests and will be coherent with the long-term objectives, values and interests of the Institution, and particularly with the growth and profitability prospects and with customer protection;	Complies	
I.2	Appropriateness of the RP in the light of the size, nature and complexity of the business, especially with regard to the risks assumed or to be assumed;	Complies	
I.3	Adoption of a clear, transparent and adequate structure in respect of the definition, implementation and monitoring of the RP that will objectively identify the employees involved in the process as well as their responsibilities and competences.	Complies	
II.	**Approval of the Remuneration Policy (RP)**		
II.1	Approval of the RP by a Remuneration Committee or, if its existence is not viable or is not warranted (size, nature or complexity of the Institution), by the General Meeting;	Complies	
II.2	Approval by the Board of Directors of the RP applicable to the employees;	Complies	
II.3	Involvement in the definition of the RP of persons of functional independence and adequate technical capabilities, in order to avoid conflicts of interest and to allow an independent value judgement to be made;	Complies	
II.4	The RP shall be transparent and accessible to all the Institution's employees; The RP shall also be formalised in a separate document, duly updated, stating the changes made and the reasons therefor, and the previous versions shall be kept on file;	Complies	
II.5	Disclosure of the assessment process to the employees prior to the period of time covered by its application;	Complies	

Recommendation	Degree of compliance	Comments
III. Remuneration Committee (RC)		
III.1 Should one exist, the RC shall review the RP and its implementation each year, so as to allow a reasoned, independent value judgement to be made about the RP in the light of the recommendations (Circular 6/2010), particularly as to its effect on the management of the Institution's risks and capital;	Complies	
III.2 The members of the RC shall be independent with regard to the management body and shall meet the requirements of competence and professional qualifications appropriate to the performance of their duties;	Complies partially	The RC comprises two unremunerated non-executive members of the Board of Directors so as to ensure independence
III.3 Should the RC make use of external services (consultants), it should not hire a natural or corporate person who provides or has provided services, during the previous three years, to any structure dependent on the management body or to the management body itself or has a present relationship with a consultant of the institution. This recommendation is also applicable to any natural or corporate person related with them by an employment or provision of services contract.	Not applicable	
III.4 The RC shall inform the equityholders, each year, as to the performance of its duties and shall be present at the AGM at which the Remuneration Policy is on the agenda;	Complies	
III.5 The RC shall meet at least once a year and shall write up minutes of every meeting held.	Complies	
IV. Management Body – Executive Members		
IV.1 The remuneration shall include a variable component, its determination dependent on an assessment of performance in keeping with predetermined, measurable criteria, including non-financial criteria, that take into account: individual performance, real growth of the institution, wealth actually created, protection of the customers interests, long-term sustainability, risks assumed and compliance with the rules applicable to the business;	Complies	The evaluation criteria are based on management indicators, taking into account at all times the adequacy of the equity to its level of risk and the representation of the technical provisions.

Recommendation	Degree of compliance	Comments
IV. Management Body – Executive Members (continuation)		

IV.2	Adequacy of the fixed and variable components, the fixed component to account for a sufficiently high proportion of total remuneration. The variable component shall be subject to a maximum limit.	Complies	
IV.3	Payment of a substantial part of the variable component in financial instruments issued by the institution, appreciation of which is dependent on medium- and long-term performance.	Does not comply	This measure will be subject to revaluation during 2018.
IV.4	Deferral of a substantial part of the variable component during a minimum of 3 years, its payment dependent of the institution's good performance;	Does not comply	This measure will be subject to revaluation during 2018.
IV.5	The variable component subject to deferral shall be determined in the increasing proportion of its weight relative to the fixed component;	Not applicable	Not applicable in view of the response to point IV.4.
IV.6	Absence of contracts concluded by members of the management body the effect of which is to mitigate the variability of the established remuneration;	Complies	
IV.7	Retaining, up to the end of the tenure, the value of the shares attributed under the variable component, up to the limit of twice the total annual remuneration, unless required to pay taxes on the benefit generated by the shares in question;	Not applicable	Not applicable in view of the response to point IV.3.
IV.8	Where the variable remuneration includes allocation of options, the start of the exercise period shall be deferred during no less than 3 years;	Not applicable	Not applicable in view of the response to point IV.3.
IV.9	Following the exercise referred to in the preceding point (IV.8), the executive members of the management body shall retain a certain number of shares up to the end of their tenure, the number to be fixed.	Not applicable	Not applicable in view of the response to point IV.3.
IV.	**Management Body – Non-Executive Members**		
IV.10	The remuneration of the non-executive members of the management body shall not include any component whose value depends on the performance or value of the institution.	Complies	
IV.	**Management Body - Indemnities in the event of dismissal**		
IV.11	Definition of adequate legal instruments to ensure that the compensation established for any unfair dismissal of a member of the management body will not be paid if the dismissal or termination by mutual agreement is the result of inadequate performance by the member in question.	Complies	No compensation has been established for any form of unfair dismissal of a member of the management body.

Recommendation	Degree of compliance	Comments
V. Employee Remuneration – Relationship between Fixed and Variable Remuneration		
V.1 If the employees' remuneration includes a variable component it must be adequately in balance with the fixed component, taking into account, in particular, the performance, the responsibilities and the duties of each individual; The fixed remuneration shall account for a sufficiently important part of the total remuneration. The variable component shall be subject to a maximum limit.	Complies	
V.2 Substantial payment of a variable part in financial instruments issued by the institution, the appreciation of which depends on the medium- and long-term performance of the institution, subject to a retention policy aligned with the long-term interests of the Institution.	Does not comply	This measure will be subject to revaluation during 2018.
V. Employee Remuneration – Variable Remuneration Allocation Criteria		
V.3. Performance assessment must take into account not only individual performance but also the collective performance of the unit of the structure in which the employee is involved and of the institution itself. It must include relevant non-financial criteria, such as regard for the rules and procedures applicable to the business carried on, especially the internal-control rules and those relating to relations with customers.	Complies	
V.4 The criteria governing the award of the variable remuneration in the light of performance must be predetermined and measurable, based on a multi-year framework of three to five years, in order to ensure that the assessment process is based on long-term performance.	Complies partially	The criteria used are predetermined and measurable. They are not related to a multi-year framework since the understanding is that this component has little weight in the overall amount and concerns the meeting or otherwise of annual goals.
V.5 The variable remuneration, including the deferred part of this remuneration, shall be paid or shall constitute a vested right if it is sustainable in the light of the financial situation of the institution as a whole and is warranted in the light of the performance of the employee in question and of the structure unit of which he is a part. The whole of the variable remuneration shall, generally speaking, be severely reduced in the event of decrease of the performance or negative performance of the institution.	Complies	

Recommendation	Degree of compliance	Comments
V. Key Employee Remuneration – Deferral of Variable Remuneration		
V.6. A significant part of the variable remuneration shall be deferred for a period not less than three years and its payment shall be dependent on future performance criteria, measured on the basis of criteria suited to the risk, which take into account the risks associated with the activity on the basis of which it is awarded.	Does not comply	It was considered to date that the little weight of this component in Total Annual Remuneration does not justify its deferral. This measure will be subject to revaluation during 2018.
V.7. The part of the variable remuneration subject to deferral under the terms of the preceding number shall be determined in growing proportion to its relative weight compared to the fixed component of the remuneration. The percentage deferred shall increase significantly in proportion to the seniority or responsibilities of the employee.	Not applicable	Not applicable in view of the reply to the preceding point.
V. Employees' Remuneration – Key Employees		
V.8. Employees performing tasks associated with key functions shall be remunerated in the light of the achievement of the objectives associated with their duties, regardless of the performance of the areas under their control, the remuneration to provide a reward adequate to the importance of the exercise of the duties.	Complies	
V.9 In particular, actuarial duties and the actuary in charge shall be remunerated in a manner in keeping with their role at the institution and not in respect of its performance.	Complies partially	Since the remuneration is appropriate to the function, it is not entirely foreign to its performance
VI. Assessment of the Remuneration Policy		
VI.1 The remuneration policy shall be submitted to independent internal review at least annually, performed by key departments of the institution in articulation with each other.	Complies	
VI.2 The assessment called for in the preceding number shall include, in particular, an analysis of the institution's remuneration policy and of its implementation in the light of the recommendations of this Circular, especially in respect of its effect on the management of the risks and of the capital of the institution.	Complies	
VI.3 The key departments shall present to the management body and the AGM or, if any, the remuneration committee, a report on the results of the assessment to which number VI.1 refers, detailing in particular the measures required to correct any insufficiencies in the light of these recommendations.	Complies	

Recommendation	Degree of compliance	Comments
VII. Financial Groups		
VII.1 The parent company of an insurance group or financial conglomerate subject to supervision by the ASF on the basis of its consolidated situation shall ensure that all its affiliates, including those abroad, implement mutually consistent remuneration policies, based on these recommendations.	Complies	
VII.2 Adoption of these recommendations shall be ensured in respect of all remuneration paid to each employee by the those institutions that are a part of the same insurance group or financial conglomerate.	Complies	
VII.3 The key functions of the parent company shall perform at least once a year, in articulation with each other, an assessment of the remuneration practices of the affiliates abroad, in the light of the recommendations of this Circular, especially in respect of their effect on the management of the institution's risk and capital.	Not applicable	
VII.4. The key functions shall submit to the management body of the parent company and to its general meeting or, should one exist, to the remuneration committee, a report on the results of the assessment to which the preceding number refers, detailing in particular the measures required to correct any insufficiencies in the light of these recommendations.	Not applicable	