Solvency and Financial Condition Report (SFCR)

2021

Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails

GAMALIFE - COMPANHIA DE SEGUROS DE VIDA, S.A.
Rua Barata Salgueiro, n.º 28, 5.º, freguesia de Santo António, Lisboa
Registada na Conservatória do Registo Comercial de Lisboa e NIPC 503 024 856
Capital Social EUR 50.000.000

Index

Index

SUMMARY

According to the Solvency II regime, insurance and reinsurance companies must publicly disclose on an annual basis the information relative to their solvency and financial condition through this report – Solvency and Financial Condition Report ("SFCR"), published by GamaLife – Companhia de Seguros de Vida, SA (throughout this document it will also be referred to as GamaLife or Company) for the exercise concluded on December 31st, 2021.

The Company carries out its activity in Portugal, essentially selling insurance through the banking network of Grupo Novo Banco (Novo Banco, Novo Banco dos Açores and Banco BEST). The Company sells life insurance, namely, capitalization, PPR (Retirement Savings Plan) and Life-Risk insurance.

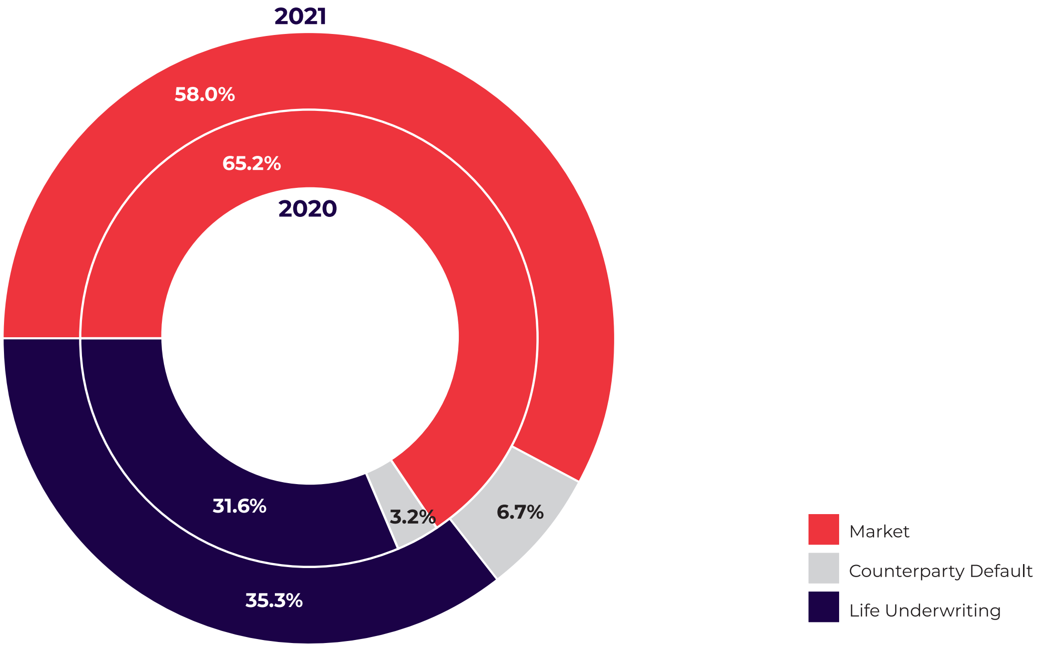
The Company's gross written premiums, in 2021, rose to 602.6 million euros, which corresponds to a 108% increase year-on-year. All types of products contributed to this increase, although PPR and capitalization products stood out.

Since its acquisition on October 14th, 2019, there has been a gradual detachment process from the Grupo Novo Banco, with which the Company, by virtue of their previous relation, several infrastructure and IT systems. This process was concluded during 2021.

The new organizational structure and operational governance was approved on February 3rd, 2021, having not been changed since.

The risk management system implemented by the Company is transversal to the entire organizational structure, being duly integrated in the decision-making process and is supported by a set of policies, procedures, limits and alerts that represent the risk management framework.

On a monthly basis, the Company evaluates its risk profile, through the calculation of the Solvency Capital Requirement (SCR), using the standard formula and using the volatility adjustment and the transitional measure on technical provisions. At the end of 2021, the risk profile stayed relatively stable when compared with 2020 with market risk representing the biggest weight, followed by life underwriting risk.



On December 31st, 2021, GamaLife's Solvency Capital Requirement (SCR) stood at 153.6 million euros, which represent a 5.7 million euros decrease over the previous year's Solvency Capital Requirement. This decrease was mainly due to:

. Market risk decrease, by way of a decrease in concentration and spread risks;

. Operational risk decrease, due to a decrease in provisions.

At the General Shareholders' Meeting, that took place on 25th March 2022, a dividend distribution amounting to 15 million euros was approved.

The solvency ratios to cover the Solvency Capital Requirement and the Minimum Capital Requirement (MCR) are presented on the table below, after the dividend distribution deduction:

(million euros)

Solvency Ratios	2021	2020
Eligible Own Funds to cover the SCR	527.0	470.8
Solvency Capital Requirement (SCR)	153.6	159.2
Solvency Ratio to cover SCR	**343.2%**	**295.7%**
Eligible Own Funds to cover the MCR	495.4	440.1
Minimum Capital Requirement (MCR)	66.9	71.6
Solvency Ratio to cover MCR	**740.0%**	**614.3%**

There is an increase in the solvency ratios caused by the double effect of an increase in Own Funds and a reduction of the Solvency Capital Requirement.

Throughout 2021, the Company complied with the Solvency Capital Requirement and the Minimum Capital Requirement, despite the global pandemic that has been experienced with significant impacts on the global economy.

In February 2022, following the invasion of Ukraine, strongly condemned by the international community, a set of economic sanctions was applied to the Russian Federation. Additionally, several companies exited the country and a significant number of refugees demanded European Union countries. GamaLife has been monitoring the evolution of the situation and its economic impacts and is currently convinced that it does not have a material impact on its solvency situation.

A.

BUSINESS AND PERFORMANCE

A.1 Activities

GamaLife's share capital is 50,000,000 euros, represented by 50,000,000 shares with a nominal value of €1.00 (One euro) each.

In February 2021, the Company changed the address of its registered office, with effect from 24 February 2021 to Rua Barata Salgueiro, No. 28, 5th floor, parish of Santo António, municipality of Lisbon.

The supervisory authority is ASF - Autoridade de Supervisão de Seguros e Fundos de Pensões, with head office at Avenida da República, 76, 1600-205 Lisbon. Additionally, and by virtue of the existence of securities admitted to trading, GamaLife is also supervised by the CMVM - Comissão do Mercado de Valores Mobiliários, with registered office at Rua Laura Alves, 4, 1050-138 Lisboa.

The statutory auditor is Ernst & Young, Audit & Associados, Sociedade de Revisores Oficiais de Contas, S.A. with registered office at Avenida da Republica, 90 - 6º 1649-024 Lisboa.

GBIG Portugal, S.A. is the sole shareholder, holding the 50 million shares representing the Company's share capital.

GamaLife carries out its business in Portugal, selling life insurance.

The information disclosed in the following points is reported in conformity with the Company's financial statements and respective notes, with reference to 31 December 2021.

A.2 Underwriting Performance

The Company operates in Portugal, selling insurance through the banking networks of the Novo Banco Group (Novo Banco, Novo Banco dos Açores and Banco BEST). The Company operates in the life business, selling Capitalisation products, PPR (Retirement Savings Plans) and Life Risk insurance.

The Company's total gross inflow, in 2021, amounted to 602.6 million euros, which corresponds to a growth of 108% in relation to the previous year. All types of products contributed to this increase, but Capitalisation products and Retirement Savings Plans stand out.

This increase was due to a management strategy based on the distribution of unit linked products and also partly related to the recovery observed in the Life business of the insurance sector, naturally influenced by the recovery of the economy after a more difficult phase due to the Covid 19 pandemic. The Company ceased production of new business in guaranteed products in October 2020.

The evolution of gross premiums written (IFRS 4 and IAS 39) is presented in the table below:

(thousand euros)

Gross Premiums Written	2021	2020
Total Portugal	**602 550**	**290 192**
Retirement Savings Plans	199 879	130 715
Capitalisation Products	345 319	102 902
Risk Products	57 352	56 575

In a detailed view by type of product it can be seen that:

- The Retirement Savings Plan products, registered a growth of 53% compared to 2020, below the market average which grew 70.5% compared to the previous year;

- The Capitalisation products registered a growth of 236% compared to 2020. This variation presents a much better performance than the market average, which registered an increase of about 96.2%.

As mentioned above, in 2021 the performance of GamaLife stands out, with a gross inflow volume of 602 million euros and a growth rate of 108% (the second highest among the insurers of the national market). The Company maintained 5th place in the ranking and was also the insurer that grew most in market share, having increased from 6.3% in 2020 to 7.8% in 2021[1].

The very positive evolution of the insurance component linked to investment funds should also be noted, with a premium volume of 529 million euros, which represents a growth of 373% (the highest among all insurers) and a market share of 11.3% (it was 5.7% in 2020).

The table below shows the evolution of gross premiums written by type of contract:

(thousand euros)

Gross Premiums Written by contract type	2021	2020
Portugal	**602 505**	**290 192**
Insurance Contracts	**73 678**	**178 401**
Life Annuities	196	237
Other Risk Products	57 110	56 338
Capitalisation Products	2 427	13 435
Retirement Savings Plans	13 944	108 391
Investment Contracts	**528 827**	**111 790**
Capitalisation Products	342 892	89 467
Retirement Savings Plans	185 935	22 323

In the table above the values of the Spanish portfolio under LPS (Freedom to Provide Services) were not included because it is in run-off and the amount of premiums is not materially relevant (46 and 54 thousand euros in 2021 and 2020, respectively).

In accordance with the accounting rules in force, only production relating to contracts with significant insurance risk and products with participating features is treated as written premiums (that relating to unit-linked and investment contracts without participating features is considered at its net value under "investment contracts liabilities").

Considering the split between insurance contracts and investment contracts, GamaLife shows a dissimilar evolution (-58.7% in insurance contracts and 373% in investment contracts) justified by the discontinuance of products with guarantees in the second half of 2020. In insurance contracts, the PPR (retirement savings plans) and capitalisation products showed a reduction of 82% and 87%, respectively, while in investment contracts, capitalisation products showed an increase of 283% and PPR production increased by 733%.

The Company signs reinsurance treaties to limit its risk exposure. The main objective of reinsurance is to mitigate large individual claims where the limits of indemnity are high, as well as the impact of multiple claims triggered by a single event.

Of note in this respect, is the new reinsurance contract for retention protection (catastrophic events) concluded at the end of 2021 with Suisse Re, which comes into force on 1 January 2022, and which supplements the current protection that remains in place.

[1] Source: Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF)

The table below shows the evolution of earned premiums net of reinsurance:

(thousand euros)

Earned Premiums	2021	2020
Gross Premiums Written	73 724	178 455
Reinsurance Ceded Premiums	(32 831)	(34 752)
Premiums net of Reinsurance	**40 893**	**143 703**
Change in provision of unearned prenium net of reinsurance	210	39
Eanerd Premiums net of Reinsurance	**41 103**	**143 742**

A.3 Investment Performance

The year 2021 showed an increase in net financial activity compared to the previous year, due essentially to the exchange rate differences (+48.2 million euros compared to 2020). On the other hand, net income from financial expenses fell by about 27% to 26.8 million euros and net gains from assets and liabilities fell compared to the previous year by -10.5 million euros.

(thousand euros)

Net Financial Activity	2021	2020
Total	**32 332**	**4 767**
Net Income from financial expenses	26 833	36 878
Net Gains from assets and liabilities	(20 767)	(10 214)
Impairments	-	-
Exchange Rate Differences	26 267	(21 896)

By asset class, the evolution of total investment income (recognised in gains and losses and in the fair value reserve) was as follows:

(million euros)

P&L	2021	2020
Asset Class	**103 080**	**118 336**
Fixed Income	40 170	92 905
Equity	14 729	(15 166)
Real Estate	3 259	5 932
Other	44 922	34 665

(million euros)

Fair Value Reserve	2021	2020
Asset Class	**27 168**	**77 668**
Fixed Income	24 234	77 355
Equity	0 000	0 000
Real Estate	0 000	0 000
Other	2 934	0 313

In the profit and loss account in 2021, in equity, +14.7 million euros in gains were recognised (-15.2 million euros in the previous year) mostly in the Unit Linked portfolio following the very positive movement of the equity market throughout 2021. The non Unit Linked portfolio throughout 2021 was sporadically invested in the equity segment, having earned around +2.9 million euros in 2021. In the Fixed Income segment, the income recognised of interest in 2021 was 29.3 million euros (43 million euros in the previous year) and in realised capital gains of 10.9 million euros (49.9 million euros in the previous year). The not so positive performance compared to the previous year of this asset class was intrinsically linked to a substantial reduction in the non-Unit Linked portfolio between 2020 and 2021, as well as, taking into account the Company's strategy, a lesser need to rebalance the portfolio throughout the year. The Other component is mainly represented by positive gains made in derivatives and investment funds.

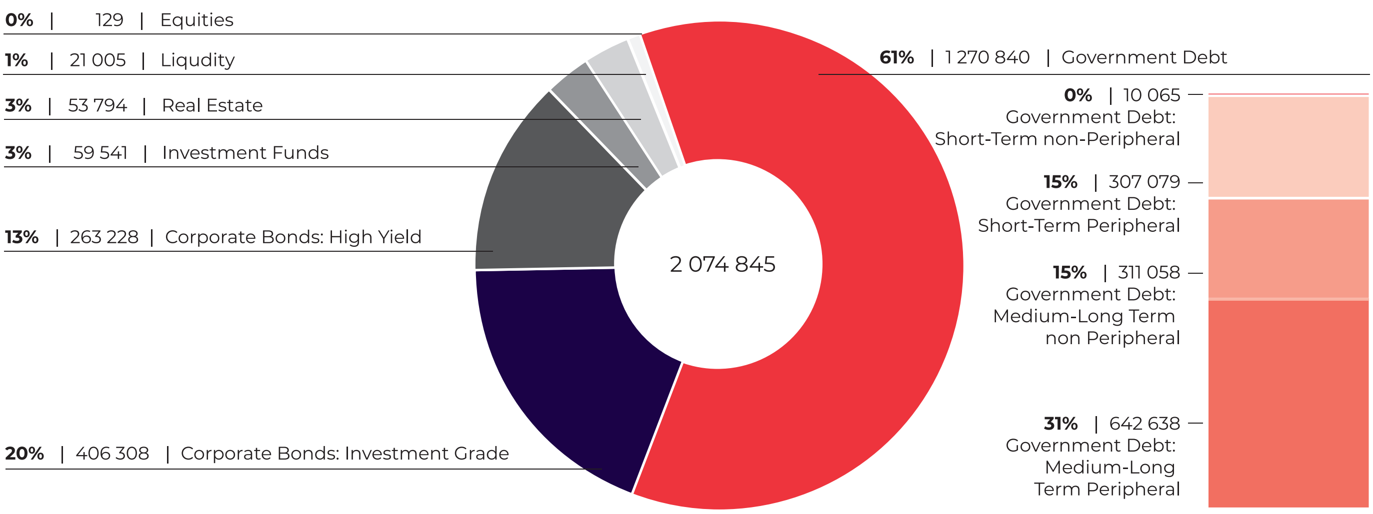
In 2021, there was a negative variation of the Fair Value Reserve -50.5 million euros compared to 2020. This negative variation derived mainly from the following factors: reduction of the bond portfolio and simultaneously an increase in interest rates in the market (mainly in the last quarter) that stems from inflationary concerns on the part of financial operators. The change in interest rates, accompanied by a slight increase in credit spreads had an impact on fair value reserves in 2021 of - 53.1 million euros (this change in interest rates had an opposite effect on the market value of mathematical provisions).

At 31/12/2021, GamaLife held the following securitisation investments in portfolios where the risk is borne by the policyholder:

(euros)

Asset Designation	ISIN	Rating	2021	2020
TAGST A1 ENGY MTG /2009 - 12/05/2025	PTTGUAOM0005	A	1 232 826	1 589 271
VERSE 5 Snr MTG 0.85% /2017 - 12/02/2022	PTTGCPOM0000	A	83 935	586 424
Total			**1 316 761**	**2 175 695**

In the non-Unit Linked portfolios the risk exposure was effectively reduced between Investment Grade and High Yield credit evaluation to manage Solvency II capital requirements and to anticipate better levels of entry in a volatile market. Investment Grade debt currently represents 19.6% of the portfolio and 12.7% is invested in High Yield corporate issues and subordinated debt of Investment Grade corporate issues. Investments in public debt of peripheral countries remained under control and reduced during the year. This asset class represents 61.3% of the investment portfolio, 15.3% of the exposure is Treasury Bills (short-term debt).



The exposure to shares traded on the regulated market is very reduced and at the end of 2021 was limited to Unit Linked portfolios and in accordance with the investment policies in force. In non-Unit Linked portfolios, managed directly by the Company, continuing the strategy initiated in 2020, taking into account the volatility of the stock market and the possible impact on Solvency II ratios, it was decided to reduce investment in this class of assets.

Regarding Unit Linked portfolios, Gamalife has hired external managers for the proper management of its portfolios in accordance with the investment policies defined. The existing agreements, being prior to Law No. 50/2020 of 25 August, do not explicitly include the requirements of Article 251-C number 2, paragraphs a), b), c) and d). However, given that the defined investment policies take into account the risk profile of the liabilities, by complying with the investment policy the asset manager aligns its investment strategy to the interests of Gamalife and its customers. Agreements with asset managers are renewed annually and may be cancelled with 3 months' notice.

A.4 Other activities performance

Operating costs and expenses show an increase of 20% compared to the previous year. This evolution essentially results from an increase in costs imputed to the administrative function, namely the growth in external supplies and services, as a result of new projects underway and fundamental to the organic growth of the Company.

The table below shows the evolution of operating costs and expenses:

(thousand euros)

Operating Costs and Expenses	2021	2020
Total	**(28 329)**	**(23 618)**
Acquisition costs	**(19 922)**	**(18 665)**
Redemption fees	(41)	(45)
Subscription fees	(5 149)	(4 233)
Financial commissions	(10 975)	(11 038)
Other	(1 125)	(1 735)
Costs allocated to the acquisition function	(2 632)	(1 614)
Administrative expenses	**(8 566)**	**(4 918)**
Costs allocated to the administrative function	(8 566)	(4 918)
Ceded reinsurance comissions and profit sharing	**159**	**(35)**
Reinsurance commissions	(598)	(695)
Reinsurance profit sharing	757	660

The claims costs net of reinsurance related to insurance contracts (risk products and products with profit sharing) registered an increase of 72% in 2021.

Such evolution is strongly influenced by the volume of maturities recorded in direct insurance contracts, not including any amounts relative to investment contracts (unit linked and investment products with guaranteed rate and without profit sharing).

The table below shows the evolution of claims costs:

(thousand euros)

Insurance Contracts Claims Costs	2021	2020
Total	**(328 333)**	**(190 726)**
Direct insurance	(337 187)	(199 642)
Amounts paid	(342 931)	(193 872)
Change in claims provisions	5 744	(5 770)
Costs allocated to claims management function	**(1 132)**	**(678)**
Reinsurance ceded	**9 986**	**9 594**
Amounts paid	8 739	11 360
Change in claims provisions	1 247	(1 766)

Considering the total claims costs and financial liabilities (which include unit linked and financial products with guaranteed rate and without profit sharing), there was a quite significant decrease in the investment contracts component, since the largest volume of maturities of guaranteed products occurred during the previous year.

(thousand euros)

Claims Costs and Financial Liabilities	2021	2020
Total	**(906 291)**	**(1 438 809)**
Insurance contracts	(337 187)	(199 642)
Investment contracts	(569 104)	(1 239 167)
Reinsurance	**9 986**	**9 594**
Claims Costs and Financial Liabilities net of Reinsurance	**(896 305)**	**(1 429 215)**

Analysing the evolution of the costs of claims and financial liabilities by the different groups of products, the greatest decrease (49.8%) occurred in capitalisation products due to the lower volume of maturities in 2021 compared to the previous year.

(thousand euros)

Claims Costs and Financial Liabilities by Product	2021	2020
Total Portugal	**(906 291)**	**(1 438 809)**
Retirement Savings Plans	(333 408)	(315 890)
Capitalisation Products	(556 100)	(1 108 661)
Risk Products	(16 783)	(14 258)

The table below shows the evolution of the claim ratio by type of product:

Claims Ratio by Product (Claims Costs and Financial Liabilities/Gross Inflow)	2021	2020
All Products	**150.4%**	**495.8%**
Retirement Savings Plans	166.8%	241.7%
Capitalisation Products	161.0%	1077.4%
Risk Products	29.3%	25.2%

In Retirement Savings Plan products, the decrease in the claims ratio is influenced by the 52.9% increase in premiums, since, despite the 5.5% growth in claims, this was on a much smaller scale, resulting in a sharp decrease in the claims ratio in these products.

The basis of the decrease in the claims ratio for capitalisation products relates to a sharp 235.6% growth in premiums in 2021, combined with a strong 49.8% decrease in the volume of claims. As regards risk products, the 1.4% increase in premiums was insufficient in view of the increase registered in the claims ratio.

The following table shows the costs and expenses by nature:

(thousand euros)

Costs and Expenses by Nature	2021	2020
Total	**(6 855)**	**(16 141)**
Operating Expenses	**(18 381)**	**(9 522)**
Personnel costs	(4 428)	(3 395)
Supplies and external services	(10 921)	(5 846)
Taxes and contributions	(2 926)	(242)
Depreciation and amortisation	(106)	(39)
Financial Expenses	**(2 469)**	**(8 571)**
Interest expenses	(2 108)	(2 218)
Commissions	(361)	(6 352)
Other Provisions	**13 994**	**1 952**

In global terms, at the end of 2021, the Costs and Expenses by Nature show a decrease of 57.5% in relation to that verified in 2020.
Costs and expenses of an operational nature increased 93%, due to:

. Increase in personnel costs resulting from new key recruitments;

. Increase in supplier costs, reflecting structural projects such as IFRS 17, the separation of infrastructures with Novo Banco and also GamaLife's expansion and development projects, positioning itself as a reference player in the Portuguese insurance market;

. Relevant impact of the new IMI rate (7.5%) applicable to the Company's real estate portfolio following the changes presented in the State Budget for 2021 in this field.

Financial expenses showed a 71% decrease, reflecting the sharp, extraordinary reduction of commissions payable. This decrease results from the reduction of certain structural costs relative to guarantees on reinsurance ceded, which are now borne by the shareholder, resulting in their derecognition in the accounts.

Regarding other costs, there was a considerable decrease related to reversals of provisions previously set up for income tax.

When we compare the costs and expenses by nature (operational, of a financial nature and others) with the total mathematical provisions, we see different directions, as can be observed in the following table and for the reasons listed above.

Costs and Expenses by Nature/ Mathematical Provisions	2021	2020
Total	**(0.23%)**	**(0.49%)**
Operating Expenses	0.61%	0.29%
Financial Expenses	0.08%	0.26%
Other Expenses	(0.47)	(0.06)

A.5 Any additional information

Nothing to mention.

B.

SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

B.1.1 Organizational Structure

Since the acquisition of the Company on 14 October 2019, a gradual process of separation has been carried out from the Novo Banco Group, with which the Company by virtue of the previous relationship, shared a set of structures and applications at the level of processes, procedures, and IT services. This process was concluded during 2021.

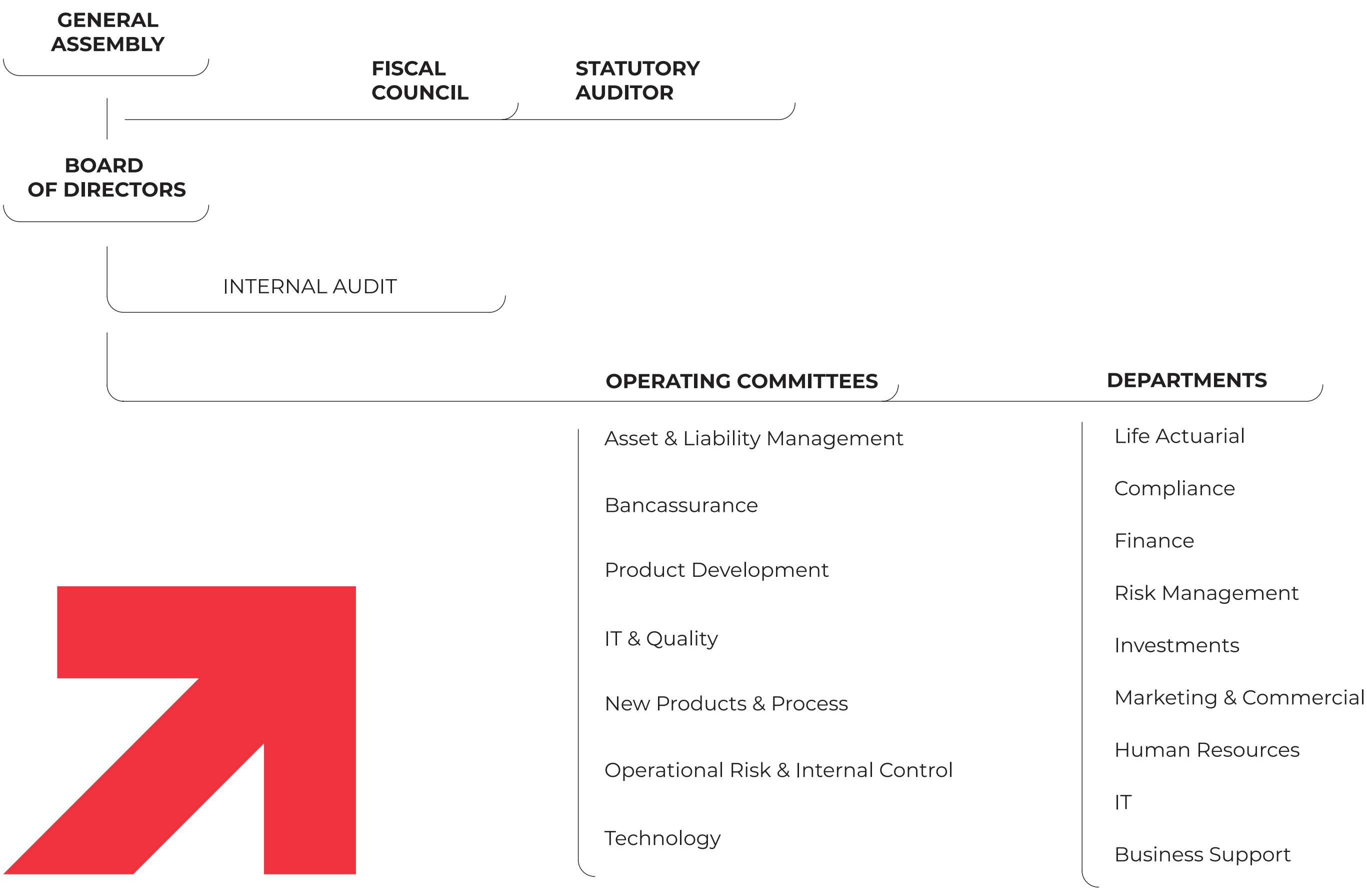
The new organisational and operational governance structure was approved on 3 February 2021 and has not undergone any changes since that date.

The year 2021 was the year of full implementation and operation of the new organisation of the Internal Audit function, which is no longer supported by the Internal Audit team of Novo Banco, being transferred to a team outsourced to the firm Deloitte & Associados, SROC S.A. (Deloitte), which ensures the coadjuvancy of this function with the Internal Manager indicated by the Board of Directors.

In 2021, the front-line managers were reinforced, namely in January 2021 with the hiring of a manager for the Financial Department, and the manager of the information systems[2] department was replaced in January 2022, who had left his post in June 2021.

During 2021, more precisely in May, the registration of a new person responsible for the Actuarial key function, appointed by the Board of Directors, was accepted by ASF.

The organigram below represents the last organigram formally approved by the Company, which represents its operating structure at the date of this report.



[2] At the date of issuing of this report, its registration is pending in ASF

The organizational structure follows the principle of segregation and independence of the main key areas, namely the independence of the Risk Management Department, Compliance Department, Internal Audit Department and Life Actuarial Department. The job descriptions of the heads of these key areas can be found in sections B.3 to B.6 of this report.

The current Board of Directors is composed of four members, all with executive functions, and meets preferably on a monthly basis. The Board cannot deliberate unless the majority of its members are present or represented.

The following matters must necessarily be discussed and approved by resolution of the Board of Directors of GamaLife:

. Approval of contracts with third parties whose values/responsibilities exceed the Company's total annual expenses by 10% (excluding commission and profit-sharing expenses);

. Granting of finance, deposits or provision of guarantees in excess of one million euros;

. Acquisition, encumbrance or disposal of real estate for more than 5 million euros, provided that the real estate is used in the day-to-day running of the Company;

. Requesting financing or creating liabilities above ten million euros (per transaction);

. Licensing or granting rights over the Company's intellectual or industrial property;

. Extending or reducing the Company's activity or changing the Company's object;

. Approval of the Company's Balance Sheet and accounts and all legal documents of accountability of the Company;

. Approval of the proposal for the appropriation of profits;

. Issuance of bonds.

On the proposal of the shareholder, the Annual General Meeting of the Company approved, on March 19, 2021, the reappointment of Matteo Castelvetri (executive), Gonçalo Colaço de Castro Pereira (executive), Alistair Wallace Bell (executive), Filomena Teresa Mil-Homens Ferreira Santos (executive), who will accumulate functions with those he currently carries out at the level of technical direction of the Life Actuarial Department and Actuarial Function (function he performed until 05/04/21).

On the same day, by resolution of the Board of Directors, Matteo Castelvetri was elected as Chairman of the Board of Directors and Gonçalo Colaço de Castro Pereira was elected as Vice-Chairman of the Board of Directors.

The Corporation is thus managed by a Board of Directors composed of 4 Directors appointed for the year 2021, who were re-elected in the General Meeting held on 19 March 2021, for a mandate of one more year. These directors have taken on executive functions, with the powers of day-to-day and current management of GamaLife, which by law are delegable, with the exception of those provided for in Article 407, paragraph 4 of the Commercial Companies Code and those matters which, under the terms of Article 21, paragraph 3 of the Articles of Association, must necessarily be discussed and approved by resolution of the Board of Directors.

The Supervisory Board is made up of a chairman, two full members and a substitute member, meeting ordinarily at least once every three months and whenever the chairman considers it necessary or whenever any of the other members request it. Its chairman, António Andrade Gonçalves, two full members, José Maria Ribeiro da Cunha and Joaquim da Silva Neves, and the substitute member, Paulo Ribeiro da Silva, were re-elected for the 2021 term of office at the General Meeting of Shareholders held on March 19, 2021. However, it was subsequently noted that the members of the Supervisory Board lost their independence as a result of the application of article 414(5)(b) of the Portuguese Companies Code (re-election for more than two terms of office, consecutive or interspersed), even though for two of these members the terms of office in question were annual. Since the requirement of a majority of independent members is a collective requirement, the decision (of re-election) concerning the body as a whole, pursuant to the terms of article 44(2) and 70(3) of the RASR, was prejudiced, and the shareholder thus appraised and approved the new composition of the Supervisory Board for the 2021 financial year in an Extraordinary General Meeting, held on 10 January 2022, as communicated to the market. At that General Meeting, the Chairman António Andrade Gonçalves, the two effective members João José Barragàn Pires and Paulo Guilherme Marques, and the alternate member Paulo Ribeiro da Silva were elected for the 2021 term of office.

The members of the Supervisory Board must exercise conscientious and impartial supervision, inform the Board of Directors of the checks, inspections and diligence they have carried out and the results of these and also issue the reports and opinions required by law.

External supervision of the Company is provided by the Statutory Auditor and External Auditor of GamaLife, Ernst & Young, Audit & Associados, SROC, S.A., appointed at the Extraordinary General Meeting on 3 November 2020, for a period of three years (2020-2022), as well as by the supervisory entities to which GamaLife is subject.

The Board of the General Meeting is composed of a Chairman and a Secretary. Mário Lino Dias and José Miguel de Seabra Lopes Marcão were re-elected respectively to these positions at the General Meeting of Shareholders on 19 March 2021 for the 2021 mandate.

The functioning of multidisciplinary bodies (Committees) on various transversal themes is also planned. The organization and functioning of these committees were reviewed on 26 March 2021. It should be noted that the Company has made an effort to ensure that these committees meet regularly, although some have not met as frequently as planned.

Committees:

Bancasseguros Committee

The Committee meets on a monthly basis. The duties of the Committee are to define the offer of products to be marketed in the branch network of the Novo Banco Group, as well as the commercial actions to be implemented, the analysis of commercial results and the redefinition of commercial strategies to meet the annual Sales Budget. The Committee is organised by the Marketing and Commercial Department (DMC) of GamaLife, and its permanent members are the members of the Board of Directors of GamaLife and Novo Banco with Marketing and Commercial responsibilities, and the Marketing and Commercial teams of the bank and the Company.

Technology Committee

The Committee meets every six months. The duties of the Committee are to define the technological strategy and present investment proposals in Information Technologies in conjunction with Novo Banco as a distribution channel. The Committee is organised by the IT Department and its permanent members are the members of the Board of Directors of GamaLife and Novo Banco who are responsible for IT, Marketing and Sales, the Business Support Manager and the IT teams.

New Products and Processes Committee (NPP)
This Committee does not have a defined periodicity but meets whenever there is the intention to launch or restructure products and/or services. The duties of the Committee are the validation of all requirements, procedures and processes relating to the implementation and launch of new products and activities, by representatives of various functions of the Company. The organizer of the Committee is the Compliance Department (DCOMPL) of GamaLife, and its permanent members are the members of the Board of Directors of GamaLife with the responsibility of Compliance, Marketing and Commercial, Business Support, Actuarial and Risk, and the heads of the Departments: Risk, Marketing and Commercial, Business Support, Actuarial, IT and Finance.

ALM Committee
The Committee meets on a monthly basis. The duties of the Committee are to monitor assets/liabilities (ALM), financial performance, investment policy execution and financial market analysis. The organiser of the Committee is GamaLife's Risk Management Department, and its permanent members are the members of the Board of Directors responsible for Risk, Actuarial, Investments and Finance, and the heads of the Investments, Actuarial and Compliance Departments.

Product Development Committee
The Committee meets whenever necessary, at least twice a year. The duties of the Committee are to coordinate the launch of new products, ensure alignment with the Company's strategy, guidelines and the defined risk appetite. The Committee is organized by the Marketing and Commercial Department, and its permanent members are the members of the Board of Directors, and one representative of each of the Company's departments (IT, Actuarial, Risk, Compliance, Investments, Financial and Business Support)

IT and Quality Committee
The Committee meets every six months. The duties of the Committee are to monitor IT projects and to monitor and promote the continuous improvement of service level processes. The Committee is organised by the IT Department and its permanent members are the members of the Board of Directors responsible for the IT area and the heads of the Marketing and Commercial and Business Support Departments.

Operational Risk and Internal Control Committee
The Committee meets quarterly. The duties of the Committee are to analyse and decide on operational risks involving their identification, assessment, quantification and monitoring. To ensure respect for the principles governing the outsourcing policy and full monitoring and control over outsourced functions and activities, in order to reduce the risk associated with the outsourcing of functions or activities, particularly in cases where the outsourced functions are critical or important to the development of the Company's activity. The Committee is organised by the Compliance Department and its permanent members are the members of the Board of Directors responsible for Compliance and Risk, the heads of each of the Company's departments and the DPO (Data Protection Officer). The Supervisory Board may be invited.

B.1.2. Information on the Remuneration Policy of the Members of the Corporate Bodies

The Remuneration Policy for members of the Management and Supervisory Bodies and the Board of the General Meeting of GamaLife, aims to comply with the regime established in the Regulatory Norm no. 5/2010-R, as of 1st April, also considering the provisions of Law no. 50/2020, as of 25th August, that revokes Law no. 28/2009, of 19th June, which established the regime for approval and disclosure of the remuneration policy of the members of the management and supervisory bodies of public interest entities, as is the case of GamaLife. That regime provided for the obligation to submit annually to the approval of the General Meeting a statement on the remuneration policy of the members of its management and supervisory bodies. With the revocation of the regime provided for in Law no. 28/2009, as of 19th June, this obligation no longer exists.

The Remuneration Policy for the Governing Bodies of GamaLife was approved at the Annual General Shareholders Meeting on 14th April 2020.

A proposal for the revision of the Corporate Bodies Remuneration Policy from the ESG point of view is under preparation.

The approved policy is based on the following principles:

Members of the Board of Directors (with executive functions):

Fixed Remuneration Component
The members of the Board of Directors with executive functions receive a fixed monthly remuneration, paid 14 (fourteen) times in each full calendar year, the definition of which is based on the competitive positioning regarding the universe of national reference companies.

Whenever the total annual remuneration of members of the Board of Directors with executive functions includes a fixed and a variable component, the fixed component of the remuneration shall comply with the limits established annually by the General Meeting, and as a rule, it shall not be less than 60% of the total annual remuneration.

Variable Remuneration Component
A variable remuneration may be added to the fixed component, calculated based on individual and/or collective performance criteria and subject to limits, under terms to be defined by the General Meeting.

The annual variable remuneration, if any, shall not, as a general rule, exceed 40% of the total annual remuneration, although its exact amount may vary each year depending on the assessment of the individual and overall performance of the members of the Board of Directors with executive duties, as well as the degree of achievement of the Company's main objectives, namely the net profit of the previous year, the return on equity and the ability to pay dividends, always taking into consideration in the evaluation process the adequacy of the Company's equity to the risks assumed, as well as the representation of technical provisions.

The payment of the variable component of the remuneration, when attributed, shall take place preferably after the accounts of each financial year are closed, and the annual variable remuneration of all members of the Board of Directors with executive functions may not exceed 3% of the profits of the financial year, if any, as determined in Article 22, paragraph 2 of the Company's statutes.

Signing of Contracts
The signing of contracts by the members of the management body, either with the Company or with third parties, that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company for them, shall be prohibited.

Pension Fund and other benefits
Members of the Board of Directors with executive functions may also benefit from a contribution to a pension fund.

Apart from what is referred to in the current Remuneration Policy, no other forms of remuneration are considered for members of the Board of Directors with executive functions, nor are they granted any significant pecuniary or non-pecuniary benefits.

Members of the Board of Directors without executive functions
Members of the Board of Directors without executive functions may earn a fixed annual remuneration under terms to be defined and approved by the General Meeting which, in any case and if applicable, will not depend on any element of performance and no variable remuneration will be paid.

Limits on compensation payable for unfair dismissal of a board of directors
Any compensation for unfair dismissal of a board member shall not be paid if the dismissal is the result of inadequate performance by the outgoing board member.

Supervisory Bodies

Supervisory Board
Under the terms of Article 25 of the Company's Articles of Association, the Supervisory Board is made up of three members, one of whom is the President.
The respective members are remunerated through the payment of a fixed monthly amount, paid 14 times in each full calendar year, under the terms defined by the General Meeting.

Statutory External Auditor
The Statutory Auditor will be remunerated in accordance with the conditions defined in the applicable legislation. The respective fees must be proposed by the Statutory Auditor and approved by the Board of Directors, after the opinion of the Supervisory Board.

Members of the Board of the General Meeting
The Board of the General Meeting is, under the terms of Article 13 of the Company's Statutes, made up of a President and a Secretary.

The Members of the Board of the General Meeting may be remunerated through a fixed amount per each General Meeting, on the date it is held, and the same shall be defined at the General Meeting, if payment is due.

B.1.3. Information on the Remuneration Policy for key functions and other employees

GamaLife has also defined a remuneration policy applicable to the Company's employees who are not members of the respective management or supervisory bodies, earn variable remuneration and carry out their activity within the scope of key functions or other activity that may have a material impact on the institution's risk profile.

As defined therein, this Remuneration Policy for employees with key functions, applies:

. To Employees who work within the scope of the risk management, internal control, compliance and internal audit;

. To Employees who perform functions within the scope of the actuarial function;

. Employees with 1st level management positions (Directors), regardless of the area in which they work, as it is understood that, apart from the members of the corporate bodies and the others described above, these professionals represent employees who have regular access to privileged information, participate in decisions about the management and business strategy of the institution and carry out professional activity whose performance may have a material impact on the Company's risk profile.

Considering the adequacy and transversality of the principles present in this remuneration policy, they are equally applicable in relation to the remaining employees of the Company not considered in the criteria defined above, unless otherwise decided and approved by the Board of Directors.

The remuneration policy for "Employees with Key Functions" is assessed and approved by the Board of Directors.

Under the terms of the Law and the Statutes, setting the remuneration of GamaLife's "Key Employees" is the responsibility of the Board of Directors, as part of the management of its personnel policy and incentives policy, seeking to pursue the Company's strategic objectives. The principles defined in the remuneration policy are:

Composition of the remuneration
The remuneration may consist of a fixed component and a variable component.

The fixed component of the remuneration shall comply with the limits established by the Board of Directors and shall be paid to all Employees with an employment contract, consisting of all benefits received on a regular and periodic basis in exchange for the work done.

The fixed remuneration can be reviewed and approved by the Board of Directors, according to the Company's results, indicators such as the inflation rate, or other market indicators.

A variable remuneration may be added to the fixed component of the remuneration, calculated based on performance criteria, namely the assessment of the Employee's performance and the Company's performance based on metrics approved by the Board of Directors.

Remuneration limits and balance
The variable component, if any, shall not exceed, on average, 20% of the Total Annual Remuneration for all the Company's employees, and the maximum amount individually considered shall not exceed 40% of the total annual remuneration.

This situation is in line with the recommendations and best practices that favour a high percentage of the fixed remuneration component.

If awarded, the amount of the annual variable remuneration (AVR) will have the limits set by the Board of Directors. The RVA refers to short-term performance, with its exact amount fluctuating each year depending on the degree of achievement of the main annual corporate and individual objectives (quantitative and qualitative), with reference to the GamaLife Performance Evaluation model.

Given the inherent characteristics of the remuneration structure in force, the maximum amounts considered, and the levels of risk tolerance defined, it was not considered necessary to apply the deferral of any variable remuneration (AVR).

Thus, should it be awarded, the AVR will be paid as a lump sum, following its approval, in the period immediately following the results reference date.

Likewise, bearing in mind the fact that the Company's securities are not listed on regulated markets, the possibility that part of the AVR may consist of the allocation of options on Company shares has not been considered in this remuneration policy.

Other benefits
In addition to the fixed and variable remuneration described in the current remuneration policy, the following benefits are also granted to employees in general:

. Life Insurance, Health Insurance and Occupational Accident Insurance;

. Individual retirement plans, in case of old age or disability retirement.

B.1.4. Material transaction with shareholder

No material transactions are known between the Company and its sole shareholder (GBIG Portugal, S.A.), or with other companies within the Gomes TopHoldings, S.à R.L. Group, with exception of three agreements related to audit expenses and to provide services.

B.2 Qualification and suitability requirements

The existence of principles and rules of competence and suitability and their compliance by the employees who effectively run the Company or are responsible for other essential functions is a basic principle of good governance and risk management at GamaLife.

People have a central role in risk management, and the absence of adequate competence and suitability may jeopardize the established principles and rules and, consequently, increase the existence of undesired risks and unexpected losses for the organization.

GamaLife developed and approved at the General Meeting of Shareholders on 14th April 2020 a policy (Fit & Proper) defining a set of principles and rules that should be present throughout the organization, in particular for members of the management and supervisory bodies, senior managers, officers and people performing key functions.

B.2.1. General principles of fit and proper policy

GamaLife's fit & proper policy has been developed based on the following general principles:

1. The existence of and compliance with fit & proper principles is a basic element of the Company's risk management. Nevertheless, it is the Company's objective to ensure that all employees have the necessary skills and suitability to perform their duties correctly. The current policy applies to employees who effectively direct the Company or are responsible for essential functions within it.

2. The identification of the essential functions shall be carried out based on the principle of prevalence of substance over form, being carried out based on the importance that the function has for the effective management of the Company, regardless of the position it occupies in organizational terms. Among the essential functions are the key functions established under the Solvency II Directive (risk management, compliance, internal audit and actuarial). If the essential functions are outsourced, the established principles will also apply.

3. The Company shall have a process for regular monitoring of compliance with the requirements of competence and suitability, being the employees' responsibility to communicate any situations that may condition compliance with the established fit & proper requirements. Any such communications must be promptly analyzed with a view to defining an action plan associated with them.

B.2.2. Methodology of the fit and proper policy

The methodology followed by the Company regarding Fit & Proper is based on the following phases:

Identification
This stage of the process aims to ensure that the functions and responsible persons covered by the policy and their respective competence and integrity matrices are identified.

This means that in addition to the Company's top management (members of the Board of Directors) and the heads of key functions under Solvency II regulations (risk management, internal audit, compliance and actuarial), other essential functions in the Company (functions with regular access to privileged information, who participate in decisions on the Company's management and business strategy and/or carry out activities with a material impact on its risk profile) should also be considered for this purpose.

Documentation
This phase aims at collecting the necessary information for the assessment of the level of fit & proper of the employees, namely:

. Curriculum Vitae;

. Criminal Record Certificate (upon appointment/recruitment of the employee for an essential function in the Company);

. Annual declaration of reputation;

. Individual assessment report

Evaluation and monitoring
Based on the information collected, the assessment should address both the individual dimension of the function and the collective dimension, regarding the minimum requirements to be met by the management, administrative and supervisory body.

Compliance with the Company's competence and suitability requirements is also extended to the recruitment and selection process of people who are hired to perform these functions in the organization. In the event of non-compliance with any of the criteria established for fit & proper, the recruitment of the person in question must be justified, and an action plan must also be defined to make up for any shortcomings in their competence (where appropriate).

The above validations shall be duly documented and filed.

Additionally, it is the responsibility of the Company's employees to report any inhibitions or indications that may indicate constraints and limitations to the level of compliance with the established fit & proper principles. Any identified situations will be analysed.

For instance, the following situations may rise the aforementioned communication:

. Impositions or limitations of a regulatory/supervisory body (e.g. inhibition of the employee to perform duties or suspension of a particular person from the titles or technical assignments, inhibitions issued by the professional body or qualifications withdrawn by the supervisory body/professional body);

. Legal requirements (e.g.: legal proceedings that question the requirements of suitability);

. Other situations foreseen in the Company's Code of Conduct.

Report
In order to ensure effective monitoring of the Company's fit & proper requirements, the following reporting has been defined:

. External communication - process of formal notification to the regulator of the persons performing key functions in the Company and respective changes (in accordance with the requirements to be established by ASF).

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

The risk management system implemented at GamaLife is transversal to the whole organizational structure, being duly implemented in the decision-making process and supported by a set of policies, procedures, limits and alerts that represent the risk management framework.

The Risk Management Department is responsible for assuring that exist and are implemented identification and evaluation procedures for the main risks incurred, as well as procedures to monitor their evolution. Additionally, it ensures that there are policies, methodologies, control and mitigation procedures and that the results are properly reported to the Board of Directors and Audit.

For the main risks identification, both internal and external sources are considered, of which the following stand out:

- Internal and external audit reports
- Responsible Actuary Report
- Actuarial opinions
- Performance indicators
- Evolution of financial markets

The integration of risk management into the Company's activity and in the decision-making processes takes place through the various Committees, as described in point B.1., that meet periodically and encompass several areas of activity, also integrating the risk management inherent to these activities. The risk management activities are organized according to the "three lines of defence" model, through which risk management is integrated in the organization, considering different levels of control and scaling means if necessary.

GamaLife incurs in risks belonging to the following categories: Financial, Life Underwriting, Operational and Other Risks, which will be discussed in greater detail below.

Financial Risks
Financial risks are divided into: Market Risk, Counterparty Default Risk and Liquidity Risk.

Market Risk management is reported monthly to the ALM Committee. A set of investment rules has been defined to ensure a diversified application of assets in line with the Company's risk profile. These rules define the bands, usually exposure minimums and maximums, where management can operate freely. Periodically, at Committee level, the compliance with these investment rules is monitored. The defined investment rules encompass asset allocation, counterparties, credit and concentration risk, geography and asset liability matching, in terms of sensitivity to interest rate risk.

The Counterparty Default Risk essentially arises from liquidity in banks, exposure to reinsurers and to over-the-counter derivatives counterparties.

The Liquidity Risk, defined in terms of the ability to suit the due liabilities without incurring in major losses, is also monitored by the ALM Committee, on a medium and long-term basis through the monitoring of specific indicators such as annual liquidity gaps, in "run-off" situation, which means not considering future production. On a shorter horizon, the expected and realized volume of surrenders is equally monitored.

Life Underwriting Risks
In the scope of Life Underwriting Risks, GamaLife's products are essentially exposed to the following risks:

- Surrender (in financial products), namely through the change in expected volume of surrenders, due to changes in customer behavior derived from the evolution of financial and reputational variables;
- Longevity, Mortality and Disability;
- Lapse (in risk products), resulting from an increase in the volume of cancelations due to competitive or reputational pressures.

The established reinsurance policy mainly aims to protect the Company's own funds from systemic and exceptional events, aiming to reduce the results' volatility.

The life underwriting risks are initially addressed at the Product Development Committee, which must assess the risk/return related to the launch of new products and/or activities.

Operational Risks
Operational Risk generically translates to the existence of failures in the execution of internal procedures, people or informatic systems behaviors, or the incidence of events external to the Company that lead to situations of losses, potential or effective. When controls fail, the operational risks might also cause reputational, legal and regulatory problems, in addition to the direct financial losses. The Company does not expect to be able to eliminate all operational risks, but based on the work carried out to identify, mitigate or eliminate risks sources, it believes that it is possible to reduce exposure to this type of risk.

The first responsibility in operational risk management is assigned to each person in charge of Management who must ensure the existence and application of the defined procedures and the daily management of operational risk. Equally relevant in operational risk management is the role performed by Compliance, in verifying the compliance with legislation and regulations in force, by Internal Audit in testing the effectiveness of the in force controls to face the identified risks and in identifying improvement actions and also by the Organization within the scope of business continuity.

The Operational Risk and Internal Control Committee meets quarterly and is responsible for analyzing and deciding the operational risks, including their identification, evaluation, quantification and monitorization.

Other Risks
The strategic risk can be defined as the current and future impact on profit or capital that stems from inadequate business decisions, unproper decisions implementation or lack of responsiveness to changes in the market. In the management of this type of risk, the Company defines high-level strategic goals, approved and supervised at the level of its Management Body, assuring communication of those goals to the whole organizational structure. The strategic decisions must be duly supported and evaluated from a risk/return point of view, considering the cost and capital requirements necessary to its pursuit.

The reputational risk can be defined as the risk of the Company incurring in losses stemming from the deterioration or market position due to a negative perception of its image amongst the clients, counterparties or the public in general. This risk, in addition of being an autonomous risk, can also be considered as a risk that results from the occurrence of other risks.

B.3.1. Own Risk and Solvency Assessment process

The annual Own Risk and Solvency Assessment process, ORSA, is part of the Company's decision-making processes, with an active involvement of the Board of Directors, ensuring that the results obtained in terms of capital requirements reflect the defined strategic planning. This process culminates in the elaboration of the ORSA report, where all the conclusions are mirrored, and is approved by the Board of Directors and sent to the regulator within 15 days after its approval.

The ORSA process is carried out, at least, annually and whenever a significant change in the economic environment or risk profile is identified. In that case, a "non-regular" ORSA process should be initiated, in which are reported the most significant changes.

Through the internal risk and solvency assessment exercise, risk and capital are projected for a five-year time horizon considering the contemplated strategy in the Company's plan. The solvency capital requirement calculations are based on the standard formula. In section C, Risk Profile, the financial, life underwriting and operational risks are discussed with further detail.

The capital requirements are assessed from a base case scenario perspective, in which risks and capital are projected taking into account the Company's strategic five-year plan. In this scenario, the projected ratios reveal fairly comfortable solvency positions, even without the transitional measure on Technical Provisions approved by the regulator. Additionaly, the internal limits defined regarding the Risk Appetite are also complied with.

In addition to the base case scenario, risk and capital projections are carried out taking into account stress scenarios in order to evaluate the Company's resilience in extreme, but plausible, scenarios where the possible capital requirement needs are analyzed, as well as the preparation of management action plans whenever justified.

The most adverse scenario in terms of solvency position impact in the 2021 ORSA exercise considered an instantaneous shock to the yields of corporate and government bonds in the portfolio, a reduction of the risk-free interest rate and a scenario where the surrender rate for Risk and Unit Linked products is 20%. However, and although this is the most impactful scenario, the projected solvency ratios remain adequate, not being necessary the definition of Management Actions.

B.4 Internal control system

During 2021 the evaluation process of the Internal Control system was reviewed, with the definition of an Internal Control Framework that included the approval of the Internal Control Policy by the Board of Directors in October. The Company produced an Internal Control Manual with all processes identified, their scope and the description of their activities, risks and associated controls to each process. Additionally, for each risk, a probability and impact were identified considering the Risk Matrix approved by the Board of Directors.

This way, it is possible to ensure that the main processes and respective risks and controls are identified and will be monitored on an annual basis, so that the Internal Control Manual is updated as well as accompanying the implementation plans for improvement opportunities identified each year. The conclusions from the Internal Control system evaluation and the plans of action are reported at the Operational Risk and Internal Control Committee and to the Board of Directors.

Top Management must ensure that all collaborators understand the importance of the Company's Internal Control system, guaranteeing that their daily activities account for the implementation and the controls continuous effectiveness, that can be preventive or detective, manual or automatic, such as, for example, reconciliations, revisions, segregation of duties, approvals, amongst others. Tests to the existing controls must be carried out in order to mitigate risk and, if necessary, plans for improvement actions must be identified and their respective implementation plans must be defined.

Under Solvency II, a compliance verification function should be part of the internal control system in place, in accordance with the stipulations GamaLife assigned this key function to the Compliance Department.

The main mission of the Compliance function is to ensure, in an independent, permanent and effective manner, in all business areas and jurisdictions of the Company, that the members of its corporate bodies, its directors and its employees are aware of their legal framework, as well as their legal obligations within the scope of their activity, namely but not limited to the legal, statutory, operational, supervisory, ethical and conduct requirements that apply to them at any given moment.

The Compliance Department is an autonomous unit that carries out its functions independently from the different functional areas, reporting hierarchically, directly and exclusively, to the Board of Directors, through the Director in charge of the respective area. The Compliance Function, in addition to reporting via the Director in charge to the Board of Directors, has direct access and without any impediment to the Board as a whole, and reports functionally and regularly to the Supervisory Body, so that each of the Bodies fully complies with its legally established responsibilities in terms of internal control.

The Compliance Department is ensured that it carries out its functions in an independent, permanent and effective manner, with the necessary decision-making autonomy, and that it has unrestricted and timely access to all internal information relevant to the exercise of its function.

Compliance's mission includes assessing the possible impacts of any alterations in the legal and regulatory context on the Company's activity and operations, identifying and assessing compliance risks, promoting and disseminating compliance with the code of conduct, contacting and promoting relations of trust and understanding with the supervisory authorities, managing the Company's legal affairs, advising the Board of Directors and the operating units on the development of their current activities and operations, monitoring compliance with personal data protection obligations, defining and monitoring policies and procedures on the prevention of money laundering and the financing of terrorism and fraud for the Company.

B.5 Internal audit function

The Internal Audit function has been provided since 14 October 2020, by the Company Deloitte & Associados, SROC S.A. (Deloitte), which will thus assist the Internal Auditor in performing this Internal Audit function. With this decision, the Company considers that it ensures that the function will be performed, between the Internal Manager and the outsourced Company, by an experienced team with multidisciplinary skills, which will certainly be an added value that will allow, in the short term, a more effective and comprehensive control and governance system.

The mission of the Internal Audit Department is to protect and add value to the organization through the independent, objective and risk-based assessment of its risk management, internal control and governance processes, ensuring and improving their effectiveness, efficiency and adequacy.

The mission, authority and independence of GamaLife's Internal Audit Function is formalized in its own regulations (Internal Audit Policy).

The Internal Audit Department of GamaLife reports hierarchically to the Chairman of the Board of Directors of the Company, and functionally to the Board of Directors, thus guaranteeing the independence necessary for the performance of its functions. Additionally, the internal auditors have no authority and/or operational responsibility over the audited activities. Thus, they cannot implement controls, define procedures, install systems, prepare records or carry out any activity that may affect their judgment. As part of the process of registering essential and senior management functions with the ASF, an internal head of the internal audit function (who accumulates functions with the compliance verification function) was appointed who liaises with Deloitte.

The competences of the Internal Audit Department are of an adjunct nature to the control exercised by the operational heads and are supported by the following general principles:

- The Internal Audit Function acts, in a periodic and risk-based approach, as an adjunct body of the Board of Directors, in the independent verification of the adequacy of the risk management, internal control and governance systems;
- The Internal Audit Function's activity is extensive to all organic units, structures, processes, IT or functional routines, operations and procedures which make up the universe of GamaLife, and those, through the periodic and risk-based approach mentioned above, may be included in the scope of audits to be carried out;
- The internal auditors, in the exercise of their functions, have unlimited access to all the documentation and information used or produced by the structures or processes audited, whatever the support may be, and, whenever requested, collaboration is due to them with a view to optimising the execution of the audit activity.

During 2021, 4 missions were carried out in different departments of the Company (Claims, Treasury, Investments and Real Estate), as well as a follow up of recommendations from previous audits.

B.6 Actuarial function

At GamaLife the actuarial function is provided by a group of actuaries with knowledge in actuarial and financial mathematics and with skills appropriate to the nature and complexity of the risks present in the Company's portfolio. The person responsible for the actuarial function is a senior actuary from the team of actuaries in the Life Actuarial Department.

The main tasks and responsibilities of the Actuarial Function are as follows:

- Coordinate the calculation of Technical Provisions;
- Ensure the adequacy of the methodologies, base models and assumptions used in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare the assumptions used in the calculation of the best estimate with the values effectively observed;
- To issue an opinion on the overall underwriting policy;
- To issue an opinion on reinsurance agreements;
- To contribute to the effective implementation of the risk management system, namely with regard to the risk modelling for calculating the requirement;
- Calculation of the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

All tasks of the actuarial function concerning technical provisions and calculation of SCR and MCR are reviewed annually by external consultants (responsible actuary and statutory auditor). Each year, the report of the actuarial function is sent to the Company's board of directors, with an analysis of the above points.

B.7 Outsourcing

Outsourcing concerns any agreement between GamaLife and a service provider, where the latter performs, directly or through outsourcing, processes, services and activities that would be otherwise performed internally. The mere supply of services relating to activities usually not carried out by insurance companies or not directly related with the insurance business does not constitute outsourcing.

Outsourcing is considered essential or important when it is supplied in a permanent basis, allows access to confidential data and a supplier failure might have a material harmful effect on the Company, or on the services provided by it.

Outsourcing relies on the following principles:

- Outsourcing of functions or operational activities cannot be carried out in a way that can damage the governance system quality;
- Outsourcing of activities or functions deemed fundamental or important cannot unduly increase operational risk;
- The ability of supervisory authorities to verify GamaLife's compliance with its obligations must be safeguarded in the moment of outsourcing the service or activity;
- Outsourcing functions or operational activities cannot affect the continued supply of satisfactory services to policyholders.

GamaLife has, as of 31st December 2021, in an outsourcing regime, the following activities, classified as essential or important:

- Financial management of different autonomous funds with diverse entities, headquartered and located in Portugal;
- Supply and provision of technology and information systems services, including cloud computing, with entities headquartered and located in Portugal and in the United Kingdom;
- Key internal audit function, with an entity headquartered and located in Portugal;
- Documental archiving services, with an entity headquartered and located in Portugal.

B.8 Any other information

The Company considers that its governance system is adequate to the nature, dimension and complexity of the inherent risks to its activity.

RISK PROFILE

The Company's implemented risk management system is transversal to the whole organizational structure, being properly embedded in the decision-making process and supported by a set of policies, procedures, limits and alerts that represent the frame of reference for risk management.

The main risks that GamaLife is exposed to are of financial nature, life underwriting and operational. The Company regularly evaluates the capital needs in order to mitigate the main risks considering the following analysis:

- The SCR evolution as well as the evolution of the Company's Own Funds, available to cover it, are estimated daily, using proxy indicators;

- On a monthly basis, the capital requirements are calculated using the standard formula and reported to the ALM Committee. Within the scope of ORSA, these risks are equally evaluated in a prospective way, taking into account the Company's strategic plan for the next five-year period;

- Sensitivity analyses are performed regularly so that it is possible to measure the impact on the solvency ratio provoked by some scenarios like, for example, the adverse movement in financial markets, changes in the interest rate or changes in surrender rates;

- In the ORSA exercise, the impacts on the solvency ratio are also measured by applying stress scenarios that represent GamaLife's specific risks, allowing the evaluation of Company's resilience to such scenarios.

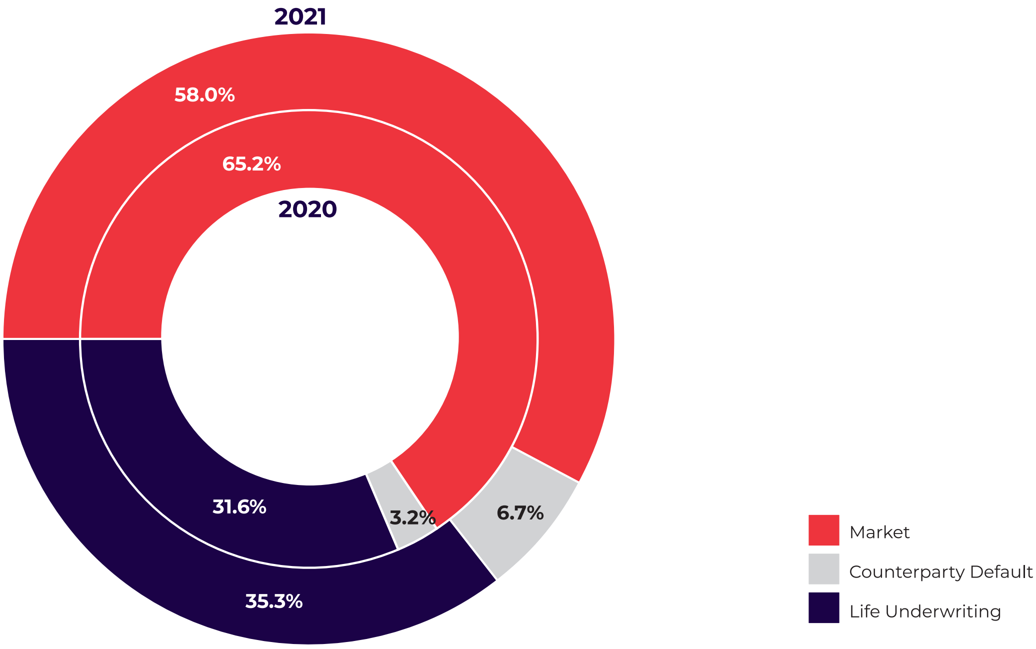
A set of investment rules are defined to ensure an adequate asset diversification and, this way, a prudent application of assets. These rules include limitations to the level of allocation to certain asset classes, limitation by counterparty, rating, geography and asset type. Additionally, it includes specific rules about market risks such as, for example, currency and interest rate risks.

This set of limits, directed mainly to the portfolios that represent provisions that benefit from financial guarantees and portfolios that represent the Company's Own Funds, aim to avoid the excessive dependency of the portfolios to an unique risk source, hence, avoiding unacceptable concentration risks and protecting the Company's various stakeholders.

These rules equally look to ensure the adequacy of the assets to the nature and duration of the liability elements, situation that is monitored by indicators, such as, for example, the duration gap.

The use of derivatives is especially monitored, with these being utilized for hedging or for an efficient portfolio management, mainly, using them to replicate, without leverage, certain exposures.

The Company's risk profile, at the end of 2021, stayed relatively stable when compared with 2020, with the market risk being the most relevant, followed by the life underwriting risk.



C.1 Underwriting Risk

The specific risk of the life insurance activity reflects the fact that, at policy inception, it is not possible to estimate with certainty the real effective cost of future claims, as well as the time when they will occur. The Life underwriting risk includes mortality, longevity, disability, lapse (surrenders/cancellations), expense and catastrophe risks.

The Company manages specific insurance risk through a combination of underwriting, pricing, provisioning and reinsurance policies. The Life Actuarial Department is responsible for assessing and managing specific insurance risk within the context of defined policies and guidelines, as well as involving other relevant departments or business partners with respect to product underwriting, pricing, provisioning and reinsurance policies.

C.1.1. Underwriting and Pricing

The Company aims to define sufficient and adequate premiums to meet all the commitments it undertakes (claims payable, expenses and cost of capital).

In terms of the economic value of the product, the suitability of the tariff is tested, a priori, through cash flow projection techniques and, a posteriori, the profitability of each product, or of a group of products is monitored annually when calculating the Embedded Value.

As far as the underwriting of risks is concerned, there are standards that establish the rules to be checked to best adapt the price to the risk. The information provided by the Company's reinsurers is also taken into account and underwriting policies are defined by business segment.

C.1.2. Biometric Risks

Biometric risks include longevity, mortality and disability risks.
Longevity risk is managed through pricing, underwriting policy and a regular review of the mortality tables used to set prices and establish provisions accordingly.

Mortality and disability risk is mitigated through underwriting policies, regular review of the mortality tables used and through reinsurance contracts.

The sensitivity of the portfolio to biometric risks is monitored by means of the cash flow projection model (Embedded Value), which permits evaluation of the portfolio risks.

C.1.3. Lapse Risk

The lapse risk has various origins such as the early cancellation of risk insurance and increase or decrease in the rate of surrender of financial products. The surrender and cancellation rate is monitored regularly in order to follow their impact on the Company's portfolio and, as with the other risks, its impact is monitored through sensitivity analyses of the surrender and cancellation rate through the cash flow projection (Embedded Value model).

C.1.4. Provisioning

In general terms, the Company's provisioning policy is of a prudential nature and uses recognised actuarial methods in compliance with the regulations in force. The main aim of the provisioning policy is to set aside appropriate and sufficient provisions so that the Company will meet all its future liabilities. For each business line, the Company sets aside provisions within the scope of its liabilities for future claims on policies and segregates assets to represent these provisions. The establishment of provisions requires the preparation of estimates and the use of assumptions that can affect the amounts reported for assets and liabilities in future years. These estimates and assumptions are evaluated regularly, namely through statistical analysis of internal and/or external historical data.

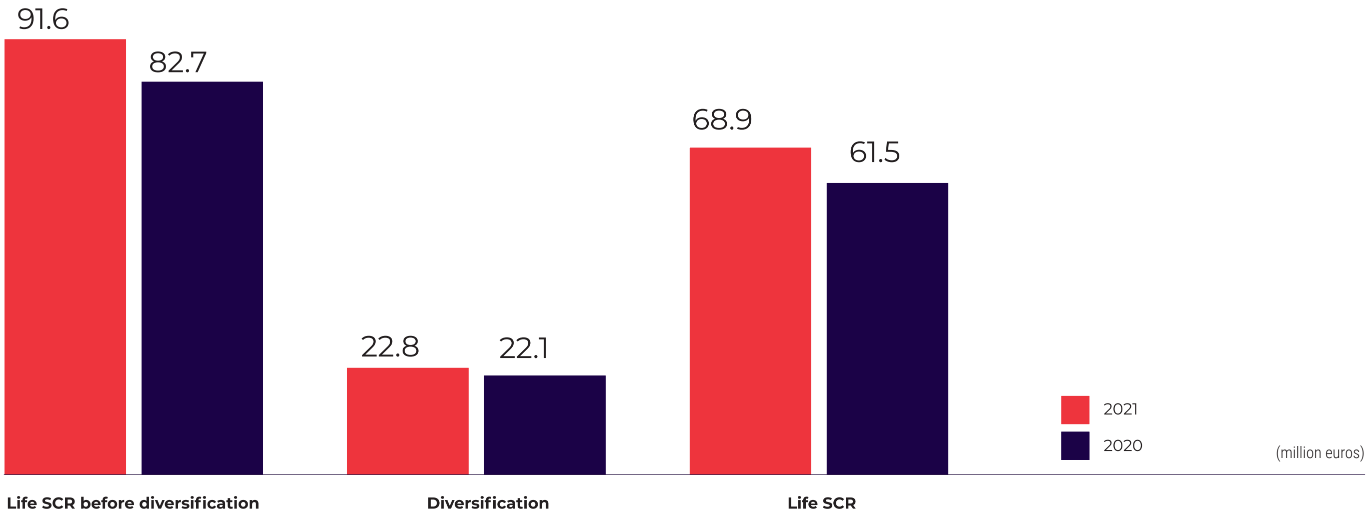
C.1.5. Reinsurance

The Company enters into reinsurance treaties to limit its exposure to risk. The main objective of reinsurance is to mitigate large individual claims where compensation limits are high, as well as the impact of multiple claims triggered by a single occurrence.

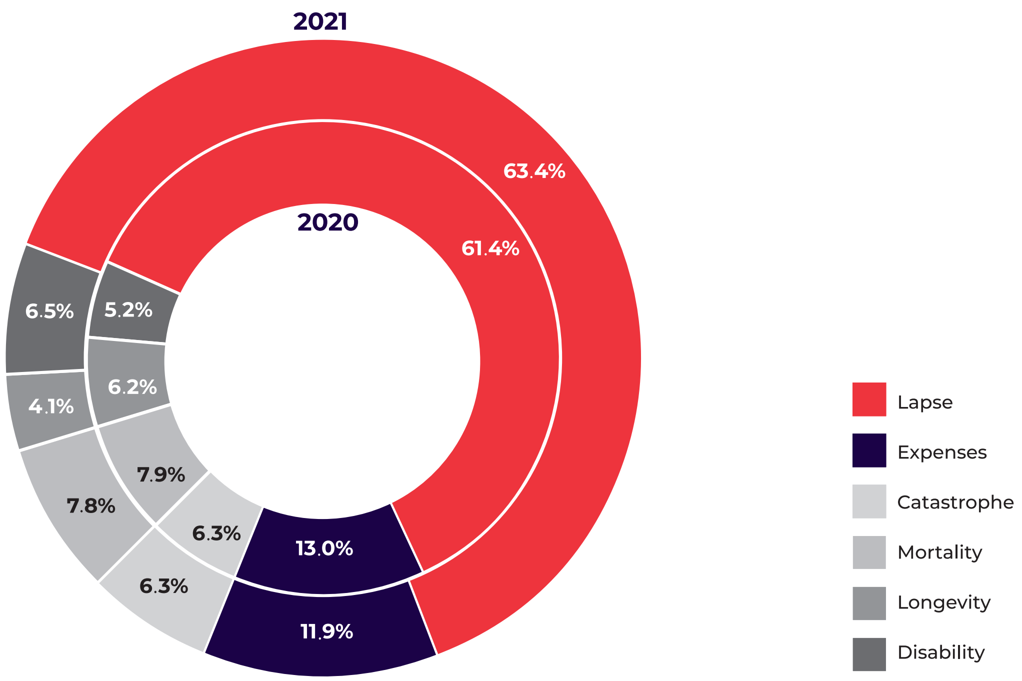
In 2013, a monetization operation was carried out on a large part of the Life Risk product portfolio. This operation resulted in the total transfer of the inherent risks of this portfolio to the reinsurer New Reinsurance Company, one of the world's largest reinsurers, maintaining, however, the management of contracts and customer relationships (reinsurance treaty is a 100% share) without any change.

C.1.6. Life Underwriting Risk

The Life underwriting risk calculated using the standard formula, in 2021, after diversification, is 68.9 million euros (61.5 million euros in 2020). Considering the values before diversification the value is 91.6 million euros (82.7 million euros in 2020).



The graph below shows the detail of that risk:



As can be seen, the most relevant risk is lapse, being equal to 58.1 million euros (50.8 million euros in 2020) and representing 63.4% of the Life underwriting risk, before diversification.

Mortality, disability and catastrophic risks are less relevant given the 100% quota share reinsurance contract that covers a large part of the risk insurance portfolio.

In comparison with the previous year, life underwriting risk is a relatively stable risk, having increased in relation to the previous year by approximately 9 million euros as a result of the increase in the portfolio under management.

The following table shows the annual evolution of the life underwriting requirement, before diversification, by risk.

(million euros)

Life Underwriting Risk Evolution	2021 Valor	2021 %	2020 Valor	2020 %
TOTAL	**91.6**	**100.0%**	**82.7**	**100.0%**
Mortality	7.1	7.8%	6.5	7.9%
Longevity	3.8	4.1%	5.2	6.2%
Disability	5.9	6.5%	4.3	5.2%
Lapse	58.1	63.4%	50.8	61.4%
Expenses	10.9	11.9%	10.7	13.0%
Revision	0.0	0.0%	0.0	0.0%
Catastrophe	5.8	6.3%	5.2	6.3%

Additional information on the sensitivity of the Company's own funds to the lapse risk, namely, to changes in the assumptions of the surrender rate, is presented in point C.2.1.

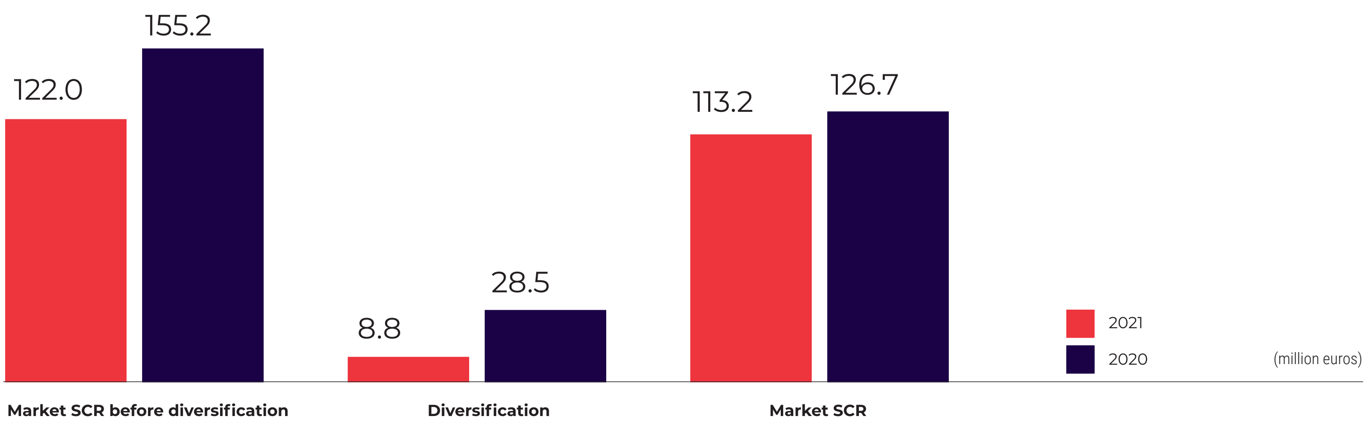
Reinsurance recoverables
The rules for evaluating reinsurance recoverables are set out in the chapter on technical provisions.

C.2 Market risk

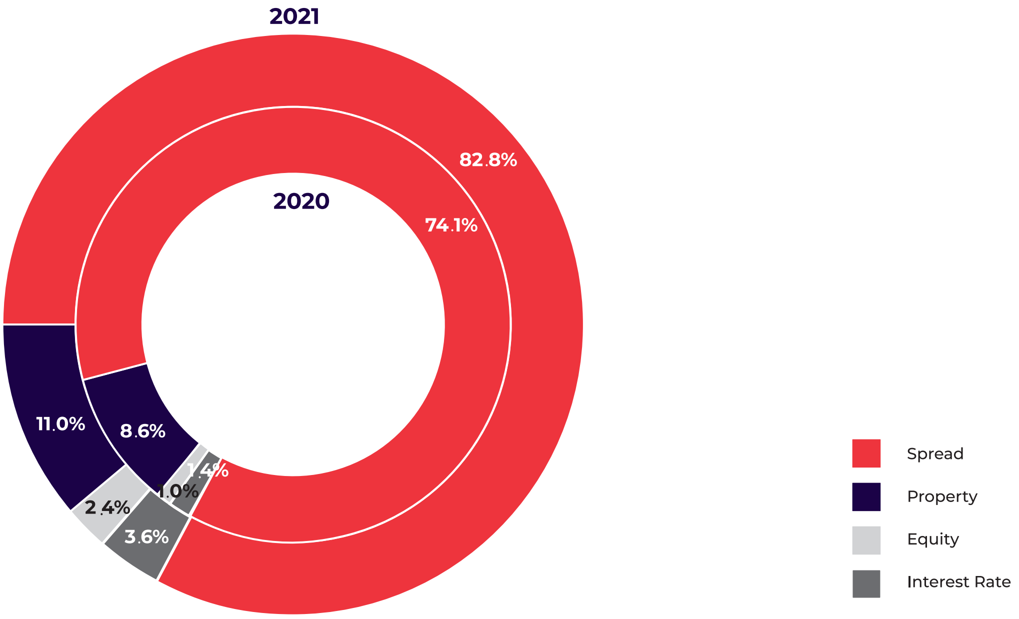
The market risk is the main risk faced by GamaLife mainly due to the volume of financial assets owned to represent its responsibilities towards the policyholders on capitalization insurance and retirement savings.

The market risk generically represents the eventual loss from an adverse shift in the financial instruments' value due to changes in interest rates, credit spreads, exchange rates and equity and real estate prices.

At the end of 2021, the market risk capital requirement, calculated using the standard formula, after diversification, is at 113.2 million euros (126.7 million euros in 2020), as displayed in the graph below:



In 2021, the most relevant risk is the spread risk, followed by the property risk. The remaining risks assume little relevance on the Company's market risk profile, with the concentration risk having a null weight and the currency risk with a weight of 0.2% (0.1% in 2020). The graph below illustrates the market risk profile for the four main types of risk:



The risks that constitute the Company's market risk are presented below in greater detail.

Spread Risk

The spread risk corresponds essentially to the risk of changes in the valuation of interest rate instruments issued by enterprises (bonds and loans) derived from the increase or decrease of the credit risk component, included in the valuation. Depending on the market perception of a higher or lower credit risk associated with a certain issuer, the respective spread tends to vary, granting volatility to the own funds. The bigger the instrument's duration and the lower the issuer's credit quality is, the bigger the effect on valuation will be. Additional information about this risk can be found in point C.3.

The capital requirement ascends to approximately 101.1 million euros (115.0 million euros the previous year), having decreased due to, on one hand, the decrease in corporate debt exposure, and on the other, the changes in ratings seen for the portfolio in which the investment in "investment grade" increased, as is explained in point C.3.

Concentration Risk

The concentration risk is the risk that results from a high exposure to certain risk sources such as, asset types or individual exposures with enough loss potential to affect the Company significantly. This risk is intimately related with other risks like, for example, the credit risk.

To mitigate this risk, the Company privileges the use of exposure limits.

In 2021 the Company is not subject to concentration risk (23.1 million euros in 2020).
Equity risk

The exposure to the stock market, with the goal of capturing the risk premiums historically presented by these markets, associates a higher volatility risk in the valuations and, hence, in the own funds.

The Company's exposure to the stock market increased slightly with the capital requirement ascending to 2.9 million euros (1.6 million euros in 2020).

Property risk

Arising from the exposure to real estate, in order to obtain additional levels of income, the Company is subject to the volatility risk in the valuation of the properties, due to macro economical changes, of the real estate market and several other factors, although its low correlation with other asset classes is generally recognized.

During 2021, the exposure to real estate remained practically constant, leading to a maintenance of the level of risk, with its capital requirement in 2021 standing at 13.4 million euros (13.3 million euros in 2020).

Interest rate risk

The interest rate risk corresponds to the risk of changes in the valuation of interest rate instruments (bonds and loans) derived from an increase or decrease of the interest rates. For a Life Insurance Company that commercializes financial products, this risk is intrinsically connected to the liabilities, thus creating a clear interaction between assets and liabilities.

A decrease in the interest rates adversely affects the yield obtained from the bonds portfolio with a significant potential impact on results if, for example, the existing portfolio does not have a sufficient level of income to cover for the rate guarantees already issued. In the same way, an increase in the interest rates might lead to an acceleration of the surrender rates from clients forcing the necessity to sell assets that, due to the increase of the interest rates, show losses to the insurance firm, with direct impact on results.

In order to mitigate this risk, the Company privileges the control of the duration gap between assets and liabilities.

The capital requirement for the interest rate risk is approximately 4.4 million euros, with the risk of a decrease in the interest rates being the most relevant (2.1 million euros in 2020, with the risk of a decrease in the interest rates also being the most relevant).

Currency risk

The Company's liabilities are expressed in euros and most of its owned assets are in euros. However, with the objective of optimizing the risk/return relation of its portfolios, the Company sometimes assumes currency risk that consists, essentially, in the ownership of non-euro assets, without the integral currency hedging. Thus, the variations in the exchange rates might negatively affect the own funds.

For 2021, the capital requirement for the currency risk is immaterial, ascending only to approximately 0.2 million euros (0.1 million euros in 2020).

The following table shows the detail of the evolution of the market risk requirement, before the diversification effect:

(million euros)

	2021		2020	
Market Risk Evolution	**Valor**	**%**	**Valor**	**%**
TOTAL	**122.0**	**100.0%**	**155.2**	**100.0%**
Spread	101.1	82.8%	115.0	74.1%
Equity	2.9	2.4%	1.6	1.0%
Concentration	0.0	0.0%	23.1	14.9%
Property	13.4	11.0%	13.3	8.6%
Interest Rate	4.4	3.6%	2.1	1.4%
Currency	0.2	0.2%	0.1	0.1%

C.2.1. Sensitivities

The Company performs sensitivity analysis to the main identified market risk factors (equity, property, spread and risk-free interest rate) and, additionally, to the insurance risk through changes in the surrender rates. The verified impacts for each one of the sensitivities, in terms of Own Funds and Solvency Capital Requirement, are displayed in the table below:

(million euros)

Sensitivity	Effects on Own Funds	Effect on SCR	Solvency Ratio	Solvency Ratio Variation
Base Scenario			**343.2%**	
-10% stock market	(0.4)	(0.2)	343.4%	0.2 p.p.
-10% real estate market	(3.9)	(0.7)	342.2%	(1.0) p.p
+50 bp spreads *	(11.3)	(2.3)	340.9%	(2.3) p.p.
+100 bp risk free interest rate curve	2.1	(9.4)	366.9%	23.8 p.p.
-100 bp risk free interest rate curve	(7.0)	10.2	317.6%	(25.6) p.p.
-10% surrender rate	6.8	-	347.7%	4.5 p.p.
+10% surrender rate	(5.4)	-	339.7%	(3.5) p.p.

* applicable to assets subject to spread risk according to the standard formula of capital calculation

The most penalizing sensitivity to the Company corresponds to a scenario in which the risk-free interest rate curve decreases 100 b.p., translating into a reduction of the solvency ratio of 25.6 p.p. In this scenario, Own Funds decrease around 7 million euros due to an increase in provisions of around 107 million euros (versus an approximate increase of 97 million euros in assets).

C.3 Credit risk

The credit risk might result from a variation of the credit risk component included in the valuation of debt instruments, case in which it is usually called spread risk, or the possibility of incurring in effective financial losses resulting from the non-compliance of counterparties with respect to their contractual obligations.

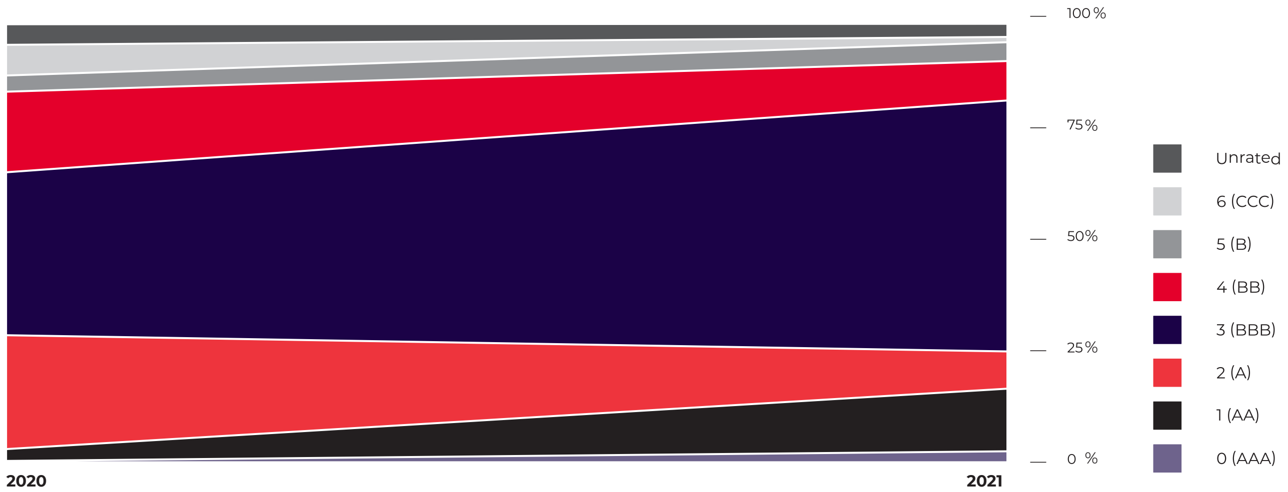
In order to limit potential losses coming from credit risk, the selection of assets follow a principle of prudence (prudent manager principle), looking for an adequate diversification, avoiding excessive concentration in only one asset, entity or group, as well as in only one sector or on a specific geographical region. The prudent manager principle is implemented, namely, through the appliance of a set of exposure limits.

The portfolio's credit risk is captured, using the standard formula, through the spread risk (integrated in the market risk calculations) and counterparty default risk. The latter risk covers sight deposits, risk mitigation contracts, namely reinsurance agreements and derivatives instruments, amounts receivable from intermediaries and other risk positions arising from credits not covered by the spread risk.

The spread risk present in the asset portfolio derives, mainly, from corporate debt bonds, loans, namely by applying the transparency-based approach and term deposits.

In the calculation of the capital requirement, the Company uses the evaluation of credit risk performed by external entities (rating agencies). When there are different rating classifications, the second-best rating is considered.

The partition of the asset portfolio subject to spread risk, by the different credit ratings is the following:



An increase in terms of exposure to assets classified as “investment grade”, which means a “credit quality step” up to level 3 (credit rating equivalent to BBB) is observed, to the detriment of investments classified as “high yield”, which means a “credit quality step” from level 4 onwards (credit rating equivalent to BB).

The counterparty default risk covers essentially the sight deposits along financial institutions and other financial intermediaries, as well as the exposure to reinsurers.

The capital requirement for the counterparty default risk increased to 13 million euros at the end of 2021 when compared to 2020 (6.3 million euros) due to an exposure increase to sight deposits.

C.4 Liquidity risk

The liquidity risk arises from the inability to meet the required responsibilities on due dates, without incurring in significant losses when liquidating its assets. GamaLife monitors the liquidity risk in two ways:

- From a long-term perspective, the adequacy of the assets’ maturities with the best estimate of liabilities is verified monthly, through the identification of liquidity gaps that might originate stress situations for the Company. For that effect, the Company evaluates the maturity profile of its assets and, using the internal model, obtains the best estimates of cash-flows for its liabilities. The portfolio liquidity gaps are presented on a monthly basis in the ALM Committee;

- There is a regular monitorization of the level of surrenders against the assumptions incorporated in the best estimate of the liability, making it possible to assess any significant deviations and incorporate that information into the liquidity management.

This risk mitigation starts with the selection of the assets that compose the investment portfolios, complying with rules and limits, privileging liquid assets (negotiated in the regulated market) and assuming diversification principles. Periodically, the level of the less liquid assets in the portfolio is monitored against the defined limits.

In the projections made, "expected profits included in future premiums" were considered, which correspond to the expected present value of future cash flows resulting from the inclusion in the technical provisions of premiums referring to existing insurance and reinsurance contracts, which must be received in the future, but that may not be received for any reason other than the occurrence of the insured events, irrespective of the policyholder's legal or contractual rights to terminate the policy. As of 31st of December 2021, the expected profits included in future premiums were 100.4 million euros (89.9 million euros in 2020). These profits are net of reinsurance.

C.5 Operational risk

The operational risk, as is mentioned in point B.3., generically translates itself into the existence of failures that origin situations of potential or effective losses. As is mentioned, the situations identified are monitored in various forums so that the corresponding mitigation measures can be taken.

The calculation of the capital requirement for the operational risk was performed using the standard formula, ascending at the end of 2021, to around 7.6 million euros, lower that the final value for 2020 (10.7 million euros). This decrease is due to the decrease in provisions, variable that affects the capital requirement calculation in the standard formula.

C.6 Other material risks

Taking into account its distribution model, which is based on the use of the banking distribution network, GamaLife is particularly sensitive to factors affecting the distribution channel, whether they be reputational, competitive position, or any other. In this sense, the Company considers that the reputational risk associated with a negative perception of its image among customers, counterparties or even the public in general is also relevant, and systematically seeks to mitigate this risk through scrupulous compliance with the applicable laws and regulations at corporate level and by promoting full respect for the approved Code of Conduct to its employees.

Additionally, GamaLife takes into consideration strategic risk, which can be defined as the risk of current and future impact on the Company's profits or capital that results from inadequate business decisions, improper implementation of decisions or lack of capacity to respond to changes occurring in the market.

C.7 Any other information

Nothing to refer.

D.

VALUATION FOR SOLVENCY PURPOSES

This chapter contains information about the balance sheet items' evaluation, describing for each class the basis, methods and main assumptions used in the evaluation for solvency effects and, when relevant, an explanation for the differences to the constant values of the financial statements.

The table below shows the comparison between the statutory financial statements and the values used for the solvency balance sheet. In the statutory financial statements, the assets held under contract in which the risk belongs to the policyholder, are presented by their nature whilst in the table below they are reclassified into one single item (Assets held for index-linked and unit-linked contracts).

(million euros)

Statutory Value vs Solvency II	Statutory Value 2021	Adjustment	Solvency II Value 2021	Solvency II Value 2020
ASSETS				
Deferred acquisition costs	0.1	(0.1)	0.0	0.0
Intangible Assets	0.5	(0.5)	0.0	0.0
Deferred tax assets	43.9	0.0	43.9	40.6
Pension benefit surplus	1.5	0.0	1.5	1.5
Property, plant & equipment held for own use	3.4	0.2	3.6	0.4
Investments (other than assets held for index-linked and unit-linked contracts)	2 057.9	0.1	2 057.9	2 913.4
Assets held for index-linked and unit-linked contracts	1 509.6	0.0	1 509.6	1 046.4
Reinsurance recoverables	6.3	(232.9)	(226.6)	(261.5)
Deposits to cedants	0.0	0.0	0.0	0.0
Insurance and intermediaries receivables	1.1	0.0	1.1	1.1
Reinsurance receivables	0.5	0.0	0.5	0.3
Receivables (trade, not insurance)	23.7	0.0	23.7	36.3
Cash and cash equivalents	25.4	0.0	25.4	5.9
Any other assets, not elsewhere shown	0.2	0.0	0.2	0.1
TOTAL ASSETS	**3 673.9**	**(233.2)**	**3 440.7**	**3 784.4**
LIABILITIES				
Technical provisions - life (excluding index-linked and unit-linked)	1 758.4	(491.0)	1 267.4	2 126.7
Technical provisions - index-linked and unit-linked	1 519.7	(30.9)	1 488.8	1 039.5
Provisions other than technical provisions	8.8	0.0	8.8	22.8
Deposits from reinsurers	0.0	0.0	0.0	0.0
Deferred tax liabilities	0.0	78.8	78.8	66.2
Derivatives	0.0	0.0	0.0	0.0
Insurance & intermediaries payables	19.4	0.0	19.4	16.7
Reinsurance payables	6.5	0.0	6.5	6.0
Payables (trade, not insurance)	4.7	0.0	4.7	8.2
Subordinated liabilities	90.1	0.0	90.1	90.1
Subordinated liabilities not in Basic Own Funds	0.0	0.0	0.0	0.0
Subordinated liabilities in Basic Own Funds	90.1	0.0	90.1	90.1
Any other liabilities, not elsewhere shown	30.0	(5.7)	24.3	24.7
TOTAL LIABILITIES	**3 437.6**	**(448.8)**	**2 988.8**	**3 400.8**
EXCESS OF ASSETS OVER LIABILITIES	**236.3**	**215.6**	**451.9**	**383.7**

D.1 Assets

D.1.1. Intangible assets and deferred expenses

Intangible assets are identifiable non-monetary assets without a physical form. The deferred acquisition costs consist of the part attributable to future exercises of amounts paid to intermediaries and internal acquisition costs, arising from the breakdown of expenses by intended purposes and spent in the current year. Intangible assets and deferred acquisition costs have a zero valuation in the solvency balance sheet.

D.1.2. Property, plant and equipment held for own use

Property, plant and equipment held for own use are constituted by land, buildings and equipment used by the Company for its activity, such as production or supply of goods and services and administrative tasks. Essentially encompasses the area of the property held for own use, informatic equipment and administrative equipment. Except for the property, the remaining assets have no market references to calculate their fair value and, since these assets are rarely sold, their fair value is assumed as the cost net of accumulated amortizations.

D.1.3. Investments

The valuation of financial instruments is identical to the valuation shown in the financial statements, which is fully at fair value in accordance with accounting rules.

The fair value is based on quoted market prices, when available, and when there is no quotation it is determined based on the use of similar, recent transaction prices and carried out under market conditions or based on valuation methodologies, based on discounted future cash-flow techniques considering the market conditions, the effect of time, the yield curve and volatility factors. These methodologies may require the use of assumptions or judgements for the fair value estimation.

The fair value of quoted financial assets is their current price (“bid-price”). In the absence of quotation, the Company estimates the fair value using:

- Evaluation methodologies, such as the use of prices from recent, similar transaction performed in market conditions, discounted cash flow techniques and option evaluation models customized to reflect the particularities and circumstances of the instrument, and;

- Evaluation assumptions based on market information.

The measuring of financial instrument based on inputs/bid/ask prices is based on the most representative value within the bid/ask range, depending on the circumstances of the instrument.

The Company classifies as investment properties the properties owned for rental or capital appreciation or both. The investment properties are valued at their fair value, obtained through the annual evaluation carried out by external evaluators.

D.1.4. Reinsurance recoverables

The rules for the reinsurance recoverables evaluation are presented in the Technical Provisions chapter.

D.1.5. Deferred taxes

The deferred taxes are calculated upon the temporary differences between the book values of assets and liabilities and their tax base, using the current tax rate and expected to be applied when the temporary difference reverse.

The assets' deferred taxes assets are recognized only to the extent that it is expected that there will be future taxable profits capable of absorbing the temporary differences.

D.1.6. Cash and cash equivalents

Cash and cash equivalents comprise the cash amounts and cash and cash equivalents in credit institutions. As they are short-term assets, their balance is a reasonable estimate of their fair value.

D.1.7. Debtors of direct insurance operations, reinsurance and others

Bearing in mind that these are usually short-term assets, the balance of those various items on the balance sheet, at that date, is a reasonable estimate of their fair value.

D.1.8. Additions and deferrals

Bearing in mind that these are usually short-term assets, the balance of those various items on the balance sheet, at that date, is a reasonable estimate of their fair value.

D.2 Technical provisions

D.2.1. Methodology

This section describes in general terms the methodology of calculation of technical provisions.

Technical provisions correspond to the sum of Best Estimate, Risk Margin, Claims Provision and Profit-Sharing Provision.

Best Estimate: The methodology followed in the calculation of the Best Estimate, whether of direct insurance, reinsurance accepted, or reinsurance ceded, is based on the projection of future cash flows through stochastic or deterministic methods depending on whether the contracts have options or not. In order to capture the options in the financial products with guarantees, the only ones where these exist, stochastic projections are used, the Best Estimate being the average of these projections. For the remaining products, as well as for reinsurance ceded, the value of technical provisions is based on the deterministic projection of future cash-flows. The projections of assets and liabilities are granular, using only aggregations when they apply or for reporting purposes.

As for contract boundaries, the premiums are projected in accordance with the contractual conditions, and in the case of risk products, almost the entire portfolio has premiums projected to maturity.

Risk Margin: The risk margin is determined using the cost of capital method, which under current legislation is 6%. The risk margin is based on the Solvency Capital Requirement (SCR) determined for insurance risk, operational risk and counterparty risk for reinsurance contracts.

Provision for Claims and Profit-Sharing Provision: these provisions are equal to those existing in the balance sheet of the Company's statutory accounts.

With regard to the actuarial assumptions of the projections, these are studied annually by the Company so as to reflect the most recent expectations concerning the future evolution of the various risk factors. The curve used to discount cash flows is the risk-free time structure with volatility adjustment published by EIOPA (European Insurance and Occupational Pensions Authority).

D.2.2. Uncertainty level of Technical Provisions

Technical provisions present a low level of uncertainty because:

- Calculations are performed on a policy by policy and security by security basis;
- The level of representativity of assets and liabilities in the model is high;
- There are no simplifications in the parameterization of all direct insurance products;
- The cost of options existing in the contracts is included in the calculation;
- The cost of future guarantees, namely guaranteed rates, is included in the calculation without any simplification;
- The risk margin reflects all non-financial risks and is appropriate to their nature and complexity;
- These were verified by an external entity and did not lead to any changes.

D.2.3. Technical Provisions

The table below sets out, by business line, the amount of technical provisions for solvency purposes as at 31st December 2021, calculated with the curve set out in section D.2.1. (EIOPA curve with volatility adjustment) and without transitional measure on technical provisions.

(million euros)

Technical Provisions	2021				
	Best Estimate (1)	Risk Margin	Claims Provision	Profit-Sharing Provision	Total
Total	**2 829.0**	**33.5**	**98.7**	**6.4**	**2 967.5**
Insurance with profit participation	1 455.3	11.3	31.7	6.4	1 504.6
Index-linked and unit-linked insurance	1 458.0	4.1	9.0	0.0	1 471.0
Other life insurance	(111.9)	18.1	58.0	0.0	(35.8)
Accepted reinssurance	27.7	0.1	0.0	0.0	27.8
Total 2020	**3 215.4**	**29.9**	**142.0**	**9.5**	**3 396.7**

(1) Without Transitional Measure

Technical provisions for solvency purposes are 2,967.5 million euros as at December 31, 2021 (3,396.7 million euros as at December 31, 2020) which represents a decrease compared to 2020. The following table shows the annual evolution by solvency business line.

(million euros)

Technical Provisions	Annual Evolution		
	2021	2020	Variação
Total	**2 967.5**	**3 396.7**	**(429.2)**
Insurance with profit participation	1 504.6	1 889.6	(385.0)
Index-linked and unit-linked insurance	1 471.0	1 019.4	451.7
Other life insurance	(35.8)	439.5	(475.4)
Accepted reinssurance	27.8	48.3	(20.5)

Compared to the previous year, technical provisions decreased by 429 million euros, which is mainly explained by the volume of maturities and surrenders that occurred in 2021 in the products with Profit Sharing and by the volume of premiums verified in the Unit Linked contracts.

D.2.4. Differences between technical and statutory provisions

Technical provisions are, at December 2021, lower than statutory provisions by -310.6 million euros with the "Other Life Insurance" business line contributing most to this difference.

(million euros)

Statutory and Technical Provisions Comparison	2021		
	Technical Provisions	Statutory Provisions	Difference
Total	**2 967.5**	**3 278.1**	**(310.6)**
Insurance with profit participation	1 504.6	1 466.6	38.0
Index-linked and unit-linked insurance	1 471.0	1 501.9	(30.9)
Other life insurance	(35.8)	282.0	(317.8)
Accepted reinssurance	27.8	27.6	0.2
Total 2020	**3 396.7**	**3 675.1**	**(278.4)**

It should be noted that the difference in the provisioning required in financial products, with and without[3] profit-sharing, derives from the fact that the rates guaranteed to policyholders are higher than the risk-free interest rates (EIOPA curve). In the opposite direction, the technical provisions are lower than the statutory ones in the case of risk products included in the Other Life Insurance business line since they are profitable products.

D.2.5. Transition Measure on technical provisions

The following table compares the provisions for solvency purposes with and without transitional measure on technical provisions. It should be noted that the transitional measure on technical provisions, recalculated as at 1 January 2019, has been applied to all financial products with guarantees.

(million euros)

Transitional Measure Impact on Technical Provisions	Technical Provisions 2021		
	Without Transitional Measure	With Transitional Measure	Difference
Total	**2 967.5**	**2 756.2**	**(211.3)**
Insurance with profit participation	1 504.6	1 413.1	(91.5)
Index-linked and unit-linked insurance	1 471.0	1 471.0	-
Other life insurance	(35.8)	(148.1)	(112.2)
Accepted reinssurance	27.8	20.2	(7.6)
Total 2020	**3 396.7**	**3 166.2**	**(230.6)**

D.2.6. Volatility adjustment

The table below shows the impact of the volatility adjustment on technical provisions for solvency purposes as at 31 December 2021. The impact of the volatility adjustment is 2 million euros in 2021 and is therefore lower than in the previous year (7.7 million euros in 2020).

(million euros)

Volatility Adjustment Impact	Technical Provisions 2021		
	Without Volatility Adjustment	With Volatility Adjustment	Difference
Total	**2 969.6**	**2 967.5**	**(2.0)**
Insurance with profit participation	1 507.3	1 504.6	(2.7)
Index-linked and unit-linked insurance	1 471.0	1 471.0	(0.0)
Other life insurance	(36.6)	(35.8)	0.7
Accepted reinssurance	27.8	27.8	(0.0)
Total 2020	**3 404.4**	**3 396.7**	**(7.7)**

[3] Products included in Other life insurance

D.2.7. Reinsurance Recoverables

The provision for solvency purposes for reinsurance ceded, calculated in accordance with the methodology described in section D.2.1. is 226.6 million euros, reflecting the fact that, in the reinsurance business, the value of claims receivable is lower than the volume of premiums, generating a net amount payable by the Company .

(million euros)

Ceded Reinsurance Provision	2021		
	Technical Provisions	Statutory Provisions	Difference
Total	(226.6)	6.3	(232.9)
Total 2020	(261.5)	5.1	(266.6)

D.3 Other liabilities

D.3.1. Employee benefits obligations

GamaLife has adopted the obligations evaluation form IAS 19 because this standard provides an evaluation method consistent with the economical evaluation.

The obligations recognized in the scope of the defined benefits plan are presented net of the fair value of the plan's assets.

D.3.2. Creditor from direct insurance operations, reinsurance and others

Considering that these are generally short-term liabilities, the balance sheet value from the various items is a reasonable estimate of their fair value, at the balance sheet date.

D.3.3. Subordinated liabilities

The subordinated liabilities correspond to the subordinated debt issued in 2002 and is accounted for in the solvency own funds, as is stated in point E.1.

For solvency purposes, the subordinated liabilities must be valued by the amount by which they may be transferred or liquidated between informed parties, acting on their own will, in a normal market condition transaction, however, it should not take into consideration changes in the Company's credit quality.

D.3.4. Additions and deferrals

Considering that these are normally short-term liabilities, the balance sheet value from the various items is a reasonable estimate of their fair value, at the balance sheet date.

Considering the assumptions inherent to the best estimate calculation for totally reinsured contracts (within the scope of the monetization operation carried out) referenced in point D.2., the established estimated expenses provision was annulled.

D.3.5. Other provisions

Provisions are recognized when the Company has a present, legal or constructive obligation, when it is probable that its payment is demanded and when a credible estimate of the value of that obligation is possible. The respective valuation is based on the processes and the evaluation of the probability of condemnation is based on information from lawyers that monitor the process, whether they are judicial processes or general provisions.

D.3.6. Deferred tax liabilities

The deferred taxes are calculated upon the temporary differences between the calculated values and their tax and/or accounting base, using the current tax rate and expected to be applied when the temporary difference reverse.

D.4 Alternative evaluation methods

The description of the evaluation methods is carried out in point D.1.

D.5 Any other information

Nothing to mention.

CAPITAL MANAGEMENT

E.1 Own funds

The Company's main goals in the capital management process are:

- Compliance with regulatory solvency requirements on an immediate and forward-looking basis;
- Maintenance of an excess, adequate to its risk profile, over the solvency requirements, as is established in the risk appetite policy;
- Optimization of cost for used funds.

The Company monitors on a regular basis the evolution of its own funds, considering, in on one hand, the daily estimates and on the other, the calculated monthly values and the projections made for the exercise of projection of risk and capital for a 5-year horizon. Any change that affects its own funds will be evaluated.

The distribution of dividends in the amount of 15 million euros was approved at the General Shareholder's Meeting held on 25th March 2022.

In the next table it is displayed the eligible own funds before and after the dividend distribution deduction:

(million euros)

Eligible Own Funds	2021	2020
Eligible Own Funds (before dividend deduction)	542.0	473.8
Expected Dividends	15.0	3.0
Eligible Own Funds (after dividend deduction)	527.0	470.8

E.1.1. Structure, amount and quality of Own Funds

Within the scope of Solvency II, the capital is classified in three tiers according to the quality of each of its components. GamaLife classifies its own funds in tiers according to the following methodology:

- Tier 1 – unrestricted; excess of assets over liabilities;
- Tier 1 – restricted; subordinated debt classified as Tier 1;
- Tier 2 – subordinated debt classified as Tier 2;
- Tier 3 – net deferred tax asset.

The distribution of available own funds (after the dividend distribution deduction) according to the classification tiers is presented in the following table:

(million euros)

Available Own Funds Composition	2021	2020
Total	**527.0**	**470.8**
Tier 1 - Unrestricted	437.0	380.7
Tier 1 - Restricted	45.0	45.0
Tier 2	45.0	45.0
Tier 3	0.0	0,0

The available own funds include the effect of using the volatility adjustment in the time structure of risk-free interest rates for the entire portfolio and applying the measure relating to the transitional deduction to technical provisions for homogeneous risk groups (i) Capital products and guaranteed rate with profit sharing and (ii) Capital products and guaranteed rate without profit sharing, as approved by the ASF.

The transitory deduction regarding the technical provisions was initially calculated at 1st of January 2016, and as determined by the ASF, has been recalculated at 1st of January 2019. The recalculated value, at that time, was of 249.8 million euros, with that amount being subject to a linear amortization plan that ends on the January 1st, 2032.

The non-application of the transitional measure relating to the technical provisions, for the risk groups identified above, would determine at 31st December 2021 a reduction of the excess of assets over liabilities in 154.8 million euros (169.1 million euros in 2020).

The non-application of the volatility adjustment in the time structure of the risk-free interest rates, would determine at 31st December 2021, the reduction of the excess of assets over liabilities in 1.9 million euros (6.8 million in 2020).

The classification of subordinated debt at these levels stems from the transitory regime applicable to the own funds in the legislation that predicts that if the subordinated loans, previously accepted for the solvency margin calculation, do not fully comply with the characteristics that determine their own funds' tier classification, they may be classified transitionally until, at the most, 1st January 2026 for the designated tiers.

The Subordinate Debt detail is the following:

Level	Loan Designation	Currency	Nominal Value	Emission Date	Maturity Date	Current Yield	Exchange
Tier 1	Perpetual Subordinated Loan	EUR	45.0	19/12/02	Perpetual	€ + 3.50%	Euronext Lisboa
Tier 2	Subordinated Loan 19/12/2022	EUR	45.0	19/12/02	19/12/22	€ + 2.20%	Euronext Lisboa

In 2021 there are no own funds classified as Tier 3 (as was the case at the end of 2020).

The detail of the own funds' variation, compared with the previous year, is displayed in the table below and is derived, essentially, by the evolution of the reconciliation reserve over the technical provisions. The values presented include the dividend distribution deduction.

(million euros)

Available Own Funds	2021	2020
Total Available Own Funds	**527.0**	**470.8**
Share Capital	50.0	50.0
Reconciliation Reserve	387.0	330.7
Deferred Taxes on Assets	0.0	0.0
Excess of Assets over Liabilities	**437.0**	**380.7**
Subordinated Loans	90.1	90.1

E.1.2. Differences between own funds, as they are established in the financial statements of the Company, and the excess of asset over liability, calculated for solvency purposes

The difference between own funds, as are stated in the financial statements and the excess of assets over liabilities calculated for solvency purposes is decomposed on the following items:

- Annulation of the deferred acquisition costs: The deferred acquisition costs consist in the attributable part of future exercises of the amounts payed to intermediaries and internal costs of acquisition, arising from the breakdown of expenses by intended purposes and spent in the current year;

- Annulation of intangible assets: to the extent that they are non-monetary assets that have no realizable value;

- Fair value of investments: placement of all fair value assets, mainly those that are considered as non-current assets held for sale or property for own use;

- Re-evaluation of reinsurance recoverables: The reinsurance contracts with 100% quota-share have, in the best estimate, a larger volume of premiums to pay than claims to receive thus representing a liability on the Company's solvency balance, contrary to the statutory accounts. Still, it is important to reference that, accounting for the contract's contractual conditions, almost all of these are projected until the expiry date of the policy, therefore the difference between the statutory provisions and the reinsurance recoverables is quite expressive;

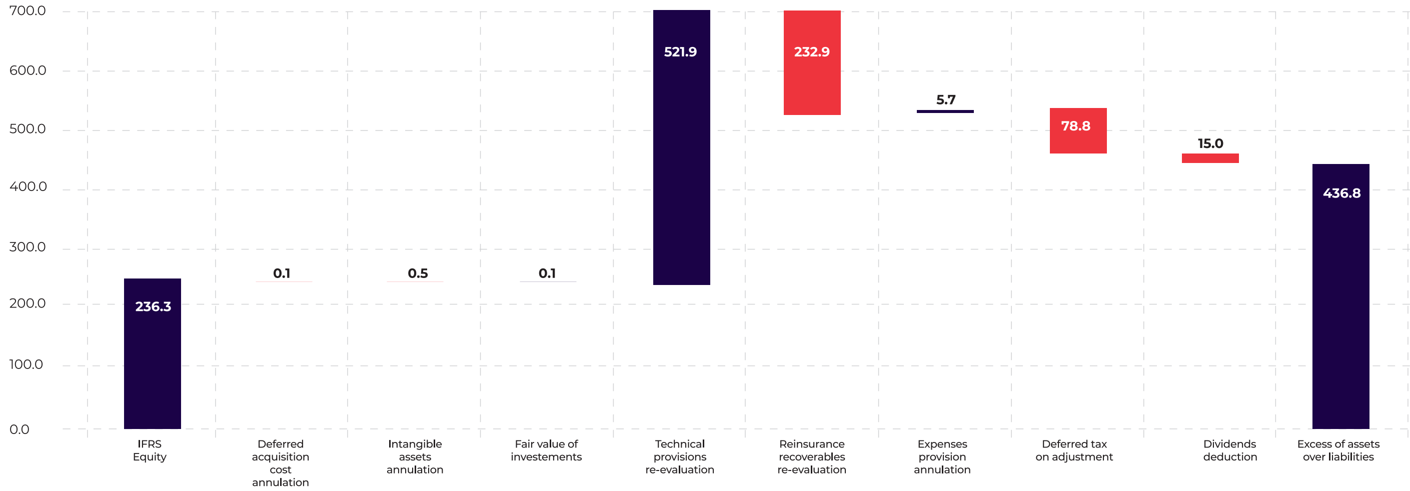
- Re-evaluation of Technical Provisions: The Company requested and obtained, from ASF, permission to utilize the volatility adjustment on the time structure of risk-free interest rates for the totality of the portfolio and to apply the transitional measure relating to the transitional deduction to technical provisions for homogenous risk groups (i) Capital products and guaranteed rate with profit sharing and (ii) Capital products and guaranteed rate without profit sharing. Thereby, for these two homogenous risk groups, the re-evaluation of Technical Provisions reflects the application of the transitional measure. To the remaining homogenous risk groups, a transitional measure was not applied, with the Technical Provisions corresponding for solvency to the best estimate calculated according to the principles stated in point D.2. The re-evaluation of Technical Provisions according to what is described above resulted in its decrease when compared to the statutory Provisions;

- Annulation of expense provision estimated within the sphere of the monetization operation for most of its Life Risk product portfolio, from which resulted the total transfer of inherent risks of that portfolio to the reinsurer New Reinsurance Company, however, GamaLife maintained the contract management and the relationship with the clients. Considering the assumptions inherent to the calculation of the best estimate liability of these contracts stated in point D.2., this provision was annulled.

On the adjustments referred above, the respective deferred tax was calculated, applying an average rate of 26.777%.

Following the deliberation of the General Shareholders' Assembly, on 25th March 2022, that approved the distribution of results in the amount of 15 million euros, the available own funds were further adjusted by that amount.

The graph below presents the movements mentioned above bridging the IFRS equity to the excess of assets over liabilities in Solvency II (including the dividend distribution deduction):



E.1.3. Eligible Own Funds

The eligible own funds to cover the SCR are obtained, in a Solvency II context, considering the following limits (expressed as a percentage of SCR):

- Minimum of 50% for Tier 1;
- Maximum of 50% for Tier 2 + Tier 3;
- Maximum of 15% for Tier 3.

Thus, the evolution of the composition of eligible own funds to cover the SCR is presented in the following table (after the dividend distribution deduction):

(million euros)

Eligible Own Funds Composition	2021	2020
Total	**527.0**	**470.8**
Tier 1 - Unrestricted	437.0	380.7
Tier 1 - Restricted	45.0	45.0
Tier 2	45.0	45.0
Tier 3	0.0	0.0

In 2021, as in the previous year, there is no difference between the available own funds and the eligible to cover the SCR, with all own funds considered eligible.

Compared to the previous year, there is an increase in the eligible own funds in line with the evolution of the available own funds.

Regarding the compliance with the minimum capital requirement, the eligible amounts of Tier 2 items are subject to the following limits:

- The eligible amount of Tier 1 items shall be at least 80% of the minimum capital requirement;
- The eligible amounts of Tier 2 items shall not exceed 20% of the minimum capital requirement.

Thus, in terms of the composition of the eligible own funds to cover the MCR, only Tier 2 items differ regarding the eligible own funds to cover the SCR. The eligible own funds to cover the MCR are presented in the table below:

(million euros)

Eligible Own Funds Composition (to cover the MCR)	2021	2020
Total	**495.4**	**440.1**
Tier 1 - Unrestricted	437.0	380.7
Tier 1 - Restricted	45.0	45.0
Tier 2	13.4	14.3

E.2 Solvency capital requirement and minimum capital requirement

The solvency capital requirement (SCR) is determined by GamaLife by using the Solvency II standard formula, without simplifications, nor undertaking specific parameters.

The risk-free interest rate curve used corresponds to the curve that is periodically released by the European authority EIOPA (European Insurance and Occupational Pensions Authority) and incorporates a credit risk adjustment (-10 basis points) and a volatility adjustment (+3 basis points). The Company requested and obtained from ASF (Autoridade de Supervisão de Seguros e Fundos de Pensões) the permission to use the volatility adjustment.

On 31st December 2021, GamaLife's solvency capital requirement (SCR) is of 153.6 million euros, which represents a 5.7 million euros decrease when compared with the previous year's solvency capital requirement. This decrease is mostly due to:

- Decrease of the market risk, motivated by the concentration and spread risks decrease;
- Decrease of operational risk, due to a verifiable decrease in provisions.

The table below illustrates the SCR's main changes that occurred at the end of 2021 and 2020, decomposed by the different modules:

(million euros)

Solvency Capital Requirement	2021	2020
Basic Solvency Capital Requirement (BSCR)	**151.0**	**156.1**
Market Risk	113.2	126.7
Counterparty Risk	13.0	6.3
Life Underwriting Risk	68.9	61.5
Diversification	(44.0)	(38.4)
Solvency Capital Requirement (SCR)	**153.6**	**159.2**
Operational Risk	7.6	10.7
Loss Absorbing Capacity of Technical Provisions	(5.1)	(7.5)
Loss Absorbing Capacity of Deferred Taxes	0.0	0.0

The minimum capital requirement (MCR) ascends to 66.9 million euros, lower than the minimum capital requirement calculated the previous year.

The MCR is obtained through a linear relation between several variables and is subject to the application of maximum and minimum limits.

The applied MCR corresponds to the value calculated by applying the maximum limit, as detailed in the table below:

(million euros)

Minimum Capital Requirement	2021	2020
Minimum Capital Requirement (MCR)	**66.9**	**71.6**
Linear MCR	66.9	88.4
SCR	153.6	159.2
MCR Cap	69.1	71.6
MCR Floor	38.4	39.8
Combined MCR	66.9	71.6
Absolute floor of the MCR	3.7	3.7

The variables used in the linear MCR calculation take on the following values:

(million euros)

MCR Variables	2021 Net (of reinsurance/SPV) best estimate and TP calculated as a whole	2021 Net (of reinsurance/SPV) total capital at risk	2020 Net (of reinsurance/SPV) best estimate and TP calculated as a whole	2020 Net (of reinsurance/SPV) total capital at risk
Total capital at risk for all life (re)insurance obligations		**4 790.6**		**4 518.6**
Obligations with profit participation - guaranteed benefits	1 413.1		1 789.8	
Obligations with profit participation - future discretionary benefits	15.1		15.2	
Index-linked and unit-linked insurance obligations	1 484.7		1 036.9	
Other life (re)insurance and health (re)insurance obligations	80.9		598.4	

The solvency ratios calculated between the eligible own funds (after the dividend distribution deduction) and the capital requirement ascended at the end of 2021 and 2020 to:

(million euros)

Solvency Ratios	2021	2020
Eligible Own Funds to cover the SCR	527.0	470.8
Solvency Capital Requirement (SCR)	153.6	159.2
Solvency Ratio to cover SCR	**343.2%**	**295.7%**
Eligible Own Funds to cover the MCR	495.4	440.1
Minimum Capital Requirement (MCR)	66.9	71.6
Solvency Ratio to cover MCR	**740.0%**	**614.3%**

Both SCR and MCR ratios increased due to a double effect provoked by the increase in own funds and decrease in the solvency capital requirement.

To cover the minimum capital requirement (MCR), the difference between available own funds and eligible own funds is due to the non-eligibility of a parcel of the subordinated loan classified as Tier 2. The non-eligibility derives from the existing regulatory limitations on the coverage of the MCR, namely the coverage of the MCR by Tier 2 own funds, limited to a maximum of 20%.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Not applicable.

E.4 Differences between the standard formula and any internal model used

The Company does not use internal models.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with Solvency Capital Requirement

The Company did not fail to comply, during 2021, with the solvency capital requirement and the minimum solvency requirement.

E.6 Any other information

In February 2022, following the invasion of Ukraine, strongly condemned by the international community, a set of economic sanctions was applied to the Russian Federation. Additionally, several companies exited the country and a significant number of refugees demanded European Union countries. GamaLife has been monitoring the evolution of the situation and its economic impacts and is currently convinced that it does not have a material impact on its solvency situation.

ANNEX I
RESPONSIBLE ACTUARY'S REPORT

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March 31, 2022

Relatório de Certificação Atuarial
GamaLife, Companhia de Seguros de Vida, S.A.

1. Introduction

This *Relatório de Certificação Atuarial* (or "*Relatório*") covers the solvency results of **GamaLife, Companhia de Seguros de Vida, S.A.**, a Portuguese insurer (or "the Company") regulated by the *Autoridade de Supervisão de Seguros e Fundos de Pensões* (ASF).

Milliman Consultants and Actuaries, S.L.U. (or "Milliman") has been engaged by the Company for the purposes of reviewing certain aspects of its solvency results as at 31 December 2021 within the scope of the *Atuário Responsável* as defined in Portuguese regulation, *Norma Regulamentar n.º 2/2017-R, de 24 de março* (or the "NR").

The reported solvency results of the Company at 31 December 2021 as set out in its Solvency and Financial Condition Report (of the "SFCR") are:

- Technical Provisions of EUR 2,756.2 million. The Technical Provisions of the Company include a transitional deduction of EUR 211.3 million and they include the Volatility Adjustment.
- Reinsurance Recoverables of EUR 226.6 million in negative.
- Eligible Own Funds for the purposes of covering SCR of EUR 527.0 million, and Eligible Own Funds for the purposes of covering MCR of EUR 495.4 million.
- Solvency Capital Requirement (SCR) of EUR 153.6 million and Minimum Capital Requirement (MCR) of EUR 66.9 million.

2. Scope

This *Relatório* covers the verification of the application of the regulatory and technical specifications relating to Solvency II[i] to the calculations of the following elements disclosed in the SFCR:

- Technical Provisions, including the application of transitional deduction and volatility adjustment.
- Amounts recoverable from reinsurance contracts (Reinsurance Recoverables).
- Underwriting Risk capital requirements and Counterparty Risk capital requirements with respect to risk mitigation techniques.
- The adjustment of loss absorbency of technical provisions under SII requirements.

3. Responsibilities

- This *Relatório* has been prepared according to the *Norma Regulamentar n.º 2/2017-R, de 24 de março*.
- Responsibility for the approval of the SFCR is with the governing or administering body of the Company.
- The *Atuário Responsável* is responsible for issuing an independent opinion of an actuarial nature on the items set out in the previous section (Scope). Milliman and the *Atuário(s) Responsável(s)* do not intend to benefit and assumes no duty or liability to other parties with respect to this document.
- Our conclusions have taken into account the conclusions of the *Revisor de Contas* of the Company.

March 31, 2022

4. Opinion

Our opinion is based on the scope of the *Atuário Responsável* set out in the *Norma Regulamentar n.º 2/2017-R, de 24 de março*. We have verified, and are satisfied, that the following items have been calculated by the Company consistent with the regulatory and technical specifications relating to Solvency II[ii]: Technical Provisions; Reinsurance Recoverables; SCR Non-Life Underwriting; SCR Life Underwriting and SCR Health Underwriting.

Our conclusions are based on economic and other conditions, the assets and liabilities, as well as obligations to policyholders prevailing at December 31, 2021.

Our conclusions make no provision for extraordinary future emergence of new classes of losses, types of losses not sufficiently represented in the data provided or that are not yet quantifiable, including continued impacts from the COVID-19 pandemic.

The substantial uncertainty caused by this pandemic may continue to affect a number of variables including, non-exhaustively, business activity and volumes, market valuation of assets and liabilities, policyholder behaviour, as well as claims exposure, severity and frequency. It is important to recognize that actual amounts may vary significantly higher or lower than the results we have reviewed.

The data, parameters and assumptions the Company used to arrive at their results and our conclusions have not been adjusted for this situation.

We have relied on data and information, both verbal and written, regarding the methodology and assumptions, as well as the validation process, used by the Company to produce the items in the scope of our work.

Milliman does not intend to benefit and assumes no duty or liability to other parties as a result of this opinion.

Luca Inserra
Atuário Responsável, Vida

[i] Solvency II regulatory and technical specifications refer the Level 1 Solvency 2 Directive 2009/138/EC, including Omnibus II amendments as transposed into Portuguese law (*Lei n.º 147/2015 de 9 de setembro ("RJASR")*); as well as, Level 2 Commission Delegated Regulation 2015/35 dated 10 October 2014 and published in the Official Journal of the European Union on 17 January 2015 (“Delegated Acts”).
[ii] idem

ANNEX II
STATUTORY AUDITOR'S REPORT

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(Translation from the original document in the Portuguese language.

In case of doubt, the Portuguese version prevails)

Statutory Auditor's Report on the Annual Solvency and Financial Condition Report in the terms set out in subparagraph a) of article 3(1) of Regulatory Standard no. 2/2017-R issued on the 24th of March by the Portuguese Insurance and Pension Funds Supervision Authority

To the Board of Directors of
GamaLife – Companhia de Seguros de Vida, S.A.

Introduction

Under the terms of subparagraph a) of Article 3(1) of Regulatory Standard no. 2/2017-R, of 24th March ("Regulatory Standard"), issued on the 24th March by the Portuguese Insurance and Pension Funds Supervision Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões - "ASF"), we examined the Annual Solvency and Financial Condition Report ("Report"), established in subparagraph a) of article 26 of Regulatory Standard no. 8/2016-R, issued on 16th August (including subsequent changes), including the quantitative information to be disclosed with that Report ("Quantitative Information"), according to Articles 4 and 5 of the Commission Implementing Regulation (EU) 2015/2452, of 2 December 2015 of GamaLife – Companhia de Seguros de Vida, S.A ("Company"), with reference to 31 December 2021.

Our report comprises the reporting of the following matters:

A. Report on the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and the classification, availability and eligibility of own funds and on the calculation of the solvency capital requirement and minimum capital requirement;
B. Report on the implementation and effective application of the governance system; and
C. Report on the remaining information disclosed in the Solvency and Financial Condition Report and the jointly submitted quantitative information.

A. REPORT ON THE ADJUSTMENTS BETWEEN THE STATUTORY STATEMENT OF FINANCIAL POSITITON AND THE BALANCE SHEET FOR SOLVENCY PURPOSES AND THE CLASSIFICATION, AVAILABILITY AND ELIGIBILITY OF OWN FUNDS AND ON THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Responsibilities of the Management Board

It is the responsibility of the Company's Board of Directors the calculation of the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement submitted to ASF, under the terms of the Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009, relating to the Taking-up and Pursuit of the Business of Insurance and Reinsurance ("Regulation").

Auditor's responsibilities

Our responsibility, as defined in subparagraph a) of Article 4(1) of the Regulatory Standard, consists in expressing, based on the work performed, an opinion with reasonable assurance, as to whether the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, are free from material misstatements, are complete and reliable and, in all materially relevant respects, are presented in accordance with the applicable legal and regulatory requirements.

According to Article 3(2) of the Regulatory Standard, it is not our responsibility to verify the adequacy to the applicable legal, regulatory and technical requirements of the elements included within the certification by the Company's responsible actuary, as established in the Article 7 of same Regulatory Standard.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") and consists in obtaining sufficient and appropriate audit evidence to conclude, with reasonable assurance, as to whether the adjustments between the statutory financial position statement and the balance sheet for solvency purposes and the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, are free of material misstatements, are complete and reliable and, in all materially relevant respects, are presented in accordance with the applicable legal and regulatory requirements.

The procedures carried out included, among other procedures, the following:

(i) the reconciliation of the base information used for the calculation of the adjustments with the Company's information systems and the respective statutory statement of financial position as of 31 December 2021, subject to the Statutory Audit whose Report was issued on 10 March 2022 with no emphasis nor qualifications;
(ii) the review of subsequent events that occurred between the date of the Statutory Audit Report and the date of this report;
(iii) an understanding of the adopted criteria;
(iv) the recalculation of the adjustments made by the Company, except for those referred to in the next paragraph that are excluded from the scope of this certification;
(v) the reconciliation of the base information used for the calculation of the solvency capital requirement and minimum capital requirement as of 31 December 2021 with the statement of financial position for solvency purposes, with book records and other information maintained in the Company's systems with reference to the same date;
(vi) the review, on a sample basis, of the correct classification and characterisation of assets in accordance with regulatory requirements;
(vii) the review of the calculation of the solvency capital requirement and minimum capital requirement as of 31 December 2021, performed by the Company; and
(viii) reading the documentation prepared by the Company under the regulatory requirements.

The procedures carried out did not include the examination of the adjustments to technical provisions and the reinsurance recoverables which, according to Article 7 of Regulatory Standard, were subject to actuarial certification by the Company's responsible actuary,

Regarding the deferred taxes adjustments, as result of the adjustments referred to above, the procedures carried out only comprised the verification of the impact on deferred taxes, taking as the basis the referred adjustments made by the Company.

The selection of the procedures performed depends on our professional judgment, including the procedures related to the assessment of risk of material misstatement on the information under analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive quality control system which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and which are included in the previous section "Scope of Work", which were planned and performed in order to obtain a reasonable level of assurance, we concluded that the adjustments between the statutory statement of financial position and the balance sheet for solvency purposes and that the classification, availability and eligibility of own funds and the calculation of the solvency capital requirement and minimum capital requirement, with reference to the Solvency and Financial Condition Report date (31 December 2021), are free from material misstatements, complete and reliable and, in all materially relevant respects, are in accordance with the applicable legal and regulatory requirements.

B. REPORT ON THE IMPLEMENTATION AND EFFECTIVE APPLICATION OF THE GOVERNANCE SYSTEM

Responsibilities of the Management Board

It is the responsibility of the Company's Board of Directors to:

- Prepare the annual the Solvency and Financial Condition Report and the information to report to ASF for regulatory purposes, under the terms of Regulatory Standard no. 8/2016-R issued on the 16 of August by ASF (including subsequent changes); and
- Define, approve, periodically review and document the main policies, strategies and processes that define and regulate the Company's governance, management and control, including the risk management and internal control systems ("Governance System"), which should be described on chapter B of the report, under the terms of Article 294 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (Regulation).

Auditor's responsibilities

Our responsibility, as defined in subparagraph a) of Article 4(1) of the Regulatory Standard, consists in expressing, based on the work performed, a limited assurance conclusion about the implementation and effective application of the governance system.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information ", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") and consist in obtaining sufficient and appropriate audit evidence to conclude, with moderate assurance, as to whether the content of the "Governance System" chapter of the Annual Solvency and Financial Condition Report reflects, in all materially relevant respects, the description of the implementation and effective application of the Governance System of the Company at 31 December 2021.

The procedures carried out included, among other procedures, the following:

(i) the assessment of the information included in the Company's Report relating to the Governance System with respect to the following main aspects: general information; fit and proper requirements; risk management system with the inclusion of risk and solvency self-assessment; internal control system; internal audit function; actuarial function; subcontracting and any additional information;
(ii) reading and assessing the documents which sustain the main policies, strategies and processes described in the Report, which regulate how the Company is governed, managed and controlled and obtaining supporting evidence of its implementation; and
(iii) discussing the conclusions with the Company's management.

The selection of the procedures performed depends on our professional judgment, including the procedures related to the assessment of risk of material misstatement on the information under analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive system of quality control which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and described in the previous section "Scope of Work", which were planned and performed t in order to obtain a moderate degree of assurance, nothing has come to our attention which causes us to believe that at the refence date of the Solvency and Financial Condition Report (31 December 2021), the content of the chapter "Governance System", does not fairly present, in all materially relevant respects, the description of the implementation and effective application of the Company's Governance System.

C. REPORT ON THE REMAINING INFORMATION DISCLOSED IN THE SOLVENCY AND FINANCIAL CONDITION REPORT AND THE JOINTLY SUBMITTED QUANTITATIVE INFORMATION

Responsibilities of the Management Board

It is the responsibility of the Board of Directors to prepare the annual Solvency and Financial Condition Report and the information to report to ASF for supervisory purposes, under the terms of Regulatory Standard no. 8/2016-R, issued on the 16 of August by ASF (including subsequent changes), including the quantitative information to be jointly disclosed with that report, as established in Articles 4 and 5 of the Commission Implementing Regulation (UE) 2015/2452, of 2 December 2015.

Auditor's responsibilities

Our responsibility, as defined in subparagraph c) of Article 4(1) of the Regulatory Standard, consists in expressing, based on the procedures carried out, a limited assurance conclusion as to whether the remaining disclosed information in the report and in the jointly disclosed quantitative information, is in accordance with the information subject to the work carried out and with the knowledge we obtained during its execution.

Scope of Work

Our procedures were carried out in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information ", and other applicable technical guidance and ethical standards of the Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas - "OROC") and consists in obtaining sufficient and appropriate audit evidence to conclude, with moderate assurance, that the remaining disclosed information in the Solvency and Financial Condition Report is in accordance with the information that was subject to auditor review and with the knowledge obtained during the certification.

The procedures carried out included, among other procedures, the complete reading of the referred report and the evaluation of the accordance as referred above.

The selection of the procedures performed depends on our professional judgment, including the procedures related to the assessment of risk of material misstatement on the information under analysis, due to fraud or error. In making these risk assessments we considered the internal control relevant for the preparation and presentation of the referred information to plan and execute the appropriate procedures for the circumstances.

We applied the International Standard of Quality Control 1 (ISQC 1) and, as such, we maintain an extensive system of quality control which includes policies and documented procedures related to the compliance of ethical requirements, professional standards and applicable legal and regulatory requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide an acceptable basis for our conclusion.

Conclusion

Based on the procedures carried out and described in the previous section "Scope of Work", which were planned and performed in order to obtain a moderate degree of assurance, nothing has come to our attention which causes us to believe that, at the reference date of Solvency and Financial Condition Report (31 December 2021), the information disclosed therein is not in accordance with the information which was subject to the work carried out by us and with the knowledge obtained during its execution.

OTHER MATTERS

Considering the normal dynamics of any internal control system, the conclusions presented related to the governance system of the Company should not be used for any projection of future periods, since there could be changes of the analysed processes and controls and their degree of efficiency. On the other hand, given the limitations of the internal control system, there could be undetected irregularities, frauds or mistakes.

Lisbon, 4 April 2022

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

Ricardo Lopes Pinto – ROC no. 1579
Registered at CMVM no. 20161189

ANNEX III
QUANTITATIVE INFORMATION

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Solvency II Prepackage Solution

Balance sheet

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021SOL2
Period: Annual
Currency: EUR - Euro
EIOPA QRT: S.02.01

Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	43 905
Pension benefit surplus	R0050	1 476
Property, plant & equipment held for own use	R0060	3 594
contracts)	**R0070**	**2 057 933**
Property (other than for own use)	R0080	50 543
Holdings in related undertakings, including participations	R0090	
Equities	*R0100*	*129*
Equities - listed	R0110	
Equities - unlisted	R0120	129
Bonds	*R0130*	*1 940 376*
Government Bonds	R0140	1 283 212
Corporate Bonds	R0150	657 164
Structured notes	R0160	0
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	59 464
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	7 420
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	1 509 569
Loans and mortgages	**R0230**	**38**
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	38
Other loans and mortgages	R0260	
Reinsurance recoverables from:	**R0270**	**-226 627**
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-226 627
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	-226 627
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	1 058
Reinsurance receivables	R0370	497
Receivables (trade, not insurance)	R0380	23 653
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	25 395
Any other assets, not elsewhere shown	R0420	240
Total assets	**R0500**	**3 440 731**

Liabilities		
Technical provisions - non-life	**R0510**	
Technical provisions - non-life (excluding health)	**R0520**	
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	**1 267 357**
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	R0620	
Best estimate	R0630	
Risk margin	R0640	
linked)	**R0650**	**1 267 357**
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	1 243 175
Risk margin	R0680	24 182
Technical provisions - index-linked and unit-linked	**R0690**	**1 488 840**
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	1 484 722
Risk margin	R0720	4 118
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	8 776
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	8
Deferred tax liabilities	R0780	78 831
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	19 379
Reinsurance payables	R0830	6 472
Payables (trade, not insurance)	R0840	4 749
Subordinated liabilities	**R0850**	**90 062**
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	90 062
Any other liabilities, not elsewhere shown	R0880	24 302
Total liabilities	**R0900**	**2 988 778**

Excess of assets over liabilities	**R1000**	**451 953**

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Solvency II Prepackage Solution

Premiums, claims and expenses by line of business

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Solvency II: Statutory Account
Currency: EUR - Euro
EIOPA QRT: S.05.01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110																	0
Gross - Proportional reinsurance accepted	R0120																	0
Gross - Non-proportional reinsurance accepted	R0130																	0
Reinsurers' share	R0140																	0
Net	**R0200**																	0
Premiums earned																		
Gross - Direct Business	R0210																	0
Gross - Proportional reinsurance accepted	R0220																	0
Gross - Non-proportional reinsurance accepted	R0230																	0
Reinsurers' share	R0240																	0
Net	**R0300**																	0
Claims incurred																		
Gross - Direct Business	R0310																	0
Gross - Proportional reinsurance accepted	R0320																	0
Gross - Non-proportional reinsurance accepted	R0330																	0
Reinsurers' share	R0340																	0
Net	**R0400**																	0
Changes in other technical provisions																		
Gross - Direct Business	R0410																	0
Gross - Proportional reinsurance accepted	R0420																	0
Gross - Non-proportional reinsurance accepted	R0430																	0
Reinsurers' share	R0440																	0
Net	**R0500**																	0
Expenses incurred	**R0550**																	0
Other expenses	R1200																	
Total expenses	**R1300**																	

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		20 160	527 830	54 561	0	0	0	1 650	604 201
Reinsurers' share	R1420		16	0	32 815	0	0	0	0	32 831
Net	**R1500**		20 144	527 830	21 746				1 650	571 370
Premiums earned										
Gross	R1510		20 190	527 830	54 740	0	0	0	1 650	604 410
Reinsurers' share	R1520		16	0	32 815	0	0	0	0	32 831
Net	**R1600**		20 174	527 830	21 926				1 650	571 580
Claims incurred										
Gross	R1610		322 103	108 281	476 004	0	0	0	22 234	928 622
Reinsurers' share	R1620		0	0	9 986	0	0	0	0	9 986
Net	**R1700**		322 103	108 281	466 018				22 234	918 636
Changes in other technical provisions										
Gross	R1710		291 345	-45 837	382	0	0	0	-20 215	225 674
Reinsurers' share	R1720		0	0	68	0	0	0	0	68
Net	**R1800**		291 345	-45 837	314				-20 215	225 607
Expenses incurred	**R1900**		8 323	17 008	12 809					38 140
Other expenses	**R2500**									-2 804
Total expenses	**R2600**									35 336

Premiums, claims and expenses by country

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Solvency II: Statutory Account
Currency: EUR - Euro
EIOPA QRT: S.05.02

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120							0
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	**R0200**							**0**
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220							0
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	**R0300**							**0**
Claims incurred								
Gross - Direct Business	R0310							0
Gross - Proportional reinsurance accepted	R0320							0
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340							0
Net	**R0400**							**0**
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	**R0500**							**0**
Expenses incurred	**R0550**							0
Other expenses	**R1200**							
Total expenses	**R1300**							**0**

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400		ES					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	604 155	46					604 201
Reinsurers' share	R1420	32 820	10					32 831
Net	**R1500**	**571 334**	**36**					**571 370**
Premiums earned								
Gross	R1510	604 355	55					604 410
Reinsurers' share	R1520	32 820	10					32 831
Net	**R1600**	**571 535**	**45**					**571 580**
Claims incurred								
Gross	R1610	928 420	202					928 622
Reinsurers' share	R1620	9 986						9 986
Net	**R1700**	**918 434**	**202**					**918 636**
Changes in other technical provisions								
Gross	R1710	225 578	96					225 674
Reinsurers' share	R1720	62	5					68
Net	**R1800**	**225 516**	**91**					**225 607**
Expenses incurred	**R1900**	38 135	6					38 140
Other expenses	**R2500**							-2 804
Total expenses	**R2600**							**35 336**

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Life and Health SLT Technical Provisions

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.12.01

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**										0						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										0						0
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	1 493 279		1 466 961			-53 903			27 723	2 934 060						0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	2					-226 629				-226 627						0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	1 493 277		1 466 961			172 726			27 723	3 160 686						0
Risk Margin	**R0100**	11 275	4 070			18 066				67	33 478						0
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110										0						0
Best estimate	R0120	-86 683					-111 869			-7 610	-206 162						0
Risk margin	R0130	-4 784				-376				-18	-5 178						0
Technical provisions - total	**R0200**	1 413 088	1 471 031			-148 082				20 161	2 756 198						0

Impact of long term guarantees measures and transitionals

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.22.01

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical	Impact of transitional on interest rate	Impact of volatility adjustment set	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	2 756 198	211 340		2 015	
Basic own funds	R0020	527 015	-154 749		-1 897	
Eligible own funds to meet Solvency Capital Requirement	R0050	527 015	-154 749		-1 897	
Solvency Capital Requirement	R0090	153 561	819		9	
Eligible own funds to meet Minimum Capital Requirement	R0100	495 382	-175 908		-2 590	
Minimum Capital Requirement	R0110	66 945	2 526		4	

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Own funds

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Default Original Amount
Currency: EUR - Euro
EIOPA QRT: S.23.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2
		C0010	C0020	C0030	C0040
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
Ordinary share capital (gross of own shares)	R0010	50 000	50 000		
Share premium account related to ordinary share capital	R0030				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	386 953	386 953		
Subordinated liabilities	R0140	90 062		45 040	45 022
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
Deductions					
Deductions for participations in financial and credit institutions	R0230				
Total basic own funds after deductions	**R0290**	**527 015**	**436 953**	**45 040**	**45 022**
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
Total ancillary own funds	**R0400**				
Available and eligible own funds					
Total available own funds to meet the SCR	**R0500**	**527 015**	**436 953**	**45 040**	**45 022**
Total available own funds to meet the MCR	**R0510**	**527 015**	**436 953**	**45 040**	**45 022**
Total eligible own funds to meet the SCR	**R0540**	**527 015**	**436 953**	**45 040**	**45 022**
Total eligible own funds to meet the MCR	**R0550**	**495 382**	**436 953**	**45 040**	**13 389**
SCR	**R0580**	**153 561**			
MCR	**R0600**	**66 945**			
Ratio of Eligible own funds to SCR	**R0620**	**343,20%**			
Ratio of Eligible own funds to MCR	**R0640**	**739,98%**			

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	451 953
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	15 000
Other basic own fund items	R0730	50 000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	**R0760**	**386 953**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770	100 379
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	**R0790**	**100 379**

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Solvency II Prepackage Solution

Solvency Capital Requirement - for undertakings on Standard Formula

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Solvency II: Solo Purpose
Currency: EUR - Euro
EIOPA QRT: S.25.01

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	113 152		
Counterparty default risk	R0020	12 972		
Life underwriting risk	R0030	68 869		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-44 024		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	**R0100**	**150 968**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	7 644
Loss-absorbing capacity of technical provisions	R0140	-5 051
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	153 561
Capital add-on already set	**R0210**	
Solvency capital requirement	R0220	153 561
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

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Solvency II Prepackage Solution

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Entity: S2_GNBSV - GamaLife - Companhia de Seguros de Vida S.A.
Scenario: 2021 Solvencia II - Pilar 3
Period: Annual
Category: Solvency II: Solo Purpose
Currency: EUR - Euro
EIOPA QRT: S.28.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

MCR calculation Non Life		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

MCR calculation Life		Life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	1 413 086	
Obligations with profit participation - future discretionary benefits	R0220	15 084	
Index-linked and unit-linked insurance obligations	R0230	1 484 722	
Other life (re)insurance and health (re)insurance obligations	R0240	80 898	
Total capital at risk for all life (re)insurance obligations	R0250		4 790 618

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010		
MCRL Result	R0200		66 945

Overall MCR calculation

		C0070
Linear MCR	R0300	66 945
SCR	R0310	153 561
MCR cap	R0320	69 102
MCR floor	R0330	38 390
Combined MCR	R0340	66 945
Absolute floor of the MCR	R0350	3 700

		C0070
Minimum Capital Requirement	**R0400**	**66 945**