INSURANCE IN PORTUGAL

INSURANCE MARKET OVERVIEW 17/18



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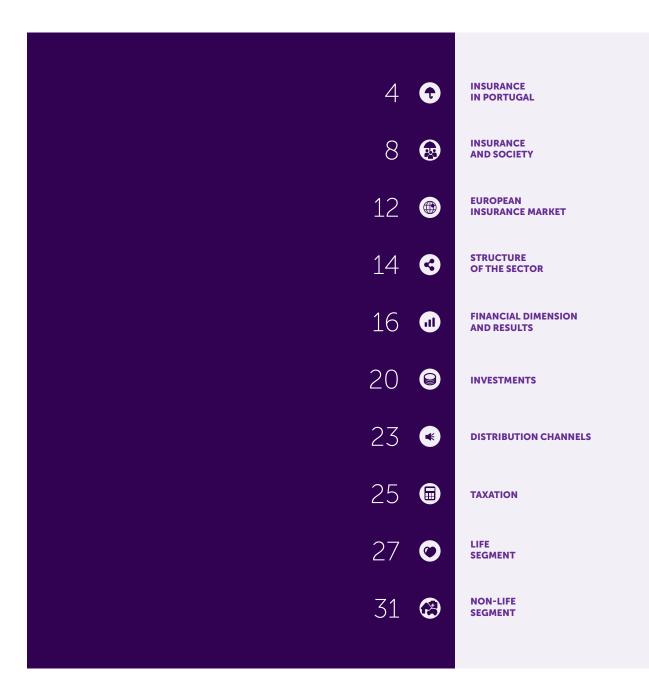
ABOUT THE PORTUGUESE ASSOCIATION OF INSURERS (APS)

APS, WHICH WAS FOUNDED IN 1982, IS A NON-PROFIT ASSOCIATION OF THE INSURANCE AND REINSURANCE COMPANIES OPERATING IN THE PORTUGUESE MARKET, IRRESPECTIVE OF THEIR LEGAL NATURE OR COUNTRY OF ORIGIN.

THE MEMBERS OF APS PRESENTLY ACCOUNT FOR 99% OF THE INSURANCE MARKET IN TERMS OF BUSINESS TURNOVER AND HUMAN RESOURCES EMPLOYED BY THE SECTOR.

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In 2017 Portuguese economy witnessed a real growth of 2,7%, thereby consolidating the path of gradual recovery that began in 2013. Economic growth in Portugal was influenced by the increase in domestic demand and the significant variation in gross fixed capital formation, assisted also by a very favourable international environment that helped boosting exports.

It is also worth highlighting the positive effects on employment as unemployment reached minimum lows since 2004. Private consumption grew again above the disposable income levels thus leading to a further reduction in the households saving rate.

Monetary and financial conditions in place added also to this economic dynamism. Considering the monetary policy followed by the Central European Bank and with interest rates remaining unchanged and money market interest rates remain stable at historically lows, putting an end to the downward trend witnessed in previous years.

The impacts of the evolution of the national and international economic and financial environment extended naturally also to the insurance sector.

Within this context, after two consecutive declining years, in 2017 total direct insurance production amounted to 11,6 billion euros, which represents a growth of +6,5% compared to 2016.

Non-Life lines of business, traditionally more dependent on the evolution of economic activity and labour market, also saw a positive evolution in the production of direct insurance (+6,9%) which witnessed the highest annual growth rate since 2004. The overall result of the Non-Life segment also followed this positive evolution from -9 million euros in 2016 to around 77 million euros at the end of 2017.

However, the evolution of the Life segment was undoubtedly the main catalyst for the increase in this sector's turnover as a whole in 2017. Despite the fall in the households saving rate, output in this segment reversed the recent trend and returned to growth by around +6,2%. Following the same trend the result of the Life insurance technical account amounted closely to 436 million euros, which represents a growth of over 300 million euros compared to 2016.









/ MAJOR AGREGATES					
	2015	2016	2017	+16/15	+17/16
Nr. of Companies	79	73	73	-7.6%	0.0%
Nr. of Employees	10,945	10,575	10,130	-3.4%	-4.2%
Nr. of Brokers	23,100	21,805	20,258	-5.6%	-7.1%
Net Assets	56,496	53,791	56,671	-4.8%	5.4%
Investment Assets	53,921	50,602	53,245	-6.2%	5.2%
Own Funds (Equity)	5,168	5,389	5,955	4.3%	10.5%
Direct Insurance Premiums	12,664	10,876	11,580	-14.1%	6.5%
Life Business	8,669	6,676	7,090	-23.0%	6.2%
Non-Life Business	3,994	4,200	4,490	5.1%	6.9%
Results for the Year	344	82	344	-76.3%	321.2%
Life Technical Account	508	128	436	-74.8%	240.3%
Non-Life Technical Account	107	(9)	77	-108.5%	-946.2%
Non-Technical Account	(271)	(37)	(169)	-86.2%	352.6%
Equity / Net Assets	9.1%	10.0%	10.5%	0.9 p.p.	0.5 p.p.
Results / Equity	6.7%	1.5%	5.8%	-5.1 p.p.	4.3 p.p.

U: Million Euros Sources: APS - Portuguese Association of Insurers, ASF - Portuguese Insurance and Pension Funds Supervisory Authority, BdP	- Bank of
Portugal and INE - National Statistics Institute.	

/ LIFE AND NON-LIFE PRODUCTION	l						
	2015	2016	2017	+16/15	+17/16	+16/15	+17/16
TOTAL (LIFE AND NON-LIFE)	12,664	10,876	11,580	-14.1%	6.5%	-1,788	704
TOTAL LIFE	8,669	6,676	7,090	-23.0%	6.2%	-1,993	413
Life Insurance	6,499	4,990	4,902	-23.2%	-1.8%	-1,508	-89
Insurance linked to Investment Funds	2,170	1,686	2,187	-22.3%	29.7%	-484	501
Capitalisation Operations	1	0	1	-100%	64108.7%	-1	1
TOTAL NON-LIFE	3,994	4,200	4,490	5.1%	6.9%	205	290
Accidents & Health	1,351	1,482	1,634	9.7%	10.3%	131	152
Workmen's Compensation	556	624	705	12.2%	13.0%	68	81
Workmen's Compensation Health	556 633	624 694	705 751	9.6%	13.0%	68	81 58
				-			
Health	633	694	751	9.6%	8.3%	61	58

U: Million Euros | Source: ASF Tables (Provisional_Data_ES)

® INSURANCE AND SOCIETY



The increase of direct insurance premium volume has led to a rise in the indicator that measures the penetration of the sector in the economy (premium over Gross Domestic Product ratio) of about +0,1 p.p., e.g. 6,0% at the end of 2017. This evolution is exclusively justified by the increase in the penetration of the Life branch (3,7% in 2017, compared to 3,6% in 2016) considering that the Non-Life penetration kept constant at 2.3%.

Further evidence of the presence and importance of the insurance activity in the economy is the role of institutional investor taken up by the insurance industry. By the end of 2017, the total investment portfolio of the sector amounted to more than 53 billion euros (about 28% of GDP), which again puts the insurance sector at the top of institutional investors in Portugal.

However, rather than the size of the business, insurance activity stands out from other economic activities for its strong intervention in areas of obvious social interest, such as the protection of people and property and the management of savers' savings. In addition, the sector plays an important role in promoting economic development, particularly through medium and long-term financing to the State and the private business sector.

Thanks to the careful and efficient management of its investment portfolio and the results generated by this, the insurance sector is able to annually return to society all or more of the volume of premiums collected from policyholders.

Thus, adding up to the value of premiums issued the amount corresponding to the stamp duty of policies and the parafiscal charge associated with the insurance premiums, we reach the conclusion that the total cost borne by policyholders with insurance contracts in the Portuguese market in 2017 rose to around 12.2 billion euros.

A substantial part of these premiums - 10 billion euros – has since then been returned to policyholders and other beneficiaries by way of compensation payments, provision for future payments related to insured events and the establishment and reinforcement of liabilities associated to long term savings of the Portuguese.

In addition, and leaving out the VAT incurred on goods and services, along with claims settlement and IRS withheld from savings income and employment wages, the sector delivered to the State or to the institutions under its umbrella. (such as the National Civil Protection Authority, the National Institute of Medical Emergency, the Automobile Guarantee Fund and the Occupational Accidents Fund) slightly more than 760 million euros from of income taxes, parafiscal charges incurred by the insurers and taxes and parafiscal charges borne by the insured.

On the other hand, 1,2 billion euros were spent on costs with around 10,000 employees and on commissions paid to more than 20,000 insurance intermediaries, whose income is at the heat of represent an important addition to the income of this fraction of the Portuguese population.

Finally, shareholders were allocated more than 300 million euros corresponding to the results generated by the activity and as a form of return on invested

In conclusion, as a whole, the insurance sector ended up returning to society about 12,3 billion euros in 2017, that is, an amount higher than the overall amount received from policyholders under the form of premiums and respective tax and parafiscal costs.

/ INDICATORS					
	2015	2016	2017	+16/15	+17/16
Investment Assets / GDP	30.1%	27.4%	27.6%	-2.7 p.p.	0.2 p.p.
D. I. Premiums / GDP	7.1%	5.9%	6.0%	-1.2 p.p.	0.1 p.p.
Life Business	4.8%	3.6%	3.7%	-1.2 p.p.	0.1 p.p.
Non-Life Business	2.2%	2.3%	2.3%	0.0 p.p.	0.1 p.p.
D. I. Premiums / Nr Inhabitants (Euros)	1,227	1,057	1,127	-13.9%	6.6%
Life Business	840	649	690	-22.8%	6.4%
Non-Life Business	387	408	437	5.4%	7.1%

Sources: APS, BdP and INE

/ INSTITUTIONAL INVESTORS' PORTFOLIO									
	2015	2016	2017	2015	2016	2017			
Mutual Funds & Money Market	11,962	11,101	11,292	12.7%	12.4%	12.0%			
Real-Estate Funds	10,059	9,113	9,427	10.7%	10.2%	10.1%			
Pension Funds	18,164	18,468	19,757	19.3%	20.7%	21.1%			
Insurance companies	53,921	50,602	53,245	57.3%	56.7%	56.8%			
TOTAL	94,106	89,283	93,721	100.0%	100.0%	100.0%			

U: Million Euros | Sources: APS, BdP, ASF, APFIPP - Portuguese Association of Investment Funds, Pension Funds and Asset Management and CMVM - Portuguese Securities Market Comission.



1.455

© EUROPEAN INSURANCE MARKET

/ DIRECT INSURANCE PRODUCTION - EUROPEAN UNION									
		GROSS PREMIUMS WRITTEN STRUCTURE(a)							
	LIFE 2017			NON-L	NON-LIFE 2017		TOTAL 2017		
United Kingdom	190	23.5%		93	17.0%		283	20.9%	
France	154	19.0%		88	16.0%		242	17.8%	
Germany	97	12.0%	-	126	22.8%		223	16.4%	
Italy	114	14.1%		42	7.5%		156	11.5%	
Netherlands	16	1.9%	_	63	11.5%		79	5.8%	
Spain	33	4.1%		37	6.8%		71	5.2%	
Portugal	8	1.0%		5	0.9%		13	1.0%	
TOTAL EU	806	100%		552	100%		1.358	100%	

U: USD Billion | Source: Sigma - Swiss Re | (a) Provisional Data

INSURANCE IN ASSOCIAÇÃO PORTUGUESA DE SEGURADORES A

/ INSURANCE MARKETS IN THE EUROPEAN UNION - PENETRATION								
		PER C	API	TA PREMIUN	AS PREMIU	MS/	GDP ^(a)	
	LIFE 2017			NON-L	NON-LIFE 2017		TOTA	L 2017
United Kingdom	2,873	7.2%		938	2.4%	_	3,810	9.6%
France	2,222	5.8%		1,224	3.2%		3,446	9.0%
Germany	1,169	2.6%		1,519	3.4%		2,687	6.0%
Italy	1,977	6.2%		683	2.1%		2,660	8.3%
Netherlands	915	1.9%		3,716	7.7%	_	4,631	9.6%
Spain	715	2.5%		804	2.8%		1,519	5.4%
Portugal	778	3.7%		493	2.3%		1,271	6.0%
TOTAL EU	1,455	4.3%		975	2.9%		2,429	7.2%

U: USD | Source: Sigma - Swiss Re | (a) Provisional Data

In 2017 the volume of premiums in European Union (EU) member countries witnessed a slight increase (+0,3%) to amounts close to 1.360 billion USD. This output increase is fully attributed to the Non-Life segment (+1,1%) considering the slight output decline (-0,3%) of the Life segment.

With particularly developed Life segments, English and French insurance markets continue to be the largest in the European Union, with a share of 20,9% and 17,8%, respectively. The German market follows, the third largest in overall terms (with a share of 16,4%) and still the largest in the Non-Life segment, accounting for more than 22,8% of the European market.

In this ranking, Portugal continues to be in an intermediate position among EU markets; however, it recovered slightly in relative terms, from a share of 0,9% in 2016 to 1.0% in 2017.

In line with this we also saw an increase in the ratio premiums/GDP in the Portuguese market (6,0% in 2017, against 5,9% in 2016), thus reducing the distance from the average as regards this indicator in the EU (7,2%). When compared with the large European markets, Portugal has a value equal to that of Germany (6,0%) and above that of the Spanish market (5,4%).

806



552

975

/ INSURANCE MARKETS IN THE EUROPEAN **UNION PRODUCTION / PENETRATION**

■ Gross Premiums Written | Total

Per Capita Premiums | Total

3 STRUCTURE OF THE SECTOR

After years marked by significant changes in the business structure of the Portuguese insurance industry, in 2017 the total number of companies operating in Portugal remained at 73.

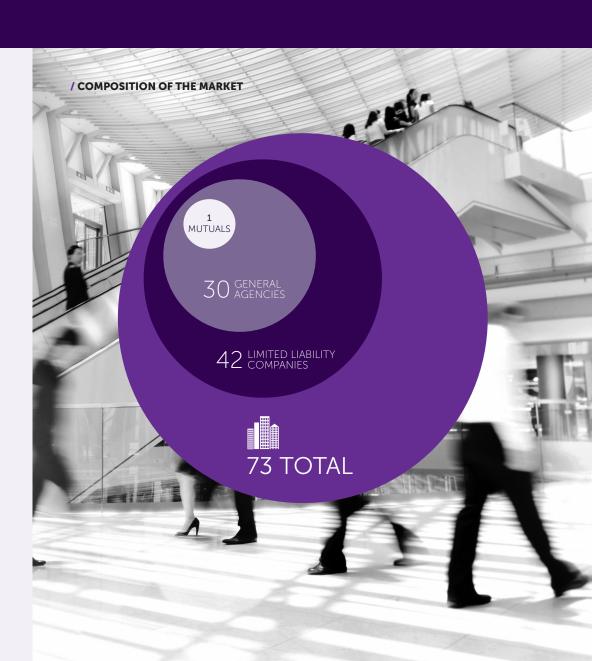
It should be noted that neither the number of joint--stock companies (entities under ASF's prudential supervision) nor the number of EC general agencies has changed compared to 2016. We witnessed nonetheless the withdrawal of a general insurance company, which was offset by the emergence of another.

/ COMPOSITION OF THE MARKET			
	2015	2016	2017
Limited liability companies	45	42	42
National	20	17	17
Foreign ^(a)	25	25	25
Mutuals	1	1	1
General Agencies	33	30	30
Community	33	30	30
Non-Community	0	0	0
TOTAL	79	73	73
Community in FPS (Free Provision of Services) (b)	550	531	542

Source: ASF and APS | (a) Held directly by foreign entities with a majority stake; | (b) Head offices or branches of companies based in other Member States that reported for the year in FPS in Portugal.

/ TOTAL PRODUCTION (LIFE AND NON-LIFE)									
	20	2015		2016		17			
	Amount	%	Amount	%	Amount	%			
Limited liability companies	11,933	94.2%	10,208	93.9%	10,693	92.3%			
Mutuals	8	0.1%	9	0.1%	9	0.1%			
General Agencies	723	5.7%	660	6.1%	878	7.6%			
TOTAL	12,664	100%	10,876	100.0%	11,580	100%			

U: Million Euros | Source: ASF Tables (Provisional_Data_ES)



PORTUGAL

533%

418%

387%

FINANCIAL DIMENSION **AND RESULTS**

Information from the accounts of the insurance sector in 2017 highlights an aggregate result (extrapolated from a 92,5% sample) of around +344 million euros, that is, a figure significantly higher than that witnessed in 2016 (+82 million euros).

Despite some improvements as regards the technical component of results (from -372 million euros in 2016 to -327 million euros in 2017), the evolution of the financial component was undoubtedly the main factor that has led to this favourable year-on-year change in the aggregate result of the sector. This evolution was fuelled by higher than expected economic activity in Portugal and Europe (with the exception of the United Kingdom), thus playing a significant role in the positive performance of financial markets during the year 2017.

In this particularly favourable economic context. the vast majority of the insurance companies in this sample (33 out of 43) posted positive results in 2017 and more than half of the companies (27) witnessed a positive evolution as regards their net results when compared to 2016.

When we analyse the results of the sector in more detail it becomes clear that, despite the notorious favourable year-on-year evolution in the technical accounts of both segments, the Life insurance technical account did have a stronger absolute impact.

Following the same trend, the result of the Life segment amounted closely to 436 million euros, which represents a growth of 308 million euros compared to 2016.

Regarding the Non-Life segment, the year 2017 saw an increase in results, which was enough to reverse the negative results witnessed in 2016 (-9 million euros) and to reach an overall result of around 77 million

Finally, a note to the results of the Non-Life technical account that witnessed a fall when compared to those observed at the end of 2016. These results rose from -37 million euros in 2016 to approximately -169 million euros in 2017, mainly due to the behaviour as regards tax items (current taxes and deferred taxes) which, in line with the overall evolution of the results before taxes, also experienced a strong growth.

As regards the balance sheet, the aggregate net assets of the insurance sector reached around 56.7 billion euros, representing a growth of +5,4% (close to +2,9 billion euros) compared with the same period of 2016.

On the other hand, there was also a +4,8% increase in liabilities (+2.3 billion euros), from 48.4 billion euros in 2016 to 50,7 billion euros by the end of 2017.

This favourable evolution of the total balance sheet value can be largely attributed to the positive performance witnessed in the Life segment. In fact, in 2017, technical liabilities (including Technical Provisions and Financial Liabilities) rose by almost +1,6 billion euros compared to December 2016.

In view of the combination of developments as regards both assets and liability the total equity of the sector was, unsurprisingly, up by +566 million euros (+10,5%).

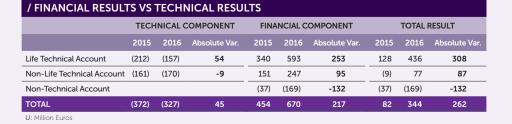
This evolution of capital contributed clearly to the growth of the sector's Solvency Capital Requirement (SCR) coverage ratio, which at the end of 2017 was 175%, thus increasing 28 p.p. compared to December 2016.

The minimum capital requirement (MCR) coverage ratio also increased to 533% (at 418% at the end of 2016). which means that the capital available to meet minimum capital requirements under the new prudential regime was in December 2017 more than five times higher than legally required.

/ SOLVENCY RATIO (SOLVENCY II)

U: Percentage

■ Opening (01.01.2016)
■ 31.12.2016
■ 31.12.2017



COBERTURA SCR

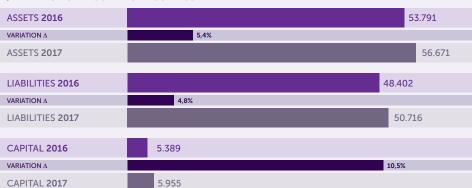
147%

128%

175%

COBERTURA **MCR**

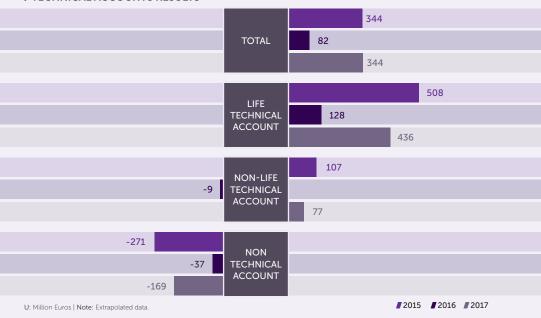
/ BALANCE OF INSURANCE BUSINESS



U: Million Euros | Note: Extrapolated data.







© INVESTMENTS

In December 2017, the total value of the insurance sector portfolio was around 53,2 billion euros, or +5,2% compared with the same period of 2016.

This increase in the volume of assets is justified, in part, by the good performance of the financial markets, particularly as a result of the changes that occurred in the debt markets, with a clear drop in the average rates of return on the Portuguese public debt.

On the other hand, this evolution was due also to the output increase of the Life segment (+6,2%), with particular emphasis on the unit-linked products (+29,7%), and a significant reduction of costs with claims (-33,2%).

In relation to the Non-Life segment, it did not show, in 2017, the same trend as the rest of the portfolio and the value of portfolio assets declined around -4,9%.

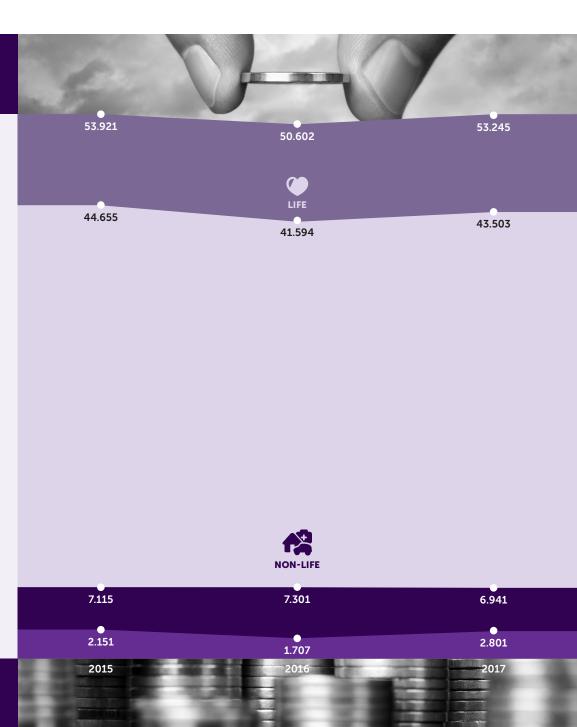
Lastly, with regard to the type of portfolio assets, we see that the largest share of investments in the sector continues to be invested in bonds (70,3%), with a structural increase of +0,3 p.p. compared to 2016 and reaching a total of 38,9 billion euros at the end of 2017, of which 13,8 million euros corresponds to Portuguese public debt (26,0% of the total investment portfolio).

/ EVOLUTION OF THE INVESTMENT **PORTFOLIO**

U: Million Euros Source: ASF Tables (Investments_ES and Investments_PPR) Note: Extrapolated data.

■TOTAL ■ Life ■ Non-Life ■ Not assigned





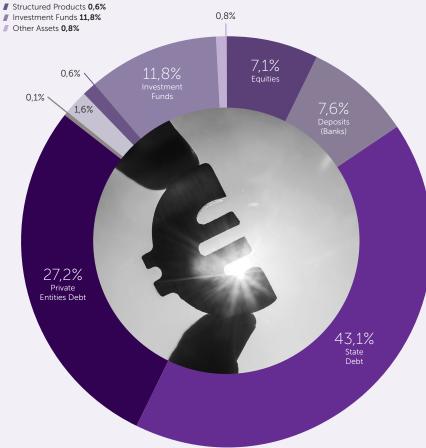
/ ASSET PORTFOLIO COMPOSITION - ASSET TYPE

DE SEGURADORES .

Source: ASF Tables (Investments ES and Investments PPR)

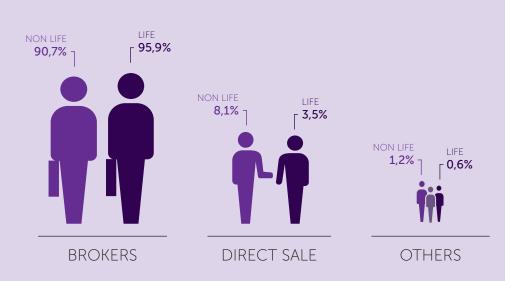
- Equities 7,1%
- Deposits (Banks) 7.6%
- State Debt 43.1%
- Private Entities Debt 27,2%
- Derivates 0.1%
- Real Estate 1.6%
- Investment Funds 11.8%





DISTRIBUTION CHANNELS

of insurance continues to be mainly based on the



/ STRUCTURE OF THE DISTRIBUTION CHANNELS										
	пои	NON-LIFE		FE	то	TAL				
		2017		2017		2017				
Brokers	91.6%	90.7%	92.9%	95.9%	92.4%	93.8%				
	16.6%	16.5%	55.5%	53.6%	40.4%	39.1%				
Tied - Type II	2.4%	2.1%	18.3%	27.5%	12.1%	17.6%				
Insurance brokers	19.5%	19.7%		1.6%	8.6%	8.7%				
Agents	53.1%	52.2%	17.3%	13.2%	31.2%	28.4%				
		0.1%								
Of which: Banks	16.7%	16.5%	71.8%	79.3%	50.4%	54.8%				
Of which: CTT (Post Office)	0.0%	0.0%	1.9%	0.1%	1.2%	0.1%				
Direct Sale	7.9%	8.1%	6.8%	3.5%	7.2%	5.3%				
		5.8%	6.8%	3.5%	6.5%	4.4%				
					0.2%	0.2%				
	1.5%	1.8%	0.0%	0.0%		0.7%				
Others	0.5%	1.2%	0.3%	0.6%	0.4%	0.8%				
TOTAL	100%	100%	100%	100%	100%	100%				





TAXATION

Equally relevant to national public finances are taxes borne by the insurance sector or collected through its activity.

Thus, if we add to the value of written premiums the amount corresponding to the stamp duty levied on insurance policies and the parafiscal charges associated with the insurance premiums, we reach the conclusion that the total tax and parafiscal revenue generated in 2017 by this activity reached the amount of 763 million euros. This amount is equivalent to 6,5% of total direct insurance production, or 16,8% if we consider only Non-Life premiums, which bear most of this tax burden.

It should also be noted that, considering the effective corporate tax rate of 31,9%, the value of income tax incurred by insurance companies was much higher than the result of the application of maximum rates - corporate tax (21%), municipal surtax (1,5%) and state surtax (7,0%).

Finally, it is worth mentioning that, in light of the numbers presented here, it is estimated that in 2017 the insurance sector (including IRS withheld) was responsible for almost 2% of total national tax revenue (direct and indirect taxes) and around 3% of corporate tax revenues1.

¹ Ratios calculated based on the information contained in the "Conta Geral do Estado de 2017" published by the Direção Geral do Orçamento (General Directorate of the State Budget).

	2015	2016	2017 ^(e)	+16/15	+17/16
FOR THE ACCOUNT OF POLICYHOLDERS					
Policy Stamp	305	319	338	4.5%	6.2%
Motor Guarantee Fund (MGF)	25	25	26	2.2%	4.9%
Workmen's Compensation Fund (WCF)	68	72	76	6.0%	5.3%
National Civil Defence Authority	24	27	27	13.9%	-2.0%
National Medical Emergency Institute (INEM)	91	99	107	9.8%	7.4%
Sub-Total	512	542	574	6.0%	5.8%
FOR THE INSURER'S ACCOUNT					
Third-party Certificate (Motor Policies)	5	5	6	2.8%	3.6%
Portuguese Insurance Supervisory Authority (ASF)	25	16	17	-37.9%	9.3%
Workmen's Compensation Fund (WCF)	8	8	8	1.2%	5.3%
Corporate Tax (IRC) and Surcharge	252	174	158	-30.7%	-9.5%
Sub-Total	290	203	189	-29.8%	-7.1%
TOTAL	801	746	763	-7.0%	2.3%
RATIOS	2015	2016	2017 ^(e)	+16/15	+17/16
IRC Rate (IRC and Surcharge/Gross Op. Profit)	48.5%	154.8%	31.9%	106.4 p.p.	-122.9 p.p
Tax and Para-fiscal Burden / Direct Ins. Premiums	6.3%	6.8%	6.5%	0.5 p.p.	-0.3 p.p
Policyholders	4.0%	4.9%	4.9%	0.9 p.p.	0.0 p.p
Insurers	2.3%	1.8%	1.6%	-0.4 p.p.	-0.2 p.p

VAT and personal income tax (IRS) withheld. | (e) Estimated values by APS.



OLIFE SEGMENT



/ LIFE PORTFOLIO(a)									
	DIRECT INSU	DIRECT INSURANCE PRODUCTION			TIONS	:	STUCTURE		
	2015	2016	2017	+16/15	+17/16	2015	2016	2017	
Annuities Contracts	106	147	183	39.1%	24.4%	1.3%	2.3%	2.8%	
Lifetime Annuity	48	60	40	25.2%	-32.9%	0.6%	0.9%	0.6%	
Term Insurance Contracts	753	826	829	9.7%	0.3%	9.0%	12.8%	12.5%	
Retirement Saving Plan (PPR)	1,875	1,700	2,206	-9.3%	29.7%	22.4%	26.4%	33.3%	
Endowment Insurance (excluding PPR)	5,550	3,691	3,346	-33.5%	-9.3%	66.4%	57.4%	50.5%	
Other Capital Contracts (excluding PPR)	70	68	63	-2.9%	-7.1%	0.8%	1.1%	0.9%	
Capitalisation Contracts	1	0	1	-100.0%	-	0.0%	0.0%	0.0%	
TOTAL GLOBAL	8,353	6,432	6,628	-23.0%	3.0%	100.0%	100.0%	100.0%	
INDIVIDUAL CONTRACTS	5,211	4,845	5,104	-7.0%	5.3%	62.4%	75.3%	77.0%	
GROUP CONTRACTS	3,142	1,586	1,518	-49.5%	-4.3%	37.6%	24.7%	22.9%	
SAMPLE:	97.4%	96.2%	97.0%						

U: Million Euros (a) APS "Life Insura	nce Statistics". Sample	Values (Not Extrapolated)
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/ CLAIM COSTS CAUSES IN LIFE INSURANCE(a)									
	F	PAID AMOUNTS (b)			VARIATIONS		STRUCTURE		
	2015	2016	2017	+16/15	+17/16	2015	2016	2017	
Term	3,879	3,712	2,315	-4.3%	-37.6%	38.8%	39.7%	36.3%	
Death	419	410	428	-2.0%	4.3%	4.2%	4.4%	6.7%	
Redemption	5,272	4,992	3,276	-5.3%	-34.4%	52.8%	53.4%	51.4%	
Annuities	52	55	55	6.1%	-1.0%	0.5%	0.6%	0.9%	
Transferral	258	90	112	-65.0%	24.1%	2.6%	1.0%	1.8%	
Incapacity and others complementary contracts	97	84	90	-13.6%	8.0%	1.0%	0.9%	1.4%	
Other	15	7	99	-52.4%	1319.8%	0.1%	0.1%	1.6%	
TOTAL	9,991	9,351	6,375	-6.4%	-31.8%	100.0%	100.0%	100.0%	
SAMPLE:	97.4%	96.2%	97.0%						

U: Million Euros | (a) APS "Life Insurance Statistics". Sample Values (Not Extrapolated). | (b) Excluding charged claims management costs. Including paid



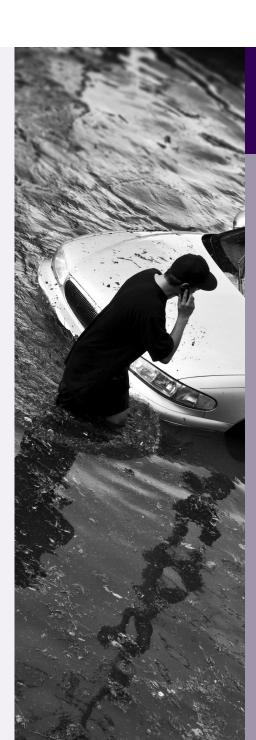
PORTUGAL /

/ INSURED PERSONS ^(a)								
	NUMBER			VARIA	TIONS	AVERAGE PREMIUM PER PERSON INSURED (€)		
	2015	2016	2017	+16/15	+17/16	2015	2016	2017
Annuities Contracts	24,498	25,488	26,327	4.0%	3.3%	4,325	5,782	6,962
Lifetime Annuity	17,957	18,614	18,602	3.7%	-0.1%	2,670	3,226	2,165
Term Insurance Contracts	4,313,055	4,746,700	4,739,622	10.1%	-0.1%	175	174	175
Retirement Saving Plan (PPR)	1,899,578	1,801,950	1,755,947	-5.1%	-2.6%	987	944	1,256
Endowment Insurance (excluding PPR)	1,646,887	1,475,066	1,406,292	-10.4%	-4.7%	3,370	2,502	2,379
Other Capital Contracts (excluding PPR)	120,002	109,620	100,530	-8.7%	-8.3%	580	616	624
Capitalisation Contracts	79	31	31	-60.8%	0.0%	8,734	0	42,368
TOTAL	8,004,099	8,158,855	8,028,749	1.9%	-1.6%	1,044	788	826
INDIVIDUAL CONTRACTS	4,224,903	4,370,106	4,363,044	3.4%	-0.2%	1,233	1,109	1,170
GROUP CONTRACTS	3,779,275	3,788,780	3,640,847	0.3%	-3.9%	832	419	417
SAMPLE:	97.4%	96.2%	97.0%					

(a) APS "Life Insurance Statistics". Sample Values (Not Extrapolated).

/ MATHEMATICAL PROVISIONS AND FINANCIAL LIABILITY ^(a)								
	AMOUNTS			VARIATIONS		STRUCTURE		
	2015	2016	2017	+16/15	+17/16	2015	2016	2017
Annuities Contracts	668	759	791	13.6%	4.2%	1.7%	2.0%	2.1%
Lifetime Annuity	569	627	611	10.3%	-2.6%	1.4%	1.7%	1.6%
Term Insurance Contracts	76	122	120	59.8%	-1.0%	0.2%	0.3%	0.3%
Retirement Saving Plan (PPR)	13,380	13,488	14,123	0.8%	4.7%	33.5%	36.4%	37.3%
Endowment Insurance (excluding PPR)	25,168	22,168	22,299	-11.9%	0.6%	63.0%	59.7%	58.9%
Other Capital Contracts (excluding PPR)	562	556	544	-1.1%	-2.1%	1.4%	1.5%	1.4%
Capitalisation Contracts	74	11	10	-85.6%	-9.6%	0.2%	0.0%	0.0%
TOTAL	39,928	37,103	37,886	-7.1%	2.1%	100%	100%	100%
INDIVIDUAL CONTRACTS	31,729	30,116	30,560	-5.1%	1.5%	79.5%	81.2%	80.7%
GROUP CONTRACTS	8,199	6,987	7,180	-14.8%	2.8%	20.5%	18.8%	19.0%
SAMPLE:	97.4%	96.2%	97.0%					

U: Million Euros | (a) APS "Life Insurance Statistics". Sample Values (Not Extrapolated).



② NON-LIFE SEGMENT



/ COMBINED RATIOS	- DIRECT	INSURANCE ^(a)			
		GROSS WRITTEN PREMIUMS	LOSS RATIO	OPERATING CHARGES	COMBINED RATIO
	2017	1,634	84.7%	22.3%	107.0%
Accidents & Health	2016	1,482	89.9%	22.1%	112.0%
	2015	1,351	90.1%	23.1%	113.1%
	2017	705	101.0%	23.6%	124.6%
Workmen's Compensation	2016	624	112.4%	24.4%	136.8%
	2015	556	108.3%	25.2%	133.5%
	2017	751	76.4%	18.3%	94.7%
Health	2016	694	77.8%	17.2%	94.9%
	2015	633	80.4%	18.0%	98.4%
	2017	802	66.8%	37.6%	104.3%
Fire & Other Damage	2016	779	52.3%	37.9%	90.2%
	2015	764	49.3%	38.2%	87.6%
	2017	1,610	77.3%	28.8%	106.1%
Motor	2016	1,528	77.5%	29.2%	106.7%
	2015	1,471	75.3%	29.6%	105.0%
	2017	26	37.8%	31.9%	69.7%
Marine & Transport	2016	25	58.9%	31.5%	90.5%
	2015	25	123.8%	32.0%	155.9%
	2017	7	28.4%	24.1%	52.5%
Air	2016	6	33.5%	36.3%	69.9%
	2015	7	36.7%	26.8%	63.5%
	2017	21	38.8%	37.6%	76.3%
Carriage of Goods	2016	22	39.1%	33.8%	72.9%
	2015	23	44.7%	37.9%	82.6%
	2017	127	43.9%	38.8%	82.7%
General Third-party Liability	2016	116	42.0%	41.1%	83.1%
	2015	112	33.0%	41.8%	74.8%
	2017	263	58.4%	25.3%	83.7%
Sundry	2016	243	62.8%	24.0%	86.8%
	2015	241	57.2%	27.4%	84.6%
	2017	3,987	76.7%	27.5%	104.2%
TOTAL DIRECT INSURANCE	2016	4,133	76.8%	27.7%	104.5%
Li Million Fures I (a) Those ratios are	2015	4,168	75.0%	28.7%	103.7%

U: Million Euros I (a) These ratios are calculated on earned premiums net of reinsurance.

