

Solvency and Financial Condition Report

2024



Fidelidade



Group

SFCR

Translation of the original report in Portuguese



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Summary





The *Regime Jurídico de Acesso e Exercício da Atividade Seguradora e Resseguradora* [legal framework on the taking-up and pursuit of the business of insurance and reinsurance] approved by Law No. 147/2015, of 9 September, requires insurance undertakings and insurance groups to disclose publicly, on an annual basis, a report on their solvency and financial condition.

The qualitative information¹ that insurance groups are required to disclose is set out in Chapter V of Title II of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014.

The quantitative information¹ to be disclosed together with this report is laid down in Articles 4 and 5 of Commission Implementing Regulation (EU) No. 2015/2452, of 2 December 2015, repealed by Commission Implementing Regulation (EU) No. 2023/895, of 4 April 2023.

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

BUSINESS AND PERFORMANCE

Our history dates back to 1808 with the founding of Seguradora Bonança. Since then, in a journey that spans more than two centuries, the Group has evolved and grown organically, driven by strategic mergers and acquisitions (with over 50 insurance companies and 4 core brands having been included – Bonança, Fidelidade, Mundial and Império). This growth was also marked by the launch of two brands: Multicare, a leader in health insurance, and ok! Seguros, a pioneer in the direct insurance model.

This journey culminated, in 2013, in the creation of a single brand that represents all of our heritage, experience and commitment to our customers: Fidelidade.

The years that followed demonstrated that innovation and the ability to adapt have always been part of our DNA. In recent years, international expansion has become a strategic pillar, with greenfield operations and acquisitions that have been strengthening our presence across borders.

This movement is the result of decisive moments in our history, such as the privatisation process in 2014 when around 85% of Fidelidade's capital was sold to the Fosun Group, marking the beginning of a new phase for the Company.

In more than two centuries of history, over 50 insurance companies have contributed to Fidelidade's current credibility, size and solidity.

This issue of the RT1 instrument attracted a panel of over 120 institutional investors and demand that exceeded supply more than three times over, which allowed us to strengthen our solvency ratios, diversify our investor base and structure and consolidate Fidelidade's reputation in the financial markets.

Longevity and Positive Impact continue to occupy a key position in Fidelidade's global strategy.

In 2024, the Portuguese insurance market recorded total gross premiums of 14.3 billion euros, an increase of 21.2% compared to 2023, reflecting the evolution of the Life segment (+34.9% to 7.0 billion euros) and the Non-Life segment, which continued its growth trajectory, recording premiums of 7.4 billion euros, 10.6% more than in 2023.

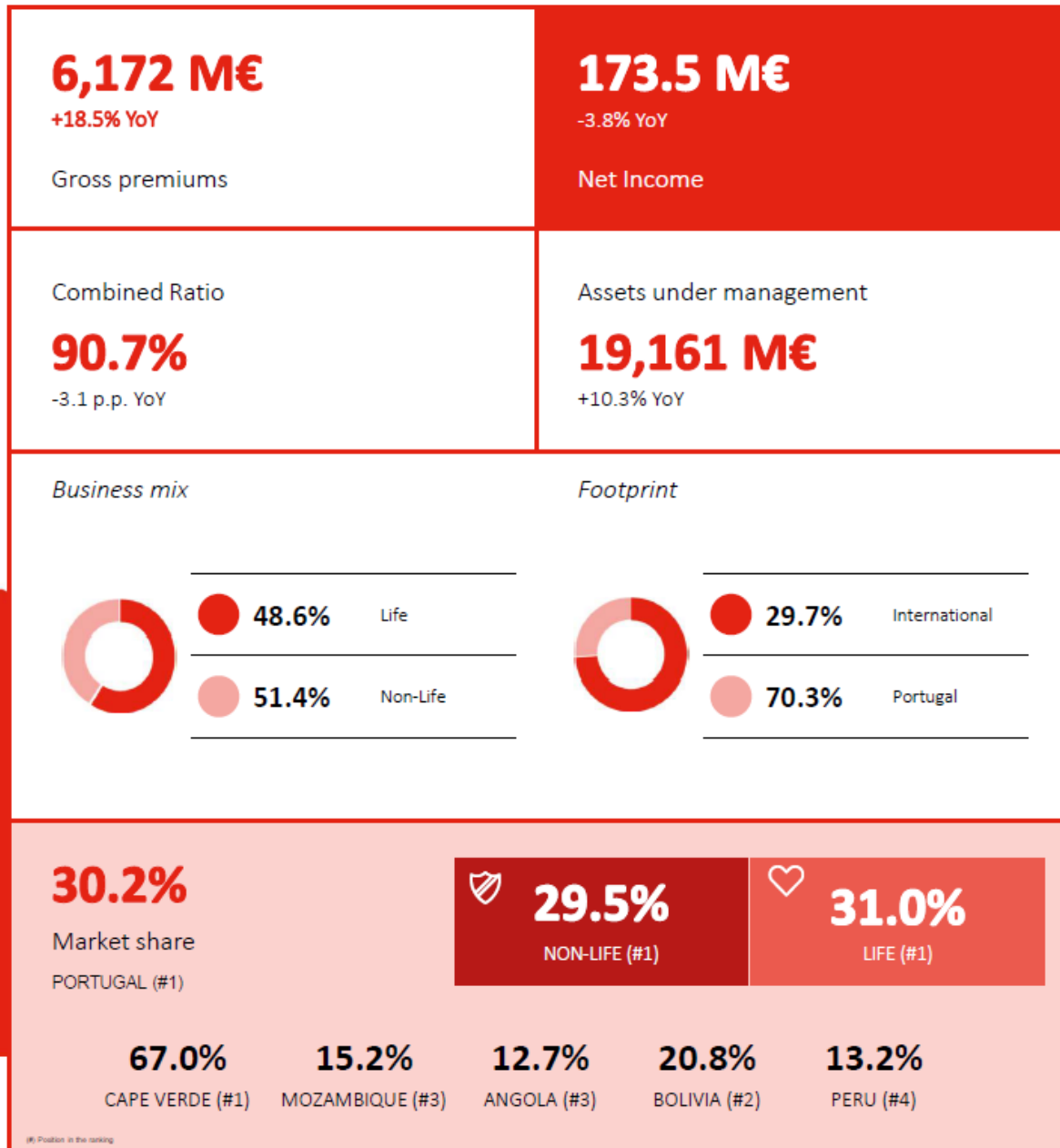
In the Latin American markets where the Fidelidade Group is present – especially Peru, Bolivia and Chile –, the Non-Life segment maintained the growth trend, although there was a slowdown in the growth of these markets compared to 2023.

In Africa, the Fidelidade Group is present in Angola, Mozambique and Cape Verde.

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



Key indicators in 2024 are:



In 2024, the Fidelidade Group held its position as market leader in Portugal, recording an overall market share of 30.2%, corresponding to an increase of 0.6 p.p. compared to the previous year, reflecting the evolution of the Life and Non-Life segments.

The Fidelidade Group consolidated its position, in 2024, in both the Latin American insurance market and the African continent.

In 2024 the Fidelidade Group achieved a consolidated volume of gross written premiums totalling 6,171.9 million euros, an increase of 18.5% compared to the previous year.



Income from insurance contracts grew to 366.5 million euros, an increase of 54.8% compared to 2023, driven by the increase in revenue from insurance contracts, the containment of loss ratio levels and the increase in efficiency levels, reflected in the costs allocated to the lines of business.

The combined ratio in 2024 was 90.7%, demonstrating the robustness of risk underwriting policies and a high level of operational efficiency.

The Life Financial technical result reached €35.6M, an increase of 10.0% compared to 2023, driven by the increase in the income from Life Financial products with Profit Sharing.

Investment income totalled 58.9 million euros, a decrease of 15.4%, reflecting the increase in the rates guaranteed to customers for Fixed Rate products.

Non-operating income fell to -133.2 million euros, reflecting an increase in non-attributable costs related, among others, to costs resulting from the debt issuance that took place in 2024.

The Life business recorded an increase of 30.1% compared to the previous year, to 2,999.6 million euros, mainly reflecting the behaviour of the Life Financial premiums in Portugal, which were positively impacted by the current interest rate context.

Moreover, the international Life business recorded growth of 14.2% compared to the previous year, benefitting particularly from the performance of The Prosperity Company.

In the Non-Life segment, the Fidelidade Group grew 9.3% in 2024, to 3,172.2 million euros, with positive performance in all lines of business and in most geographies. In 2024 the international business accounted for around 31.3% of the total volume of Non-Life written premiums.

In Portugal, the Fidelidade Group performed well in premiums in the Non-Life segment, growing 12.5% compared to the previous year and above the market average (10.6%). Most lines of business contributed to this growth.

Premiums from the international business totalled 1,835.6 million euros in 2024, growing 7.8% compared to the previous year, mainly reflecting the contribution of the Life segment.

In 2024, Latin America accounted for 60% of the Fidelidade Group's international business, with the remainder being distributed between Europe (29%), Africa (7%) and Asia (4%).

In 2024, Fidelidade held 19.2 billion euros of assets under management, an increase of 10.3% compared to 2023, with 23% of this amount related to unit-linked contracts. The investment portfolio not connected to unit-linked products amounted to 14.8 billion euros, generating an average annual return of 3.0%.

Also, in 2024 the policy of diversifying by class of asset and geographies was continued, as a means of maximising yield with an appropriate level of risk given the climate of rising interest rates, and taking into account capital optimisation under the Solvency II rules.

Insurance contract and investment contract liabilities totalled 15.8 billion euros in 2024, demonstrating an increase of 10.7% compared to 2023, reflecting the evolution of investment contract liabilities.

The contractual service margin was 411.5 million euros in 2024, a decrease of -3.9% compared to the previous year, mainly related to the business in Portugal.

Equity, excluding minority interests, totalled 2.5 billion euros, a decrease of 6.3% compared to 2023, reflecting the effect of the dividends payout of 400 million euros, which was partially offset by the increase in the revaluation reserve. The average return on equity (ROE) was 6.7%.

In 2021, Fidelidade issued subordinated debt in the financial markets for the first time, and in 2024 it once again issued debt in order to optimise its capital structure. Accordingly, at the end of 2024, subordinated debt totalled 1,004.5 million euros and the ratio of subordinated debt to total assets was 4.6%.



SYSTEM OF GOVERNANCE

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

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

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

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

The companies in the international sphere are very homogeneous in terms of respect for regulations and the local context, together with adequate articulation with the Group, resulting in a governance model that operates in two areas: independently and dependently, reporting to the central Board.

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

Fidelidade's ORSA Policy aims to establish general principles for the own risk and solvency assessment. The ORSA plays a critical role in the management of the Fidelidade Group companies, and the results obtained from it are taken into consideration in Risk Management, Capital Management and Decision Making.

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

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

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

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

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

There were no material changes in the system of governance either of Fidelidade or of the Companies owned by it, during the period covered by this report.

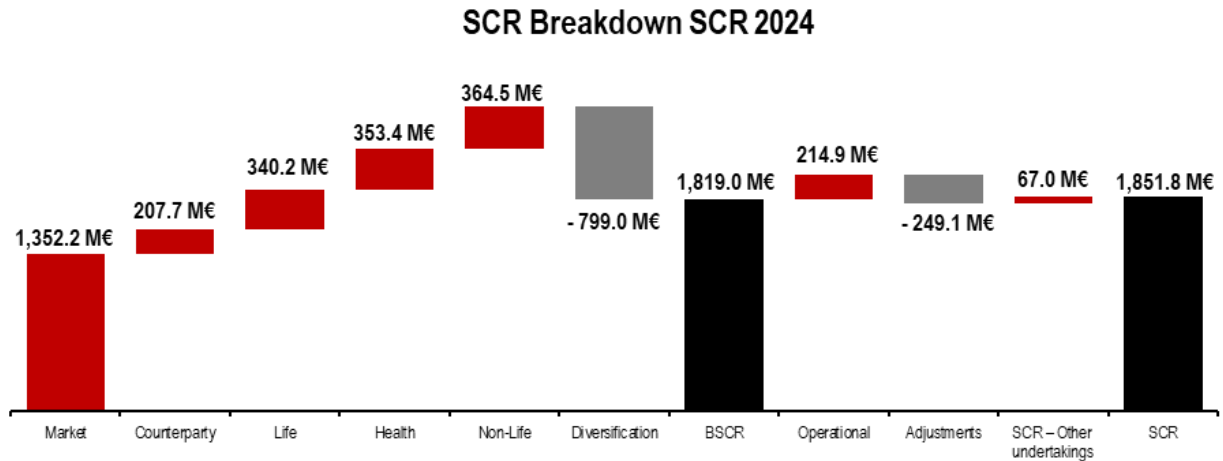
RISK PROFILE

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

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

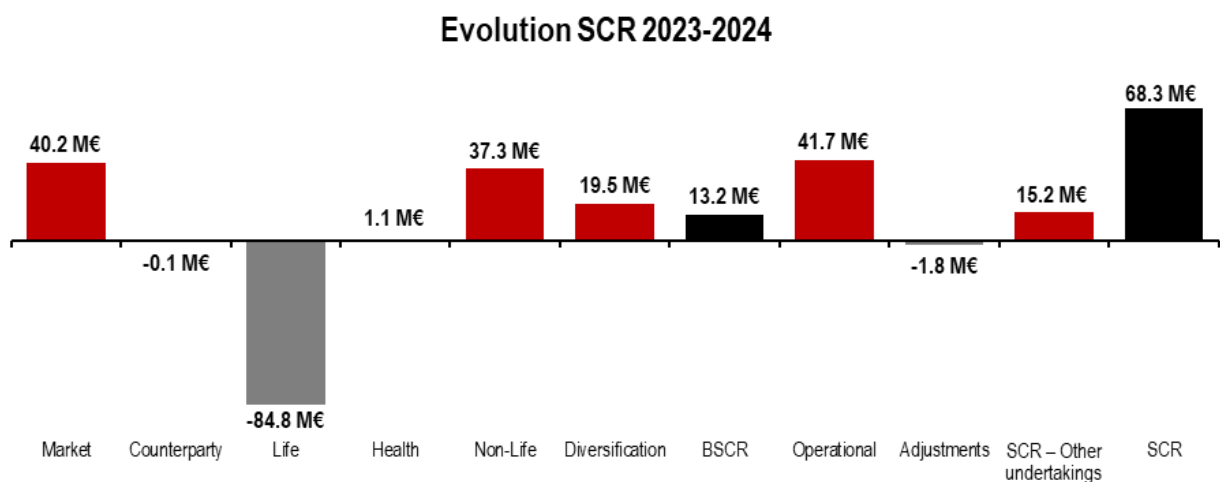
The risk assessment is based on the standard formula used to calculate the solvency capital requirement. For other risks, not included in that formula, the Group has opted to use a qualitative analysis to classify the foreseeable impact on its capital needs.

Hence, the calculation of the Group's solvency capital requirement (SCR) with reference to 31 December 2024 was as follows:



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

During the period covered by this report, there was an increase in the solvency capital requirement (SCR) of around EUR 68.3 million, when compared with the figure at 31 December 2023.



The following elements can be highlighted in this evolution:

- The increase in the market risk, as detailed in Chapter C.2.;
- The decrease in the Life underwriting risk, presented in Chapter C.1.1.;
- The increase in the Non-Life underwriting risk, presented in Chapter C.1.2; and.;
- The increase in operational risk, presented in Chapter C.5.

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

Risks that do not fall within the standard formula are identified and assessed as part of the ORSA process. No materially significant risks were identified at Group level that are not incorporated in the standard formula.

VALUATION FOR SOLVENCY PURPOSES

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

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

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Financial assets	17,716,829	17,784,895	-68,066	16,055,088
Real estate assets	367,939	350,757	17,182	357,312
Other assets	1,469,140	1,797,698	-328,558	1,455,825
Reinsurance recoverables	452,208	814,152	-361,944	426,388
Total	20,006,118	20,747,504	-741,386	18,294,613

The differences are in the following classes of assets:

Holdings in related undertakings, including participations

This results from the valuation, for solvency purposes, of unlisted subsidiaries using the Adjusted Equity Method (AEM). The total difference includes (among less relevant others) the impacts of the valuation of Luz Saúde (the value of this participation, for solvency purposes, fell by 227,805 thousand euros) and of Fidelidade Property Europe (increase of 207,358 thousand euros in the valuation for solvency purposes).

Government bonds

The difference corresponds to potential gains from the portfolio of financial assets valued at amortised cost recognised in Solvency II.

Deposits other than cash equivalents

As of the Q4 2022 report, CIC 79 assets (margin accounts and collateral accounts) were no longer included under the balance sheet heading "Deposits other than cash equivalents" due to a change in the classification. Following the ASF's guidelines, this amount is now reflected under the heading "Any other assets, not elsewhere shown".

Goodwill and Deferred acquisition costs

The value of these assets for solvency purposes is zero, in accordance with the Delegated Regulation.



Intangible assets

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

Deferred tax assets

The difference results from the application of the tax rate to adjustments made for solvency balance purposes, except for adjustments related to goodwill and non-consolidated subsidiaries, as these adjustments are not eligible for tax purposes in accordance with the tax regulations applicable.

Insurance and intermediaries receivables

Most of the difference relates to receivables for premiums from index-linked and unit-linked contracts. This amount is considered in the technical provisions, given that its valuation for solvency purposes is net of these receivables.

Cash and cash equivalents

This results from the difference, when negative, between the balances of current accounts, which were considered in the valuation for Solvency purposes under the heading "Any other liabilities, not elsewhere shown" in other liabilities.

Any other assets, not elsewhere shown

As of the quarterly report relating to the last quarter of 2022, assets relating to margin accounts and collateral accounts were no longer included under the balance sheet heading "Deposits other than cash equivalents" due to a change in the classification. Following the ASF's guidelines, this amount is now reflected under the heading "Any other assets, not elsewhere shown".

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

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

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life	11,306,828	12,432,670	-1,125,842	10,185,075
Non-Life	1,340,061	1,584,082	-244,021	1,219,571
Health – SLT	1,227,210	1,258,517	-31,307	1,117,119
Health – NSLT	557,150	564,257	-7,107	468,282
Total	14,431,250	15,839,525	-1,408,275	12,990,047

Life

For risk products the differences are basically justified by the different contract boundaries used for the technical provisions in the financial statements for a series of temporary annual renewable (TAR) group life insurance contracts, as described in D.5.1. This change to the contract boundaries has a positive impact on the insurance companies' solvency capital requirement coverage ratio of around 5 p.p.

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

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

Non-Life

The main differences identified between the amounts in the financial statements and the Solvency II technical provisions are the result of:

- The application of different discounting structures;
- Methodological differences when valuing liabilities for remaining coverage reflected in the financial statements and in the Solvency II premium provision;
- Methodological differences when valuing the margin for non-financial risks in Solvency II (Risk Margin, in line with the standard formula) and in the financial statements (risk adjustment, in line with IFRS 17).

Health-SLT

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

Health-NSLT

The main differences identified between the amounts in the financial statements and the Solvency II technical provisions are the result of:

- The application of different discounting structures;
- Methodological differences when valuing liabilities for remaining coverage reflected in the financial statements and in the Solvency II premium provision;
- Methodological differences when valuing the margin for non-financial risks in Solvency II (Risk Margin, in line with the standard formula) and in the financial statements (risk adjustment, in line with IFRS 17).

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the Group applied the Transitional measure on technical provisions on the first day of 2024. The table below shows the amount of that deduction at 31 December 2024:

Amounts in thousand euros

Lines of business/ Homogeneous risk groups		Transitional Deduction		
		Recalculation 1/1/2019	Annual Decrease	Amount at 31/12/2024
29 and 33	Life insurance obligations - Health – SLT	256,882	-19,760	158,081
30	Life insurance obligations - Insurance with profit sharing - Capital redemption products	137,145	-10,550	84,397
32	Life insurance obligations - Other obligations similar to life - Capital redemption products	192,764	-14,828	118,624
Total		586,791	-45,138	361,102



A comparison is also presented of the valuation of other liabilities for solvency purposes (current values and those of the previous year) and their valuation in the financial statements:

Amounts in thousand euros

Liabilities	Solvency II	Financial statements	Difference	Solvency II previous year
Contingent liabilities	0	0	0	0
Provisions other than technical provisions	30,646	30,646	0	38,735
Pension benefit obligations	28,295	28,295	0	7,860
Deposits from reinsurers	59,737	59,737	0	57,551
Deferred tax liabilities	357,843	26,487	331,356	619,067
Derivatives	201,902	202,740	-838	310,725
Debts owed to credit institutions	6,835	6,835	0	4,891
Financial liabilities other than debts owed to credit institutions	60,934	49,230	11,704	61,346
Insurance and intermediaries payables	265,075	265,133	-58	216,765
Reinsurance payables	342,248	497,584	-155,336	314,325
Payables (trade, not insurance)	197,341	197,341	0	149,111
Subordinated liabilities	1,011,123	1,004,456	6,667	482,667
Any other liabilities, not elsewhere shown	235,177	197,865	37,312	217,584
Total	2,797,156	2,566,349	230,807	2,480,627

The differences, by class of liabilities, are:

Deferred tax liabilities

The difference results from the application of the tax rate to adjustments made for solvency balance sheet purposes.

Financial liabilities other than debts owed to credit institutions

The Solvency II adjustment in this heading is justified by the revaluation made to reflect the full economic impacts on the Solvency II Balance Sheet, relating to the sale/purchase option existing over 12.1% of the capital of Fidelidade Moçambique – Companhia de Seguros S.A. (previously Seguradora Internacional de Moçambique, S.A.).

Reinsurance payables

The difference relates to reinsurance ceded payables for reimbursements to the reinsurer of amounts paid in relation to index-linked and unit-linked contracts. For solvency purposes these payables are included in the Life reinsurance recoverables, index-linked and unit-linked, the valuation of which was net of these.

Subordinated liabilities

The difference is due to the fact that in Solvency II subordinated liabilities are valued at fair value, while in the financial statements they are initially recognised at fair value (less directly related transaction costs) and subsequently measured at amortised cost.

Any other liabilities, not elsewhere shown

This results from the difference, when negative, between the balances of current accounts related with futures contracts and the components relating either to the valuation of unmatured contracts (recorded under the heading "Derivatives") or to the initial margin (collateral), which were considered in the financial statements valuation under the heading "Any other assets, not elsewhere shown", and "Sight deposits" with negative balances which were considered in the financial statements valuation under the heading "Cash and cash equivalents"..



CAPITAL MANAGEMENT

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

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

Amounts in thousand euros

	Solvency II	Financial statements	Difference	Solvency II previous year
Assets	20,006,118	20,747,504	-741,386	18,294,613
Technical Provisions	14,431,250	15,839,525	-1,408,275	12,990,047
Other liabilities	2,797,155	2,566,350	230,804	2,480,627
Excess of assets over liabilities	2,777,713	2,341,628	436,085	2,823,939

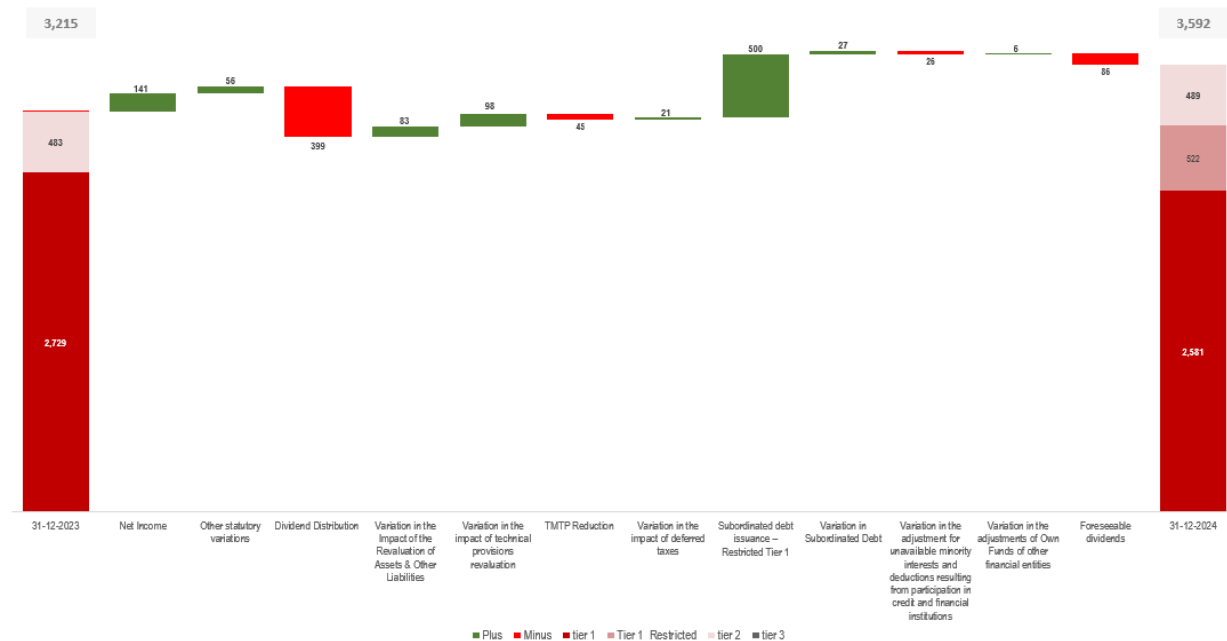
The table below shows the amounts of own funds available and eligible to meet the solvency capital requirement (SCR) and the minimum capital requirement (MCR), classified by tier, relating to 31 December 2024 and 31 December 2023:

Amounts in thousand euros

	Eligible own funds to meet					
	SCR				MCR	previous year
	including financial sector	previous year	excluding financial sector	previous year		
Tier 1	3,102,437	2,728,546	3,092,641	2,724,529	3,092,641	2,724,529
Tier 2	489,524	482,667	489,524	482,667	141,474	128,909
Tier 3	0	4,146	0	4,146	0	0
Total	3,591,961	3,215,360	3,582,165	3,211,343	3,234,115	2,853,438



The graph below shows the main changes to the Group's available own funds during the period covered by this report, in million euros:



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

Calculation of capital requirements of the currency risk sub-module includes the effect of hedging of exchange rate exposure of assets held in portfolio denominated in American dollars (USD), Hong Kong dollars (HKD) and Pounds sterling (GBP), via the use of futures and foreign exchange forwards and swaps, and of assets denominated in Yen (JPY) and Swiss francs (CHF), via the use of foreign exchange forwards.

The counterparty default risk module also takes into account exposure to counterparties with which the above-mentioned hedging is performed.

The consolidated group solvency capital requirement (SCR) and the minimum consolidated group capital requirement (MCR), and the respective coverage ratios, relating to 31 December 2024 and 31 December 2023 were as follows:

Amounts in thousand euros				
	Capital Requirements	Capital Requirements previous year	Coverage Ratio	Coverage Ratio previous year
SCR	1,851,827	1,783,543	194.0%	180.3%
SCR excluding financial sector	1,850,477	1,782,178	193.6%	180.2%
MCR	707,368	644,546	457.2%	442.70%

Lastly, it should be stressed that if the Group did not apply the Transitional measure on technical provisions, the consolidated group solvency capital requirement (SCR) would be 179.49%.

A. Business and Performance





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

Notwithstanding, comparisons with the information included in the 2023 report are presented throughout this chapter.

A.1. Business

A.1.1. Name and legal form

Fidelidade - Companhia de Seguros, S.A. ("Fidelidade" or "Companhia"), with its head office in Lisbon, Portugal, at Largo do Calhariz, 30, is a public limited liability company, resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. in Companhia de Seguros Fidelidade-Mundial, S.A., in accordance with the public deed dated 31 May 2012, which produced accounting effects with reference to 1 January 2012. The operation was authorised by the Portuguese insurance regulator ("*Autoridade de Supervisão de Seguros e Fundos de Pensões*" or "ASF") by a resolution of its Board of Directors dated 23 February 2012. From 15 May 2014, with the initial acquisition of Fidelidade share capital, the Fidelidade Group, through Longrun Portugal, SGPS, S.A., ("Longrun") became part of Fosun International Holdings Ltd. With the dissolution and liquidation of Longrun on 26 September 2024, ownership of Fidelidade passed to Millennium Gain Limited ("Millennium Gain").

The Company's corporate purpose is the performance of the insurance and reinsurance business in all technical lines of business, in accordance with the respective statute that governs its activity.

In order to carry out its activity, Fidelidade has a network of branches throughout the national territory, intermediary centres and customer agencies. Abroad, the Company has subsidiaries in Angola, Cape Verde, Macao, Mozambique, Peru, Bolivia, Paraguay, Chile and Liechtenstein, and branches in Spain, France and Luxembourg.

It holds interests in other insurance companies and other subsidiaries, associates and joint ventures, which together form the Fidelidade Group.

The Group's insurance Companies held by the Company include Via Directa - Companhia de Seguros, S.A. ("Via Directa"), Companhia Portuguesa de Resseguros, S.A. ("Fidelidade Re"), Garantia - Companhia de Seguros de Cabo Verde, S.A. ("Garantia"), Fidelidade Angola - Companhia de Seguros, S.A. ("Fidelidade Angola"), Multicare - Seguros de Saúde, S.A. ("Multicare"), Fidelidade Assistência - Companhia de Seguros, S.A. ("Fidelidade Assistência"), Fidelidade Macau - Companhia de Seguros, S.A. ("Fidelidade Macau"), Fidelidade Macau Vida - Companhia de Seguros, S.A. ("Fidelidade Macau Vida"), La Positiva Seguros Y Reaseguros S.A.A. ("La Positiva"), La Positiva Vida Seguros Y Reaseguros S.A. ("La Positiva Vida"), Alianza Vida Seguros y Reaseguros S.A. ("Alianza Vida"), Alianza Compañía de Seguros y Reaseguros E.M.A. S.A. ("Alianza"), Alianza Garantía Seguros Y Reaseguros S.A. ("Alianza Garantía"), La Positiva S.A. - Entidad Prestadora de Salud ("EPS"), FID Chile Seguros Generales, S.A. ("Fid Chile"), Seguradora Internacional de Moçambique, S.A. ("SIM") and Liechtenstein Life Assurance AG ("LLA").

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

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

For the purposes of Supervision of Insurance Groups, the ASF is also the supervisor of the Fidelidade Group.



A.1.3. Statutory Auditor

The Statutory Auditor, at 31 December 2024, is KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., represented by Ana Cristina Soares Valente Dourado, Statutory Auditor no. 1011 and registered with the Portuguese Securities Market Commission under license no. 20160626.

The Statutory Auditor was appointed on 31 March 2023 to perform its duties regarding the 2024 and 2025 financial years of the 2023/2025 three-year period.

In addition to the statutory audit and audit work, KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. provides the following services, in relation to the 2024 financial year:

- Certification of the Solvency and Financial Condition Annual Report within the scope of ASF Regulatory Standard no. 2/2017-R, of 24 March;
- Opinion on the regular assessment of the effectiveness of policies, procedures and controls on the prevention of money laundering and terrorist financing, pursuant to Article 35(2) of ASF Regulatory Standard no. 4/2023-R, of 11 July;
- Opinion on the Risk Management and Internal Control Systems, regarding the mechanisms and procedures specifically adopted as part of the policy for the prevention, detection and reporting of insurance fraud situations, pursuant to Article 36(4) of ASF Regulatory Standard no. 4/2022-R, of 26 April;
- Opinion on the adequacy of the remuneration policy, pursuant to Article 90(4) of ASF Regulatory Standard no. 4/2022-R, of 26 April; and,
- Opinion on the contents of an excerpt from the Internal Audit function's report with conclusions and recommendations on the results of the market conduct effectiveness assessment, pursuant to Article 22(5) of ASF Regulatory Standard no. 7/2022-R, of 7 June (as successively amended).

Besides the work mentioned above, KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. does not provide the Company, or the companies controlled by it, with any other type of services on a recurring basis.

However, when these other services are provided, this is in strict compliance with the procedures defined in law, namely in Law 140/2015, of 7 September.

A.1.4. Holders of qualifying holdings

The share capital, of 509,263,524.00 euros, is represented by 161.7 million shares with the nominal unit value of 3.15 euros, which are fully paid-up.

The other equity instruments consist of supplementary contributions. In accordance with current legislation, repayment depends on a resolution by the shareholders, which can only be approved if, as a result, the Group's net worth does not fall below the sum of its share capital and legal reserve.

In 2015, in accordance with Item 9 of the agenda of the General Meeting of 31 March 2015, 13,300 own shares were acquired at a unit price of EUR 11.20, totalling EUR 148,960. This acquisition was settled on 22 December 2015.

In May 2018, a capital increase of EUR 76,230,000 was carried out, with an issue premium of EUR 67,276,000.

In September 2020, a capital increase was carried out through new contributions in kind, amounting to EUR 38,912,643, with subscription reserved for shareholders of Multicare and Fidelidade Assistência.

In October 2020, an increase was made through new cash contributions, in the remaining amount of EUR 12,970,881. The capital increase was carried out with an Issue Premium of EUR 63,042,599 euros.

Since 15 May 2014, with Longrun's acquisition of 80% of Fidelidade's share capital, the Fidelidade Group is part of the Fosun Group.



With the dissolution and liquidation of Longrun on 26 September 2024, ownership of Fidelidade passed to Millennium Gain Limited

.

The Company's shareholder structure is as follows:

Shareholder	% Share Capital	Number of Shares
Millennium Gain Limited	84.9892%	137,402,839
Caixa Geral de Depósitos, S.A.	15%	24,250,644
Employees	0.0026%	4,177
Own Shares	0.0082%	13,300
Total	100%	161,670,960



A.1.5. Insurance group structure

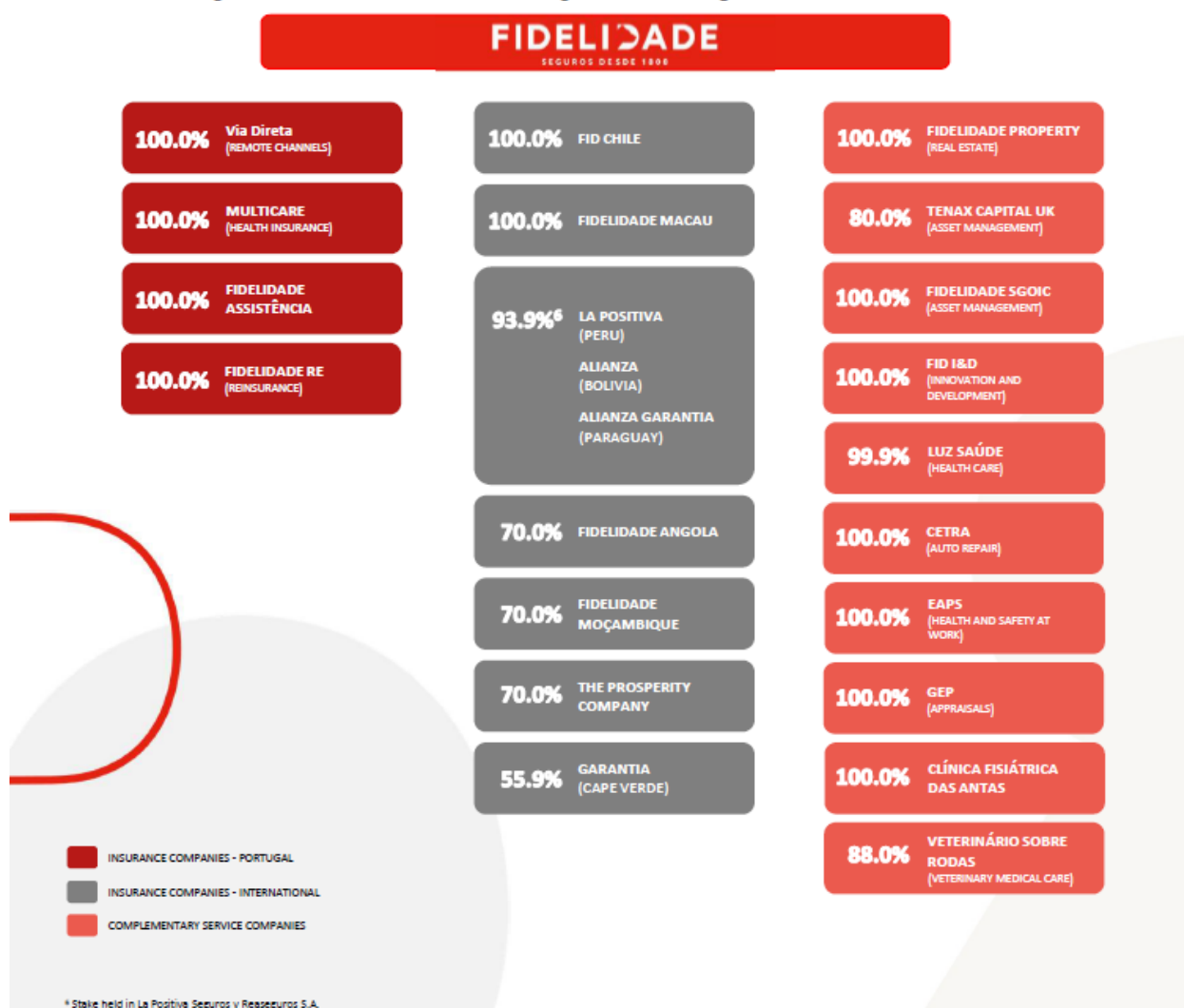
Fidelidade in the World

The Group's global expansion reflects the realisation of a strategic vision that combines ambition with commitment. Through a model of proximity and collaboration, we promote synergies between local teams and central services, integrating the best international practices, while respecting the particularities of each market. It is this combination that enables us to offer solutions that respond, with rigor and care, to the specific needs of each context.

Portugal is the main market in which Fidelidade operates, however, we believe that internationalisation is more than an engine of growth; it is also an opportunity to enrich our experience and contribute significantly to the markets where we are present. Today, we are present in 14 countries (Portugal, Spain, France, Germany, Switzerland, Liechtenstein, Cape Verde, Angola, Mozambique, Peru, Bolivia, Chile, Paraguay and Macau), on four continents, and, in 2024, we are proud of deserving the trust of more than 9.8 million customers.














This geographical diversification, in conjunction with the strength of our brands, allows us to have a unique robustness in the business, as well as a remarkable resilience in the face of global challenges and the dynamics of different markets, thus driving new opportunities for sustainable growth.

International expansion is accompanied by a solid presence in different sectors, as illustrated in the organisational chart below, which presents the most relevant companies of the Fidelidade Group, their main areas of activity and the participation held in each one, reflecting our continuous commitment to building a more solid and global future.





The companies in the Fidelidade Group and their main areas of activity are detailed below.

Europe	
	Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group, headquartered in Portugal, leader in the Portuguese insurance sector, offering products in the Non-Life and Life segments, with operations in several geographies.
	Via Directa – Companhia de Seguros S.A. It is the digital insurance company of the Fidelidade Group, operating through several brands, including ok! seguros. It is a pioneer in the sale of online insurance in Portugal and a leader in the direct insurance segment. It is also dedicated to the contextual sale of insurance through "Embedded Insurance" partnerships.
	Multicare – Seguros de Saúde, S.A. is the insurance company dedicated to health insurance, managing the leading brand of this line of business in Portugal, with over one million customers. It stands out for its pioneering spirit, focus on prevention, robust capital, as well as its network of about five thousand private health providers, including the reference healthcare units. It is the only health insurer with the ISO 9001 Quality Management System certification, since 2011.
	Fidelidade Assistência – Companhia de Seguros, S.A. is an insurance company specialized in assistance and legal protection insurance. Operating essentially as a reinsurer, it is the market leader in Portugal.
	Fidelidade Re - Companhia de Resseguros S.A. is the internal reinsurance vehicle of the Fidelidade Group that operates in the reinsurance of the Non-Life segment.
	The Prosperity Company leads the TPC Group, whose main objective is to offer savings solutions, based on unit-linked pension products, for individual customers of the life insurance company, Liechtenstein Life Assurance AG. In addition, the Group has other companies that explore other dimensions of its value proposal, for both customers and intermediaries. Its activity is mainly concentrated in Switzerland and Germany.
	Fidelidade – Property Europe, S.A. and Fidelidade – Property International, S.A. are the companies responsible for managing the real estate investments of the Fidelidade Group.
	Tenax Capital Limited is a UK-based asset management company specializing in the management of funds for insurers and banks, focused on building low-capital-intensive products in these financial institutions.
	Luz Saúde, S.A. is the head of Grupo Luz Saúde, one of the largest groups in the private health care market in Portugal, managing more than 30 private hospitals and clinics and a senior residence. In 2024, it had 1,116 beds, and performed 2.4 million consultations, 414 thousand emergency consultations and 70 thousand surgeries and births.
	Safemode is the brand under which EAPS – Empresa de Análise, Prevenção e Segurança, S.A. develops and provides risk analysis and safety and health at work services, including, among others, occupational medicine.
	Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A. is the real estate investment fund management company.
	GEP – Gestão de Peritagens, S.A. is the company responsible for the appraisals and investigations of the Fidelidade Group's insurers, with a presence in Portugal, Angola, Mozambique and Cape Verde.
	CETRA – Centro Técnico e Reparação Automóvel S.A. is a company that, operating under the brand Fidelidade Car Service, is dedicated to the provision of car repair services.



Clínica Fisiátrica das Antas, Unipessoal, Lda. is a physical medicine and rehabilitation unit, located in Porto, with a specialized clinical and therapeutic staff. Its mission is the comprehensive rehabilitation of users, promoting functionality, the reduction of sequelae, the improvement of quality of life and independence in activities of daily living, social and work.



FID I&D, S.A. provides consulting services and development of new digital solutions and platforms, analytical models, new solutions based on Artificial Intelligence and Machine Learning models.



Veterinários sobre Rodas, Lda. it provides medical and veterinary care services at home, also having clinics in Sintra, Almada and Porto, a bathing and clipping van, an online store and also a canine space with daycare, hotel and training services.

Asia Pacific



Fidelidade has been present in Macau since 1999, providing a wide range of protection solutions for private customers and companies. Initially it operated through branches but later originated two companies under local law: Fidelidade Macau – Companhia de Seguros, S.A. and Fidelidade Macau Vida – Companhia de Seguros, S.A. which sell Non-Life and Life insurance, respectively, through a mediation network and the Bank Nacional Ultramarino (BNU), an entity with which there is a *bancassurance agreement*.

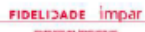
Africa



Fidelidade Angola – Companhia de Seguros, S.A. (formerly Universal Seguros, S.A.), was established in 2011 and currently occupies the third position in the ranking of the Angolan insurance market, operating in the Life and Non-Life lines, providing a diversified range of products, comprehensive aimed at the business segment.



Garantia – Companhia de Seguros de Cabo Verde, S.A. is the leading insurer in the Cape Verdean market, operating in the Life and Non-Life segments with a wide range of products, including health insurance, in which it is a pioneer. The distribution of its products is carried out through its branches, the mediation network and strategic partnerships for the banking channel, namely with Banco Comercial do Atlântico, also its shareholder.



Fidelidade Moçambique – Companhia de Seguros, S.A. is one of the largest and most experienced insurance companies operating in the country, offering a wide range of products in the Life and Non-Life segments. Occupying the third position in the Mozambican insurance market, its presence throughout the country is guaranteed by its own network of branches in the provincial capitals, under the Fidelidade Moçambique brand, and by exclusive access to the network of Millennium BIM, one of the largest banks in Mozambique.



Latin America



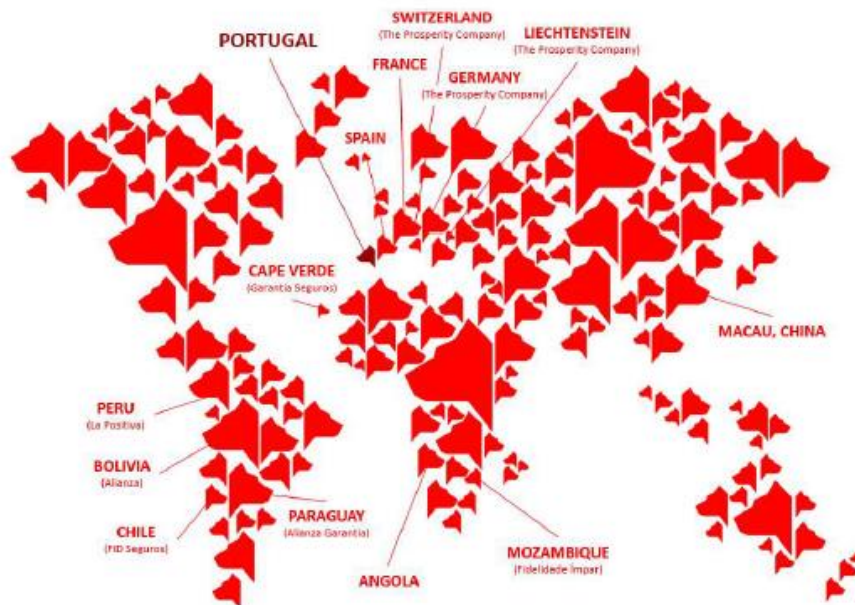
La Positiva Seguros y Reaseguros S.A. was founded in 1937, and leads the La Positiva Group, consolidating itself for over 85 years as one of the main players in the Peruvian insurance market. Currently, it occupies the fourth position, supported by more than three million customers across the country. La Positiva's mission is continuous improvement, expertise in risk management and increasing its presence in the insurance market, focusing on the development and launch of innovative products. This strategy is reinforced by collaboration with strategic partners and the effective use of distribution channels, which aim not only to strengthen the company's position in the market, but also to raise the standards of excellence and speed in customer service.

In addition to its strong presence in Peru, Grupo La Positiva is present in the following countries:

- Bolivia: through the participation of the companies Alianza Compañía de Seguros y Reaseguros, S.A. and Alianza Vida Seguros y Reaseguros, S.A.
- Paraguay: through the participation in the company Alianza Garantía Seguros y Reaseguros, S.A.



FID Seguros Generales S.A. is the Non-Life insurance company of the Fidelidade Group in Chile, which started operations in January 2020, after obtaining the authorisation of the local regulator in the last quarter of 2019, having developed a range of Non-Life products aimed at individual customers and companies, which it distributes through brokers and other non-traditional channels.



30%

of Fidelidade Group's insurance business is outside of Portugal



14

Countries



14,088

Employees
of which 3,933 outside of Portugal



A.1.6. Group Business

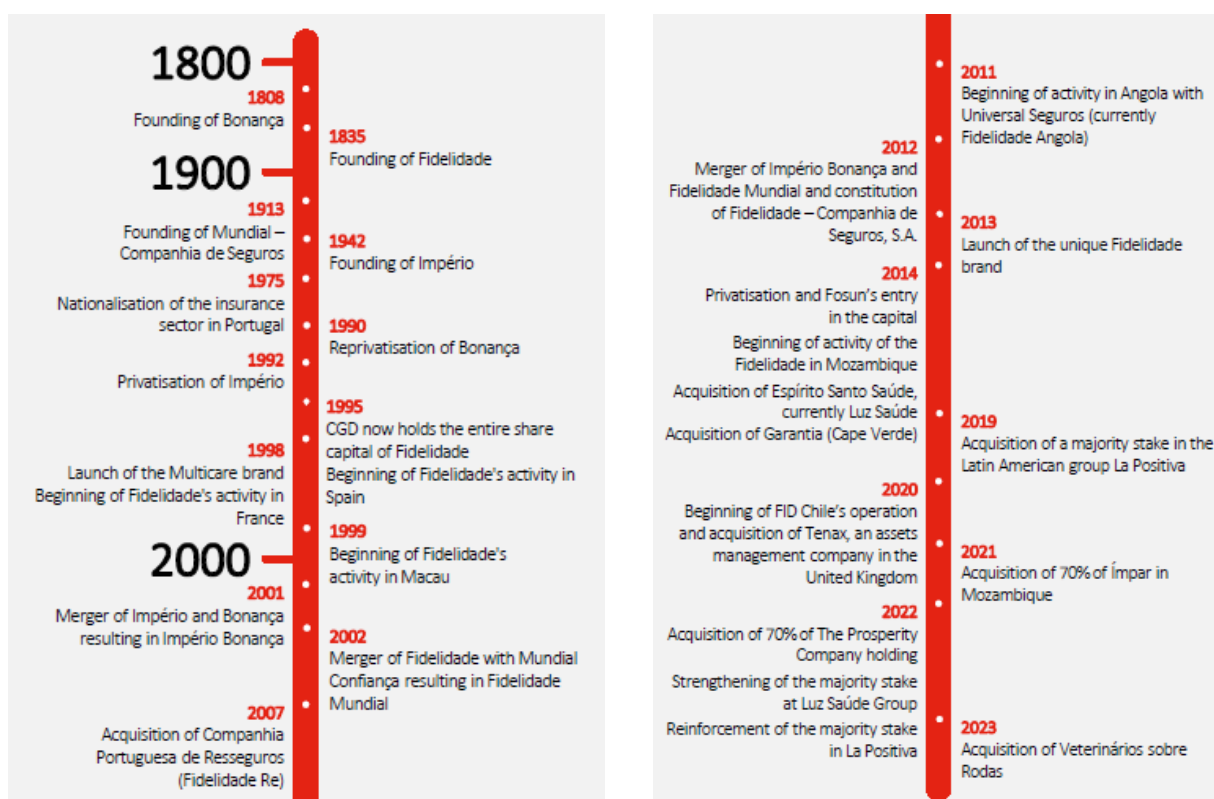
Our history dates back to 1808 with the founding of Seguradora Bonança. Since then, in a journey that spans more than two centuries, the Group has evolved and grown organically, driven by strategic mergers and acquisitions (with over 50 insurance companies and 4 core brands having been included – Bonança, Fidelidade, Mundial and Império). This growth was also marked by the launch of two brands: Multicare, a leader in health insurance, and ok! Seguros, a pioneer in the direct insurance model.

This journey culminated, in 2013, in the creation of a single brand that represents all of our heritage, experience and commitment to our customers: Fidelidade.

The years that followed demonstrated that innovation and the ability to adapt have always been part of our DNA. In recent years, international expansion has become a strategic pillar, with greenfield operations and acquisitions that have been strengthening our presence across borders.

This movement is the result of decisive moments in our history, such as the privatisation process in 2014 when around 85% of Fidelidade's capital was sold to the Fosun Group, marking the beginning of a new phase for the Company.

In more than two centuries of history, over 50 insurance companies have contributed to Fidelidade's current credibility, size and solidity.

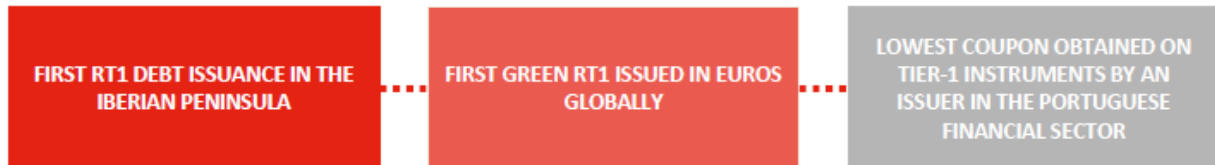


Strategic framework: strengthening solvency and expansion in the financial market

In May 2024, Fidelidade issued 500 million euros in Restricted Tier 1 ("RT1") green perpetual subordinated debt, with an interest rate of 7.75%. It should be noted that this issue, in the form of a green bond, reflects Fidelidade's commitment to responsible investment, with the proceeds being allocated to assets aligned with environmental sustainability criteria.



After over a year of monitoring financial market conditions, this issue made it possible to achieve the following milestones:



This issue of the RT1 instrument attracted a panel of over 120 institutional investors and demand that exceeded supply more than three times over, which allowed us to strengthen our solvency ratios, diversify our investor base and structure and consolidate Fidelidade's reputation in the financial markets.

Ratings

FITCH

FIDELIDADE

In 2024, the American financial rating agency Fitch Ratings raised Fidelidade's Insurer Financial Strength (IFS) rating from 'A' to 'A+' and its Long-Term Issuer Default Rating (IDR) from 'A-' to 'A', both with a stable outlook.

In assigning this rating, Fitch highlighted Fidelidade's profile in a highly positive light, based on the strength of its capitalisation and leverage, strong financial performance, high profitability and mitigation of investment portfolio risk.

The upgrade in the rating assigned by Fitch is a clear reflection that Fidelidade's strategy Fidelidade in recent years has been the right one and necessary to continuously strengthen its solidity.

Currently, Fitch's rating places Fidelidade as the highest-rated company in the Portuguese business landscape.

FIDELIDADE RE

In 2024, Fitch Ratings assigned Fidelidade Re - Companhia de Resseguros, S.A. (formerly Companhia Portuguesa de Resseguros, S.A.) an IFS rating of "A+" and an IDR rating of "A", both with a stable outlook. Fidelidade Re's ratings and outlooks are aligned with those of its parent company (Fidelidade), as Fidelidade Re operates exclusively as a captive reinsurer for the Fidelidade Group.

FIDELIDADE MACAU

In 2024, Fidelidade Macau maintained its Insurer Financial Strength (IFS) rating at "A", with a stable outlook, assigned by Fitch Ratings, being among the highest assigned in the Macao Region. This recognition underlines the company's strategic relevance to its parent company, Fidelidade, and reflects a robust capital adequacy, evidenced in 2024 by a solvency ratio of 693%, significantly higher than the required regulatory minimum. Strict risk and liquidity control strengthen its financial stability and consolidate its prominent position in the Macao market.

MOODY'S

LA POSITIVA

In 2024, Moody's Local (Peru) reaffirmed the "A" ratings, with a stable outlook, for La Positiva Generales and La Positiva Vida, the two main companies that make up the La Positiva Group. The rating agency highlighted La Positiva Group's strong market share and its position as the fourth largest insurer in Peru. Other factors that supported the ratings were its solid underwriting and reinsurance policies, as well as its commercial cross-selling strategy aimed at the P&C and Life customer bases.

**ALIANZA BOLÍVIA**

Moody's Local (Bolivia) has assigned a rating of "AA+" to Alianza Seguros y Reaseguros and "AA-" to Alianza Vida Seguros y Reaseguros, Fidelidade's two main companies in the Bolivian insurance market. Both companies' strong market positions, synergies between Life and Non-Life operations, profitable underwriting and low levels of financial leverage underpin the ratings. Another factor highlighted by Moody's Local is the solidity of the Fidelidade Group, as the majority shareholder.

FELLER RATE**FID CHILE**

In 2024, Feller Rate upgraded FID Chile's rating from "A+" to "AA-", with a stable outlook. This update reflects the company's strong positioning, the solidity of its business plan and the continuous improvement of its profitability indicators.

The insurer also demonstrated consistent growth, a competitive portfolio and a high-quality investment portfolio.

MORNINGSTAR SUSTAINALYTICS**FIDELIDADE**

Sustainalytics has reaffirmed Fidelidade – Companhia de Seguros, S.A.'s low-risk ESG rating, awarding it a score of 14.0 and granting it the prestigious Industry Top Rated seal, highlighting its leadership in sustainability.

This result places Fidelidade as the 12th highest-ranked insurer worldwide (among 299 assessed by Sustainalytics), 1st among P&C – Property and Casualty insurers (among 86) and 7th among European insurers, reflecting the company's commitment to its ESG strategy.



A.1.7. 2024 Highlights

Longevity and Positive Impact continue to occupy a key position in Fidelidade's global strategy. In 2024, as a result of this positioning, the Group invested in innovative solutions to help promote health and healthy lifestyles, financial autonomy and resilience, and to reinforce the Group's commitment to society and the planet. This option has been recognised in various ways, further increasing the commitment to 'Longevity for all ages'.

Significant milestones

Fitch Upgrades Fidelidade's Rating

Fitch upgraded Fidelidade's rating from A to A+ (*Insurer Financial Strength*) and from A- to A (*IDR – Issuer Default Rating*), highlighting the insurer's very solid profile, strong financial performance and profitability, as well as the lower risk of Fidelidade's investment portfolio.

Great Place to Work

19 companies of the Fidelidade Group were distinguished with the certified seal awarded by *Great Place to Work*.

Fidelidade issues Restricted Tier 1 (RT1) Subordinated Perpetual Bonds

Issuance of €500 million in RT1 bonds with an interest rate of 7.75% and interest from more than 120 institutional investors, which strengthens Fidelidade's solvency as recognized by the rating agency Fitch.

Rating ESG

Fidelidade maintained its ESG rating in *Low Risk*, with a score of 14, awarded by *Sustainalytics (Morningstar)*, reaffirming its commitment to sustainability and responsible management of environmental, social and governance risks.

Carbon Disclosure Project (CDP)

Fidelidade received its CDP score for the first time, having obtained a B score in the Climate dimension. This assessment demonstrates Fidelidade's commitment to being a proactive agent in responding to climate change.

Fidelidade launches 7th edition of Protechtig

Fidelidade, in partnership with Fosun, Fosun Foundation and Hospital da Luz Learning Health, launches the 7th edition of Protechtig, a global open innovation program. This year, the focus is on disruptive solutions in the areas of *insurtech*, *Healthtech*, and *Tech-Enablers* (such as AI). Protechtig aims to drive innovation by offering startups the opportunity to develop pilots and collaborate directly with Fidelidade, Fosun and Luz Saúde, promoting impact on a global scale.

Fidelidade distinguished with two awards at the Portugal Digital Awards 2024 for the GAMA project

The GAMA project is an artificial intelligence solution for automating document processing in an intelligent way and was developed by Fidelidade's *Center for Artificial Intelligence & Analytics*, winning the "Best Future of Work Project" and "Best Insurance Project" awards.

Lançamento do Impact Center for Climate Change (ICCC)

Through the ICCC, Fidelidade is reinforcing its commitment to a proactive response to climate change, contributing to mitigation, but also to the adaptation of its negative impacts.

Prémio Fidelidade Award

The *Prémio Fidelidade Award* was given to the nine winning social organisations of the 5th edition, with a total value of 750 thousand euros.

COP 29

Fidelidade was present at COP29 in Baku to reaffirm the crucial role of the insurance sector in responding to climate change and to make the international announcement on the launch of the Impact Center for Climate Change.

Trusted brand

For the 23rd consecutive year, Fidelidade was recognized as a Trusted Brand in the categories of "Motor Insurance" and "Life and Property Insurance", while Multicare was highlighted for the 8th consecutive year in the category of "Health Insurance". This recognition reaffirms the confidence of customers and partners and reinforces the Group's commitment to continue developing innovative protection solutions that respond not only to current but also to future needs.

Communication with Positive Impact

Impacto Positivo (Positive Impact) continued to be a communication axis in 2024, complemented with product campaigns.

Savings I Through the MySavings app, which has evolved to become the customer area of all Fidelidade's financial products, promoting access to information, increasing convenience and the number of users, in addition to boosting cross-selling.

A.1.8. Group Performance

Key balance sheet indicators in 2024 are:

Balance – main indicators

Summary Balance Sheet

	2024	2023	Var. 2024-2023
Total assets	22,050.8	20,285.1	8.7%
Assets under management	19,160.6	17,367.4	10.3%
Liabilities of insurance contracts and investment contracts	15,776.7	14,247.5	10.7%
Contractual Services Margin (CSM)	411.5	428.2	-3.9%
Equity	2,503.9	2,672.8	-6.3%
ROE	6.7%	6.9%	-0.2 p.p.

Units: million euros

In 2024, Fidelidade held 19.2 billion euros of assets under management, an increase of 10.3% compared to 2023, with 23% of this amount related to unit-linked contracts. The investment portfolio not connected to unit-linked products amounted to 14.8 billion euros, generating an average annual return of 3.0%.

Insurance contract and investment contract liabilities totalled 15.8 billion euros in 2024, demonstrating an increase of 10.7% compared to 2023, reflecting the evolution of investment contract liabilities.

The contractual service margin was 411.5 million euros in 2024, a decrease of -3.9% compared to the previous year, mainly related to the business in Portugal.

Equity, excluding minority interests, totalled 2.5 billion euros, a decrease of 6.3% compared to 2023, reflecting the effect of the dividends payout of 400 million euros, which was partially offset by the increase in the revaluation reserve. The average return on equity (ROE) was 6.7%.

In 2021, Fidelidade issued subordinated debt in the financial markets for the first time, and in 2024 it once again issued debt in order to optimise its capital structure. Accordingly, at the end of 2024, subordinated debt totalled 1,004.5 million euros and the ratio of subordinated debt to total assets was 4.6%.

Net profit totalled 173.5 million euros, which, however, was a lower than expected yield, reflecting the impact of the evolution of interest rates on both the appreciation of real estate investments and the yield from the Life Financial business.



CONSOLIDATED FINANCIAL PERFORMANCE

Gains and losses – key indicators

Summary Income Statement

	2024	2023	Var. 2024-2023
Premiums written	6,171.9	5,206.9	18.5%
Life	2,999.6	2,305.4	30.1%
Non-Life	3,172.2	2,901.5	9.3%
Result of Non-Life and Life Risk insurance contracts	366.5	236.8	54.8%
Non-Life Combined Ratio	90.7%	93.8%	-3.1 p.p.
Technical result of Life Financial	35.6	32.4	10.0%
Investment result	58.9	69.6	-15.4%
Investment Yield	3.0%	2.8%	0.2 p.p.
Non-operating result	-133.2	-60.7	119.7%
Earnings before tax and minority interests	327.8	278.2	17.8%
Taxes and minority Interests	-154.3	-97.9	57.7%
Net Income	173.5	180.3	-3.8%

Units: million euros

In 2024 the Fidelidade Group achieved a consolidated volume of gross written premiums totalling 6,171.9 million euros, an increase of 18.5% compared to the previous year.

Income from insurance contracts grew to 366.5 million euros, an increase of 54.8% compared to 2023, driven by the increase in revenue from insurance contracts, the containment of loss ratio levels and the increase in efficiency levels, reflected in the costs allocated to the lines of business.

The combined ratio in 2024 was 90.7%, demonstrating the robustness of risk underwriting policies and a high level of operational efficiency.

The Life Financial technical result reached €35.6M, an increase of 10.0% compared to 2023, driven by the increase in the income from Life Financial products with Profit Sharing.

Investment income totalled 58.9 million euros, a decrease of 15.4%, reflecting the increase in the rates guaranteed to customers for Fixed Rate products.

Non-operating income fell to -133.2 million euros, reflecting an increase in non-attributable costs related, among others, to costs resulting from the debt issuance that took place in 2024.

As a result of the factors indicated above, and particularly the non-operating income, net profit fell by 3.8% compared to 2023, to 173.5 million euros. However, if recurring performance is considered, i.e. excluding non-recurring impacts and extraordinary events related to restructuring costs and real estate assets, adjusted net income amounted to 235 million euros, reflecting a ROE of 9.4%.

A.2. Underwriting performance

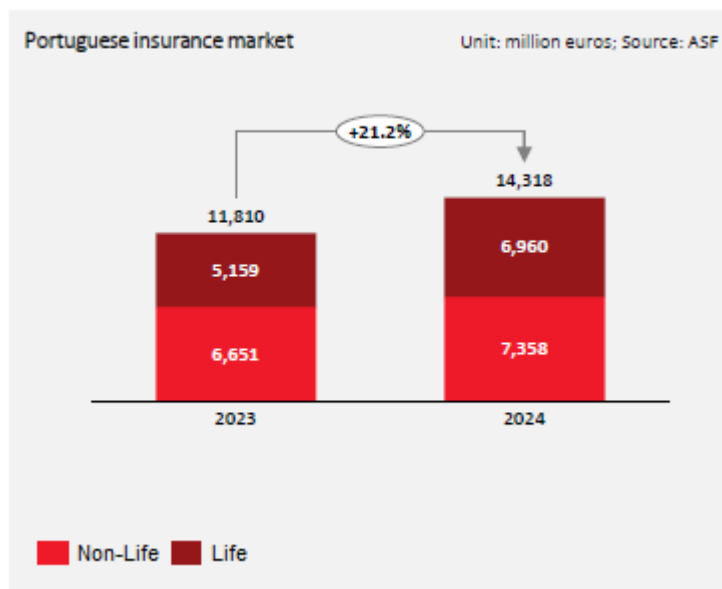
A.2.1. Insurance sector environment

Insurance market in Portugal

In 2024, the Portuguese insurance market recorded total gross premiums of 14.3 billion euros, an increase of 21.2% compared to 2023, reflecting the evolution of the Life segment (+34.9% to 7.0 billion euros) and the Non-Life segment, which continued its growth trajectory, recording premiums of 7.4 billion euros, 10.6% more than in 2023.

The increase in premiums in the Life segment was mainly due to the Life Financial component, in particular in terms of the fixed rate products which were positively impacted by the environment of high interest rates when compared to recent years.

For their part, premiums in the Non-Life segment maintained their growth trend, once again gaining greater traction when compared to the previous year, mainly as a result of a recovery in economic activity and also reflecting the recent inflationary context.



In the Non-Life segment, it is important to highlight the positive evolution registered in the Health line of business (+17.6%), at a time when the population is increasingly aware of the need to complement the services of the National Health System. This growth allowed the Health line of business to consolidate its position as the second largest line of business in the Non-Life segment, with direct insurance premiums rising to 1,586 million euros.



Non-Life: Gross premiums

	2023	2024	Var.
Car	2.098	2.361	12,5%
Health	1.349	1.586	17,6%
Fire and Other Damage	1.181	1.277	8,2%
Accidents of Work	1.140	1.251	9,7%
Other	882	883	0,1%
Total	6.651	7.358	10,6%

Unit: million euros; Source: ASF

International Insurance Market

Latin America

In the Latin American markets where the Fidelidade Group is present – especially Peru, Bolivia and Chile –, the Non-Life segment maintained the growth trend, although there was a slowdown in the growth of these markets compared to 2023.

On the other hand, the Life segment maintained a very high level of growth in 2024, reflecting the strong commercial dynamic of annuity products (survival and old age).

Non-Life: gross premiums by country

	2023	2024
Peru	13.5%	1.3%
Chile	5.6%	1.1%
Bolivia	5.6%	2.6%

Unit: % Rate of Change

Source: Local Regulatory Authorities with updated information as of November 2024 (Peru and Bolivia); Chile with values projected by AACH (Asociacion de Aseguradores de Chile A.G.)

Life: gross premiums by country

	2023	2024
Peru	8.0%	13.9%
Chile	19.0%	4.2%
Bolivia	5.4%	6.8%

Unit: % Rate of Change

Source: Local Regulatory Authorities with updated information as of November 2024 (Peru and Bolivia); Chile with values projected by AACH (Asociacion de Aseguradores de Chile A.G.)

**Africa**

In Africa, the Fidelidade Group is present in Angola, Mozambique and Cape Verde.

Angola maintained the trend in premiums growth, with an increase of around 38% in 2024 compared to 2023, mainly explained by the growth in the Non-Life segment, which increased by 52%. On the other hand, in the Life segment there was a decrease of -41% compared to 2023.

In the Mozambican insurance market, there was an increase in premiums in 2024 (+6% compared to 2023) explained by an increase in Non-Life premiums, of around 6%, and Life premiums, or around 5%, compared to 2023.

In 2024 Cape Verde recorded an increase in premiums of 6% compared to 2023, driven by the increase in Non-Life premiums (+10% compared to 2023). On the other hand, the Life segment recorded a fall of -10% compared to 2023.

POSITION OF THE FIDELIDADE GROUP IN THE PORTUGUESE MARKET

In 2024, the Fidelidade Group held its position as market leader in Portugal, recording an overall market share of 30.2%, corresponding to an increase of 0.6 p.p. compared to the previous year, reflecting the evolution of the Life and Non-Life segments.

In the Life segment, the Fidelidade Group increased its market share by 0.6 p.p. compared to 2023, mainly reflecting the increased weight of the Financial Life segment, where the Fidelidade Group has a more significant share of total Life premiums.

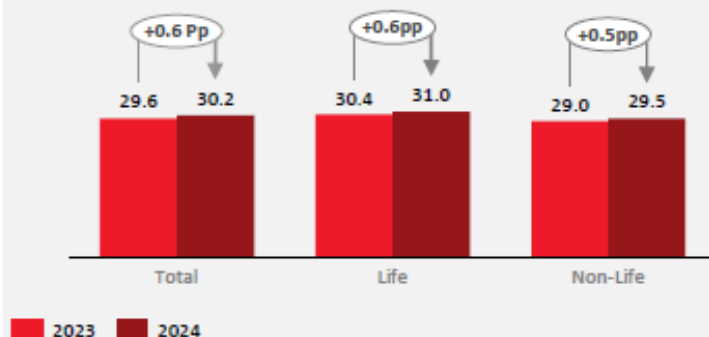
In the Non-Life segment, the Group increased its market share by 0.5 p.p. compared to 2023, essentially reflecting its improved position in the Workers' Compensation, Personal Accidents and Fire and Other Damage lines of business as a result of a boost in sales.

Meanwhile, the Health and Motor lines of business recorded growth in line with the market, reflecting a cautious risk underwriting policy with greater focus on the profitability of these lines of business.



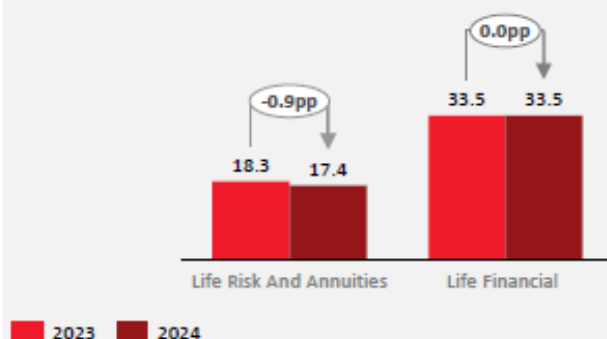
Total Market Share, Life and Non-Life

Unit: %; Source: ASF



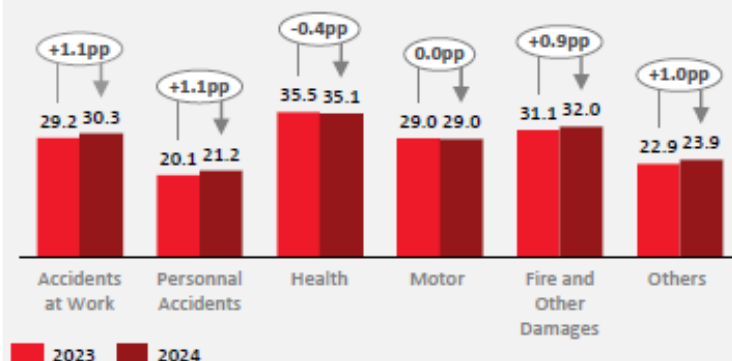
Market share segments Life

Unit: %; Source: APS



Market Share Non-Life Segments

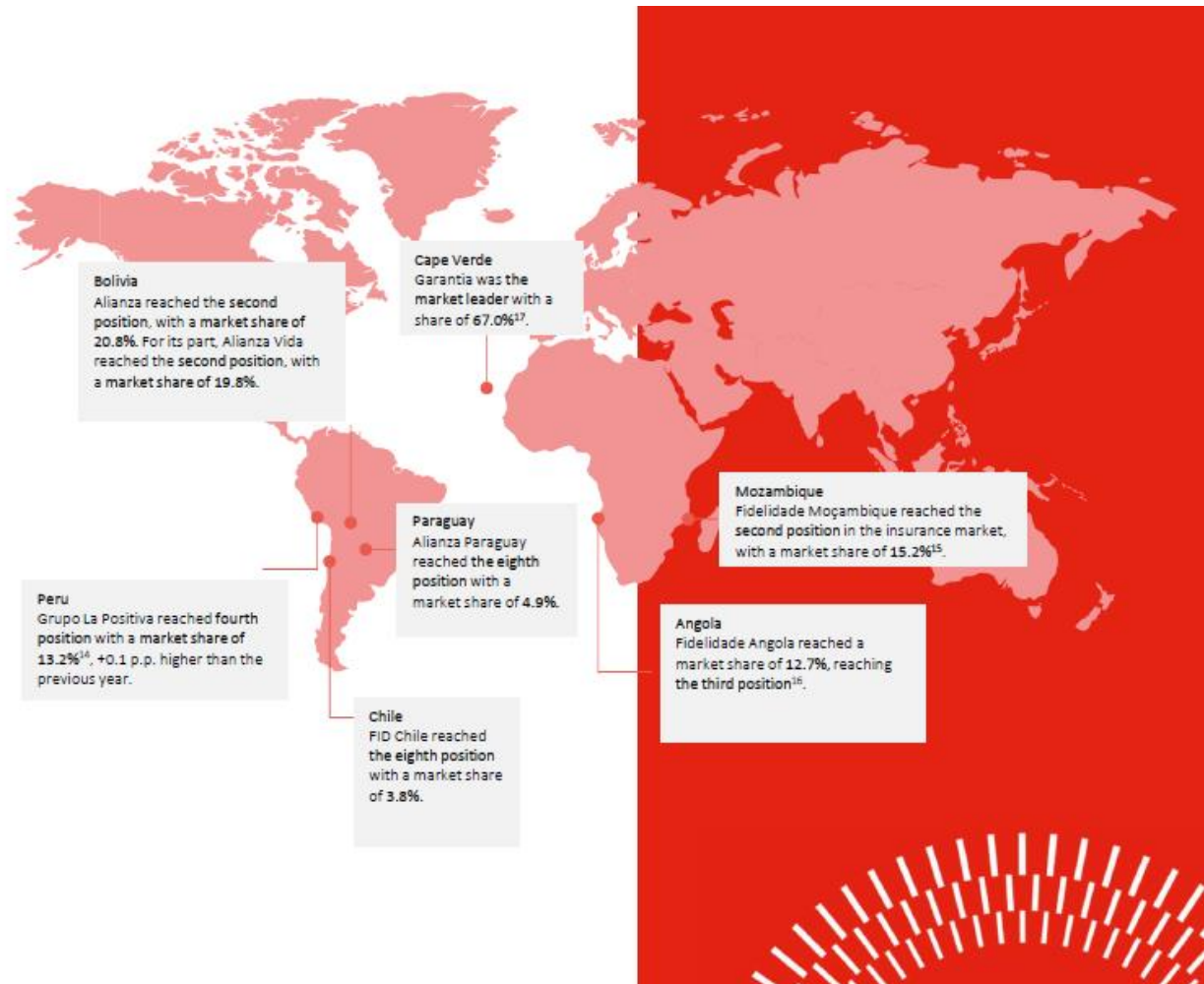
Unit: %; Source: APS





POSITION OF THE FIDELIDADE GROUP IN THE INTERNATIONAL MARKET

The Fidelidade Group consolidated its position, in 2024, in both the Latin American insurance market and the African continent.





A.2.2. Operational performance

The breakdown of written premiums by line of business and geography is as follows:

Premiums written

Consolidated premiums

	2024	% Mix	2023	% Mix	Var. 2024-2023
Life	2,999.6	48.6%	2,305.4	44.3%	30.1%
Risk and Annuities	570.9	19.0%	527.6	22.9%	8.2%
Life Financial	2,428.8	81.0%	1,777.8	77.1%	36.6%
Non-Life	3,172.2	51.4%	2,901.5	55.7%	9.3%
Motor	964.9	30.4%	890.4	30.7%	8.4%
Health	684.6	21.6%	609.2	21.0%	12.4%
Fire and Other Damage	693.4	21.9%	632.5	21.8%	9.6%
Accidents at Work	489.0	15.4%	441.9	15.2%	10.7%
Other Non-Life	340.3	10.7%	327.6	11.3%	3.9%
Total	6,171.9	100.0%	5,206.9	100.0%	18.5%

Units: million euros

Geographic Breakdown

	2024	% Mix	2023	% Mix	Var. 2024-2023
Life	2,999.6	100.0%	2,305.4	100.0%	30.1%
Portugal	2,157.1	71.9%	1,567.8	68.0%	37.6%
International	842.6	28.1%	737.6	32.0%	14.2%
Non-Life	3,172.2	100.0%	2,901.5	100.0%	9.3%
Portugal	2,179.2	68.7%	1,936.4	66.7%	12.5%
International	993.0	31.3%	965.2	33.3%	2.9%
Total	6,171.9	100.0%	5,206.9	100.0%	18.5%
Portugal	4,336.3	70.3%	3,504.2	67.3%	23.7%
International	1,835.6	29.7%	1,702.8	32.7%	7.8%

Units: million euros

The Life business recorded an increase of 30.1% compared to the previous year, to 2,999.6 million euros, mainly reflecting the behaviour of the Life Financial premiums in Portugal, which were positively impacted by the current interest rate context.

Moreover, the international Life business recorded growth of 14.2% compared to the previous year, benefitting particularly from the performance of The Prosperity Company.

In the Non-Life segment, the Fidelidade Group grew 9.3% in 2024, to 3,172.2 million euros, with positive performance in all lines of business and in most geographies. In 2024 the international business accounted for around 31.3% of the total volume of Non-Life written premiums.



Premiums written in Portugal

	2024	% Mix	2023	% Mix	Var. 2024-2023
Life	2,157.1	49.7%	1,567.8	44.7%	37.6%
Risk and Annuities	189.6	8.8%	195.6	12.5%	-3.1%
Life Financial	1,967.5	91.2%	1,372.2	87.5%	43.4%
Non-Life	2,179.2	50.3%	1,936.4	55.3%	12.5%
Motor	739.7	33.9%	674.5	34.8%	9.7%
Health	557.4	25.6%	479.1	24.7%	16.3%
Fire and Other Damage	364.8	16.7%	324.1	16.7%	12.6%
Accidents at Work	378.7	17.4%	333.2	17.2%	13.7%
Other Non-Life	138.5	6.4%	125.3	6.5%	10.5%
Total	4,336.3	100.0%	3,504.2	100.0%	23.7%

Units: million euros

In Portugal, the Fidelidade Group performed well in premiums in the Non-Life segment, growing 12.5% compared to the previous year and above the market average (10.6%). Most lines of business contributed to this growth.

This evolution enabled an increase in market share in the Non-Life segment of 0.5 pp, to 29.5%. Within the Non-Life segment, the Health and Workers' Compensation lines of business recorded the greatest growth of 16.3% and 13.7% respectively. Fidelidade's market share in the Workers' Compensation line of business in Portugal increased by 1.1 pp to 30.3%.

In the Life business in Portugal, Fidelidade recorded an increase in premiums of 37.6% compared to the previous year, influenced by the growth in Life Financial products.

Premiums from international business

	2024	% Mix	2023	% Mix	Var. 2024-2023
Life	842.6	45.9%	737.6	43.3%	14.2%
Risk and Annuities	381.3	45.3%	332.0	45.0%	14.8%
Life Financial	461.3	54.7%	405.6	55.0%	13.7%
Non-Life	993.0	54.1%	965.2	56.7%	2.9%
Motor	225.1	22.7%	215.9	22.4%	4.3%
Health	127.2	12.8%	130.1	13.5%	-2.2%
Fire and Other Damage	328.6	33.1%	308.4	31.9%	6.6%
Accidents at Work	110.3	11.1%	108.6	11.3%	1.5%
Other Non-Life	201.8	20.3%	202.2	21.0%	-0.2%
Total	1,835.6	100.0%	1,702.8	100.0%	7.8%

Units: million euros

Premiums from the international business totalled 1,835.6 million euros in 2024, growing 7.8% compared to the previous year, mainly reflecting the contribution of the Life segment.

The Non-Life business grew 2.9% compared to 2023, and was negatively impacted by the exchange rate effect, particularly in the Angola business. On the other hand, Chile, Paraguay and Cape Verde were the geographies that contributed most to the increase in international Non-Life premiums.

The Life Risk and Annuities line of business, which carries significant weight in the Latin American business, recorded growth of 14.8%, essentially reflecting an increase in the Bolivia and Peru operations. The Life Financial line of business recorded growth of 13.7%, largely driven by the activity of The Prosperity Company group.

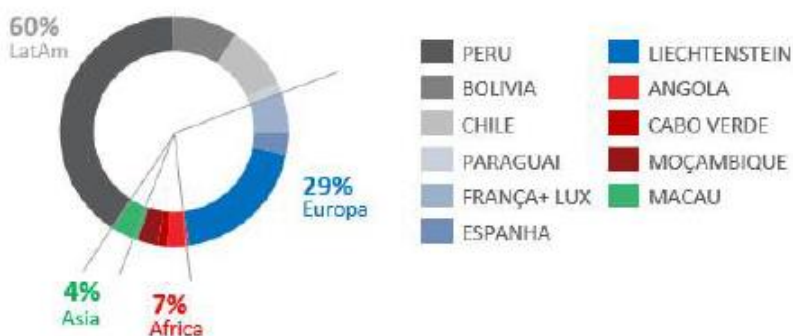


	2024			2023		Var. 2024-2023
	%Life	%Non-Health	Total	%Life	%Non-Health	%
PERU	40%	60%	747.4	35%	65%	8.0%
LIECHTENSTEIN	100%	0%	360.7	100%	0%	12.8%
BOLIVIA	43%	57%	167.5	46%	54%	-7.8%
CHILE	0%	100%	166.0	0%	100%	27.3%
FRANCE + LUXEMBOURG	28%	72%	104.6	25%	75%	1.8%
MACAO	77%	23%	73.4	71%	29%	-4.1%
SPAIN	16%	84%	58.0	6%	94%	17.4%
ANGOLA	5%	95%	56.2	5%	95%	-8.4%
MOZAMBIQUE	15%	85%	53.0	10%	90%	10.5%
PARAGUAY	10%	90%	24.8	3%	97%	29.3%
CAPE VERDE	17%	83%	24.1	16%	84%	9.4%
TOTAL	46%	54%	1,835.6	43%	57%	7.8%

Units: million euros

Geographical distribution

In 2024, Latin America accounted for 60% of the Fidelidade Group's international business, with the remainder being distributed between Europe (29%), Africa (7%) and Asia (4%).



A.3. Investment performance

In 2024, Fidelidade held 19.2 billion euros of assets under management, an increase of 10.3% compared to 2023, with 23% of this amount related to unit-linked contracts. The investment portfolio not connected to unit-linked products amounted to 14.8 billion euros, generating an average annual return of 3.0%.

Also, in 2024 the policy of diversifying by class of asset and geographies was continued, as a means of maximising yield with an appropriate level of risk given the climate of rising interest rates, and taking into account capital optimisation under the Solvency II rules.

In 2024 and 2023, investment income had the following breakdown:



	Interest	Dividends	Rents	Total 2024	Total 2023
<u>Allocated to Life insurance contract liabilities</u>					
Land and Buildings	-	-	754,281	754,281	2,084,802
Financial assets measured at fair value through profit and loss	1,674,158	1,604,648	-	3,278,806	3,695,664
Financial assets measured at fair value through reserves	94,293,648	474,903	-	94,768,552	94,572,872
Financial assets measured at amortised cost	895,636	-	-	895,636	986,197
Sight deposits	378,769	-	-	378,769	31,001
	97,242,212	2,079,551	754,281	100,076,044	101,370,537
<u>Allocated to contracts considered for accounting purposes as investment contracts for accounting purposes</u>					
Land and Buildings	-	-	24,541,504	24,541,504	41,235,875
Financial assets measured at fair value through profit and loss	37,328,151	7,967,873	-	45,296,023	57,646,498
Financial assets measured at fair value through reserves	113,074,483	294,774	-	113,369,257	96,616,669
Financial assets measured at amortised cost	2,179,067	-	-	2,179,068	3,171,251
Sight deposits	4,149,047	-	-	4,149,047	1,336,086
	156,730,748	8,262,647	24,541,504	189,534,898	200,006,379
	253,972,960	10,342,198	25,295,785	289,610,942	301,376,915
<u>Allocated to Non-Life insurance contract liabilities</u>					
Land and Buildings	-	-	31,445,519	31,445,519	37,693,961
Financial assets measured at fair value through profit and loss	4,711,762	16,408,925	-	21,120,687	34,082,084
Financial assets measured at fair value through reserves	73,151,186	16,119,101	-	89,270,286	70,629,282
Financial assets measured at amortised cost	4,975,003	-	-	4,975,003	6,369,146
Sight deposits	411,228	-	-	411,228	150,138
	83,249,179	32,528,026	31,445,519	147,222,724	148,924,611
<u>Not allocated</u>					
Land and Buildings	-	-	33,705,990	33,705,990	18,663,201
Financial assets measured at fair value through profit and loss	4,265,823	1,305,154	-	5,570,977	3,002,877
Financial assets measured at fair value through reserves	19,854,940	434	-	19,855,374	5,213,207
Financial assets measured at amortised cost	8,873,623	-	-	8,873,623	11,722,166
Sight deposits	6,678,973	-	-	6,678,973	1,964,035
	39,673,358	1,305,588	33,705,990	74,684,936	40,565,486
	376,895,497	44,175,812	90,447,293	511,518,602	490,867,013

A.3.1. Information on investment in securitisations

At 31 December 2024, the value of investment in securitisations is immaterial, and no information is therefore included in this chapter.



A.4. Performance of other activities

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

A.5. Any other information

A.5.1. Group structure and information on the scope of the group in the context of Solvency II reporting

The Fidelidade Group is currently present in four continents and operates not only in the insurance sector but in a wide range of related sectors, from health to asset management.

Portugal is the main market in which Fidelidade operates but recent international expansion has led to the Group being present in 14 countries (Portugal, Spain, France, Germany, Switzerland, Liechtenstein, Cape Verde, Angola, Mozambique, Peru, Bolivia, Chile, Paraguay and Macao), in four continents, with over 9.8 million customers being served.

The Fidelidade Annual Report contains detailed information on the Group's full structure. For the preparation of the Fidelidade Group's consolidated financial statements, the subsidiaries mentioned in Note 3 of that report were considered in the company's consolidation perimeter.

For the determination of consolidated data for solvency purposes, and taking into account both the provisions of Article 335 of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014, and the understanding of the ASF, a number of subsidiaries and associates were not considered in the consolidation perimeter, including:

- Luz Saúde, S.A;
- Fidelidade - Property Europe, S.A, and Fidelidade - Property International, S.A. and all their subsidiaries;
- FID Loans 1 (Ireland) Limited;
- EA One Holding, Inc;
- Tenax Capital and Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A, and the various Investment Funds they manage.

A full list of the companies considered in the Solvency II perimeter can be found in QRT S.32.01.22 Companies within the scope of the group listed in the annexes.



The table below summarises the main differences between Fidelidade's consolidated financial statements, prepared in line with the generally accepted accounting principles in Portugal for the insurance sector, established by the Insurance and Pension Funds Supervisory Authority (ASF) and the consolidated financial statements considering the consolidation perimeter for solvency purposes described above (Solvency II Financial Statements):

Amounts in thousand euros

	Financial Statements		Difference	Financial Statements previous year	
	Accounting Perimeter	Solvency II Perimeter		Accounting Perimeter	Solvency II Perimeter
Total Assets	22,050,768	20,747,504	1,303,264	20,285,089	18,809,428
Total Liabilities	19,215,000	18,405,875	809,125	17,287,578	16,264,923
Excess of assets over liabilities	2,835,768	2,341,628	494,140	2,997,511	2,544,505

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

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

A.5.2. Intra-group operations and transactions

The most common intra-group transactions are dividends, intra-group reinsurance, capital movements (capital increases/reductions, supplementary contributions, etc.) and the provision of specialised services.

Within the Fidelidade Group, Fidelidade Companhia de Seguros, S.A. acts simultaneously as an individual insurance company and as the parent company (holding company) of the group. In this context, for a range of operations, Fidelidade provides specialised services to its subsidiaries in areas such as asset management, risk management and reporting, with a particular focus on the group's Portuguese insurance and reinsurance companies.

B. System of Governance



During the period covered by this report, there were no material changes in the Company's system of governance.

B.1. General information on the system of governance

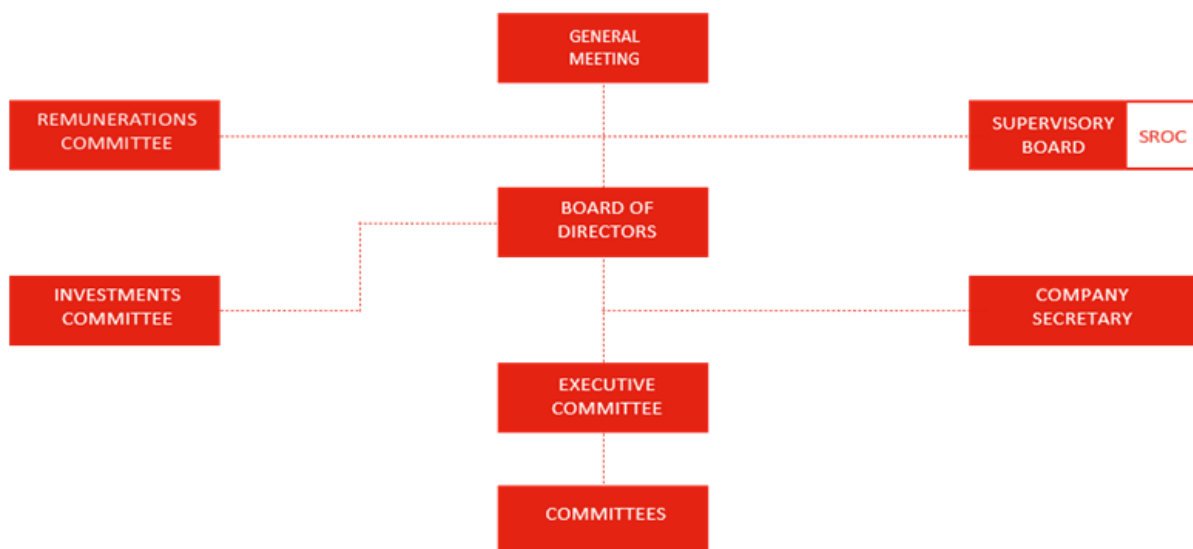
B.1.1. Corporate governance structure

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

Fidelidade, as the Fidelidade Group's parent company, adopts a unitary corporate governance model with a Board of Directors which includes an Executive Committee and a supervisory body comprising a Supervisory Board and a Statutory Auditor Firm.

In line with the Articles of Association, the Board of Directors is composed of at least five and at most seventeen members, elected for mandates of three years, which are renewable.

The figure below represents Fidelidade's Corporate Governance structure during 2024:



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

GENERAL MEETING

Resolutions of the General Meeting are approved by a majority of the votes of the shareholders present or represented at the General Meeting, whenever the law or the Articles of Association do not require a greater number (Article 11(2) of the Articles of Association).

Resolutions concerning any amendments to the Articles of Association, including amendment of the corporate purpose, an increase or reduction in the share capital, merger, demerger, transformation and dissolution of the Company, suppression or reduction of the preference right of the Company shareholders in increases in share capital, cancellation of shares representing the share capital, the suspension or cessation of the exercise of the principal activity included in the Company's corporate purpose, authorisation for the sale and purchase of own shares when this is not realised on a pro-rata basis, and the appointment of the Company's supervisory body and the respective external auditor when this is not one of the four largest international auditing



companies, may only be approved if a vote in favour is achieved with a majority of at least 95% of the voting rights representing the entirety of the share capital.

BOARD OF DIRECTORS

The Board of Directors is composed of at least five and at most seventeen members, elected for mandates of three years, which are renewable.

As one of Fidelidade's corporate bodies, the Board of Directors has the broadest of powers to manage and represent the Company. Pursuant to Article 15(1) of the Company's Articles of Association, in addition to the general powers given to it by law, the Board of Directors is responsible for:

- Managing the Company business and performing all the acts and operations related to the corporate purpose which do not fall within the competence of other Company bodies;
- Representing the Company in and out of court, actively and passively, with the power to withdraw, settle and accept liability in any proceedings, and also entering into arbitration agreements;
- Acquiring, selling or otherwise disposing of or encumbering movable and immovable rights and property;
- Setting up companies, subscribing, acquiring, pledging and disposing of shares;
- Establishing the technical and administrative organisation of the Company and the rules of internal operation, namely regarding employees and their remuneration;
- Appointing legal representatives, with the powers it deems appropriate, including those of delegation.

EXECUTIVE COMMITTEE

Without prejudice to the possibility of rescinding powers delegated to Fidelidade's Executive Committee, the Board of Directors has delegated the day-to-day management of the Company to this committee, which includes:

- All insurance and reinsurance operations and operations which are connected or complementary to insurance and reinsurance operations, including those which relate to acts and contracts regarding salvage, the rebuilding and repair of real estate, vehicle repair, and the application of provisions, reserves and capital;
- Representation of the Company before the supervisory authorities and associations for the sector;
- Acquisition of services;
- Employee admissions, definition of levels, categories, remuneration conditions and other benefits, and appointment to management positions;
- Exercise of disciplinary powers and the application of any sanctions;
- Representation of the Company before any bodies which represent the employees;
- Opening and closing of branches or agencies;
- Nomination of the person representing the Company at the general meetings of companies in which it holds shares, with determination of how the vote is to be cast;
- Nomination of the persons who will take up company positions for which the Company is elected, and the persons that the Company will indicate to take up company positions in companies in which it holds a share;
- Issuing of instructions which are binding on the companies which are in a Group relationship with the Company involving full control;
- Representation of the Company in and out of court, actively and passively, including initiating and defending any judicial or arbitration proceedings, and accepting liability in, withdrawing from or settling any actions, and assuming arbitration commitments;
- Appointment of legal representatives, with or without power of attorney, to perform certain acts, or categories of acts, with definition of the scope of the respective mandates.



The delegation of powers to the Executive Committee does not cover matters which remain the exclusive competence of the Board of Directors.

INVESTMENTS COMMITTEE

All of the Company's investment decisions are subject to supervision by the Investments Committee, and the Executive Committee reports operations performed to the Investments Committee.

The Investments Committee is responsible for defining investment guidelines and which decisions require its prior approval.

The members of the Investments Committee are appointed by the Board of Directors, and their mandates coincide with the mandate of the Board of Directors.

REMUNERATIONS COMMITTEE

The Remunerations Committee is responsible for establishing the remuneration of the members of Fidelidade's corporate bodies.

The Remunerations Committee was appointed on 30 May 2023 to perform functions until the end of the mandate in progress corresponding to the 2023-2025 three-year period.

The members of the Remunerations Committee are people who, due to their professional experience and curriculum, have the knowledge and appropriate profile regarding remuneration policy, and there has been no use of services provided in this area by external consultants.

The Remunerations Committee presented the Remuneration Policy for the company's management and supervisory body members to the General Meeting of 9 April 2025, for the appreciation of the shareholders.

The Remuneration Policy for Corporate Bodies was, in compliance with the provisions of Article 89(6)(c) of Regulatory Standard no. 4/2022-R of 26 April, subject to annual review, approved by a resolution of the Remunerations Committee on 6 December 2024.

SUPERVISORY BOARD AND STATUTORY AUDITOR

Supervision of the Company is charged, pursuant to Article 413(1) a) of the Code of Commercial Companies, to a Supervisory Board and a Statutory Auditor, with the competences set out in law and the current mandate of which corresponds to the period 2023/2025.

The Statutory Auditor, at 31 December 2024, is KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., represented by Ana Cristina Soares Valente Dourado, Statutory Auditor no. 1011 and registered with the Portuguese Securities Market Commission under license no. 20160626.

The Statutory Auditor was appointed on 31 March 2023 to perform its duties regarding the 2024 and 2025 financial years of the 2023/2025 three-year period.

The Company's Articles of Association establish the Supervisory Board's competences as those which are set out in the law.

COMPANY SECRETARY

The Company Secretary is a Corporate Body, appointed by the Board of Directors, which, besides ensuring the legal functions of Company Secretary in the companies in the Fidelidade Group where so appointed, coordinates the Company Secretariat, a Structural Body that reports directly to the Executive Committee and guarantees the corporate governance function of all the companies in the Fidelidade Group, in Portugal and abroad.

COMMITTEES

The specific committees operate according to competences delegated by the Executive Committee, without prejudice to the subsequent ratification of their decisions by the management body.



The specific committees are, therefore, structures which report to the Executive Committee, which delegates competences to them, and are intermediary decision-making bodies.

Accordingly, the specific committees are decision-making bodies set up to assess and decide on proposals regarding different areas of the day-to-day management.

Furthermore, the competence delegated to each of the specific committees is limited exclusively to acts of day-to-day management regarding matters which are the responsibility of the structural bodies which include each of the committees, as permanent members.

B.1.2. Internal governance

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

The Group guarantees an adequate separation of functions and delegation of responsibilities, by approving each structural body's organic and functional structure, defining its scope and general aims, the related organisational chart and main functions, and appointing its heads.

Means of internal communication are defined for transmitting decisions and resolutions of Fidelidade's Executive Committee, for presenting decision-making proposals and for communication between the structural bodies.

To guarantee an adequate connection between corporate governance, personified in the Executive Committee, and the organisational structure, which ensures the greatest consistency and implementation of the Group's executive management, the members of the Executive Committee are given areas of governance, so that each of them is responsible for monitoring a group of structural bodies.

INTERNATIONAL GOVERNANCE MODEL

The Fidelidade Group's strategy for international expansion is based on innovation, proximity, and the establishment of synergies, in order to create a cohesive and efficient organisation in all geographies.

The Fidelidade Group has adopted a strategic model that seeks to optimise the assimilation of know-how and the implementation of best practices at local level. The results of this effort, which has generated significant synergies for the development and implementation of comprehensive projects, have been boosted by the creation of follow-up forums. These forums seek to cover differing but complementary areas, and needs. Their fundamental principles are the strengthening of internal collaboration, the promotion of a disruptive and innovative dynamic in working models and projects, and the proactive driving of the development of international operations, with a commitment to constant support and monitoring of actions.

With the aim of achieving a more robust basis for participation, transparency, accountability and consensus as a Group, control bodies and mechanisms have been put in place, at both local level and Group level by International Committees. At the same time, there is a commitment to creating efficient operating practices and a consistent customer experience throughout the organisation. The Group is accordingly redefining its internal processes in the various geographies, in order to achieve a more solid and comprehensive vision that contributes to the implementation of effective strategies and consistency in the internal practices of its international operations.

In the context of developing the Group's International Governance Model, a process for monitoring compliance risks in international operations was implemented, which outlines the need to support them to improve the operating model and achieve higher levels of maturity. The Compliance Department, in conjunction with the information systems area, has sought to improve control of the money laundering risk and to implement automatic online filtering and transaction monitoring processes at Garantia Cabo Verde, Fidelidade Moçambique, Fidelidade Angola and the Fidelidade branch in France.



B.1.3. Key functions

The key functions established within the risk management and internal control systems in the Fidelidade Group's insurance are a have policies, processes and procedures aligned with the business strategy and operations, guaranteeing sound and prudent management of the business. Accordingly, Group-wide key functions are established, in risk management, internal audit, actuarial and compliance, within the scope of the risk management and internal control systems, which are guaranteed by Fidelidade's Risk Management Division, Audit Division and Compliance Division.

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

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

The following functions are defined for these bodies:

B.1.3.1. Risk Management Function

- Ensuring information is produced and made available to support decision-making, both by the Executive Committee and by the other decision-making bodies;
- Ensuring the development, implementation and maintenance of a risk management system which enables all material risks to which the Insurers and the group are exposed to be identified, assessed and monitored;
- Assessing and monitoring the current and future solvency situation;
- Identifying, assessing and monitoring the market risks and counterparty credit risks;
- Monitoring compliance with the defined level of liquidity and coverage of estimated payments by estimated receipts;
- Identifying, assessing and monitoring operational risks incurred in the insurance group, as well as identifying and characterising the existing control tools;
- Diagnosing and identifying improvements in the operational risk management and internal control systems;
- Assessing and monitoring the risk mitigation instruments, namely Reinsurance;
- Identifying, assessing and monitoring underwriting risks and the credit risk of instruments to mitigate those risks, and preparing information to support decision-making;
- Cooperating with the proposing and revision of the Capital Management Policy, the medium-term Capital Management Plan and respective Contingency Plans;
- Ensuring that the Own Risk and Solvency Assessment (ORSA) is carried out;
- Ensuring that the report on mechanisms and procedures to be adopted specifically within the scope of the Policy for the prevention, detection and reporting of insurance fraud situations is produced in line with the stipulations of that policy;
- Drawing up, proposing and revising the Risk Management Policy;

- Drawing up, proposing and revising or cooperating with the revision of all specific risk management policies for each category of material risk:
 - Cooperating with the revision of the Underwriting Policy;
 - Cooperating with the revision of the Reserving Policy;
 - Cooperating with the revision of the Asset and Liability and Liquidity Risk Management Policy;
 - Cooperating with the drawing up and revision of the Investments Policy;
 - Drawing up, proposing and revising the Operational Risk Management Policy;
 - Cooperating with the revision of the Reinsurance Policy;
 - Cooperating with the proposal and revision of the Capital Management Policy;
 - Cooperating with the revision of the Dividends Policy;
 - Drawing up, proposing and revising the Own Risk and Solvency Assessment (ORSA) Policy;
 - Drawing up, proposing and revising Deferred Tax Policy;
 - Drawing up, proposing and revising the Risk Appetite Framework;
 - Drawing up, proposing and revising the Internal Control Policy.

B.1.3.2. Actuarial Function

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

B.1.3.3. Internal Audit Function

- Drawing up, implementing and maintaining an Annual Audit Plan based on a methodical analysis of risk, covering all significant activities and the governance system of the Insurers in the Fidelidade Portugal Group, including planned developments regarding activities and innovations;



- Assessing compliance with the principles and rules defined as part of the internal control and operational risk management, identifying possible insufficiencies and suggesting action plans to mitigate the inherent risk or optimise the control in terms of effectiveness;
- Carrying out audit actions based on a specific methodology which, since it always has risk assessment in mind, can help to determine the probability of the risks occurring and the impact they may have on the Fidelidade Group;
- Presenting the Board of Directors and the Executive Committee with audit reports produced, demonstrating the conclusions obtained and recommendations issued;
- Drawing up the Annual Audit Report, with a summary of the main deficiencies detected in the audit actions, and presenting it to the Board of Directors, the Executive Committee and the Supervisory Bodies;
- Analysing the level of implementation of recommendations issued;
- Aiding the Executive Committee, when requested by the latter, in uncovering the facts relating to potential disciplinary breaches by employees and irregularities performed by agents or service providers;
- Performing ad hoc audits, as requested by the Board of Directors, the Executive Committee or another Structural Body;
- Working with the External Audit and with the Statutory Auditor, when requested.

B.1.3.4. Compliance Function

- Proposing the Compliance strategy and policies and ensuring revision of these;
- Ensuring the development and maintenance of the Compliance risk management system with a risk-assessment approach
- In conjunction with the other key functions, maintaining the Compliance risks catalogue up to date;
- Ensuring the actions necessary to promote a Compliance culture within the Group;
- Preparing and proposing the Fidelidade Group's Code of Conduct, and the internal rules that develop and implement it, and ensuring these are disseminated and revised;
- Preparing and proposing the Compliance Policy, ensuring its revision, and the annual Compliance Plan;
- Articulating the Compliance function with the other key functions of the Group's insurance and reinsurance companies;
- Contributing to the development of the Group's international governance system.



B.1.4. Committees

The following Committees also ensure the management of the risk management and internal control systems:

RISK COMMITTEE

This Committee has the aim of making recommendations on all matters related to Risk Management and Internal Control, including risk policy revision, risk appetite framing and process monitoring, as a means of support to the Executive Committee.

PRODUCTS COMMITTEE (LIFE AND NON-LIFE)

The Products Committee's main mission is to approve and coordinate the launch of new products of all the Group's insurance companies in Portugal, and to update and monitor existing products, during their lifecycle, ensuring that the offer is consistent with the omni-channel and value creation strategy. The Committee is responsible for ensuring that both new and existing products are aligned with the Group's strategic planning and risk appetite as defined by the Executive Committee and that the different guidelines in terms of Product Design and Approval Policies, Risk Management, Investment, Underwriting and Reinsurance are followed.

ASSETS AND LIABILITIES MANAGEMENT COMMITTEE

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

SUSTAINABILITY COMMITTEE

The objective of the Sustainability Committee is to make recommendations and validate or provide support for decisions of the company bodies on all matters related with Sustainability, in particular in defining the strategic pillars of sustainability and monitoring Fidelidade's actions in these areas, in revising procedures and policies from the sustainability perspective and in the general assessment of performance in this area.

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

The Remunerations Committee presented the Remuneration Policy for the company's management and supervisory body members to the General Meeting of 9 April 2025, for the appreciation of the shareholders.

The Remuneration Policy for Corporate Bodies was, in compliance with the provisions of Article 89(6)(c) of Regulatory Standard no. 4/2022-R of 26 April, subject to annual review, approved by a resolution of the Remunerations Committee on 6 December 2024, and has the following objectives and guidelines:

- It encourages effective risk management and control, by maintaining an adequate capital base, avoiding excessive risk exposure and potential conflicts of interest, and ensuring consistency with the company's long-term objectives, values and interests, in particular with regard to sustainable growth and profitability prospects and the protection of the interests of policyholders, insured persons and beneficiaries
- It is appropriate for the size, nature, scope and complexity of the activity carried out or to be carried out by the Company, and also for the risks assumed or to be assumed;
- It is structured in a manner which is clear and transparent in terms of its definition, implementation and monitoring;
- It ensures total remuneration which is competitive and fair, aligned with national and European trends, in particular with the Company's peers;
- It includes, with regard to the executive board members, a fixed component, adjusted to the functions and responsibility of the directors, which is adequately balanced with a variable component with a short-term portion and a medium-term portion, both subject to the performance of the individual and of the organisation, in line with the achievement of specific quantifiable objectives, which are financial and non-financial in nature, based on the Company's long-term sustainability



and the management and effective control of the risks it assumes, and aligned with the interests of the Company, its shareholders and also policyholders, insured persons and beneficiaries;

- It includes sustainability-related indicators, in accordance with best practices, in line with the strategic objective defined in this area;
- The variable component takes into account the benefits to the organisation, so that there is a chance it may not be allocated, in exceptional cases, namely when: i) there is no adequate capital base; ii) its allocation unduly limits the Company's ability to strengthen its equity capital; iii) its allocation is found to be inconsistent with applicable laws, regulations or guidelines.
- On the other hand, variable remuneration is subject to reduction or reversal mechanisms whenever it is proven that an executive board member, through wilful misconduct or gross negligence, participated in or was responsible for an action that resulted in significant losses for the Group. The application of the reversal mechanism is supplementary to the reduction mechanism, such that in the event of a significant event, the application of the reduction mechanism will take priority and only when this has been exhausted, is insufficient or results from the confirmation that the executive board member contributed significantly to the Group's negative financial performance, or to the application of regulatory sanctions, or in the event of fraud, intent or gross negligence that has caused significant losses, should recourse to the reversal mechanism be considered.

Accordingly, the remuneration of the executive directors of the management body consists of a fixed component and a variable component, with the latter consisting of one portion that seeks to reward performance in the medium term and another, with the same aim, applied to long-term performance, which is awarded after the accounts for the year have been approved and there is confirmation that the pre-defined objectives have been met.

The fixed component represents a balanced proportion of the total remuneration, with the variable short- and medium-term components representing flexible proportions of the annual fixed remuneration, and the executive members of the board of directors may not enter into contracts designed to mitigate the risk inherent in the variability of their remuneration.

The executive members of the management body are entitled to a set of non-remunerative benefits under the same conditions as those applicable to other Fidelidade employees.

In Portugal, the supplementary pension or early retirement schemes applicable to members of the management body follow the same conditions as those applicable to the Group's employees. Executive Directors also benefit from a Complementary Retirement Plan, established through an insurance policy and the contribution of which is indexed to the gross fixed annual remuneration.

Apart from the above, there are no other remuneration mechanisms, nor are there any other payments in the event of directors being removed from office. In the event of the reassignment of duties by agreement, the amounts involved must be approved by the Remunerations Committee.

In accordance with the Remuneration Policy, the members of the Supervisory Board only receive fixed remuneration. The non-executive members of the Board of Directors may or may not receive fixed remuneration for their duties, depending on what is decided by the Remunerations Committee, and any remuneration that is decided on may be different for each of them and some may be remunerated while others are not.

There are no share allocation plans or stock options benefiting members of the management and supervisory bodies.

Accordingly, the employees' remuneration comprises a fixed component and a variable component, based on a functions model.

The variable component seeks to remunerate individual performance. It is awarded after the accounts for each financial year have been approved and after fulfilment of the predefined objectives has been confirmed.

A range of general non-remunerative benefits are provided for employees, such as family support mechanisms, meal tickets, special conditions for insurance, and protocols providing access to special conditions at several service providers.

The complementary pensions and early retirement rules in force in the Company are applicable to all employees in general terms.

Besides those described above, there are no other remuneration mechanisms, and no other payments are provided for.



Employee resignation or termination of employment by the employer is subject to the legal mechanisms applicable at any given time.

The variable component of the remuneration of employees involved in performing tasks associated with key functions is determined in accordance with the objectives associated with their functions and not in relation to the performance of the Company or of the organic unit to which they belong.

B.1.6. Transactions with related parties

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

All transactions with related parties were subject to control.

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

Information on business with related parties is published in the Notes to the Individual and Consolidated Financial Statements.

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

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

B.2. Fit and proper requirements

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

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

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

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

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

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

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

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



	Academic Qualifications	Specialist Training	Professional Experience
Internal Audit (head)	Higher education in Business Management, Economics, Auditing or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	Preferably 10 years' experience, but this may be less depending on qualifications, experience and relevance of this to the position.
Internal Audit (team member)	Higher education in Economics, Business Management, Engineering or other relevant areas	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate/ Masters level) in Financial Markets or similar areas is also relevant.	Preferably 2 years' experience, which may be less depending on the role the employee is performing, the seniority required and the level of responsibility to be assumed.
Compliance (head)	Higher education in Law, Economics, Business Management, Auditing or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	Preferably 10 years' experience, but this may be less depending on qualifications, experience and relevance of this to the position.
Compliance (team member)	Higher education in Law, Economics, Business Management, Auditing or other relevant areas	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate / Masters level) in Law, Compliance, European Studies, Economics, Business Management, Information Technologies, or other similar areas is also relevant..	Preferably 5 years' experience, which may be less depending on the role the employee is performing, the seniority required and the level of responsibility to be assumed.
Risk Management (head)	Higher education in Business Management, Economics, Mathematics, Actuarial Studies, Economics, Statistics or other relevant areas	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function.	Preferably 10 years' experience, but this may be less depending on qualifications, experience and relevance of this to the position.
Risk Management (team member)	Higher education in Mathematics, Business Management, Actuarial Studies, Finance, Economics, Actuarial Science, Statistics, Sociology, Engineering other relevant areas	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate / Masters level) in Banking and Insurance Management and in Markets and Financial Assets is also relevant.	Preferably 4 years' experience, which may be less depending on the role the employee is performing, the seniority required and the level of responsibility to be assumed.
Actuarial Function (head)	Higher education in Mathematics, Actuarial Studies, Economics or Statistics or similar	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate / Masters level) in Actuarial Science is also relevant.	Preferably 10 years' experience, but this may be less depending on qualifications, experience and relevance of this to the position.
Actuarial Function (team member)	Higher education in Mathematics, Actuarial Studies, Economics or Statistics or other relevant areas	Ongoing training, provided by the Fidelidade Group, to develop technical and behavioural skills to perform the function. Higher education (at post-graduate / Masters level) in Actuarial Science is also relevant.	Preferably 4 years' experience, which may be less depending on the role the employee is performing, the seniority required and the level of responsibility to be assumed.

In line with the Fit and Proper Policy, persons who effectively run the company, supervise it, are its managers or perform key functions within it must possess and demonstrate the capacity to at all times guarantee sound and prudent management of the insurance company, with a view, in particular, to safeguarding the interests of policyholders, insured persons and beneficiaries.

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

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

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



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

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

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

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

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

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

The risk management and internal control systems are managed by the following bodies: the Risk Management Division, the Audit Division, the Compliance Division, the Risk Committee, the Products Committee (Life and Non-Life), the Assets, Liabilities and Capital Management Committee and the Sustainability Committee.

The policies and regulations mentioned below are, as a general rule, applicable only to Portuguese insurance and reinsurance companies in the group operating under the Solvency II regime.

In the case of Group companies operating in countries other than Portugal, as a rule, when they are required to have the various policies mentioned below, they incorporate the general principles of each of them into their own policies, with the necessary adaptations, taking into account the legal and regulatory requirements of their respective jurisdictions.

The risk management procedures mentioned below incorporate and follow the general principles mentioned below, taking into account the legal and regulatory requirements of the respective jurisdiction and the size and complexity of each operation.

The Group monitors and supports the development and implementation of risk management systems for its various international operations, primarily through its International Division, the mission of which is to support the functional coordination, promotion and monitoring of the business and management of branches and subsidiaries abroad, in accordance with the strategic objectives defined and the Group's internationalisation policy, and whenever necessary with the support of the other bodies of Fidelidade's structure in matters that fall within their responsibility.

B.3.1. Risk management processes

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



B.3.1.1. Strategic Risk

The definition of the Group's medium and long-term strategy is supported by a structured and collaborative process involving different levels of the organisation, ensuring a robust and informed approach. Every three years, an in-depth strategic review is carried out, involving the Board of Directors, Executive Committee, Heads of Division and other managers. This process includes an analysis of the macroeconomic context, developments in the insurance industry and its main dynamics, as well as benchmarks with national and international companies. Major trends in the sector and other sectors are analysed, key strategic drivers are identified and key performance indicators (KPIs) are defined in the strategy map, which guide the Group's strategic priorities. Each area translates these principles into specific strategic guidelines for its scope of action.

The Group's strategy is executed through a structured model, which ensures its implementation at all levels of the organisation. Each year, priority strategic projects are defined, their impact is assessed, and those responsible for their implementation are determined. Every four months, the progress of the projects and strategic KPIs are reviewed, allowing priorities to be adjusted and informed decisions to be made, such as the continuity, suspension or redefinition of initiatives.

The Group's strategy is not limited to a fixed plan, but is continuously monitored through structured market monitoring. Monthly benchmarking analyses of market indicators and in-depth half-yearly assessments of national and international competitors are carried out. In addition, teams specialising in innovation, artificial intelligence, products and emerging trends monitor external developments and communicate regularly with the strategy team, ensuring that any relevant developments are incorporated into the Group's strategic vision.

The execution of the strategy involves all the employees, who, within the scope of their daily functions, work to achieve the proposed objectives by carrying out the prioritised initiatives. This model guarantees not only efficacy in implementing the strategy but also the capacity to adapt to external factors, ensuring that the Group's position is both solid and dynamic.

B.3.1.2. Underwriting Risk – Product Design and Pricing

The Business Divisions of the Portuguese insurance companies are responsible for managing and assessing this risk. The Business Divisions ensure the technical development of new products, or reformulation of existing ones, including defining their technical characteristics and technical documentation, establishing their prices, which, in the Non-Life lines of business, is done in conjunction with DET (the Statistics and Technical Studies Division), drawing up rules for delegation of powers and underwriting policies, and drawing up technical information to support the sales activity.

For each product, there is a process of identifying the needs which are intended to be met, bearing in mind the target market, considering the benefits and risks, relating to internal or external factors, including sustainability risks, and defining the Group's strategic objectives which are intended to be achieved with its launch / reformulation.

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

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

Analyses are periodically undertaken of products/prices, and also of the composition and behaviour of the respective portfolios, with the purpose of assessing how adequate they are in terms of contractual conditions versus profitability. A Value for Money assessment of the products is also carried out bearing in mind the target market.

B.3.1.3. Underwriting Risk – Underwriting

The Business Divisions are responsible for managing and assessing the risks associated with underwriting products in the Group's Portuguese insurance companies, and the acceptance of risk is delegated to the sales areas and/or distribution channels in situations where knowledge of the risk is high and the technical risk is low.



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

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

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

The Business Divisions monitor sales of the products within the defined target market and in line with the underwriting policy.

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

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

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

B.3.1.4. Underwriting Risk – Reserving

The Group's Reserving Policy, which applies directly to the Portuguese insurance and reinsurance companies, establishes the methodologies for calculating provisions, broken down by line of business and in accordance with the obligations to be estimated. Accordingly, different reserving methodologies are defined for each line of business, based on recognised actuarial methods.

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

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

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

B.3.1.5. Underwriting Risk – Claims Management Processes

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

The Group's Claims Management Policy, which applies directly to the Portuguese insurance companies, is formalised in procedures manuals of the divisions responsible for its management, namely, the Business Divisions, and compliance with it is guaranteed by rules defined in the claims management systems and by the configuring of the profiles allocated to each user of those applications.



In order to promote better following up of claims management, regarding claims which are slow or complex to resolve, time limits are defined for settlement. If these are exceeded, the claims are sent for analysis by specialised sectors. In addition, in business areas which have time limits established by law, the operating systems have an important set of alarm features that guarantee that management is warned when those time limits are becoming critical.

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

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

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

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

In terms of the Group's Reinsurance Policy, which applies directly to the Portuguese insurance and reinsurance companies, the Reinsurance Division operates in line with the objectives and strategic guidelines defined in conjunction with the Executive Committee and based on an analysis of business needs conducted with the technical and actuarial areas.

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

B.3.1.7. Market Risk

The objectives, rules and procedures on market risk management in the Group's Portuguese insurance companies are governed by means of its Investments Policy, which is revised annually.

The Investments Policy defines:

- The main guidelines for managing investments and how the Group's Portuguese insurance companies assess, approve, implement, control and monitor their investment activities and the risks resulting from those activities;
- Activities related to the investment process of the Group's Portuguese insurance companies, including Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA), the decision-making process and control and reporting activities;
- The duties and responsibilities of those involved in the investment process.

The Investments Policy aims to ensure alignment between the portfolio objectives and the investment strategy, and to encourage effective and continual monitoring. It is the cornerstone of the entire Group's investment process.

Considering these aspects, the investment management cycle of the Group's Portuguese insurance companies is composed of the following critical activities:

- Defining – Defining and approving the general investment management cycle, including the global investment strategy, investment policies, asset and liability management (ALM) and liquidity management, and strategic asset allocation (SAA);
- Investing – Performing all investment activities, in line with the strategies and policies defined (identifying, assessing and approving investment opportunities, and placing, settling and allocating investments);
- Monitoring – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;



- Managing – Reviewing the strategies, policies, benchmarks and limits in line with current and future market conditions/expectations and internal risk capacity;
- Controlling – Ensuring compliance with all the strategies, policies, procedures and responsibilities assigned.

B.3.1.8. Counterparty Default Risk

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

Securities issuers are assessed in order to measure their credit quality. This assessment uses various quantitative and qualitative data, including information on their rating, and evaluates the portfolio's compliance with the limits of exposure to this issuer defined in the Investments Policy.

The analysis by investment essentially derives from the selection grid at the time of the asset purchase defined in the Investments Policy, in order to protect insured persons through restrictions on the use of the Group's assets. However, the risk is constantly monitored, and an effort is made to follow the opinions / outlooks of the international ratings agencies so as to prevent a decline in the rating of the securities held. On the other hand, establishing internal limits by class of asset, rating, duration, industry, geography and currency, and not authorising situations of risk accumulation, means that proper spreading of risk can be guaranteed over time.

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

B.3.1.9. Concentration Risk

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

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

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

Apart from some exceptions related with the nature of some businesses, the acceptance of Life Risk risks – and the reinsurance of these – takes into account the capital accumulation per entity. Special attention is also given to the underwriting of high capitals per contract or person, and measures are adopted to limit the risk (limiting capitals and/or covers and/or using risk transfer instruments).

Regarding the Concentration Risk associated with investments, as previously stated, the Investments Policy in force defines different exposure limits namely by class of assets, rating, duration, industry, currency and geography. These limits are revised annually and amended when necessary.

Management of this risk associated with reinsurers requires the Reinsurance Division to produce an annual report with a summary of the Fidelidade's reinsurance treaties for the following year, plus a summary of the conditions of these treaties and the percentages of exposure to each reinsurer, organised by lines of business, in order to comply with the Reinsurance Policy.

B.3.1.10. Liquidity Risk

In a short-term perspective, responsibility for managing the liquidity of the investments of the Group's Portuguese insurance companies is given to the Investments Division.



Fidelidade's aim in terms of liquidity is a treasury capable of managing all of the Group's funding needs (cash outflows) in an appropriate timeframe, without resorting to credit or unplanned selling off of assets, and particularly the capacity to generate significant liquidity in a short space of time. In a short-term perspective, the Company also takes into account the cash-in from the investment portfolio and the sales forecasts for financial products being marketed.

In a medium / long-term perspective, a monthly ALM analysis is conducted of the liabilities and assets linked to the Life and Non-Life segments for the Group's Portuguese insurance companies.

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

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

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

In relation, specifically, to Asset and Liability and Liquidity Management processes, in 2024 the Group approved a review of the Asset and Liability and Liquidity Risk Management Policy (the ALM and Liquidity Policy).

Together with the Investments Policy, this Policy describes the strategy for managing financial risks, insurance risks and liquidity risks, in the short, medium and long term, in a context of asset and liability management.

In this way, the ALM and Liquidity Policy seeks to guarantee alignment between assets and liabilities, with a particular focus on maximising return and minimising interest rate risk and liquidity risk.

Taking these aspects into consideration, asset and liability management must be performed, on the one hand, as a risk mitigation exercise and, on the other, as part of the Group's decision-making structure, formulating strategies related with its assets and liabilities. It is therefore composed of the following critical activities:

- Defining – Defining and approving the asset and liability and liquidity management strategy;
- Monitoring – Monitoring the evolution of cash flow matching and different metrics associated with asset and liability management, producing monthly and annual reports;
- Managing – Reviewing the objectives and limits set out in the ALM and Liquidity Policy in line with current and future market conditions/expectations and internal risk capacity;
- Controlling – Ensuring compliance with the asset and liability management strategy, limits, procedures and responsibilities assigned.

B.3.1.11. Reputational Risk

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

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

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



The activities conducted within this scope have produced results as demonstrated by the various awards received for service excellence / customer satisfaction 2. This risk is therefore considered to be sufficiently mitigated and, accordingly, is classified as a low risk.

In 2024, for the 23rd year running, Fidelidade was voted a Trusted Brand in the "Motor Insurance" and "Life and Property Insurance" categories. Multicare was also recognised for the 8th consecutive year in the "Health Insurance" category.

This recognition reaffirms the trust of customers and partners and reinforces the Group's commitment to continue developing innovative protection solutions that respond not only to current needs, but also to future ones. In addition, the award highlights Fidelidade's responsibility in taking on a transformative role, both with customers and in society in general, consolidating its mission to generate value, promote a positive impact and contribute to sustainable longevity.

Multicare received the Cinco Estrelas 2024 award, as did the ok! Seguros brand, which obtained a global score of 79.9%, in an evaluation system that measures the degree of user satisfaction with products, services, and brands.

This award is based on evaluation criteria that influence consumers' decision to purchase, such as satisfaction through experimentation, value for money, intention to purchase or recommendation, brand trust and innovation.

In 2024, Fidelidade won the Consumer's Choice award for the 10th consecutive year in the "Insurance" category, with efficient problem solving, rapid responses and clear communication being highlighted.

The ok! Seguros – Via Directa – brand obtained a global score of 84.1%

Multicare was also distinguished as the Consumer's Choice for the 5th consecutive year in the "Health Systems" category, with the quality of the providers' network and the serious illnesses cover being highlighted.

In addition, the Multicare Vitality Programme was elected as the "Consumer's Choice 2024" in the "Sustainable Option" category, reflecting Multicare's commitment to good management practices, sustainable innovation and credible solutions.

Fidelidade was recognised as one of the best companies to work for in Portugal, being listed among the Top 10 in the Great Place to Work large corporations category.

This recognition is based on a comprehensive methodology that assesses employee perceptions and the organisation's human resources management practices. With 90% of employees considering Fidelidade an excellent place to work, this result reflects the trust and high engagement of employees.

In addition to the distinction in Portugal, Fidelidade also managed to extend the certification to 10 countries where it operates: Germany, Bolivia, Cape Verde, Chile, France, Liechtenstein, Mozambique, Paraguay, and Peru, as well as to eight of the Group's 10 companies: Car Service, Cares, Fidelidade, Fidelidade Property, GEP, Multicare, ok! seguros, and Safemode. In 2024, Via Directa renewed its Great Place to Work Certification, registering a Trust Index of 69%.

Fidelidade and Multicare were once again honoured by the APCC Best Awards, for the 7th consecutive year, receiving silver in the "Insurance and Assistance" and "Health" categories, respectively.

This award highlights organisations that stand out due to their implementation and adoption of good practices in contact centre activity in Portugal, with a focus on strategic, operational, and technological management and appreciation of human capital, contributing to the recognition and appreciation of the sector in general.

In the 13th edition of the Human Resources awards, Fidelidade was recognised as the company that promotes the best Internal Events and was once again considered the company that best promotes well-being, in the "Well-being" category.

In the 2nd edition of the APROSE Awards 2024, Fidelidade achieved a remarkable performance, winning in five categories: "Best Motor Insurer", "Best Health Insurer", "Best Innovation Insurer", "Best Insurer for Brokers" and "Best Non-Life Insurer".

² For a full list of the awards received, see: <https://www.fidelidade.pt/PT/a-fidelidade/NossaMarca/marca/Paginas/Premios.aspx>



The awards, determined by votes from brokers and agents in the sector, reflect the insurer's leadership and solid position in the market, having been one of the most voted in six categories, and winner in five.

The Randstad Employer Brand Research is considered to be a representative study of employer branding, based on the general public's perception of the attractiveness of the largest employer brands in different sectors.

The 9th edition of the study, in 2024, included the participation of nearly 5,000 professionals of all age groups, with different qualifications, as well as students and employed and unemployed people.

In the Merco Companies 2024 ranking, Fidelidade was recognized as the insurance company with the best reputation, securing 1st place in its category and ranking 33rd among the top 100 companies in the study.

In the 16th edition of the Marketeer Awards 2024, Fidelidade won 1st place in the "Insurance" category, a recognition that distinguishes the most prominent brands, companies and personalities in the Portuguese panorama.

In 2024, Sustanalytics reaffirmed Fidelidade as one of the best insurers in the world in terms of its ESG performance, classifying its risk as "Low" and placing Fidelidade in 7th position among the European insurers evaluated and 11th position worldwide among around 300 insurers evaluated.

These results earned Fidelidade the prestigious Industry Top Rated badge, that distinguishes companies with the best performance worldwide.

The ok! Seguros brand received several distinctions from DECO Proteste.

The OK! casa, OK! auto and OK! Viagem insurance products, in partnership with DECO, were rated with global scores of 80%, 70% and 78%, respectively, and were highlighted as the Best of the Test.

According to the consulting firm OnStrategy, in 2024, Fidelidade is 15th in the ranking of the 100 most valuable brands in Portugal, using methodology certified by ISO 20671 and ISO 10668.

In terms of Reputation, Fidelidade leads in the "Financial Insurance" category and Multicare in "Health Insurance".

In addition, Multicare was recognised with the Brand Experience Score as the best in the "Health Insurance" category.

Both brands are in the top 100 of the ESG Brand Index 2024, among 400 companies, standing out for their commitment to sustainability and good practices. The awards reinforce Fidelidade and Multicare's position as leaders in trust, quality and innovation in the sector.

B.3.1.12. Operational Risk

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

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

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



B.3.2. Risk Management Function

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

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

The activities carried out by the Risk Management Division, in 2024, were fundamentally based on the enhancement and consolidation of several matters related with the three solvency pillars, and technical aspects and certification of information produced within this scope.

The following activities can be highlighted:

- Conducting the annual own risk and solvency assessment (ORSA) and reporting the results to the ASF in the respective supervisory report;
- Preparing and sending annual information, with reference to 31 December 2023, incorporated in the Quantitative Reporting Templates (QRT), which has been subject to certification by the statutory auditor and the responsible actuary pursuant to the regulations issued by the ASF, and also the Regular Supervisory Report;
- Reporting to the ASF and publicly disclosing the Solvency and Financial Condition Report relating to 31 December 2024, accompanied by certification by the statutory auditor and the responsible actuary;
- Preparing and sending the quarterly quantitative reporting under Solvency II.

It is also important to mention the activities related with the review of the system of governance, namely, the review and maintenance of policies and the review of processes and data quality, with the review of the Risk Appetite Framework and the conducting of the ROCI Cycle – 2024.

B.3.3. Own risk and solvency assessment

The Fidelidade Group has an ORSA Policy with the aim of establishing the general principles for the own risk and solvency assessment regarding:

- Processes and procedures;
- Functions and responsibilities;
- Criteria and methodologies;
- Reporting;
- Articulation with the strategic management process and use of the ORSA results.

According to the Policy, the ORSA aims to provide a level of security which is acceptable to Fidelidade's Executive Committee regarding compliance with the strategic objectives, within the framework of the risk appetite established.

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

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



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

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

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

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

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

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

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

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

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

The ORSA plays a key role in the management of the Group, and the results obtained from it are taken into consideration in the Group's Risk Management, in Capital Management and in Decision Making.

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

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

- Assuming the risks;
- Taking additional mitigation measures (controls/ capital, etc.);
- Transferring the risks; or
- Eliminating activities which lead to risks for which there is no appetite.

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

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

- Monitoring capital adequacy.

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

B.4. Internal control system

B.4.1. Internal control system information

The Risk Management Division is responsible for managing operational risk and the internal control system of the Group's Portuguese insurance companies.

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

Management of the operational risk and the internal control of the Group companies is performed according to the following flow diagram:



BUSINESS PROCESSES

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

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

RISKS AND CONTROLS

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

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



ASSESSMENT

To assess the operational risk of the Group companies, quantitative information is collected on the risks previously identified by means of own assessment of risk questionnaires, recording of Operational Risk events and subsequent losses.

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

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

B.4.2. Information on activities performed by the Compliance Function

The Compliance Division performs functions related to management of Compliance risks, including, among others, the risk of money laundering and terrorist financing, and also the risk of faults in personal data processing and protection. The Compliance Division is a structural body, with functional independence, which performs key functions within the system of Risk Management and Internal Control.

The Compliance Division's mission is to define, implement and maintain a Compliance risk management cycle, contributing so that the management bodies, management structure and staff of the Group Companies comply with the legislation and standards in force at a given time, both externally and internally, and with the guidelines of the national and international supervisory bodies, in order to avoid situations of non-conformity that may harm the Group companies' image and their reputation in the market, and/or that may give rise to financial losses.

In 2024 the Compliance Division carried out a significant number of initiatives with the aim of strengthening the internal control mechanisms and safeguarding an adequate level of compliance with the legislation and standards in force at any given time, both externally and internally:

Compliance Topic	Brief Description
Analysis of regulatory amendments	Assessment of the potential impacts of new regulations, contributing in this way to timely adaptation to new requirements and obligations and managing the Company's reputational risk.
Communication and Training	Enhancement of a communication and training plan to increase awareness and build capacity among employees on the various Compliance topics.
International governance model	Implementation/ improvement of control processes relating to money laundering prevention, bribery and corruption, product analysis, advertising tools and data protection in the Company's subsidiaries and branches.
Anti-money laundering and counter-terrorist financing	Improvement of control tools for filtering counterparties and monitoring operations, and in Know Your Counterparty (KYC) processes within the scope of investment processes.
Compliance Topic	Brief Description
Prevention of bribery and corruption	Improvement of the programme to identify, assess and mitigate risks related to bribery and corruption. Development and communication of the Anti-bribery and anti-corruption policy. Designing and developing training content (e-learning).
Analysis of products and advertising and marketing tools	Consolidation of methods to follow products' management life cycle – Compliance By Design – including the process for checking compliance with regulatory requirements on the subject of advertising in the insurance sector.
Prevention of anti-competition practices	Implementation of a programme to identify, assess and mitigate risks related to anti-competition practices.
Data protection	Consolidation of the method for identifying, assessing and mitigating risks linked to data protection.



The Compliance Policy, which establishes the strategy, mission, governance, types of risks and the processes associated with the exercise of the Compliance function in the Fidelidade Group, was revised in 2024 and is duly formalised and available to all employees in the internal communication channels.

B.5. Internal Audit Function

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

The rules and principles that the Internal Audit function must obey are established in the Internal Audit Policy, which was revised in October 2024.

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

Three mechanisms are used to preserve the independence, impartiality and objectivity of the internal audit function. Firstly, persons who perform the internal audit function are not responsible for any other operational functions. Secondly, the internal audit function communicates its conclusions directly and exclusively to the Chairman of the Board of Directors. Lastly, all the audit work carried out, in particular the conclusions obtained and the recommendations issued, is duly documented and filed. In 2024, the internal audit module of the Corporate Governance MetricStream software application used by the Risk Management Division and the Compliance Division was used. This allows the audit work performed and its conclusions to be documented, as well as monitoring of the level of implementation of the recommendations made. The application also enables the audit reports to be made available to all relevant parties.

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

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

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

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

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

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



B.6. Actuarial Function

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

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

When calculating the technical provisions, the ASF rules are observed, namely regarding the identification of the obligations to be accounted for and the calculation methods to be observed.

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

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

The actuarial function reports regularly to the Executive Committee on the results obtained from monitoring the provisions levels.

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

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

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

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

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

B.7. Outsourcing

B.7.1. Outsourcing Policy

In line with the Outsourcing Policy, the scope of application of which is singular, covering the various Portuguese insurance companies in the Fidelidade Group, general principles are established which are applicable to the outsourcing of critical or important functions or activities, and the main process activities leading to their contracting either from within the group or outside of it: (1) Identification and documentation of the critical or important functions or activities, (2) Selection of the service provider; (3) Contract formalisation; (4) Notification to the ASF.



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

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

B.7.2. Outsourced critical or important functions or activities

Of the range of functions or activities considered critical or important that are outsourced in the Group, of note are the activities related with asset management regarding, on the one hand, a Senior Secured Loans portfolio and, on the other, four Investment Grade Fixed Income Securities portfolios plus a series of unit-linked portfolios managed by three external providers.

The jurisdictions of the providers of these services are located in Portugal, Ireland, the United Kingdom, Luxembourg, Germany and Hong Kong.

Among the functions outsourced outside the group, of note are the Contact Center management and operation services, provided in Evora and Lisbon, at the premises of a service provider with its registered office in Portugal, and the management and operation services provided by Data Centers, in Evora, Lisbon and Porto, by service providers with their registered offices in Portugal.

Also of note is the outsourcing of Microsoft Applications services, housed in a cloud infrastructure and the respective maintenance, updating, performance monitoring and information security control services. The service is provided by Microsoft Ireland Operations Limited, with its registered office in the Republic of Ireland.

Lastly, services for the clinical management of personal accident claims in sports insurance are outsourced to Trueclinic, with its registered office in Porto.

B.8. Any other information

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

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

C. Risk Profile



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

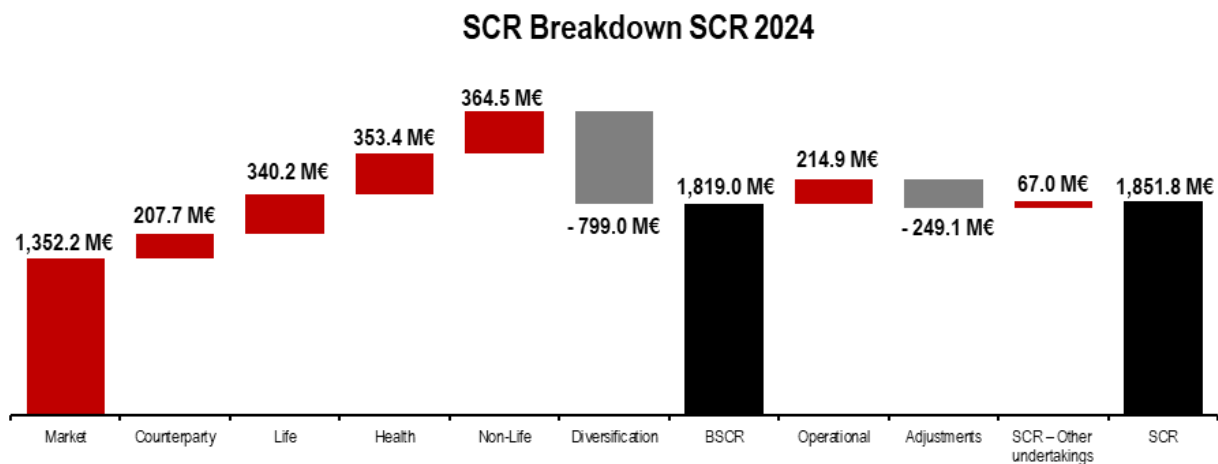
On the other hand, this integrated approach ensures value creation via the identification of adequate balance between risk and return, simultaneously guaranteeing the Companies' obligations to their stakeholders.

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

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

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

Hence, the calculation of the Group's solvency capital requirement (SCR) with reference to 31 December 2024 was as follows:

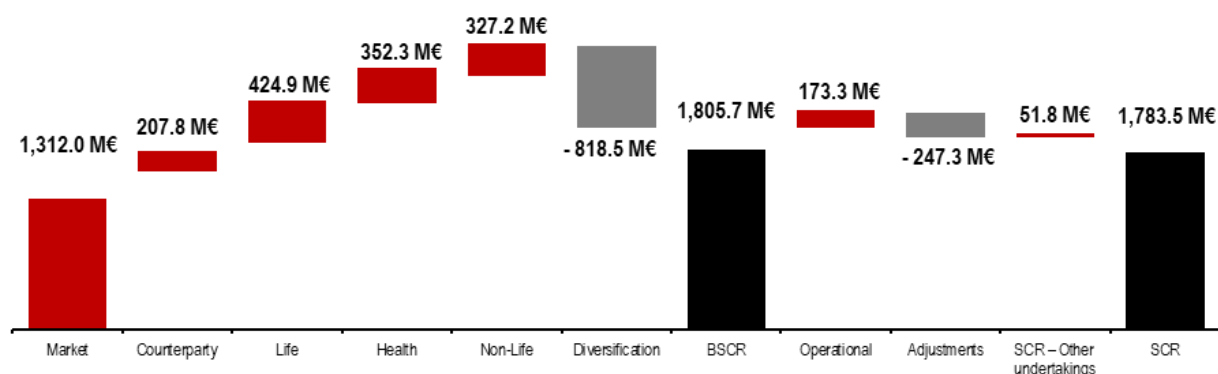


The market risk is clearly prominent in this requirement, followed by the much lower underwriting risks (of which the Non-Life underwriting risk is more significant, followed by Health, and lastly Life) and Operational risk. Counterparty default risk is the lowest of the risk modules that make up the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



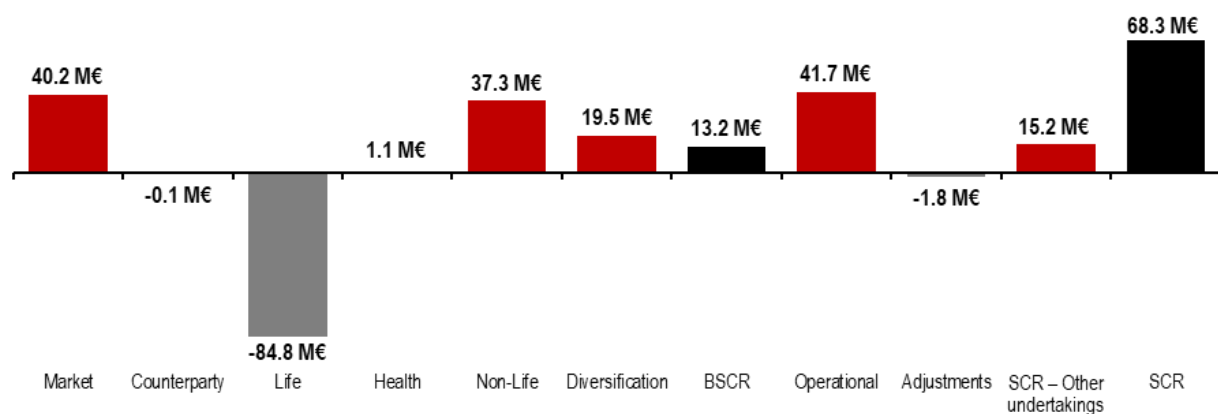
The same calculation relating to 31 December 2023 was as follows:

SCR Breakdown SCR 2023



The increase of EUR 68.3 million is shown in the graph below:

Evolution SCR 2023-2024



The following elements can be highlighted in this evolution:

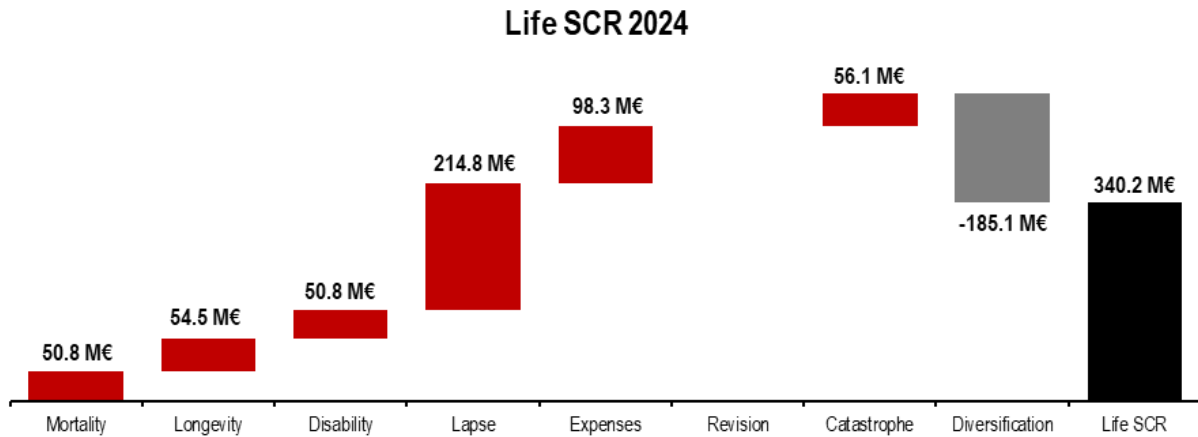
- The increase in the market risk, as detailed in Chapter C.2.;
- The decrease in the Life underwriting risk, presented in Chapter C.1.1.;
- The increase in the Non-Life underwriting risk, presented in Chapter C.1.2; and.;
- The increase in operational risk, presented in Chapter C.5.

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

C.1. Underwriting risks

C.1.1. Life underwriting risk

The life underwriting risk is the fourth most significant for the Group.



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

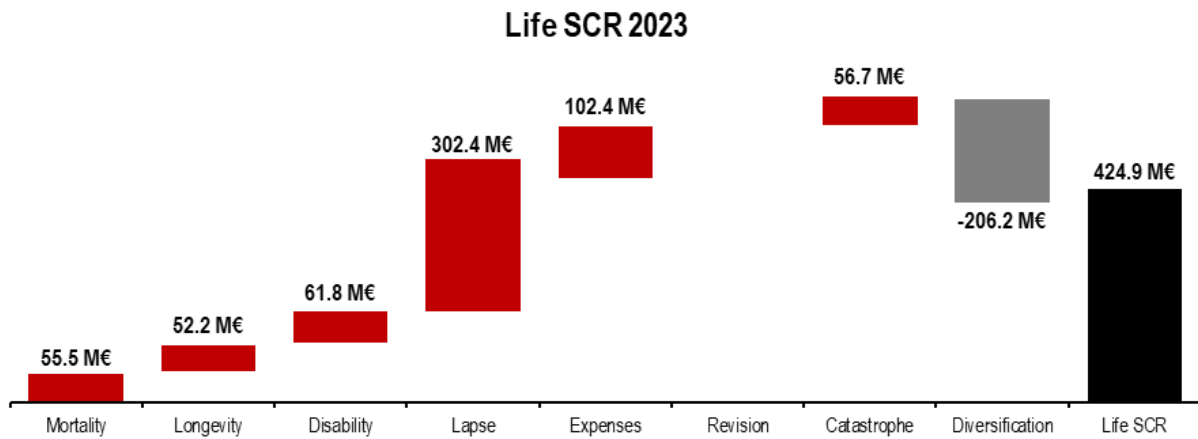
Its importance results from the impact of temporary annual renewable contracts linked to mortgages and contracts with the “Funeral Service Organisation and Expenses” and “Adjustment of the funeral service to a Vault, Drawer or Perpetual Grave” covers, which Fidelidade is not entitled to cancel or change the prices of, so that the contract boundaries considered for the purpose of assessing the technical provisions are, for the former, the maturity of the mortgage associated with each of them and, for the latter, indefinite.

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

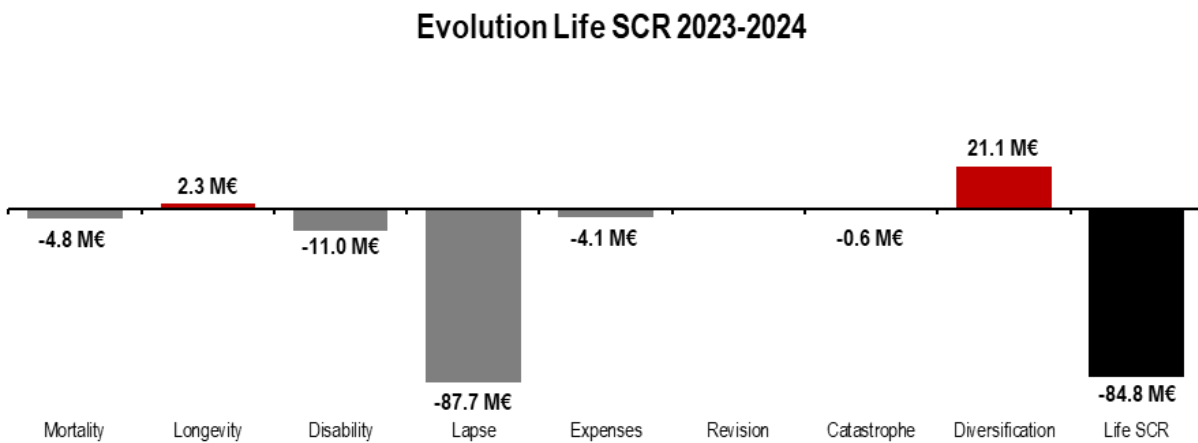
The catastrophe risk appears with a lower value. Its weight is the result of the significant amount of sums insured associated with life risk contracts. The longevity, mortality and disability risks, with similar values, arise from Annuities and Life Risk insurance contracts.

The revision risk is zero since there is no exposure to this risk.

The Life SCR at 31 December 2023 was:



The decrease of EUR 84.8 million is shown in the graph below:

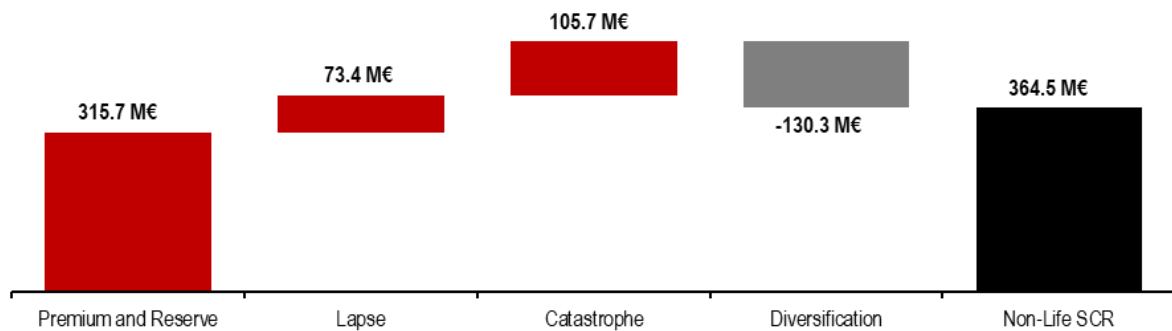


The decrease in the Life underwriting risk is basically the result of the decrease in the lapse risk, as a result of a reinsurance treaty – “Mass Lapses” – being signed, as described in point E.6.3. Mass Lapse Reinsurance.

C.1.2. Non-Life underwriting risk

The non-life underwriting risk is the second most significant for the Group.

Non-Life SCR 2024



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

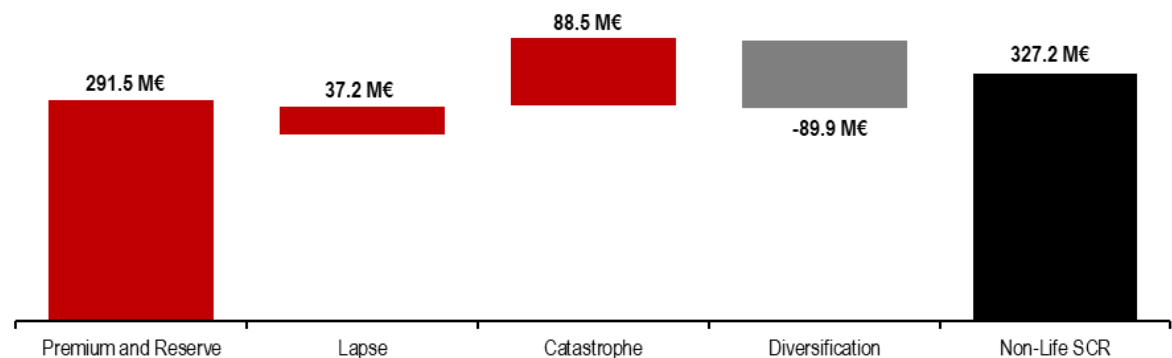
The weight of this risk basically results from the volume of premiums and reserves relating to motor insurance contracts (liability and other covers), fire and other damage insurance, general liability insurance and assistance.

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

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

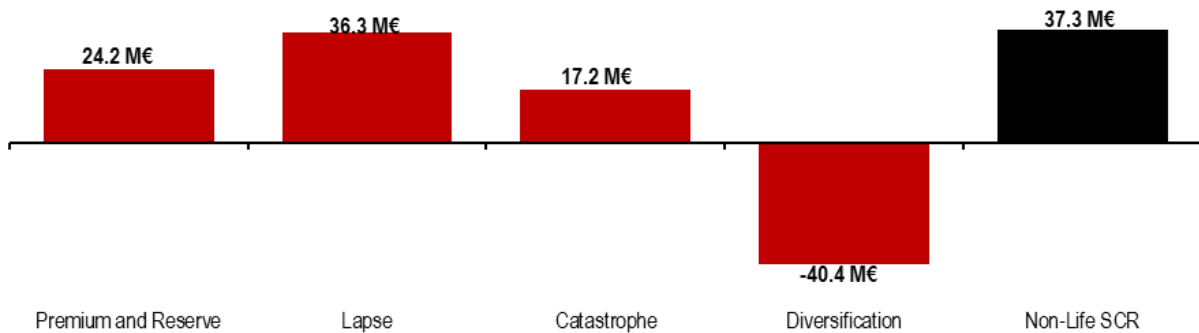
The Non-Life SCR at 31 December 2023 was:

Non-Life SCR 2023



The increase of EUR 37.3 million is shown in the graph below.

Evolution Non-Life SCR 2023-2024

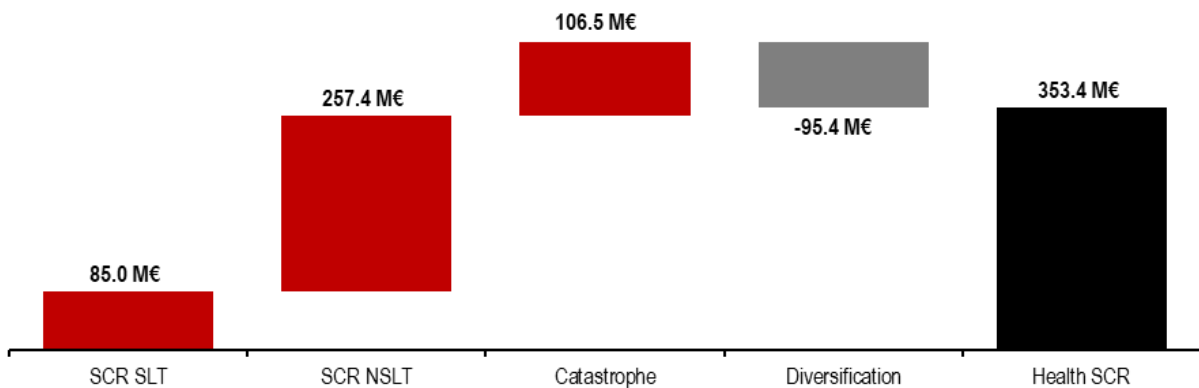


The increase in this risk results from the Companies' activity, with an increase in the volume of premiums and reserves of contracts in the motor, fire and general liability lines of business.

C.1.3. Health underwriting risk

In terms of weight, this is the third risk for the Group.

Health SCR 2024

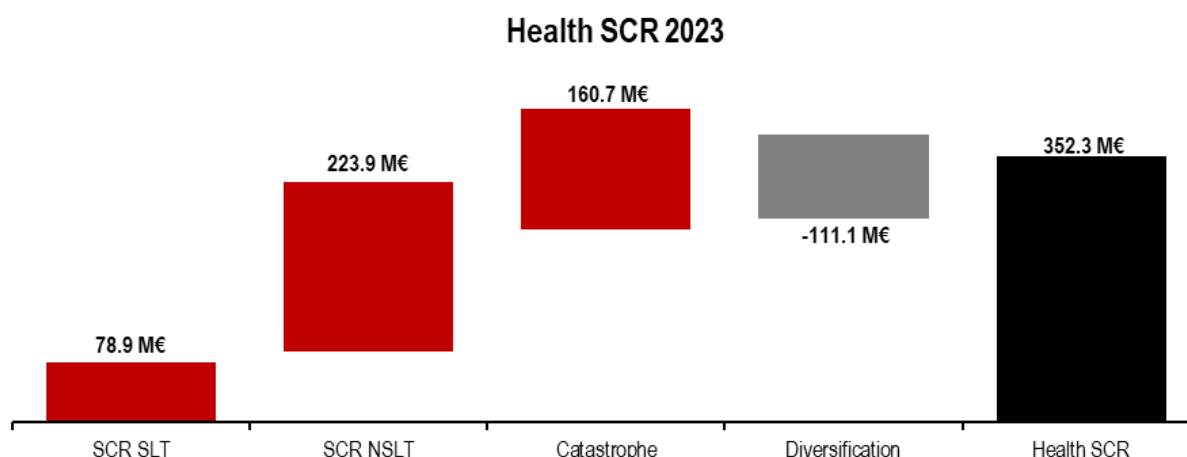


The most significant sub-module is the NSLT (not similar to life techniques) health sub-module, originating from the premium and reserve risk in workers' compensation and personal accidents and health lines of business.

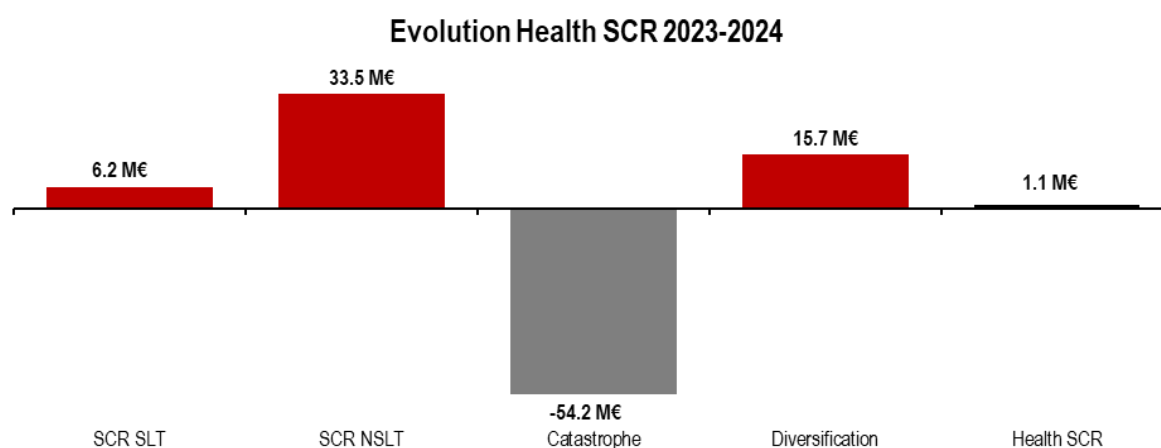
The second largest sub-module is the catastrophe risk sub-module, mainly resulting from the concentration of accidents, given the sums insured involved.

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

The Health SCR at 31 December 2023 was:



The increase of EUR 1.1 million is shown in the graph below.



The evolution in this module was basically due to:

- The Group's activity;
- The catastrophe risk due to the increase in the accidents concentration risk.

C.1.4. Mitigation measures – underwriting risk

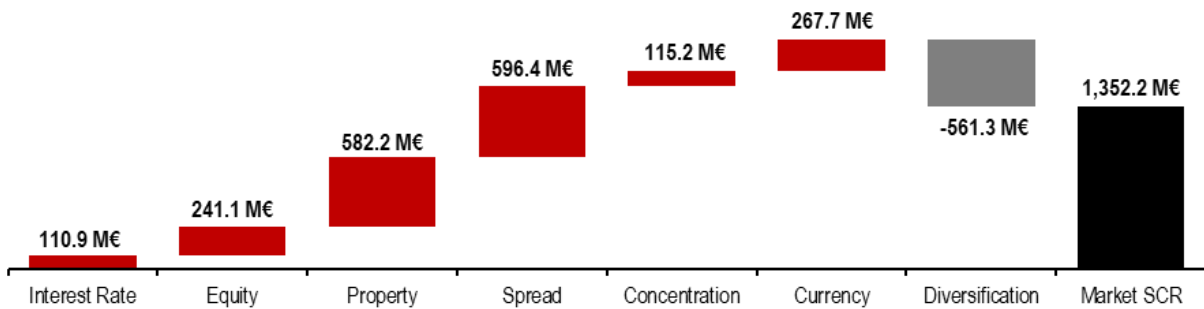
For a number of lines of business, the Group uses reinsurance contracts which guarantee mitigation of underwriting risks for life, non-life and health. This mitigation is taken into account when calculating the respective capital requirements.

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

C.2. Market risk

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

Market SCR 2024



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

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

The third most important sub-module is currency, the main unhedged foreign currency exposure being to the US Dollar, the Mozambican Metical and the Peruvian Sol. The currency risk figure also reflects the hedging for the most significant exposures to foreign currency.

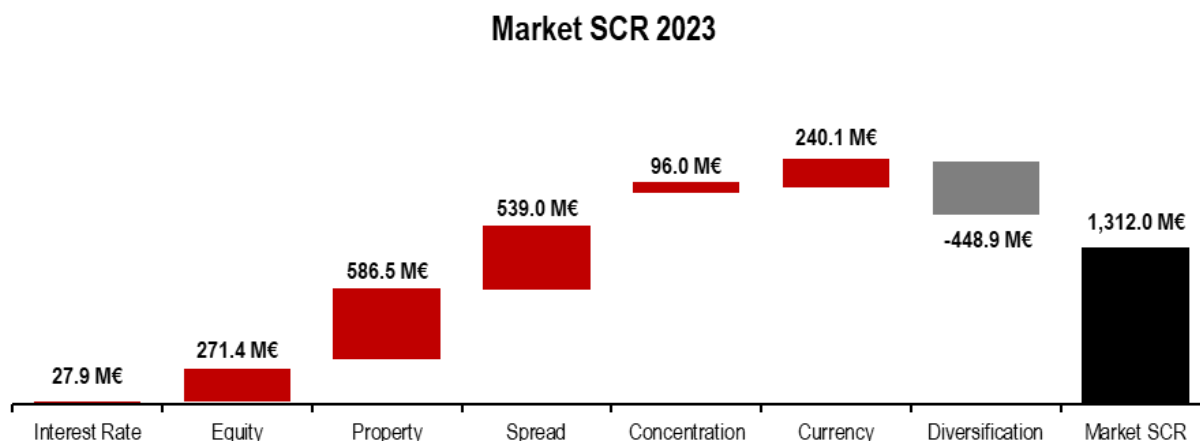
The fourth most important sub-module in the market risk module is the equity sub-module, as a result of the Group's significant exposure to equity markets.

The concentration risk sub-module is the fifth module in terms of importance, with the capital requirement being related to the exposure to the Republic of Peru.

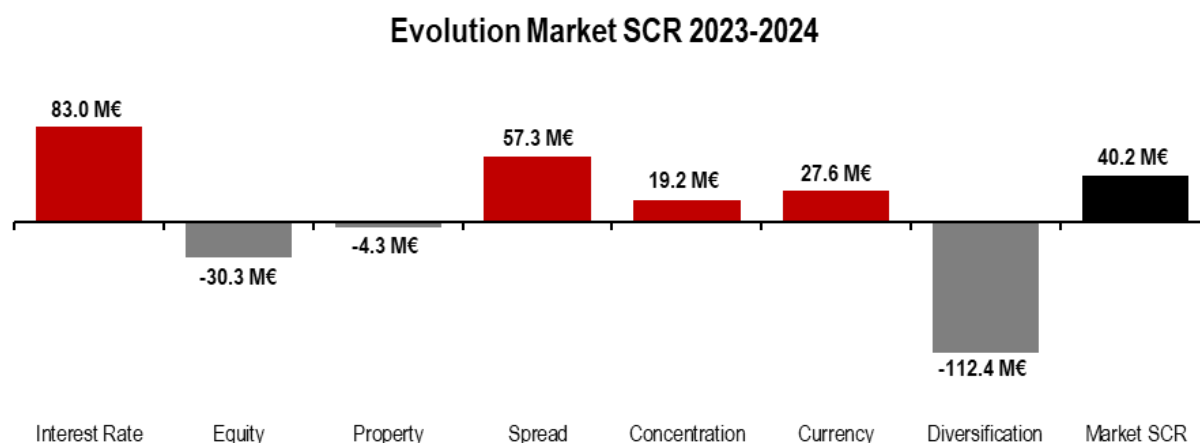
The risk with the lowest value is the interest rate risk. Its low value results from the Asset and Liability management carried out by the Group with the aim of maintaining the duration gap at low values.



The Market Risk SCR at 31 December 2023 was:



The increase of EUR 40.2 million is shown in the graph below.



Notable changes from the previous year include changes to the interest rate risk and spread risk, mainly explained by a significant increase in the interest rate curve at the end of 2024, as well as a significant increase in the value of bonds in the portfolio that are included in the calculation of interest rate risk (which also explains the slight increase in spread risk).

There were no significant changes to the other risks, although there was a decrease in the equity risk as a result of the decrease in the Group's equity portfolio.

C.2.1. Mitigation measures – market risk

The Group's investment process, besides guaranteeing compliance with the prudent person principle, seeks to enable both rational and reasoned decisions when selecting assets and an adequate balance between risk and return.

The process, therefore, begins with the identification of investment opportunities, through tracking, identification and analysis of investment opportunities all over the world, which leads to investment proposals being presented. These are based, on the one hand, on qualitative aspects, such as a description of the investment, including different possibilities on how it can be made, and a description of the business rationale, and, on the other, on quantitative aspects such as financial indicators or the expected return.



These proposals are analysed, including a preliminary study on capital consumption in the light of the Solvency II rules.

If the investment proposal is accepted, an investment case is prepared, containing a summary of the investment to be made, an analysis of compliance with the legal limits and the limits set out in the Group's Investments Policy, an analysis of the adequacy of the investment in ALM terms (cash flow matching), calculation of the capital consumption associated with the investment in line with the Solvency II rules.

This investment case includes an Internal Communication to the Executive Committee which contains the proposal and the grounds for making the investment, as well as other information. When securities transactions are performed, the traders responsible for these are subject to limits defined in the Investments Policy.

The entire process falls within the Group's general investment guidelines.

According to these guidelines, the main objective of the investment portfolio is to generate income for the Group, while considering the associated risks and other restrictions arising from the business strategy defined by the Executive Committee.

Assets are allocated to each investments portfolio in a way that enables the aggregate return from all portfolios and respective cumulative risk to meet the established investment objectives.

Market Risk - Currency

Using futures, forwards and swaps contracts the Group hedges the currency exposure of its directly or indirectly held assets:

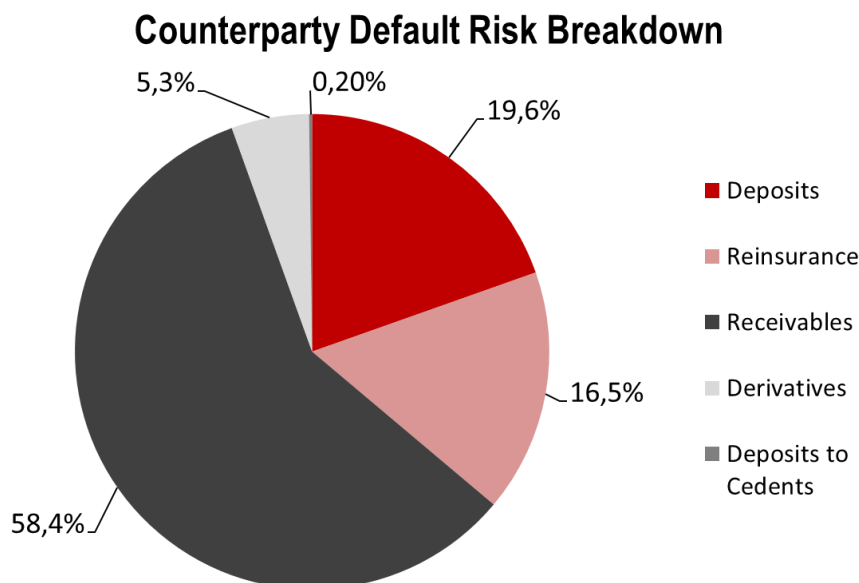
- The exposure to assets denominated in American Dollars (USD) and in Hong Kong Dollars (HKD), given the high correlation between USD and HKD, is mitigated by using futures, forwards and swaps contracts in USD;
- The exposure to assets denominated in Pounds Sterling (GBP) is mitigated by using futures, forwards and swaps contracts in GBP;
- The exposure to assets denominated in Yens (JPY), Swiss Francs (CHF) and Hungarian Forints (HUF) is mitigated by using forwards in JPY, CHF and HUF respectively.

The Group intends to replace the futures contracts with similar contracts, at the end of their maturity period.

C.3. Counterparty Default Risk

The counterparty default risk module is the lowest of all the risks assessed by the Group.

The breakdown of this risk by counterparty type at 31 December 2024 is:



The solvency capital requirement for the counterparty default risk results essentially from the components relating to exposure to counterparties from which the Group has Receivables (around 58.4%). Of the remaining exposures, the most significant is that relating to deposits (around 19.6%), in which exposures to Caixa Geral de Depósitos, to BNP Paribas and to St.Galler Kantonalbank AG carry significant weight.

C.4. Liquidity risk

The Fidelidade Group's liquidity risk is managed so that there is always capacity to meet the Group's obligations and liabilities.

The Liquidity Risk is analysed individually for the following European insurance companies: Fidelidade, Via Directa, Multicare, Fidelidade Assistance and Fidelidade Re, as these offer a good approximation to the Group's Liquidity level. The same method is applied in the following non-European companies: Garantia, Fidelidade Angola, Macau Vida, Macau Não Vida, La Positiva Seguros y Reaseguros, La Positiva Vida Seguros Y Reaseguros, Alianza Vida Seguros y Reaseguros, Alianza Compania de Seguros y Reaseguros, Alianza Garantia Seguros Y Reaseguros, Fid Chile Seguros Generales, Fidelidade Moçambique and La Positiva S.A. - Entidad Prestadora de Salud.

Accordingly, an ALM analysis is prepared monthly for the European companies, and includes Assets and Liabilities, and Monitoring of the ALM and Liquidity Policy. For the non-European companies, the ALM analysis, including Assets and Liabilities, is prepared on a quarterly basis.

The ALM analyses conducted cover the interest rate gap, considering the yield to maturity and modified duration of the liabilities and the respective assets, including the convexity effect, and short and long-term cash flow matching. This analysis also includes a comparison between the cash flow matching and liquidity-generating capacity of assets without maturity, namely shares, funds and property.

Liquidity-generating needs are analysed following the ALM process. Based on the ALM report, the adequacy of the portfolio size is tested, in particular, compared to the known liabilities, taking into account the movements of liabilities maturities foreseeable in



the current month. The result of this diagnosis is the application or generation of liquidity, identifying portfolios and amounts of liquidity to be generated or applied that lead to recommendations on the need to purchase or sell assets.

The ALM and liquidity policy describes a series of characteristics for classifying the asset liquidity and consequently Liquidity levels based on situations of stress, on both the liabilities and assets side.

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

The EPIFP, at 31 December 2024, was:

Amount in thousand euros	
Expected profits included in future premiums - Life	666,707
Expected profits included in future premiums – Non-Life	42,939
Total	709,646

For the Life segment the EPIFP only refers to the life risk line of business, and the methods and main assumptions described in point D.2.1 of this report are used to calculate it. In the Non-Life segment, the lines of business that most contribute to the figure are Health Insurance, Fire and Other Damage to Property Insurance, Assistance and Other Motor Insurance.

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

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

C.5. Operational risk

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

This risk module has been increasing in weight among all the risks assessed by the companies. Its increase reflects the evolution of the activity in the life and non-life sectors and the increase in unit-linked expenses, which grew by around 43%, 11% and 19% respectively.

In its management of operational risk and internal control, the Group identifies, within its processes, the most significant operational risks to which each of these are exposed (based on a pre-defined risk matrix) and it documents the controls which exist to mitigate these.

Additionally, to assess the Group's operational risk, quantitative information is collected on the risks previously identified and an assessment is carried out of the internal control system, supported by a process of own assessment of the control activities documented.



C.6. Other risks not included in the standard formula

Risks that do not fall within the standard formula are identified and assessed qualitatively (and quantitatively if so justified) as part of the ORSA process.

For the risks that are not present in the standard formula and that were analysed in this accounting period, no materially significant risks were identified at Group level, although the legal risk has been considered as having a potential impact on some of the group companies.

C.6.1. Reputational risk

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

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

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

The activities conducted within this scope have produced results as demonstrated by the various awards the Company has received for service excellence / customer satisfaction ³. This risk is therefore considered to be adequately mitigated and is therefore classified as low.

C.6.2. Strategic risk

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

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

C.6.3. Business (continuity) risk

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

³ For a full list of the awards received, see: <https://www.fidelidade.pt/PT/a-fidelidade/NossaMarca/marca/Paginas/Premios.aspx>



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

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

C.6.4. Legal risk

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

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

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

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

In addition, the Group Companies are exposed to compliance risks during the normal course of their operations.

In conclusion, and considering all the points covered above, the legal risk associated with the Group is considered medium, due to the impacts that potential changes in the tax legislation would have and due to uncertainties related with the application of the Solvency II rules.

C.7. Any other information

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

The Group companies individually recognise adjustment for the loss-absorbing capacity of deferred taxes not only relating to the impact on deferred tax liabilities, but also the impact on deferred tax assets. In the case of recognition of adjustment relating to deferred tax assets, the companies test the recoverability of these taking into account estimated future tax profits following the shock, in a limited time period.

The loss absorption capacity at Group level is determined based on the relative weight that each company's capital requirement has in the Group's capital requirement.

If there were no adjustment for the loss-absorbing capacity of deferred taxes, the solvency capital requirement coverage ratio would be 171.2%.



C.7.2. Risk sensitivity

The sensitivity of the solvency ratio, at 31 December 2024, to the main risks to which the Group is exposed, expressed as an absolute impact on that ratio (in percentage points), is presented in the table below:

Risk Type	Total effect
Equity value -20%	-2.7 p.p.
Property value -10%	-8.3 p.p.
Spread +100bps	-14.6 p.p.
Interest Rate – Increase of 100 bps	+1.2 p.p.
Interest Rate – Decrease of 50 bps	-4.0 p.p.
Interest Rate – Decrease of 100 bps	-9.0 p.p.

At 31 December 2023, sensitivity of the solvency ratio was:

Risk Type	Total effect
Equity value -20%	-1.6 p.p.
Property value -10%	-7.5 p.p.
Spread +100bps	-12.4 p.p.
Interest Rate – Increase of 100 bps	+3.2 p.p.
Interest Rate – Decrease of 50 bps	-2.7 p.p.
Interest Rate – Decrease of 100 bps	-6.0 p.p.

Explanation of the Solvency II sensitivity analyses:

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

C.7.3. Risk concentration

The table below presents significant concentrations of risk between entities within the scope of Group supervision and third parties which exceed 10% of the Group's solvency capital requirement:

Amounts in thousand euros

Country	Type and amount of exposure				
	Assets			Liabilities	
	Equity	Bonds	Other investments	Insurance policies	External reinsurance
PT	2,202,520	570,694	314,421	4,560,942	0
IT	0	1,277,952	0	0	0
GB	8,531	301,026	874,954	0	0
FR	45	957,880	203,050	0	0
ES	0	1,074,428	1,820	0	0
LU	0	0	572,349	0	0
PE	0	569,134	0	0	0
IE	265,738	163	160,113	0	0

The amount of exposure in the 'Liabilities – Insurance policies' category corresponds to the sums insured per entity.

Regarding the 'Assets' exposures, the greatest concentration in the "Equity" category relates to the shares and equity securities of Fidelidade Property Europe (EUR 1,859,918 thousand) (a subsidiary of Fidelidade, which manages Fidelidade's real estate portfolio and for which the transparency-based approach is used in the calculation of risks and as such it is not consolidated in the economic balance sheet). In the "Bonds" category, the greatest concentrations are Italian, Spanish, and French government bonds (EUR 1,277,952 thousand, EUR 1,074,428 thousand, and EUR 957,880 thousand respectively).

Within the category "Assets – Other Investments", the greatest exposures are to Tenax (a British fund manager majority owned by Fidelidade).

C.7.4. SCR - other undertakings

The SCR of other undertakings was EUR 67.0 million.

The companies included in this module are:

- Luz Saúde
- Tenax
- SGOI

D. Valuation for Solvency Purposes





In this chapter we present information on the valuation of the assets, technical provisions and other liabilities for solvency purposes and compare this valuation with that used in the financial statements, with reference to 31 December 2024.

The same information, for solvency purposes, is presented in relation to 31 December 2023.

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

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

		Amounts in thousand euros			
		Solvency II	Financial statements	Difference	Solvency II previous year
Assets					
D.1	Total Assets	20,006,118	20,747,504	-741,386	18,294,613
Liabilities					
D.2	Technical Provisions	14,431,250	15,839,525	-1,408,275	12,990,047
D.3	Other liabilities	2,797,155	2,566,350	230,804	2,480,627
Total Liabilities		17,228,405	18,405,875	-1,177,470	15,470,674
Excess of assets over liabilities		2,777,713	2,341,628	436,085	2,823,939

D.1. Assets

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

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

This chapter also includes reinsurance and special purpose vehicles recoverables.

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

Amounts in thousand euros				
Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Financial assets	17,716,829	17,784,895	-68,066	16,055,088
Real estate assets	367,939	350,757	17,182	357,312
Other assets	1,469,140	1,797,698	-328,558	1,455,825
Reinsurance recoverables	452,208	814,152	-361,944	426,388
Total	20,006,118	20,747,504	-741,386	18,294,613



D.1.1. Financial assets

The table below presents the valuation of the financial assets for solvency purposes (current values and those of the previous year), by class of asset, and a comparison of the valuation of those assets for solvency purposes and their valuation in the financial statements:

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Holdings in related undertakings, including participations	2,524,369	2,528,585	-4,216	2,400,378
Equities — listed	177,768	177,762	6	363,860
Equities — unlisted	30,294	30,507	-213	30,703
Government bonds	4,322,604	4,324,060	-1,456	2,619,438
Corporate bonds	5,013,109	5,017,516	-4,407	5,311,255
Structured notes	195,367	195,367	0	188,770
Collateralised securities	0	0	0	0
Collective investment undertakings	967,482	967,882	-400	845,867
Derivatives	0	0	0	184,812
Deposits other than cash equivalents	185,809	242,177	-56,368	364,467
Other investments	0	0	0	0
Assets held for index-linked and unit-linked contracts	4,300,027	4,301,039	-1,012	3,745,538
Total	17,716,829	17,784,895	-68,066	16,055,088

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

Financial instruments are registered at fair value, which corresponds to the amount for which a financial asset could be sold or a liability settled between independent, knowledgeable parties interested in concluding the transaction in normal market conditions (exit price). The fair value of financial instruments for Solvency II purposes is determined according to the fair value hierarchy criteria defined as part of IFRS 13 (Fair Value Measurement).

With regard to interests in related undertakings not included in the consolidation perimeter, including participations, in accordance with the Delegated Regulation, consistent with Article 75 of Directive 2009/138/EC, the excess of assets over liabilities of related undertakings is determined by the equity method, as defined by International Financial Reporting Standards (IFRS), less any recognised amounts of goodwill and other intangible assets;

When comparing the valuation of financial assets for solvency purposes with their valuation in the financial statements, the reasons for the main differences in the following classes of assets are as follows:

- Holdings in related undertakings, including participations

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

The total difference includes (among less relevant others) the impacts of the valuation of Luz Saúde (the value of this participation, for solvency purposes, fell by 227,805 thousand euros) and of Fidelidade Property Europe (increase of 207,358 thousand euros in the valuation for solvency purposes).

- Government bonds

The difference corresponds to potential gains from the portfolio of financial assets valued at amortised cost recognised in Solvency II.

- Deposits other than cash equivalents

As of the Q4 2022 report, CIC 79 assets (margin accounts and collateral accounts) were no longer included under the balance sheet heading "Deposits other than cash equivalents" due to a change in the classification. Following the ASF's guidelines, this amount is now reflected under the heading "Any other assets, not elsewhere shown".



D.1.2. Real estate assets

The table below presents the valuation of real estate assets for solvency purposes, by class of asset, and a comparison with their valuation in the financial statements:

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Property for own use	138,858	121,582	17,276	125,614
Property (other than for own use)	229,081	229,175	-94	231,698
Total	367,939	350,757	17,182	357,312

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

The insurance companies' real estate assets are accounted for at their Market Value, which is the price for which the property could be sold, at the valuation date, in a private agreement between an independent and interested vendor and purchaser, it being implied that:

- i) the asset is put up for sale on the market;
- ii) the conditions of sale permit a regular sale;
- iii) the period for negotiating the sale is normal, considering the nature of the property.

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

Market Approach

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

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

Cost Approach

The Cost Approach consists of applying the principle that a purchaser will not pay more for an asset than the cost of obtaining another with the same level of utility, whether through purchase or construction, unless undue time, inconvenience, risk or other factors are involved.

This approach provides an indication of value by calculating the current replacement or reproduction cost of the asset and deducting for deterioration and all other relevant forms of obsolescence.

Income Approach

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

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

In order to comply with the regulations applicable to the Portuguese insurance sector, the following method is applied to value the real estate assets at the Group and its subsidiaries:



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

When comparing the valuation of real estate assets for solvency purposes with their valuation in the financial statements, the difference in the heading *Property, plant and equipment held for own use* is due to the fact that in the financial statements these were valued at cost, while Solvency II uses fair value, as required by the Supervisory Authorities.



D.1.3. Other Assets

The table below presents the valuation of other assets for solvency purposes (current values and those of the previous year), by class of asset, and a comparison of the valuation of those assets for solvency purposes and their valuation in the financial statements:

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Goodwill	0	59,311	-59,311	0
Deferred acquisition costs	0	9,089	-9,089	0
Intangible assets	0	253,718	-253,718	0
Tangible assets	39,573	39,573	0	35,407
Deferred tax assets	328,930	178,707	150,223	623,427
Pension benefit surplus	1,912	1,912	0	22,678
Loans and mortgages to individuals	0	0	0	0
Other loans and mortgages	32,816	32,717	99	48,956
Loans on insurance policies	2,082	2,082	0	1,699
Deposits to cedants	936	936	0	942
Insurance and intermediaries receivables	288,158	538,067	-249,909	107,948
Reinsurance receivables	127,088	127,088	0	104,600
Receivables (trade, not insurance)	85,915	85,915	0	68,958
Own shares (held directly)	149	149	0	149
Amounts due in respect of own fund items or initial funds called up but not yet paid in	0	0	0	0
Cash and cash equivalents	474,293	437,372	36,921	352,311
Any other assets, not elsewhere shown	87,288	31,062	56,226	88,750
Total	1,469,140	1,797,698	-328,558	1,455,825

Other assets are generally valued in the financial statements at fair value. However, there are specific situations where this is not the case, among others in the following classes of assets:

Goodwill and Deferred acquisition costs

The value of these assets for solvency purposes is zero, in accordance with the Delegated Regulation.

Intangible assets

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

Deferred tax assets

The difference results from the application of the tax rate to adjustments made for solvency balance purposes, except for adjustments related to goodwill and non-consolidated subsidiaries, as these adjustments are not eligible for tax purposes in accordance with the tax regulations applicable.



Insurance and intermediaries receivables

Most of the difference relates to receivables for premiums from index-linked and unit-linked contracts. This amount is considered in the technical provisions, given that its valuation for solvency purposes is net of these receivables.

Cash and cash equivalents

This results from the difference, when negative, between the balances of current accounts, which were considered in the valuation for Solvency purposes under the heading "Any other liabilities, not elsewhere shown" in other liabilities.

Any other assets, not elsewhere shown

As of the quarterly report relating to the last quarter of 2022, assets relating to margin accounts and collateral accounts were no longer included under the balance sheet heading "Deposits other than cash equivalents" due to a change in the classification. Following the ASF's guidelines, this amount is now reflected under the heading "Any other assets, not elsewhere shown"..

D.1.4. Reinsurance and special purpose vehicles recoverables

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

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

- In each of the insurers in the Group, in the Non-Life, Health SLT and Health NSLT lines of business, when calculating the claims provision, the values of the accounting provisions of reinsurance ceded adjusted by the expected losses from counterparty default were assumed as the base value, and these were then distributed in annual future cash flows calculated on the basis of the future pattern of payments obtained for direct insurance in each of the lines of business. The Group's values were obtained by consolidation, eliminating intra-group relations;
- The component of the provision for premiums in the Non-Life and Health NSLT lines of business was calculated as described in points D.2.2. and D.2.4.

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

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

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



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

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life and health similar to life, excluding health insurance and index-linked and unit-linked	111,364	140,927	-29,563	88,354
Life, index-linked and unit-linked	-196,705	0	-196,705	-192,525
Non-life, excluding health insurance	496,891	616,524	-119,633	496,139
Health similar to life	0	0	0	0
Health similar to non-life	40,658	56,702	-16,044	34,420
Total	452,208	814,152	-361,945	426,388

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

- Different structures for discounting estimated liabilities;
- Methodological differences when valuing liabilities for remaining coverage reflected in the financial statements and in the Solvency II premium provision.

D.2. Technical provisions

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

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

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

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life	11,306,828	12,432,670	-1,125,842	10,185,075
Non-Life	1,340,061	1,584,082	-244,021	1,219,571
Health – SLT	1,227,210	1,258,517	-31,307	1,117,119
Health – NSLT	557,150	564,257	-7,107	468,282
Total	14,431,250	15,839,525	-1,408,275	12,990,047

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

However, this degree of uncertainty is lower because the insurance companies owned by the Group do not use simplifications when calculating the technical provisions.



D.2.1. Life

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

Amounts in thousand euros

Line of Business	Best Estimate	Risk Margin	TMT	Technical Provisions	Technical Provisions previous year
Index-linked and unit-linked insurance					
Contracts without options or guarantees	3,179,262	43,119	0	3,222,381	2,974,959
Contracts with options or guarantees	509,576	30,365	0	539,941	287,644
Capital redemption					
Contracts with profit sharing	1,203,310	7,160	-84,397	1,126,073	1,270,944
Contracts without profit sharing	5,218,100	12,593	-118,624	5,112,069	4,476,328
Risk					
Contracts with profit sharing	15,957	219	0	16,176	17,517
Contracts without profit sharing	-83,996	95,586	0	11,590	-21,722
Annuities					
Contracts with profit sharing	75,046	3,644	0	78,690	81,949
Contracts without profit sharing	1,169,697	26,065	0	1,195,762	1,094,900
Reinsurance accepted					
Reinsurance accepted	4,146	0	0	4,146	2,556
Total	11,291,098	218,751	-203,021	11,306,828	10,185,075

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

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

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

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

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

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

The value of the claims provision corresponds to the value reported in the financial statements, at 31 December 2024, since the average payment time is very low so that any reduction caused by the discount effect would be minimal.

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

Income to calculate profit sharing, included in the claims estimates, was determined on the basis of assets held in portfolio at 31 December 2024 and their potential gains at that date. For such purpose, a "risk neutral" projection was made, in which different securities were subject to the reference interest rates curve (see point D.2.6), added to the recognition of potential gains at that date.



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

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

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

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

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

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

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

The following calculation assumptions were used:

Decreases by Death and Disability

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

Decreases by Redemption and Cancellation

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

Technical Management Costs

Since these come into play in determining the economic value of the existing business, the acquisition costs were removed from the total expenses charged to the Life Line of Business, at 31 December 2024. The total expenses were divided by three different classes of products: Risk, Annuities (including funeral-type risk products) and Financial (unit-linked and capital redemption).

Premiums

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



Commissions

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

Future management measures

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

Policyholders' behaviour

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

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

Risk margin

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

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

Amounts in thousand euros			
Line of Business	Technical Provisions	Financial statements	Difference
Index-linked and unit-linked insurance			
Contracts without options or guarantees	3,222,381	3,774,633	-552,252
Contracts with options or guarantees	539,941	526,646	13,295
Capital redemption			
Contracts with profit sharing	1,126,073	1,067,992	58,081
Contracts without profit sharing	5,112,069	5,230,869	-118,800
Risk			
Contracts with profit sharing	16,176	6,270	9,906
Contracts without profit sharing	11,590	558,736	-547,146
Annuities			
Contracts with profit sharing	78,690	74,263	4,427
Contracts without profit sharing	1,195,762	1,188,848	6,914
Reinsurance accepted			
Reinsurance accepted	4,146	4,413	-267
Total	11,306,828	12,432,670	-1,125,842

For risk products the differences are basically justified by the different contract boundaries used for the technical provisions in the financial statements for a series of temporary annual renewable (TAR) group life insurance contracts, as described in D.5.1. This change to the contract boundaries has a positive impact on the insurance companies' solvency capital requirement coverage ratio of around 5 p.p.

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

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

D.2.2. Non-Life

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

Amounts in thousand euros

Line of Business	Best Estimate	Risk Margin	Technical Provisions	Technical Provisions previous year
Motor vehicle liability insurance	532,072	13,424	545,496	498,186
Other motor insurance	117,511	8,767	126,278	106,373
Marine, aviation and transport insurance	21,167	1,078	22,245	10,542
Fire and other damage to property insurance	327,787	6,392	334,179	336,273
General liability insurance	210,127	3,462	213,589	192,043
Credit and suretyship insurance	8,114	278	8,392	-125
Legal expenses insurance	2,709	193	2,902	3,589
Assistance	46,325	1,873	48,198	42,355
Miscellaneous financial loss	36,745	2,037	38,782	30,335
Non-proportional reinsurance accepted	0	0	0	0
Other technical provisions	0	0	0	0
Total	1,302,557	37,504	1,340,061	1,219,571

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

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

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

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

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

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



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

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Motor vehicle liability insurance	545,496	564,214	-18,718
Other motor insurance	126,278	185,382	-59,104
Marine, aviation and transport insurance	22,245	34,538	-12,293
Fire and other damage to property insurance	334,179	449,327	-115,148
General liability insurance	213,589	243,425	-29,836
Credit and suretyship insurance	8,392	7,120	1,272
Legal expenses insurance	2,902	6,901	-3,999
Assistance	48,198	42,862	5,336
Miscellaneous financial loss	38,782	50,313	-11,531
Non-proportional reinsurance accepted	0	0	0
Other technical provisions	0	0	0
Total	1,340,061	1,584,082	-244,021

The main differences identified between the amounts in the financial statements and the Solvency II technical provisions are the result of:

- The application of different discounting structures;
- Methodological differences when valuing liabilities for remaining coverage reflected in the financial statements and in the Solvency II premium provision;
- Methodological differences when valuing the margin for non-financial risks in Solvency II (Risk Margin, in line with the standard formula) and in the financial statements (risk adjustment, in line with IFRS 17)..

D.2.3. Health – SLT

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

Amounts in thousand euros

Line of Business	Best Estimate	Risk Margin	TMTP	Technical Provisions	Technical Provisions previous year
Health insurance (direct insurance)					
Contracts without options or guarantees	0	0	0	0	0
Contracts with options or guarantees	0	0	0	0	0
Health insurance (reinsurance accepted)					
Health insurance (reinsurance accepted)	0	0	0	0	0
Annuities stemming from non-life insurance contracts					
relating to health insurance obligations	1,279,106	106,186	-158,082	1,227,210	1,117,119
relating to insurance obligations other than health insurance obligations	0	0	0	0	0
Total	1,279,106	106,186	-158,082	1,227,210	1,117,119

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

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



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

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

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

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

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

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Health insurance (direct insurance)			
Contracts without options or guarantees	0	0	0
Contracts with options or guarantees	0	0	0
Health insurance (reinsurance accepted)			
Health insurance (reinsurance accepted)	0	0	0
Annuities stemming from non-life insurance contracts			
relating to health insurance obligations	1,227,210	1,258,517	-31,307
relating to insurance obligations other than health insurance obligations	0	0	0
Total	1,227,210	1,258,517	-31,307

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

D.2.4. Health – NSLT

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

Amounts in thousand euros

Line of Business	Best Estimate	Risk Margin	Technical Provisions	Technical Provisions previous year
Medical expense insurance	176,668	9,207	185,875	153,052
Income protection insurance	72,553	1,296	73,849	74,390
Workers' compensation insurance	281,495	15,931	297,426	240,840
Total	530,716	26,434	557,150	468,282

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

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

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



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

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

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

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

Amounts in thousand euros

Line of Business	Technical Provisions	Financial statements	Difference
Medical expense insurance	185,875	193,907	-8.032
Income protection insurance	73,849	81,986	-8.137
Workers' compensation insurance	297,426	288,364	9.062
Total	557,150	564,257	-7.107

The main differences identified between the amounts in the financial statements and the Solvency II technical provisions are the result of:

- The application of different discounting structures;
- Methodological differences when valuing liabilities for remaining coverage reflected in the financial statements and in the Solvency II premium provision;
- Methodological differences when valuing the margin for non-financial risks in Solvency II (Risk Margin, in line with the standard formula) and in the financial statements (risk adjustment, in line with IFRS 17).

D.2.5. Inflation rate

The following are used to calculate the best estimate in the life, non-life and health segments:

- In the European insurers in the Group perimeter the harmonised index of prices, three-year forecast, disclosed by Banco de Portugal in December 2024, is used. In the best estimate projections, 2.1% was considered in 2025 and 2.0% in 2026 and subsequent years;
- In the projections for the non-European insurers, future inflation is considered to follow the pattern implicit in the historical information used to estimate future cash flows.

D.2.6. Reference interest rates

For technical provisions in currencies for which the Supervisor does not publish interest rate structures (Peruvian Sols (PEN), Bolivian Bolivianos (BOB), Paraguayan Guaranis (PYG), Angolan Kwanzas (AOA), Mozambican Meticals (MZN), Cape Verdean Escudos (CVE), and Macanese Patacas (MOP)), interest rate structures were calculated by applying a method similar to that considered by EIOPA, assuming as the basis of calculation for the first years the interest rate structure of Peruvian Government Bonds for PEN and PYG, Colombian Government Bonds for BOB, Brazilian Government Bonds for CVE, MZN and AOA, and Hong Kong Government Bonds for MOP and the long-term inflation rate expected by the respective Central Banks to determine the future behaviour of interest rate structures.

When valuing the technical provisions in Solvency II, the Group used the relevant risk-free interest rate structures set out in Commission Implementing Regulation (EU) 2025/216, of 6 February 2025, without volatility adjustment.

In the financial statements, the following approaches were used, as established by IFRS 17. In non-life insurance, the interest rate structure used corresponds to that applied in the assessment of Solvency II technical provisions, with volatility adjustments.



Segment	Product Type	Approach
Life	Annuities	Top-down
	Risk	Bottom-up
	Capital redemption with guaranteed rate	Stochastic approach
Non-Life	Reinsurance	Bottom-up
	Direct Insurance	

D.3. Other liabilities

The table below presents a comparison of the valuation of other liabilities for solvency purposes (current values and those of the previous year) and their valuation in the financial statements:

Amounts in thousand euros

Liabilities	Solvency II	Financial statements	Difference	Solvency II previous year
Contingent liabilities	0	0	0	0
Provisions other than technical provisions	30,646	30,646	0	38,735
Pension benefit obligations	28,295	28,295	0	7,860
Deposits from reinsurers	59,737	59,737	0	57,551
Deferred tax liabilities	357,843	26,487	331,356	619,067
Derivatives	201,902	202,740	-838	310,725
Debts owed to credit institutions	6,835	6,835	0	4,891
Financial liabilities other than debts owed to credit institutions	60,934	49,230	11,704	61,346
Insurance and intermediaries payables	265,075	265,133	-58	216,765
Reinsurance payables	342,248	497,584	-155,336	314,325
Payables (trade, not insurance)	197,341	197,341	0	149,111
Subordinated liabilities	1,011,123	1,004,456	6,667	482,667
Any other liabilities, not elsewhere shown	235,177	197,865	37,312	217,584
Total	2,797,156	2,566,349	230,807	2,480,627

Other liabilities are generally valued in the financial statements at fair value. However, there are specific situations where this is not the case, among others in the following classes of assets:

Deferred tax liabilities

The difference results from the application of the tax rate to adjustments made for solvency balance sheet purposes.

Financial liabilities other than debts owed to credit institutions

The Solvency II adjustment in this heading is justified by the revaluation made to reflect the full economic impacts on the Solvency II Balance Sheet, relating to the sale/purchase option existing over 12.1% of the capital of Fidelidade Moçambique – Companhia de Seguros S.A. (previously Seguradora Internacional de Moçambique, S.A.).

Reinsurance payables

The difference relates to reinsurance ceded payables for reimbursements to the reinsurer of amounts paid in relation to index-linked and unit-linked contracts. For solvency purposes these payables are included in the Life reinsurance recoverables, index-linked and unit-linked, the valuation of which was net of these.

*Subordinated liabilities*

The difference is due to the fact that in Solvency II subordinated liabilities are valued at fair value, while in the financial statements they are initially recognised at fair value (less directly related transaction costs) and subsequently measured at amortised cost.

Any other liabilities, not elsewhere shown

This results from the difference, when negative, between the balances of current accounts related with futures contracts and the components relating either to the valuation of unmatured contracts (recorded under the heading "Derivatives") or to the initial margin (collateral), which were considered in the financial statements valuation under the heading "Any other assets, not elsewhere shown", and "Sight deposits" with negative balances which were considered in the financial statements valuation under the heading "Cash and cash equivalents".

D.4. Alternative valuation methods

As mentioned in point D.1.1 of this report, the Group does not make valuations from financial models.

D.5. Any other information

D.5.1. Information on the valuation for solvency purposes

The bases, methods and main assumptions used at Group level for the valuation of assets, technical provisions and other liabilities for solvency purposes do not differ from those used in any of the Group's European subsidiaries for valuation for solvency purposes of the respective assets, technical provisions and other liabilities.

D.5.2. Extension of the contract boundaries of temporary annual renewable insurance contracts

When calculating the best estimate of the Life obligations relating to temporary annual renewable (TAR) life insurance contracts, the contract boundary considered is the date of the next renewal except for contracts for which the Group has provenly waived the unilateral right to terminate the contract and to reject or amend the tariffs in force.

For these contracts, which are all linked to mortgages, for the purpose of valuing their technical provisions, Fidelidade Group considered their contract boundary to be the maturity of the mortgage agreement associated with each adhesion, and for contracts with the "Funeral Service Organisation and Expenses" and "Adjustment of the funeral service to a Vault, Drawer or Perpetual Grave" covers the boundary was considered to be indefinite, and lapse probabilities were taken into account. Although the reinsurance treaty associated with these contracts is of annual duration, when calculating the reinsurance recoverables the Group assumed a time limit consistent with the limits of the insurance contract to which they relate, according to the understanding of the ASF. For the purposes of the financial statements profits are recognised over the duration of the contracts, so future profits are not yet recognised as own funds.

D.5.3. Application of Transitional measure on technical provisions

The Group only applied to Fidelidade, pursuant to Article 25 of Law No. 147/2015, of 9 September, the transitional deduction to technical provisions for similar to life obligations, in the following groups of homogeneous risks:

- Capital redemption products, with and without profit sharing;



- Health – SLT, relating to obligations with workers' compensation insurance contracts.
- The ASF ruled that for 2019 the transitional deduction to technical provisions must be recalculated, based on 31 December 2018 information, and the reduction resulting from that calculation (if greater than the normal gradual reduction) must be reported on the first day of 2019.

Accordingly, the table below contains the respective amounts of the gross technical provisions and the reinsurance recoverables, for solvency purposes, with the reference date of 1 January 2019⁴, and in the financial statements, with the reference date of 31 December 2018. The initial amount of the transitional deduction applied is also shown:

Amounts in thousand euros

Lines of business/ Homogeneous risk groups		Gross Technical Provisions			Reinsurance Recoverables		Transitional Deduction
		Financial Statements	Solvency II		Financial Statements	Solvency II	
			Best Estimate	Risk Margin			
29 and 33	Life insurance obligations - Health – SLT	699,747	881,404	75,225	0	0	256,882
30	Life insurance obligations - Insurance with profit sharing - Capital redemption products	1,254,522	1,382,107	9,559	0	0	137,145
32	Life insurance obligations - Other obligations similar to life - Capital redemption products	5,087,284	5,268,160	11,889	0	0	192,764
Total		7,041,553	7,531,671	96,673	0	0	586,791

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the Group applied the transitional deduction to technical provisions on the first day of 2024. The table below shows the amount of that deduction at 31 December 2024:

Amounts in thousand euros

Lines of business/ Homogeneous risk groups		Transitional Deduction		
		Recalculation 1/1/2019	Annual Decrease	Amount at 31/12/2024
29 and 33	Life insurance obligations - Health – SLT	256,882	-19,760	158,081
30	Life insurance obligations - Insurance with profit sharing - Capital redemption products	137,145	-10,550	84,397
32	Life insurance obligations - Other obligations similar to life - Capital redemption products	192,764	-14,828	118,624
Total		586,791	-45,138	361,102

⁴ Pursuant to Article 25(5) of Law No. 147/2015, of 9 September 2015, the ASF requested all insurance companies covered by the transitional rules to recalculate the transitional deduction, using information relating to 31 December 2018 as the basis for recalculation and with an effective date of 1 January 2019.



The following table quantifies the impact on the Group's financial condition, at 31 December 2024, of not applying this transitional deduction, namely the impact on the amount of the technical provisions, solvency capital requirement, minimum capital requirement, basic own funds and eligible own funds to meet the minimum capital requirement and the solvency capital requirement.

Amounts in thousand euros

	Transitional measure on technical provisions		
	Amount with the transitional measure	Amount without the transitional measure	Impact of the transitional measure
Technical provisions	14,431,250	14,792,352	-361,102
Basic own funds	3,582,165	3,328,681	253,484
Excess of assets over liabilities	2,777,713	2,524,220	253,494
Eligible own funds to meet SCR	3,591,961	3,338,476	253,484
Solvency Capital Requirement (SCR)	1,851,827	1,859,988	-8,161
SCR coverage ratio	193.97%	179.49%	

The impact of the annual decrease in the transitional deduction to technical provisions, on the first day of 2025, is approximately 0.31% of the total amount of the technical provisions and 1.7 p.p. in the SCR coverage ratio.

E. Capital Management



Fidelidade 
Group



During the period covered by this report, there were no significant changes related to the objectives, policies and processes adopted by the Fidelidade Group to manage its own funds.

The changes which occurred in 2024, both in its own funds and in its solvency capital requirement are explained in this chapter.

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

E.1. Own funds

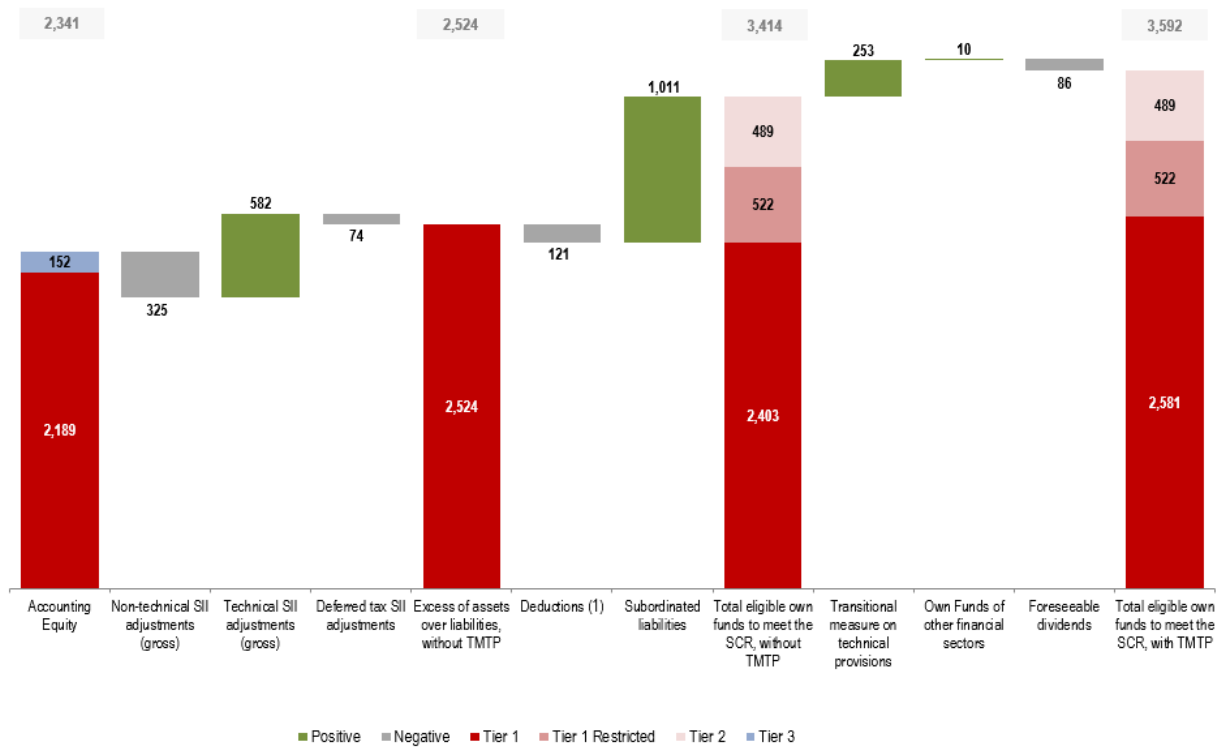
E.1.1. Structure, amount and tiering of own funds

The table below presents a comparison of the own funds as set out the Group's financial statements and the excess of assets over liabilities calculated for solvency purposes:

Amounts in thousand euros				
	Solvency II	Financial statements	Difference	Solvency II previous year
Assets	20,006,118	20,747,504	-741,386	18,294,613
Technical Provisions	14,431,250	15,839,525	-1,408,275	12,990,047
Other liabilities	2,797,155	2,566,350	230,804	2,480,627
Excess of assets over liabilities	2,777,713	2,341,628	436,085	2,823,939



The difference is explained in the graph below in million euros



(1) Deductions on Own Funds resulting from participations in credit and financial institutions and unavailable minority interests.



The table below provides information on the structure, amount and tiering of the basic own funds and ancillary own funds, at 31 December 2024 and 31 December 2023.

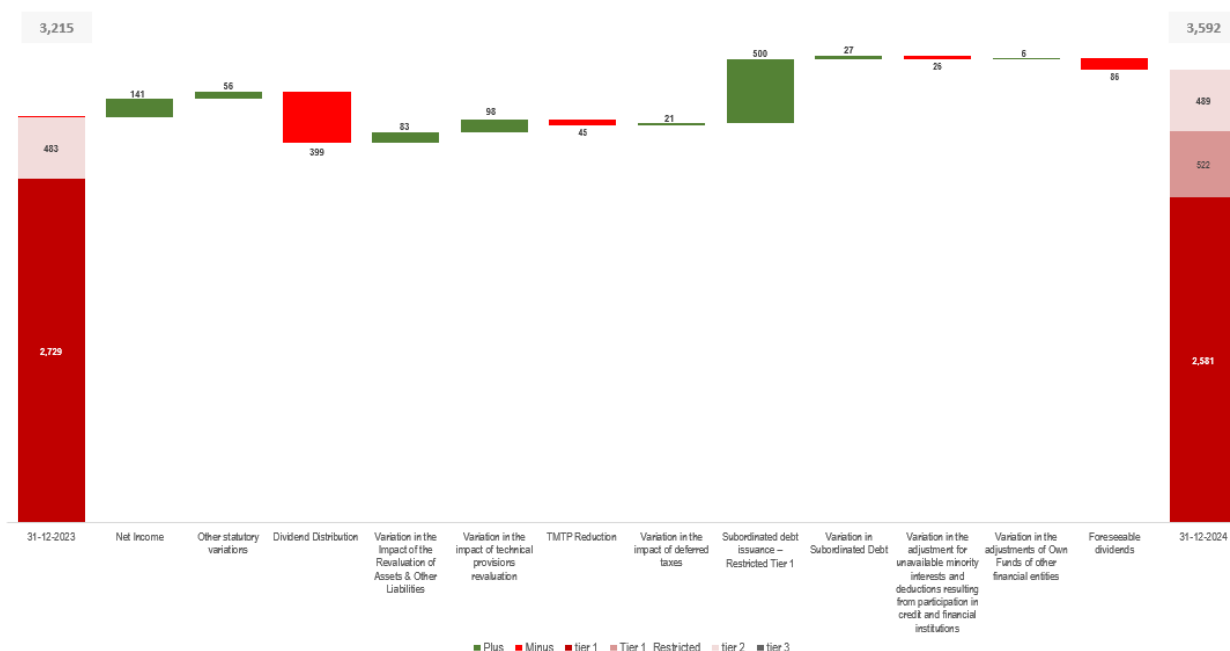
				Amounts in thousand euros	
Own Funds - Structure		Amount	Tier	Amount previous year	Tier previous year
Basic own funds	Ordinary share capital (gross of own shares)	509,264	1	509,264	1
	Non-available called but not paid in ordinary share capital at group level	0		0	0
	Share premium account related to ordinary share capital	382,666	1	382,666	
	Surplus funds	0		0	0
	Non-available surplus funds at group level	0		0	0
	Preference shares	0		0	0
	Non-available preference shares at group level	0		0	0
	Share premium account related to preference shares	0		0	0
	Non-available share premium account related to preference shares at group level	0		0	0
	Reconciliation reserve	1,799,956	1	1,927,501	1
	Subordinated liabilities	1,011,123	1 and 2	482,667	2
	Non-available subordinated liabilities at group level	0		0	0
	An amount equal to the value of net deferred tax assets	0		4,360	3
	An amount equal to the value of net deferred tax assets non available at group level	0		0	0
	Other own fund items approved by the supervisory authority as basic own funds not specified above	0		0	0
	Non-available own funds related to other own funds items approved by supervisory authority	0		0	0
	Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0		0	0
	Basic own funds		3,703,009		3,306,458
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities whereof deducted according to art 228 of Directive 2009/138/EC-	11,464	1	8,779	1	
Deductions for participations where there is non-availability of information (Article 229)	0		0	0	
Deductions for participations included with D&A when a combination of methods is used	0		0	0	
Total basic own funds		3,691,545		3,297,679	



Amounts in thousand euros

Own Funds - Structure		Amount	Tier	Amount previous year	Tier previous year
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	0		0	0
	Unpaid and uncalled preference shares callable on demand	0		0	0
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0		0	0
	Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	0		0	0
	Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC	0		0	0
	Non-available ancillary own funds at group level	0		0	0
	Other ancillary own funds	0		0	0
Total ancillary own funds		0		0	
Total own funds		3,691,545		3,297,679	
Minority interests (if not reported as part of another own fund item)		0		0	0
Non-available minority interests at group level		-109,379	1 and 3	-86,336	1 and 3
Total available own funds excluding financial sector		3,582,166		3,211,343	
Own funds of other financial sectors		9,795	1	4,017	1
Total eligible own funds including financial sector		3,591,961		3,215,360	

The graph below shows the main changes to the Group's available own funds during the period covered by this report, in million euros:





The table below shows the amounts of own funds available and eligible to meet the solvency capital requirement (SCR) and the minimum capital requirement (MCR), classified by tier, relating to 31 December 2024 and 31 December 2023:

Amounts in thousand euros

	Eligible own funds to meet					
	SCR				MCR	previous year
	including financial sector	previous year	excluding financial sector	previous year		
Tier 1	3,102,437	2,728,546	3,092,641	2,724,529	3,092,641	2,724,529
Tier 2	489,524	482,667	489,524	482,667	141,474	128,909
Tier 3	0	4,146	0	4,146	0	0
Total	3,591,961	3,215,360	3,582,165	3,211,343	3,234,115	2,853,438

E.1.2. Restrictions to the transferability and fungibility of own funds in subsidiaries

No restrictions were identified which affect the availability and transferability of the own funds of the subsidiaries, and which might affect the Group's Solvency position.

E.2. Solvency capital requirement and minimum capital requirement

To calculate the solvency capital requirement, the Group applies the standard formula set out in Articles 119 to 129 of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September, and does not use simplified calculations or specific parameters.

Calculation of the minimum capital requirement is in line with that set out in Article 147 of the aforementioned Legal Framework.

Information is presented below on the solvency capital requirement (SCR) and the minimum capital requirement (MCR) and also the respective coverage ratio, at 31 December 2024 and 31 December 2023.

Amounts in thousand euros

	Capital Requirements	Capital Requirements previous year	Coverage Ratio	Coverage Ratio previous year
SCR	1,851,827	1,783,543	194.0%	180.3%
SCR excluding financial sector	1,850,477	1,782,178	193.6%	180.2%
MCR	707,368	644,546	457.2%	442.70%



The table below provides a breakdown of the SCR by risk modules, with reference to 31 December 2024 and 31 December 2023, focusing, in particular, on the breakdown of the BSCR and the adjustments for the loss-absorbing capacity of the technical provisions and of deferred taxes.

	Amounts in thousand euros	
	SCR Breakdown	SCR Breakdown previous year
Market risk	1,352,156	1,311,958
Counterparty default risk	207,683	207,800
Life underwriting risk	340,170	424,945
Health underwriting risk	353,443	352,350
Non-Life underwriting risk	364,533	327,185
Diversification	-799,021	-818,515
Intangible asset risk	0	0
Basic Solvency Capital Requirement	1,818,963	1,805,723
Operational risk	214,950	173,279
Loss-absorbing capacity of technical provisions	-3,154	-204
Loss-absorbing capacity of deferred taxes	-245,952	-247,077
Solvency capital requirement for companies using the consolidated method	1,784,806	1,731,721
Capital requirement for other financial sectors (capital requirements not linked to the insurance sector)	1,350	1,365
Capital requirement for residual undertakings	65,671	50,457
Consolidated Group Solvency Capital Requirement	1,851,827	1,783,543

Information on the main changes to the solvency capital requirement in the period covered by this report, and the reasons for those changes, are included in Chapter C.

E.3. Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

The Fidelidade Group does not use the duration-based equity risk sub-module, set out in Article 125(5) of the Legal Framework on the Taking-up and Pursuit of the Business of Insurance and Reinsurance, approved by Law No. 147/2015, of 9 September.

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

As previously stated, the Fidelidade Group uses the standard formula, and does not apply any internal model.



E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

There was no failure to comply with the minimum capital requirement or the solvency capital requirement during the period covered by this report.

E.6. Any other information

E.6.1. Transitional measure on equity risk

The Group did not apply the transitional regime applicable to the equity risk set out in Article 20(2) and (3) of Law No. 147/2015, of 9 September.

E.6.2. Futures, forwards and swaps contracts

Calculation of capital requirements of the currency risk sub-module includes the effect of hedging of exchange rate exposure of assets held in portfolio denominated in American dollars (USD), Hong Kong dollars (HKD) and Pounds sterling (GBP), via the use of futures and foreign exchange forwards and swaps, and of assets denominated in Yen (JPY) and Swiss francs (CHF), via the use of foreign exchange forwards.

The counterparty default risk module also takes into account exposure to counterparties with which the above-mentioned hedging is performed.

E.6.3. Mass Lapse Reinsurance

The calculation of the capital requirement for the lapse risk in the Life underwriting risk includes the impact of the mass lapse reinsurance treaty. The treaty was signed on 30 January 2025, but with effects from 31 December 2024, with a panel of renowned reinsurers, and provides non-proportional coverage for the risk of excess loss associated with an event or set of events of mass redemptions/cancellations over a period of up to 12 months in life insurance policies for Fidelidade Group companies operating in this sector.

Accordingly, the terms set out in the Mass Lapse reinsurance treaty (which follow the best practices set out in the "Consultation Paper on the annexes of risk mitigation techniques by insurance undertakings: Mass-Lapse Reinsurance and Reinsurance Agreements' Termination Clauses" published by EIOPA on 8 November 2024) allow the Fidelidade Group to reduce the capital requirement associated with the life insurance lapse risk sub-module from the level of the capital requirement associated with mass lapse risk (at the time the treaty was signed, this represented the highest requirement within this sub-module) to the level of the capital requirement associated with the risk of a permanent increase in lapse rates (at the time the treaty was signed, this represented the second largest requirement within this sub-module).

The impact of this treaty on the Group's solvency ratio is approximately 5.4 percentage points as of 31 December 2024. The authorisation process is still ongoing at the ASF.

E.6.4. Solvency capital requirement and own funds of the group's insurance and reinsurance undertakings

The tables below present the solvency capital requirement of each of the Group's insurance and reinsurance undertakings included in the Fidelidade Group's solvency calculation:



a) EEA Insurance Undertakings

Amounts in thousand euros

Legal name of undertaking	SCR Market Risk	SCR Counterparty default risk	SCR Life underwriting risk	SCR Health underwriting risk	SCR Non-life underwriting risk	SCR Operational risk	Individual SCR	Individual MCR	Individual Own Funds Eligible for SCR coverage
Fidelidade - Companhia de Seguros, S.A.	1,330,644	130,309	225,058	234,210	290,219	166,241	1,579,028	420,828	3,452,864
FidelidadeRE	721	355	0	285	920	106	1,408	3,900	11,240
Fidelidade Assistência - Companhia de Seguros, S.A.	3,245	1,638	0	0	21,613	2,393	20,687	9,045	47,423
Via Directa - Companhia de Seguros, S.A.	5,368	1,675	0	64	18,683	2,015	18,676	8,404	39,283
Multicare - Seguros Saúde, S.A.	8,783	15,012	0	95,902	0	15,942	94,578	31,346	147,638
Liechtenstein Life Assurance AG	48,215	4,801	140,340	0	0	2,360	138,745	34,686	299,087

b) Insurance and reinsurance undertakings outside the EEA (using Solvency II rules)

Amounts in thousand euros

Legal name of undertaking	Capital requirement	Minimum capital requirement	Eligible own funds
FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	16,830	9,313	13,459
FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	9,926	4,000	43,872
Positiva Seguros y Reaseguros S.A.A	136,185	34,046	260,864
LA POSITIVA VIDA SEGUROS Y REASEGUROS, S.A.A.	360,800	90,200	236,060
Alianza Vida Seguros y Reaseguros S.A.	11,972	8,803	21,370
Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	34,153	8,538	42,696
Alianza Garantia	9,465	8,000	11,005
La Positiva S.A. - Entidad Prestadora de Salud	8,789	4,000	2,475
FID CHILE SEGUROS GENERALES, S.A.	18,226	4,556	33,025
Fidelidade Macau Vida	20,821	6,166	23,852
Seguradora Internacional Mocambique, SA (SIM)	39,254	13,535	70,939
GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	12,121	8,000	23,117

c) Other regulated and non-regulated financial undertakings including insurance holding companies and mixed financial holding companies

Amounts in thousand euros

Legal name of undertaking	Local capital requirement	Local minimum capital requirement	Eligible own funds in line with local rules
Fidelidade - Sociedade Gestora de Org. de Investimento Imobiliário	514	125	2,112
Tenax Capital Ltd	1,044	0	9,605

E.6.5. Effects of Group diversification

Among the entities within the group's consolidation perimeter, Fidelidade's business has a very substantial weight, when compared with the other entities.

Accordingly, the effect of diversification resulting from the consolidation of the business of the Group's insurance and reinsurance undertakings is not significant, as can be seen in the table below:

Amounts in thousand euros	
	SCR
Fidelidade - Companhia de Seguros, S.A.	1,579,028
Fidelidade Assistência - Companhia de Seguros, S.A.	20,687
Multicare - Seguros de Saúde, S.A.	94,578
Via Directa - Companhia de Seguros, S.A.	18,676
Companhia Portuguesa de Resseguro, S.A.	1,408
Fidelidade Angola - Companhia de Seguros, S.A.	16,830
Garantia - Companhia de Seguros de Cabo Verde, S.A.	12,121
Fidelidade Macau - Companhia de Seguros, S.A.	9,926
Fidelidade Macau Vida - Companhia de Seguros, S.A.	20,821
Fidelidade Chile	18,226
Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	34,153
Alianza Garantia Seguros Y Reaseguros S.A.	9,465
Alianza Vida Seguros y Reaseguros S.A.	11,973
Fidelidade Moçambique – Companhia de Seguros S.A.	39,254
LLA	138,745
La Positiva S.A. - Entidad Prestadora de Salud	8,789
La Positiva Vida Seguros Y Reaseguros S.A.	360,800
Positiva Seguros y Reaseguros S.A.A	136,185
Total	2,531,665
Adjustment in Fidelidade participations	-328,150
Total	2,203,515
Group diversification effects	-351,687
Group SCR	1,851,827

E.6.6. Minimum consolidated group solvency capital requirement

The minimum consolidated group solvency capital requirement corresponds to the sum of the following items:

Amounts in thousand euros		
Insurance Undertakings	MCR	Proportional part
Fidelidade - Companhia de Seguros, S.A.	420,828	100%
Fidelidade RE - Companhia de Resseguros, S.A.	3,900	100%
Fidelidade Assistência - Companhia de Seguros, S.A.	9,045	100%
Via Directa - Companhia de Seguros, S.A.	8,404	100%
Multicare - Seguros de Saúde, S.A.	31,346	100%
Fidelidade Angola - Companhia de Seguros, S.A.	9,313	100%
Garantia - Companhia de Seguros de Cabo Verde, S.A.	8,000	100%
Fidelidade Macau - Companhia de Seguros, S.A.	4,000	100%
La Positiva Seguros Y Reaseguros	34,046	100%
La Positiva Vida Seguros Y Reaseguros	90,200	100%
Alianza Vida Seguros Y Reaseguros	8,803	100%
Alianza Compañía Seguros Y Reaseguros	8,538	100%
Alianza Garantia	8,000	100%
LaPositiva EPS	4,000	100%
FID CHILE	4,556	100%
Fidelidade Macau Vida- Companhia de Seguros, S.A.	6,166	100%
SIM	13,535	100%
LLA	34,686	100%
Minimum consolidated group solvency capital requirement	707,368	

E.6.7. Optional additional information

The Company continues to monitor the conflicts in Ukraine and in the Middle East and the recent resurgence of protectionist policies, and will actively react to possible impacts on the solvency ratio.

Annexes



Annex – Quantitative information *



* Amounts in thousand euros

Fidelidade 
Group



S.02.01.02
Balance Sheet

		Solvency II Value
		C0010
ASSETS		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	328,930
Pension benefit surplus	R0050	1,912
Property, plant and equipment held for own use	R0060	178,431
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	13,645,883
Property (other than for own use)	R0080	229,081
Holdings in related undertakings, including participations	R0090	2,524,369
Equities	R0100	208,061
Equities — listed	R0110	177,768
Equities — unlisted	R0120	30,294
Bonds	R0130	9,531,080
Government bonds	R0140	4,322,604
Corporate bonds	R0150	5,013,109
Structured notes	R0160	195,367
Collateralised securities	R0170	0
Collective investment undertakings	R0180	967,482
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	185,809
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	4,300,027
Loans and mortgages	R0230	34,898
Loans on insurance policies	R0240	2,082
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	32,816
Reinsurance recoverables from:	R0270	452,208
Non-Life and health similar to non-life	R0280	537,549
Non-life, excluding health insurance	R0290	496,891
Health similar to non-life	R0300	40,658
Life and health similar to life, excluding health insurance and index-linked and unit-linked	R0310	111,364
Health similar to life	R0320	0
Life, excluding health and index-linked and unit-linked	R0330	111,364
Life, index-linked and unit-linked	R0340	-196,705
Deposits to cedants	R0350	936
Insurance and intermediaries receivables	R0360	288,158
Reinsurance receivables	R0370	127,088
Receivables (trade, not insurance)	R0380	85,915
Own shares (held directly)	R0390	149
Amounts due in respect of own fund items or initial funds called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	474,293
Any other assets, not elsewhere shown	R0420	87,288
TOTAL ASSETS	R0500	20,006,118



Annex I
S.02.01.02
Balance Sheet
(Cont.)

		Solvency II Value
		C0010
LIABILITIES		
Technical provisions — non-life	R0510	1,897,211
Technical provisions — non-life (excluding health)	R0520	1,340,061
TP calculated as a whole	R0530	0
Best Estimate	R0540	1,302,557
Risk Margin	R0550	37,504
Technical provisions — health (similar to non-life)	R0560	557,151
TP calculated as a whole	R0570	0
Best Estimate	R0580	530,717
Risk Margin	R0590	26,434
Technical provisions — life (excluding index-linked and unit-linked)	R0600	8,771,717
Technical provisions — health (similar to life)	R0610	1,227,210
TP calculated as a whole	R0620	0
Best Estimate	R0630	1,121,025
Risk Margin	R0640	106,186
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	7,544,506
TP calculated as a whole	R0660	0
Best Estimate	R0670	7,399,239
Risk Margin	R0680	145,268
Technical provisions — index-linked and unit-linked	R0690	3,762,322
TP calculated as a whole	R0700	2,585,603
Best Estimate	R0710	1,103,235
Risk Margin	R0720	73,484
Other technical provisions	R0730	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	30,646
Pension benefit obligations	R0760	28,295
Deposits from reinsurers	R0770	59,737
Deferred tax liabilities	R0780	357,843
Derivatives	R0790	201,902
Debts owed to credit institutions	R0800	6,835
Financial liabilities other than debts owed to credit institutions	R0810	60,934
Insurance and intermediaries payables	R0820	265,075
Reinsurance payables	R0830	342,247
Payables (trade, not insurance)	R0840	197,341
Subordinated liabilities	R0850	1,011,123
Subordinated liabilities not classified in basic own funds (BOF)	R0860	0
Subordinated liabilities classified in basic own funds (BOF)	R0870	1,011,123
Any other liabilities, not elsewhere shown	R0880	235,177
TOTAL LIABILITIES	R0900	17,228,405
EXCESS OF ASSETS OVER LIABILITIES	R1000	2,777,713



Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business: non-life insurance and reinsurance obligations (direct business and proportional reinsurance accepted)												Line of business: Non-proportional reinsurance accepted				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 and 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	675,127	174,691	378,738	468,253	423,253	56,100	680,114	131,162	10,308	8,822	67,437	66,765					3,140,770
Gross — Proportional reinsurance accepted	R0120	3,277	-18,886	628		2,568	224	13,391	1,588	218	1,376	21,507	57					25,948
Gross — Non-proportional reinsurance accepted	R0130													0	0	0	0	
Reinsurers' share	R0140	11,393	2,812	20,926	6,586	28,325	35,183	397,189	70,839	6,391	44	1,066	50,714					631,468
Net	R0200	667,011	152,993	358,440	461,667	397,495	21,141	296,315	61,911	4,135	10,154	87,878	16,108					2,535,249
Premiums earned																		
Gross - Direct business	R0210	668,284	173,278	376,384	457,690	432,869	56,028	679,466	128,142	9,888	8,444	64,960	69,558					3,124,991
Gross — Proportional reinsurance accepted	R0220	3,277	-18,878	628	28	2,569	135	12,241	1,183	218	1,376	21,503	111					24,390
Gross — Non-proportional reinsurance accepted	R0230													0	0	0	0	
Reinsurers' share	R0240	11,841	1,822	20,926	6,428	26,432	34,552	398,276	69,807	6,588	42	980	53,491					631,186
Net	R0300	659,720	152,578	356,085	451,290	409,006	21,612	293,431	59,517	3,519	9,778	85,482	16,178					2,518,196
Claims incurred																		
Gross - Direct business	R0310	509,344	72,616	143,265	383,680	196,096	41,734	232,682	41,653	378	1,231	56,193	37,717					1,716,590
Gross — Proportional reinsurance accepted	R0320	-625	-26,088	-378	-847	982	-86	560	-3,251		-981	4,272	8					-26,435
Gross — Non-proportional reinsurance accepted	R0330													0	0	0	0	
Reinsurers' share	R0340	5,769	3,497	425	8,762	13,752	26,650	113,500	27,104	8,815		373	21,039					229,687
Net	R0400	502,950	43,031	142,462	374,071	183,325	14,998	119,742	11,298	-8,437	250	60,092	16,686					1,460,468
Expenses incurred	R0550	145,760	83,016	60,691	136,487	153,585	11,136	142,457	22,100	10,039	4,209	25,285	7,025					801,791
Balance - other technical expenses/income	R1210																	567,328
Total expenses	R1300																	1,369,119



Annex I

S.05.01.02

Premiums, claims and expenses by line of business
(Cont.)

		Line of business: Life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit 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		35,266	673,355	2,279,508				14,005	3,002,134
Reinsurers' share	R1420		172,482		1,066				1,270	174,818
Net	R1500		-137,216	673,355	2,278,443				12,736	2,827,317
Premiums earned										
Gross	R1510		35,299	673,355	2,280,601				14,006	3,003,262
Reinsurers' share	R1520		169,205		231				1,270	170,707
Net	R1600		-133,907	673,355	2,280,370				12,737	2,832,555
Claims incurred										
Gross	R1610		486,914	244,645	1,233,179	91,666			16,609	2,073,012
Reinsurers' share	R1620		95,741		-422	664			1,061	97,044
Net	R1700		391,172	244,645	1,233,601	91,002			15,548	1,975,968
Expenses incurred	R1900		156,953	145,425	64,724	1,401			184	368,688
Balance - other technical expenses/income	R2510									
Total expenses	R2600									368,688



Annex I

S.05.02.01

Premiums, claims and expenses by country

	Country of Origin	Top 5 countries (by amount of gross written premiums) – non-life obligations					Total of Top 5 countries and country of origin
	C0010						C0070
	R0010	AO	BO	CL	FR	PE	
	C0080						C0140
Premiums written							
Gross — Direct business	R0110	2,164,297	53,573	82,696	165,974	72,219	2,987,876
Gross — Proportional reinsurance accepted	R0120	9,386		12,851		3,277	25,514
Gross — Non-proportional reinsurance accepted	R0130						
Reinsurers' share	R0140	188,285	9,920	30,119	127,233	53,034	559,785
Net	R0200	1,985,398	43,654	65,428	38,741	22,462	2,453,605
Premiums earned							
Gross — Direct business	R0210	2,121,850	51,186	78,229	145,325	71,108	2,967,222
Gross — Proportional reinsurance accepted	R0220	7,781		12,851		3,277	23,909
Gross — Non-proportional reinsurance accepted	R0230						
Reinsurers' share	R0240	181,820	8,726	29,623	115,786	52,018	554,885
Net	R0300	1,947,811	42,460	61,456	29,539	22,368	2,436,246
Claims incurred							
Gross — Direct business	R0310	1,359,281	20,924	41,171	56,299	51,790	1,756,325
Gross — Proportional reinsurance accepted	R0320	-32,225	-31	4,207		2,883	-25,125
Gross — Non-proportional reinsurance accepted	R0330						
Reinsurers' share	R0340	56,034	-305	10,557	39,647	48,568	220,046
Net	R0400	1,271,022	21,199	34,820	16,653	6,105	1,511,154
Expenses incurred	R0550	653,859	20,821	39,952	52,526	39,193	993,523
Balance - other technical expenses/income	R1210						559,470
Total expenses	R1300						1,552,993



Annex I

S.05.02.01

Premiums, claims and expenses by country

(Cont.)

		Country of Origin	Top 5 countries (by amount of gross written premiums) – life obligations					Total of Top 5 countries and country of origin
		R1400	BO	FR	LI	MO	PE	C0210
								C0280
Premiums written								
Gross	R1410	1,952,451	11,540	2,524	350,090	57,323	47,614	2,421,541
Reinsurers' share	R1420	15,441	16,404	10,455	4,727	781	117,062	164,871
Net	R1500	1,937,010	-4,865	-7,932	345,363	56,542	-69,448	2,256,670
Premiums earned								
Gross	R1510	1,952,451	11,540	2,524	350,090	57,323	47,614	2,421,541
Reinsurers' share	R1520	12,620	16,886	10,682	4,727	-495	116,571	160,990
Net	R1600	1,939,830	-5,346	-8,158	345,363	57,818	-68,957	2,260,551
Claims incurred								
Gross	R1610	1,354,262	30,360	9,519	54,123	356	167,739	1,616,360
Reinsurers' share	R1620	4,445	8,034	5,847	955	355	67,510	87,146
Net	R1700	1,349,817	22,326	3,672	53,168	1	100,230	1,529,214
Expenses incurred	R1900	79,654	22,039	11,568	94,008	1,642	64,321	273,233
Balance - other technical expenses/income	R2510							
Total expenses	R2600							273,233



Annex I

S.22.01.22

Impact of long-term guarantees and transitional measures

		Amount with long-term guarantees and transitional measures	Impact of transitional measures on technical provisions	Impact of transitional measures on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero	
		C0010	C0030	C0050	C0070	C0090	
Technical provisions	R0010	14,431,250	361,102	0	0	0	
Basic own funds	R0020	3,582,165	-253,484	0	0	0	
	R0050	3,591,961	-253,484	0	0	0	
Eligible own funds to meet Solvency Capital Requirement							
Solvency Capital Requirement	R0090	1,851,827	8,161	0	0	0	



Annex I

S.23.01.22

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sectors						
Ordinary share capital (gross of own shares)	R0010	509,264	509,264	0	0	0
Non-available called but not paid in ordinary share capital at group level	R0020	0	0	0	0	0
Share premium account related to ordinary share capital	R0030	382,666	382,666	0	0	0
	R0040	0	0	0	0	0
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0050	0	0	0	0	0
Subordinated mutual members accounts	R0060	0	0	0	0	0
Non-available subordinated mutual member accounts at group level	R0070	0	0	0	0	0
Surplus funds	R0080	0	0	0	0	0
Non-available surplus funds at group level	R0090	0	0	0	0	0
Preference shares	R0100	0	0	0	0	0
Non-available preference shares at group level	R0110	0	0	0	0	0
Share premium account related to preference shares	R0120	0	0	0	0	0
Non-available share premium account related to preference shares at group level	R0130	1,799,956	1,799,956	0	0	0
Reconciliation reserve	R0140	1,011,123	0	521,599	489,524	0
Subordinated liabilities	R0150	0	0	0	0	0
Non-available subordinated liabilities at group level	R0160	0	0	0	0	0
An amount equal to the value of net deferred tax assets	R0170	0	0	0	0	0
An amount equal to the value of net deferred tax assets non-available at group level	R0180	0	0	0	0	0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0190	0	0	0	0	0
Non-available own funds related to other own funds items approved by supervisory authority	R0200	0	0	0	0	0
Minority interests (if not reported as part of another own fund item)	R0210	109,379	109,379	0	0	0
Non-available minority interests at group level						
Own funds from the financial statements that shall 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 shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0	0	0	0	0
Deductions						
	R0230	11,464	11,464	0	0	0
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0240	0	0	0	0	0
whereof, deducted according to art 228 of the Directive 2009/138/EC	R0250	0	0	0	0	0
Deductions for participations where there is non-availability of information (Article 229)	R0260	0	0	0	0	0
Deduction for participations included with D&A when a combination of methods is used	R0270	109,379	109,379	0	0	0
Total of non-available own fund items	R0280	120,843	120,843	0	0	0
Total deductions	R0290	3,582,165	2,571,042	521,599	489,524	0
Total basic own funds after deductions						



Annex I

S.23.01.22

Own funds

(Cont.)

Unpaid and uncalled ordinary share capital callable on demand	R0300	0	0	0	0	0
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings, callable on demand	R0310	0	0	0	0	0
Unpaid and uncalled preference shares callable on demand	R0320	0	0	0	0	0
A legally binding commitment to subscribe and pay for subordinated liabilities	R0330	0	0	0	0	0
Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC	R0340	0	0	0	0	0
Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	R0350	0	0	0	0	0
	R0360	0	0	0	0	0
Supplementary members calls under first sub-paragraph of Article 96(3) of Directive 2009/138/EC						
	R0370	0	0	0	0	0
Supplementary members calls other than under first sub-paragraph of Article 96(3) of Directive 2009/138/EC						
Non-available ancillary own funds at group level	R0380	0	0	0	0	0
Other ancillary own funds	R0390	0	0	0	0	0
Total ancillary own funds	R0400	0	0	0	0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, financial institutions	R0410	9,795	9,795	0	0	0
Institutions for occupational retirement provisions	R0420	0	0	0	0	0
Non-regulated entities carrying out financial activities	R0430	0	0	0	0	0
Total own funds of other financial sectors	R0440	9,795	9,795	0	0	0
Own funds when using D&A, exclusively or in combination with Method 1						
Own funds aggregated when using D&A and a combination of methods	R0450	0	0	0	0	0
Own funds aggregated when using D&A and a combination of methods, net of IGT	R0460	0	0	0	0	0
		0	0	0	0	0
	R0520	3,582,165	2,571,042	521,599	489,524	0
Total available own funds to meet the consolidated group SCR (excluding own funds of other financial sectors and undertakings included via D&A)						
Total available own funds to meet the minimum consolidated group SCR	R0530	3,582,165	2,571,042	521,599	489,524	0
	R0560	3,582,165	2,571,042	521,599	489,524	0
Total eligible own funds to meet the consolidated group SCR (excluding own funds of other financial sectors and undertakings included via D&A)						
Total eligible own funds to meet the minimum consolidated group SCR	R0570	3,234,115	2,571,042	521,599	141,474	0
Minimum consolidated group SCR	R0610	707,368	0	0	0	0
Ratio of eligible own funds to Minimum Consolidated Group SCR	R0650	457.20%	0	0	0	0
Total eligible own funds to meet the group SCR (including own funds of other financial sectors and undertakings included via D&A)	R0660	3,591,961	2,580,838	521,599	489,524	0
Group SCR	R0680	1,851,827	0	0	0	0
Ratio of eligible own funds to group SCR including own funds of other financial sectors and undertakings included via D&A	R0690	193.97%	0	0	0	0



Annex I

S.23.01.22

Own funds

(Cont.)

C0060

Reconciliation reserve			
Excess of assets over liabilities	R0700	2,777,713	
Own shares (held directly and indirectly)	R0710	149	
Foreseeable dividends, distributions and charges	R0720	85,679	
Other basic own fund items	R0730	891,930	
Adjustments for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	0	
Other non-available own funds	R0750	0	
Reconciliation reserve	R0760	1,799,956	
Expected Profits			
Expected profits included in future premiums (EPIFP) — Life business	R0770	666,707	
Expected profits included in future premiums (EPIFP) — Non-life business	R0780	42,939	
Total expected profits included in future premiums (EPIFP)	R0790	709,646	



Annex I

S.25.01.22

Solvency Capital Requirement — for undertakings on standard formula

		Gross solvency capital requirement	Undertaking-specific parameter (USP)	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,352,156	0	0
Counterparty default risk	R0020	207,683	0	0
Life underwriting risk	R0030	340,170	0	0
Health underwriting risk	R0040	353,443	0	0
Non-Life underwriting risk	R0050	364,533	0	0
Diversification	R0060	-799,021	0	0
Intangible asset risk	R0070	0	0	0
Basic Solvency Capital Requirement	R0100	1,818,963	0	0
Calculation of Solvency Capital Requirement	0	C0100		
Operational risk	R0130	214,950		
Loss-absorbing capacity of technical provisions	R0140	-3,154		
Loss-absorbing capacity of deferred taxes	R0150	-245,952		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
Solvency capital requirement excluding capital add-on	R0200	1,784,806		
Capital add-on already set	R0210	0		
SOLVENCY CAPITAL REQUIREMENT	R0220	1,851,827		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400			
Total amount of Notional Solvency Capital Requirement for remaining part	R0410			
Total amount of Notional Solvency Capital Requirement for ring-fenced funds	R0420			
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430			
Diversification effects due to RFF SCR aggregation for Article 304	R0440			
Minimum consolidated group solvency capital requirement	R0470	707,368		
Information on other entities				
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	1,350		
Capital requirement for other financial sectors (Non-insurance capital requirements) — Credit institutions, investment firms and financial institutions, alternative investment fund managers, UCITS management companies	R0510	1,350		
Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions	R0520			
Capital requirement for other financial sectors (Non-insurance capital requirements) — Capital requirement for non-regulated entities carrying out financial activities	R0530			
Capital requirement for non-controlled participation requirements	R0540			
Capital requirement for residual undertakings	R0550	65,671		
Overall SCR				
SCR for undertakings included via D&A	R0560			
Solvency capital requirement	R0570	1,851,827		



Annex I

S.32.01.22

Undertakings within the scope of the group

								Influencing criteria							Inclusion within the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of identification code of the undertaking	Legal name of undertaking	Type of undertaking	Legal form	Category (mutual/non-mutual)	Supervisory Authority	% of share capital	% used to draw up consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional part used to calculate group solvency	Yes /No	Date of decision if art.214 is applied	Method used and, under Method 1, treatment of the undertaking	
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	
PT	SC/1002	SC	FIDELIDADE - PROPERTY EUROPE, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
PT	SC/1003	SC	GEP - GESTAO DE PERITAGENS, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1004	SC	EAPS - EMPRESA DE ANALISE, PREVENCAO E SEGURANCA, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1007	SC	Audatex Portugal S.A.	10		2		35.00%	35.00%	35.00%		2	35.00%	1		3	
PT	SC/1040	SC	CETRA - CENTRO TECNICO DE REPARACAO AUTOMOVEL, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1053	SC	FIIF IMOFID	99		2		60.00%	100.00%	60.00%		2	100.00%	1		3	
PT	SC/1060	SC	FIDELIDADE - SERVICOS DE ASSISTENCIA, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1061	SC	CARES MULTIASSISTANCE, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1075	SC	Luz Saude	99		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
PT	SC/1096	SC	FIDELIDADE - PROPERTY INTERNATIONAL, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
HK	SC/1100	SC	FID III (HK) LIMITED	99		2			100.00%			1	100.00%	1		3	
RU	SC/1101	SC	FPI (UK) 1 LIMITED	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
IT	SC/1113	SC	FPE (IT) Societa per Azioni	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
MZ	SC/1115	SC	FIDELIDADE - ASSISTENCIA E SERVICOS, LIMITADA	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
LU	SC/1124	SC	FPE (Lux) Holding S.a.r.l.	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
LU	SC/1125	SC	Thomas More Square (Lux) Sarl	10		2		99.00%	100.00%	99.00%		1	100.00%	1		3	
LU	SC/1126	SC	Thomas More Square (Lux) Holdings Sarl	10		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
PT	SC/1128	SC	prosperity solutions (Switzerland) AG	99		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
GB	SC/1129	SC	Tenax QIAIF ICAV	99		2			100.00%			1	100.00%	1		3	
IT	SC/1130	SC	Fundo Broggi	99		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
PT	SC/1131	SC	Fidelidade - Sociedade Gestora de Org. de Investimento Imobiliari	15		2		100.00%	100.00%	100.00%		1	100.00%	1		4	
IE	SC/1134	SC	Fid Loans 1 (Ireland) Limited	99		2		100.00%	100.00%	100.00%		1	100.00%	1		3	
IT	SC/1137	SC	Broggi Retail S.R.L.	10		2			100.00%			1	100.00%	1		3	
AO	SC/1142	SC	UNIVERSAL - ASSISTENCIA E SERVICOS, LIMITADA	10		2		80.00%	100.00%	80.00%		1	100.00%	1		1	
CV	SC/1144	SC	GEP Cabo Verde, Gestao de Peritagens limitada	10		2		100.00%	100.00%	100.00%		1	100.00%	1		1	
PT	SC/1152	SC	SERFUN PORTUGAL, SGPS, S.A.	10		2		49.00%	49.00%	49.00%		2	49.00%	1		3	
CL	SC/1153	SC	FID CHILE & MT JV SpA	5		2		97.00%	100.00%	97.00%		1	100.00%	1		1	



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(Cont.)

Country	Identification code of the undertaking	Type of identification code of the undertaking	Legal name of undertaking	Type of undertaking	Legal form	Category (mutual/non-mutual)	Supervisory Authority	Influencing criteria						Inclusion within the scope of group supervision		Group solvency calculation
								% of share capital	% used to draw up consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional part used to calculate group solvency	Yes /No	Date of decision if art.214 is applied	Method used and, under Method 1, treatment of the undertaking
BE	SC/1155	SC	FPE (BE) HOLDING S.a.r.l.	99		2		100.00%	100.00%	100.00%		1	100.00%			3
BO	SC/1166	SC	Alianza Vida Seguros y Reaseguros S.A.	4		2	APS	67.00%	100.00%	67.00%		1	100.00%			1
BO	SC/1167	SC	Alianza Compania de Seguros y Reaseguros E.M.A. S.A.	2		2	APS	72.00%	100.00%	72.00%		1	100.00%			1
BO	SC/1170	SC	Alianza SAFI, S.A.	99		2		54.00%	100.00%	54.00%		1	100.00%			4
PY	SC/1171	SC	Alianza Garantia	4		2		73.00%	100.00%	73.00%		1	100.00%			1
PE	SC/1172	SC	La Positiva S.A. - Entidad Prestadora de Salud	2		2	SBS	100.00%	100.00%	100.00%		1	100.00%			1
BO	SC/1173	SC	Full Assistance S.R.L.	99		2		100.00%	100.00%	100.00%		1	100.00%			1
BO	SC/1175	SC	Worldwide Security Corporation S.A.	99		2		100.00%	100.00%	100.00%		1	100.00%			1
CL	SC/1176	SC	FID CHILE SEGUROS GENERALES, S.A.	2		2	CMF	100.00%	100.00%	100.00%		1	100.00%			1
PT	SC/1177	SC	FID I & D, S.A.	99		2		100.00%	100.00%	100.00%		1	100.00%			3
US	SC/1178	SC	EA One Holding, Inc.	10		2		73.00%	100.00%	73.00%		1	100.00%			3
PT	SC/1179	SC	FPE (PT), S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
GB	SC/1181	SC	Tenax Capital Ltd	15		2		80.00%	100.00%	80.00%		1	100.00%			4
HU	SC/1182	SC	FPE (HU) Kft	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1183	SC	FSG Saide - Fundo de Investimento Imobiliario Fechado	99		2		100.00%	100.00%	100.00%		1	100.00%			3
GB	SC/1184	SC	FPE (UK) 1 LIMITED	10		2		100.00%	100.00%	100.00%		1	100.00%			3
LU	SC/1185	SC	FPE (Lux) 1	10		2			100.00%			1	100.00%			3
PT	SC/1186	SC	FPE (PT), SGPS, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1187	SC	FPE (PT) OFFICE A, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1188	SC	FPE (PT) 2 OFFICE B, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1189	SC	FPE (PT) 3 RESIDENTIAL, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1190	SC	FPE (PT) 4 RET, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1191	SC	FPE (PT) 5 PARK, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1192	SC	CLINICA FISIATRICA DAS ANTAS	10		2		100.00%	100.00%	100.00%		1	100.00%			1
PT	SC/1193	SC	Cetra - Car Remarketing, S.A.	10		2		51.00%	100.00%	51.00%		1	100.00%			1
JP	SC/1194	SC	GK Lisbon	10		2		100.00%	100.00%	100.00%		1	100.00%			3
JP	SC/1195	SC	TMK Lisbon	10		2		97.00%	100.00%	97.00%		1	100.00%			3
LI	SC/1197	SC	The Prosperity Company AG	1		2		70.00%	100.00%	70.00%		1	100.00%			1



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								% of share capital	% used to draw up consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional part used to calculate group solvency	Yes /No	Date of decision if art.214 is applied	
LI	SC/1199	SC	Prosperity Brokershome AG	99		2		100.00%	100.00%	100.00%		1	100.00%			3
LI	SC/1210	SC	prosperity solutions AG	99		2			100.00%			1	100.00%			3
DE	SC/1211	SC	prosperity solutions GmbH	99		2		100.00%	100.00%	100.00%		1	100.00%			3
LI	SC/1212	SC	cashyou AG	99		2		100.00%	100.00%	100.00%		1	100.00%			3
PT	SC/1216	SC	MULTI HEALTH, S.A.	10		2		100.00%	100.00%	100.00%		1	100.00%			1
PT	SC/1217	SC	FID REAL ASSETS, SGPS, S.A.	99		2		100.00%	100.00%	100.00%		1	100.00%			3
DE	SC/1218	SC	Prosperity Brokershome GmbH	99		2			100.00%			1	100.00%			3
ES	SC/1219	SC	FID REAL ASSETS SPAIN, S.L.	10		2		100.00%	100.00%	100.00%		1	100.00%			3
MZ	LEI/213800NUZ2ILGYEMX136	LEI	Seguradora Internacional Mocambique, SA (SIM)	4		2	ISSM	82.00%	100.00%	82.00%		1	100.00%			1
MO	LEI/25490093HWHFPBPUNM69	LEI	FIDELIDADE MACAU - COMPANHIA DE SEGUROS, S.A.	2		2	AMCM	100.00%	100.00%	100.00%		1	100.00%			1
PE	LEI/254900BKMWO80YKNK926	LEI	Positiva Seguros y Reaseguros S.A.A	2		2	SBS	94.00%	100.00%	94.00%		1	100.00%			1
PE	LEI/254900FORTUDSQNBDB73	LEI	LA POSITIVA VIDA SEGUROS Y REASEGUROS, S.A.A.	4		2	SBS	59.00%	100.00%	59.00%		1	100.00%			1
PT	LEI/529900FNLE8ZOPUOT704	LEI	Fidelidade - Companhia de Seguros, S.A.	4		2	ASF	85.00%	100.00%	85.00%		1	100.00%			1
LI	LEI/529900RMYJQOFOR4SP58	LEI	Liechtenstein Life Assurance AG	1		2	FMA	100.00%	100.00%	100.00%		1	100.00%			1
LI	LEI/529900ZFGE8IXEYVGM45	LEI	prosperity funds SICAV	99		2		100.00%	100.00%	100.00%		1	100.00%			3
AO	LEI/894500227BT9WNOVAT17	LEI	FIDELIDADE ANGOLA - COMPANHIA DE SEGUROS, S.A.	4		2	ARSEG	70.00%	100.00%	70.00%		1	100.00%			1
CV	LEI/894500A6LJK76ANMUT28	LEI	GARANTIA - COMPANHIA DE SEGUROS DE CABO VERDE, S.A.	4		2	BCV	56.00%	100.00%	56.00%		1	100.00%			1
PE	LEI/894500HTWOOGIHLFSF74	LEI	FID PERU S.A.	5		2		100.00%	100.00%	100.00%		1	100.00%			1
CL	LEI/894500RKO0QCJQUNWV10	LEI	Fid Chile SpA	5		2		100.00%	100.00%	100.00%		1	100.00%			1
MO	LEI/894500VIOBHKN6U1KL53	LEI	Fidelidade Macau Vida	1		2	AMCM	100.00%	100.00%	100.00%		1	100.00%			1
PT	LEI/95980038LJ194K38XP93	LEI	MULTICARE - SEGUROS DE SAUDE, S.A.	2		2	ASF	100.00%	100.00%	100.00%		1	100.00%			1
PT	LEI/9598005TTT45GTVTB854	LEI	Fidelidade Re - Companhia de resseguros S.A.	3		2	ASF	100.00%	100.00%	100.00%		1	100.00%			1
PT	LEI/959800J9FW7L435TD92	LEI	FIDELIDADE ASSISTENCIA - COMPANHIA DE SEGUROS, S.A.	2		2	ASF	100.00%	100.00%	100.00%		1	100.00%			1
PT	LEI/959800XGKSDYTU6HVV17	LEI	VIA DIRECTA - COMPANHIA DE SEGUROS, S.A.	2		2	ASF	100.00%	100.00%	100.00%		1	100.00%			1

Fidelidade 
Group