Solvency and Financial Condition Report

2024

FIDELIDADE

SEGUROS DESDE 1808

SFCR

Translation of the original report in Portuguese

Contents

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 to disclose publicly, on an annual basis, a report on their solvency and financial condition.

The qualitative information that insurance undertakings are required to disclose is set out in Chapter XII of Title I of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014.

The quantitative information[1] 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report is laid down in Articles 4 and 5 of Commission Implementing Regulation (EU) No. 2015/2452, of 2 December 2015, repealed by Commission Implementing Regulation (EU) No. 2023/895, of 4 April 2023.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.

<u>BUSINESS AND PERFORMANCE</u>

Fidelidade operates in the Portuguese insurance market through five companies: Fidelidade, Multicare, Fidelidade Assistência, Via Directa and FidelidadeRe (Ex CPR).

The Fidelidade Group also has subsidiaries and strategic shareholdings in companies that provide services that are complementary to insurance (e.g., the Luz Saúde Group, CETRA, EAPS, Fidelidade Property, Tenax, etc.), which fit within the strategy of guaranteeing operational excellence and service quality throughout the value chain, enabling the Fidelidade Group to position itself as a global service provider of people protection.

In individual terms, Fidelidade's total premiums in 2024 were 4,436.4 million euros, recording an increase of 22.6% compared to the previous year, driven by the performance in the Life and Non-Life segments.

The Life business recorded premiums of 2,202.8 million euros, increasing 37.3% compared to 2023, in line with the trend seen in the national market.

In the Non-Life segment, Fidelidade Individual grew 10.9% compared to the previous year, reflecting the positive performance of all lines of business.

In 2024, Fidelidade recorded a separate net income of 11.4 million euros, a decrease of 86.3% compared to the previous year, reflecting a fall not only in investment income but also in the operating result, in addition to the impact of the Pillar 2 Directive resulting from some international subsidiaries benefiting from favourable tax rules.

<u>SYSTEM OF GOVERNANCE</u>

The Company has well-defined corporate governance and internal governance structures which are appropriate to its business strategy and operations. There is clear delegation of responsibilities, reporting lines and allocation of functions.

Key functions of risk management, internal audit, actuarial and compliance are defined as part of the risk management and internal control systems.

The Remuneration Policy applicable to Fidelidade's corporate bodies is based on principles which promote the Company's long-term sustainability, effective management and control of the risks it has assumed, and alignment with the Company's own interests and those of its shareholders, policyholders, insured persons, participants and beneficiaries.

The Company 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.

[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.

The Company 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.

Operational risk management and internal control processes are implemented to ensure that operations are managed and controlled in a sound and prudent manner.

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

The rules and principles that the Company's 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 Company's portfolios, the actuarial function is subdivided into life actuarial and non-life and health actuarial. These actuarial functions are independent in functional terms and report directly to the Company's Executive Committee.

The Company has an Assets and Liabilities Management Committee (ALCO). The main objectives of this Committee are to supervise the asset / liability situation, the investments portfolio and market risks.

There were no material changes in the Company's governance during the period covered by this report.

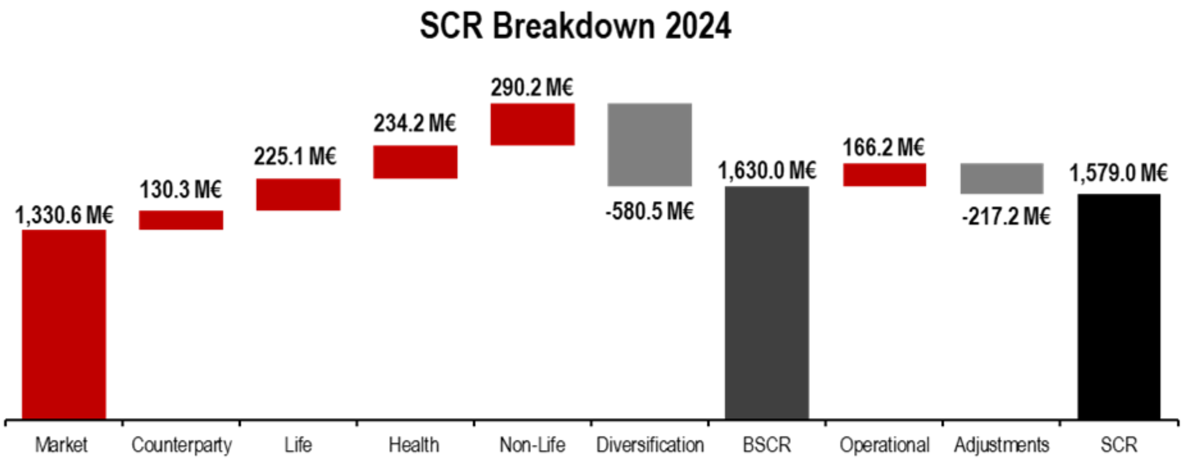
RISK PROFILE

Risk management assists the Company 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 the Company's risk profile.

Accordingly, to outline its risk profile, the Company identifies the various risks to which it is exposed and then assesses these.

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 Company has opted to use a qualitative analysis to classify the foreseeable impact on its capital needs.

Hence, the calculation of the Company's solvency capital requirement (SCR) as at 31 December 2024 was as follows:

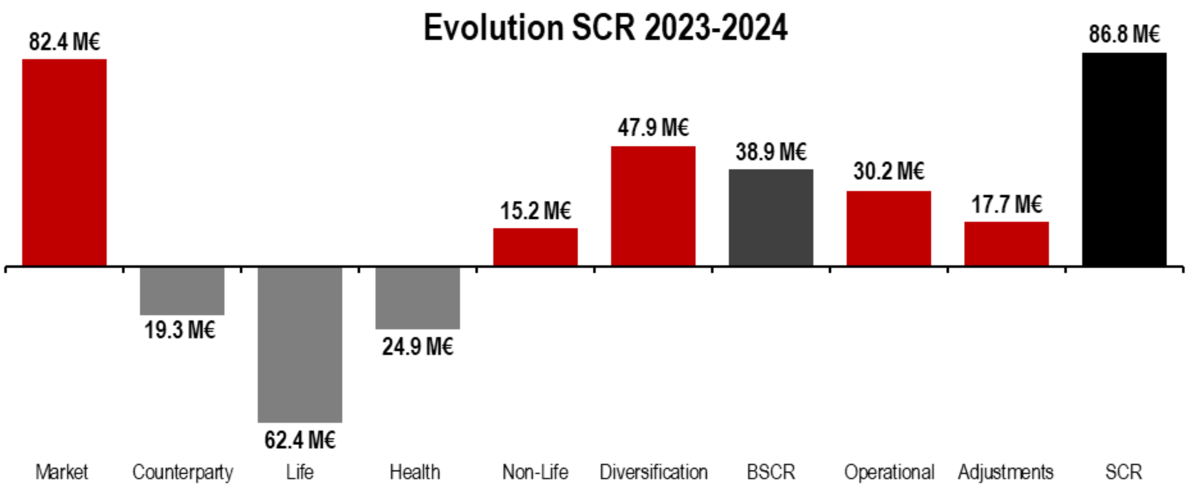


The market risk is clearly prominent in this requirement, followed by the Life, Non-Life and Health underwriting risks, which are much lower. The Counterparty Default risk and Operational risk are the lowest of the risk modules that make up the SCR.

Risks that do not fall within the standard formula are identified as part of the ORSA process. The Company recognises the following risks as potentially material risks: reputational risk, strategic risk, business (continuity) risk and legal risk.

The Company recognises 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 Company tests the recoverability of these taking into account estimated future tax profits following the shock, in a limited time period.

During the period covered by this report, there was an increase in the solvency capital requirement (SCR) of around EUR 86.8 million, when compared with the figure at 31 December 2023.



Of note in the evolution recorded are the increase in market risk, the decrease in counterparty default risk, the decrease in the life underwriting risk, the decrease in the health underwriting risk, the increase in the non-life insurance underwriting risk, and the increase in operational risk.

Also of note is the increase in the non-life underwriting risk which results from the Company's activity, with an increase in the volume of premiums and reserves relating to motor insurance contracts, fire and other damage insurance and general liability insurance.

It is also worth highlighting the decrease in the counterparty default risk and the Life underwriting risk, which is basically due to the decrease in the lapse risk, as a result of a reinsurance treaty – "Mass Lapses" – being signed.

The decrease in the Health underwriting risk is explained by the decrease in the catastrophe risk, which is due to a revision of the reinsurance programme that allowed for greater mitigation of the concentration risk with an impact on the Catastrophe SCR.

Lastly, the increase in operational risk reflects the evolution of the Company's activity in the life business (around 43%), the increase in the Company's activity in the non-life business (around 11%) and the increase in unit-linked expenses (around 19%).

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.

Amounts in thousand euros

Assets	Solvency II	Financial statements	Difference	Solvency II previous year
Financial assets	14,881,867	14,652,862	**229,004**	**13,684,133**
Real estate assets	63,915	55,954	**7,961**	**69,390**
Other assets	649,379	811,545	**-162,166**	**1,032,316**
Reinsurance recoverables	390,842	569,654	**-178,812**	**368,986**
Total	**15,986,002**	**16,090,015**	**-104,012**	**15,154,825**

The main differences, by class of asset, are:

- 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 S.A. by the Adjusted Equity Method (the value of this participation, for solvency purposes, fell by 227,805 thousand euros), of Fidelidade Property Europe (increase of 207,358 thousand euros in the valuation for solvency purposes), of Multicare (increase of 74,432 thousand euros in the valuation for solvency purposes) and of Fid Perú (the value of this participation, for solvency purposes, increased by 74,610 thousand euros).

- Equities – unlisted

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

- Government bonds

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

- Derivatives

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,). These impacts are reflected in other balance sheet headings, namely "Holdings in related undertakings, including participations" and "Financial liabilities other than debts owed to credit institutions".

- 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".

The differences between the amounts for solvency purposes in 2023 and those in 2024 reflect the evolution of the Company's activity in the period covered by this report, as no changes were made to the bases, methods and main assumptions used for the valuation of the assets for solvency purposes.

A description is provided of the bases, methods and main assumptions used for the valuation of technical provisions for solvency purposes, and how these compare with those used in the financial statements. This information is segmented into Life, Non-Life, Health – SLT (Similar to Life Techniques) and Health – NSLT (Not Similar to Life Techniques).

The Company applied the transitional measure, set out in Article 25 of Law No. 147/2015, of 9 September, on technical provisions for similar to life obligations regarding the homogeneous risk groups "Capital redemption products", with and without profit-sharing, and "Health – SLT", relating to obligations with workers' compensation contracts.

Amounts in thousand euros

Line of Business	Solvency II	Financial statements	Difference	Solvency II previous year
Life	9,100,758	9,615,557	-514,799	8,427,319
Non-Life	995,358	1,184,432	-189,074	927,210
Health – SLT	1,103,585	1,142,433	-38,848	1,012,036
Health – NSLT	293,986	325,451	-31,465	249,257
Total	**11,493,687**	**12,267,871**	**-774,184**	**10,615,822**

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 Company's solvency capital requirement coverage ratio of around 9.4 p.p.

For annuities products, the differences are essentially the result of applying the risk-free interest rate term structure.

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).

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).

The differences between the amounts for solvency purposes in 2023 and those in 2024 reflect the evolution of the Company's activity in the period covered by this report, as no changes were made to the bases, methods and main assumptions used for the valuation of the technical provisions for solvency purposes.

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the Company 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	**158,082**
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 provided between the valuation of other liabilities for solvency purposes 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	16,354	16,354	0	29,692
Pension benefit obligations	27,770	27,770	0	7,347
Deposits from reinsurers	205,976	205,976	0	186,679
Deferred tax liabilities	0	0	0	395,981
Derivatives	202,695	203,534	-839	309,437
Debts owed to credit institutions	0	0	0	0
Financial liabilities other than debts owed to credit institutions	53,814	42,110	11,704	55,675
Insurance and intermediaries payables	99,969	100,027	-58	96,805
Reinsurance payables	88,581	88,581	0	94,414
Payables (trade, not insurance)	102,816	102,816	0	62,878
Subordinated liabilities	1,011,123	1,004,456	6,667	482,667
Any other liabilities, not elsewhere shown	155,648	140,665	14,983	161,258
Total	**1,964,746**	**1,932,288**	**32,456**	**1,882,832**

The differences, by class of liability, are:

- Derivatives

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.). These impacts are reflected in other balance sheet headings, namely "Holdings in related undertakings, including participations" and "Financial liabilities other than debts owed to credit institutions".

- 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.). These impacts are reflected in other balance sheet headings, namely "Holdings in related undertakings, including participations" and "Derivatives".

- 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".

The differences between the amounts for solvency purposes in 2023 and those in 2024 reflect the evolution of the Company's activity in the period covered by this report, as no changes were made to the bases, methods and main assumptions used for the valuation of other liabilities for solvency purposes.

CAPITAL MANAGEMENT

The table below presents a comparison of the own funds as set out in the Company'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	15,986,002	16,090,015	-104,013	15,154,826
Technical Provisions	11,493,687	12,267,871	-774,183	10,615,822
Other liabilities	1,964,746	1,932,288	32,457	1,882,832
Excess of assets over liabilities	**2,527,569**	**1,889,855**	**637,714**	**2,656,172**

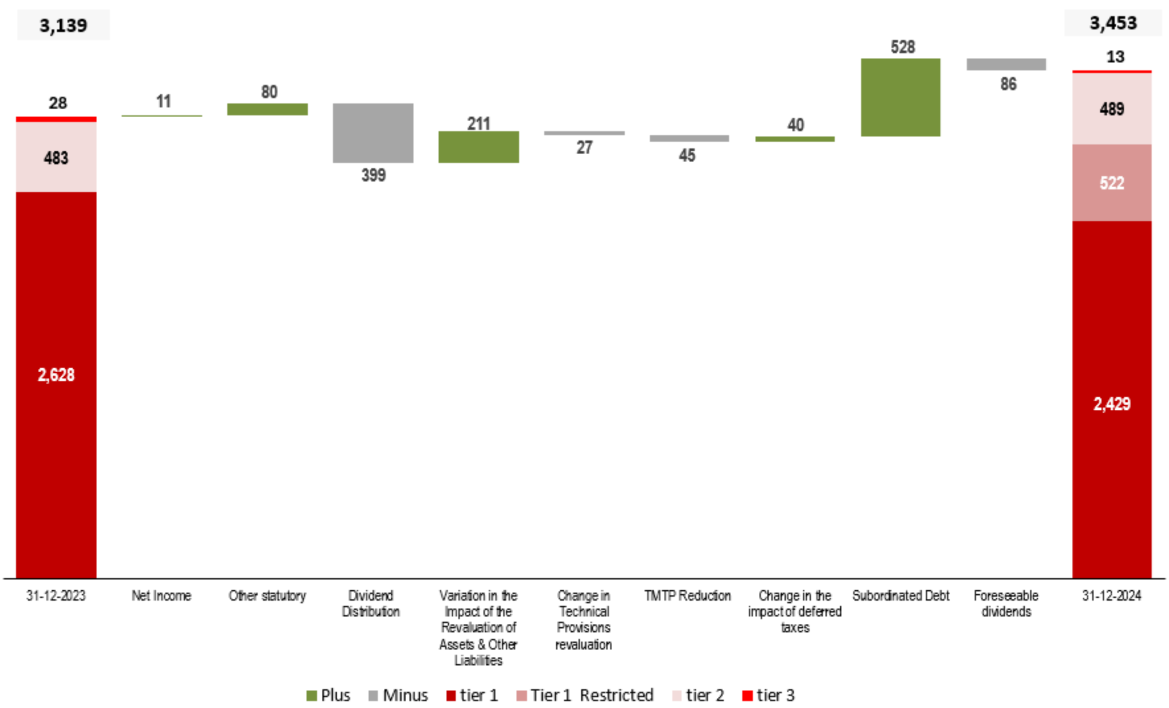
Regarding the structure, amount and tiering of basic own funds, the Company has Tier 3 ancillary own funds of EUR 12.9 million, while the majority of the basic own funds are classified as Tier 1, although there are also Restricted Tier 1 and Tier 2 basic own funds relating to subordinated liabilities.

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

	Available own funds to meet				Eligible own funds to meet			
	SCR	SCR previous year	MCR	MCR previous year	SCR	SCR previous year	MCR	MCR previous year
Tier 1	2,950,356	2,627,506	2,950,356	2,627,506	2,950,356	2,627,506	2,950,356	2,627,506
Tier 2	489,524	482,667	489,524	482,667	489,524	482,667	84,166	78,117
Tier 3	12,984	28,517	0	0	12,984	28,517	0	0
Total	3,452,864	3,138,690	3,439,880	3,110,173	3,452,864	3,138,690	3,034,522	2,705,623

The graph below shows the main changes to the Company's available own funds during the period covered by this report.



When calculating the Solvency Capital Requirement (SCR), the Company uses the standard formula and does 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), Swiss Francs (CHF), and Hungarian Forint (HUF) 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.

When calculating the Solvency Capital Requirement (SCR), the Company uses 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 undertaking-specific parameters.

The minimum capital requirement was calculated in line with that set out in Article 147 of the above Framework.

The solvency capital requirement (SCR) and the minimum 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	1,579,028	1,492,206	218.67%	210.34%
MCR	420,828	390,588	721.08%	692.71%

The SCR coverage ratio rose because the increase in own funds available to meet the SCR was higher than the increase in the capital requirements.

Lastly, it should be stressed that if the Company did not apply the transitional deduction to technical provisions, the solvency capital requirement (SCR) and the minimum capital requirement (MCR) would be 201% and 629%, respectively.

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.

A. Business and Performance

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No activities or other significant events with a material impact on the Company 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 of the Company

Fidelidade - Companhia de Seguros, S.A. ("Fidelidade" or "Company"), 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 Company, through Longrun Portugal, SGPS, S.A., ("Longrun") became part of Fosun International Holdings Ltd.

The Company is engaged in the performance of the insurance and reinsurance business in all technical lines of business. Traditionally, the life technical line of business, including investment contracts, has been the most important in terms of technical liabilities under management. Of the non-life technical lines of business those with greater volumes of premiums are motor, fire and other damage, health and workers' compensation.

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 is present in Spain, France, Luxembourg, and China.

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

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 group to which the Company belongs.

A.1.3. The Company's 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

Fidelidade's share capital, of 509,263,524.00 euros, is represented by 161,670,960 nominative shares, with the nominal value of 3.15 euros each, which are fully subscribed and paid up. All the shares grant identical rights and are mutually fungible.

In line with its Articles of Association, besides the ordinary shares, Fidelidade may issue preferential shares without a vote, up to 20% of the share capital. Fidelidade has only issued ordinary shares.

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**

There are no restrictions on the transfer of shares.

At 31 December 2024, Fidelidade held 13,300 own shares, which corresponds to 0.0082% of the share capital and percentage of votes.

The Company's Articles of Association do not provide for any limitation of the number of votes which may be held or exercised by a single shareholder individually or in concert with other shareholders.

The qualifying holdings in the Company's share capital at 31 December 2024, and the percentage of capital and votes allocated and source and causes of allocation, are set out in the table below:

Shareholder	Number of Shares	% Share Capital	% Voting Rights
Millennium Gain Limited	137,402,839	84.9892%	84.9892%
Caixa Geral de Depósitos, S.A.	24,250,644	15%	15%
Total	**161,653,483**	**99.9892%**	**99.9892%**

At 31 December 2024, the members of the management and supervisory bodies did not hold shares in the Company.

At 31 December 2024, the members of the management and supervisory bodies did not hold bonds in the Company.

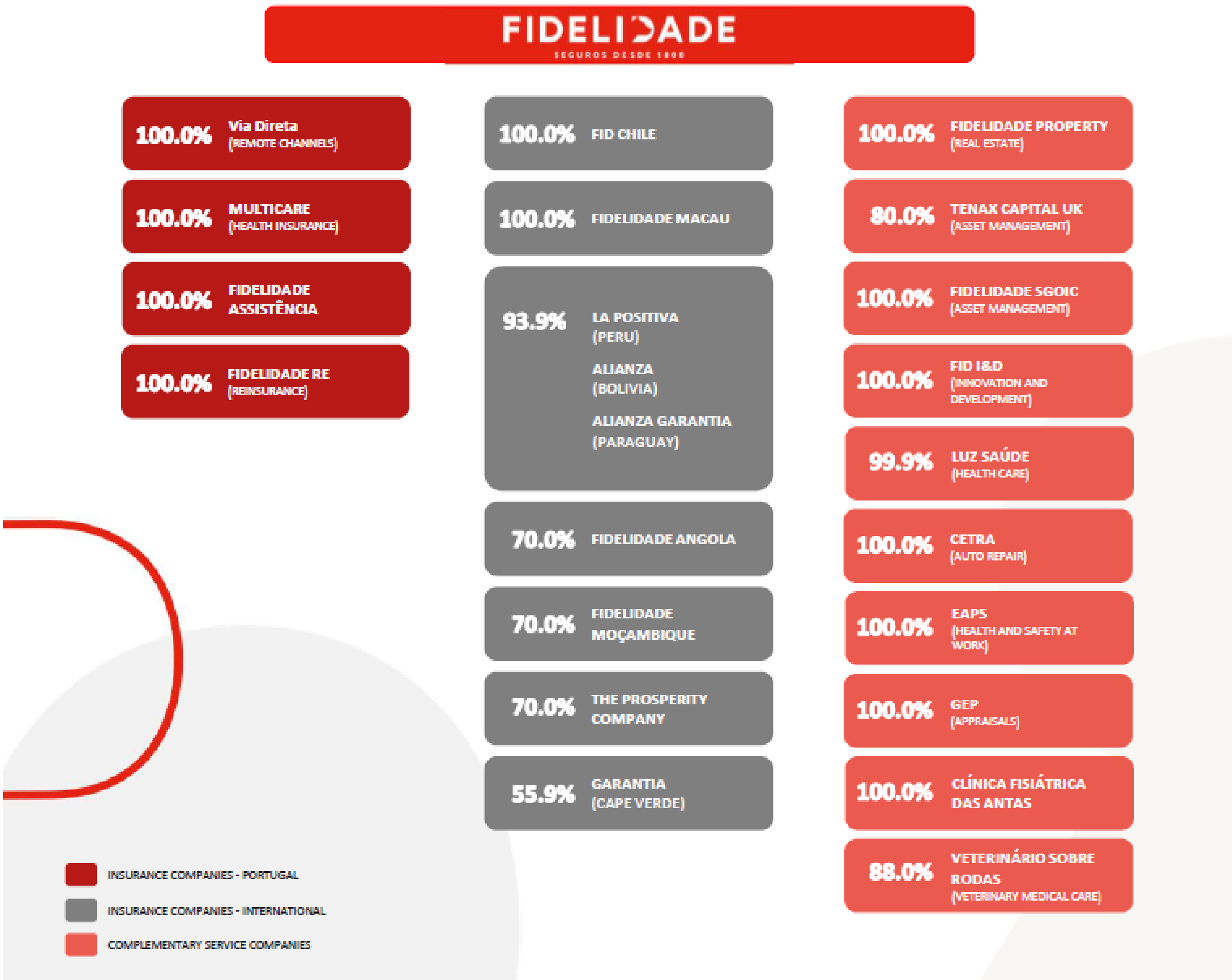
A.1.5. Position of the Company within the insurance group structure to which it belongs

The Group's global expansion reflects the implementation of a strategic vision that combines ambition with commitment. We use a model of proximity and collaboration to promote synergies between local teams and central services, where we include the best international practices while also respecting the specific characteristics of each market. The combination of these two factors enables us to offer solutions that accurately and sensitively meet the specific needs of each context.

Although Portugal is the main market where Fidelidade operates, we believe that internationalisation is more than a driver of growth; it is also an opportunity for us 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 to have earned the trust of over 9.8 million customers.

This geographical diversification, together with the power of our brands, enables us to hold a unique position of strength within the sector, and to demonstrate remarkable resilience when faced with global challenges and the dynamic nature of the different markets, thus driving new opportunities for sustainable growth.

Alongside our international expansion we have a solid presence in different sectors, as can be seen in the organisational chart below, which details the most important companies in the Fidelidade Group, their main areas of business and the Group's participation in each of them, reflecting our continuous commitment to building a more solid and global future.



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The companies in the Fidelidade Group, their main areas of activity and the Group's percentage holding in each of them are detailed below.

Europe

FIDELIDADE	**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	**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	**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 ASSISTANCE	**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	**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	**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	**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.
TENAXCAPITAL	**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	**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	**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 REAL ESTATE INVESTMENT MANAGEMENT	**Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo**, S.A. is the real estate investment fund management company.
GEP GESTÃO DE PERITAGENS S.A.	**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.
CAR SERVICE	**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:

- Bolívia: 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 Garantia 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. Company 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.

Fidelidade positions itself as a strategic partner of reference, with a sound commitment to guaranteeing the protection and security of its customers, based on a relationship of trust and proximity.

In addition to providing traditional insurance solutions, the Group stands out due to its forward-looking and innovative capacities, developing products and services that proactively meet the demands of an ever-changing environment.

As part of its vision aimed at sustainability and social change, Fidelidade does not simply innovate in terms of its offer of products and services, but acts as an agent of change, promoting balanced and sustainable lifestyles. Its commitment takes shape as strategic action focused on the well-being of society, providing the necessary tools for its customers to benefit from full and long lives with quality.

For 216 years, we have been protecting, assisting, supporting and caring for every customer, ensuring that no one is left behind or feels alone. It was this maxim that led Fidelidade to take one more step, perhaps its largest and most demanding of all, to continue moving forward with purpose and thereby create a positive impact.

For social equity...

Through access to equal opportunities for all, the eradication of poverty, respect for the diversity and dignity of each human being, we will generate POSITIVE IMPACT and contribute to the creation of a fairer and more inclusive society

For prosperity...

With the entire community, aiming at the economic sustainability of families, the opportunity for savings and the right to financial literacy, with the greater objective of giving and receiving, helping those who help, supporting those in need, we will generate POSITIVE IMPACT and adopt business models that value social return.

For the sustainability of the planet...

By investing in technologies that respect our planet's finite resources and promote sustainable innovation, we will generate a POSITIVE IMPACT on the environment.

For longevity...

That it is only possible to ensure with social, economic and business sustainability, in every attitude and at all times, centered on people, leaving a legacy that is not limited to the present, but that extends far beyond our time, we will generate POSITIVE IMPACT in this and the next generations.

Customer strategy and results

Aiming to continue its leadership journey in the insurance market, Fidelidade has been focusing on developing strategic initiatives to enhance customer knowledge. Through the creation of analytical and Artificial Intelligence solutions that can transform information into useful and actionable knowledge, it has been possible to achieve a comprehensive 360°view of each customer, and hence deliver an exceptional experience.

As a result, in 2024...

CUSTOMER DATABASE, MARKET SHARE AND CROSS-SELLING

- Growth in cross-selling and premiums in Non-Life insurance, especially in the Auto and Pets product
- Significant rise in **digital property adoption**
- Increased **digital sales**, particularly in the Pets product and MySavings

CUSTOMER SATISFACTION AND CREATION OF A LASTING RELATIONSHIP

- With an integrated customer experience monitoring approach, with internal and external evaluation processes (benchmark), we identified "pain points" and implemented improvement processes
- Strengthening the position of reference in customer satisfaction

MARKET AWARENESS AND STRENGTHENING OF LEADERSHIP POSITION

- Ongoing investments have continuously brought significant gains to the brand
- We continue to be the most recognized brand in Portugal in insurance

Customer satisfaction

At Fidelidade, protecting families and companies, and understanding their needs and expectations, is a priority. With this in mind, solutions are produced that follow market developments, to guarantee that they are always in step with the real lives of our customers. To maintain the quality and relevance of our products, we follow clear principles that guide how products are created and assessed, and how we relate to each customer.

We closely monitor our portfolio and associated fees, and we use market research and digital channels that are both speedy and effective, thereby enabling us to validate pilot solutions before launching new products or services.

The data collected throughout this process is essential to building an integrated view of the customer, so that our products, customers' risk profiles and the prices we practice are all perfectly aligned. This continuous process of collecting and analysing information guarantees that Fidelidade can effectively adapt to the needs and expectations of the market.

This commitment to customer satisfaction involves much more than simply designing products and services. The Group is dedicated to increasing the agility and proximity of its service, providing every customer with a personalised and positive experience, regardless of the channel they choose to interact with. Monitoring customers' experiences in real time, using text message or email surveys, allows the Group to react quickly and to adapt throughout the customer interaction.

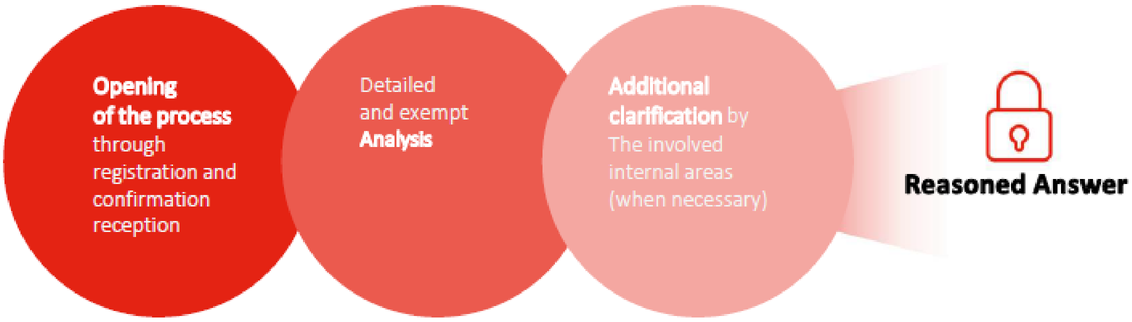
Dealing with complaints

Fidelidade regards complaints management as a key element in the process to assess customer satisfaction. It allows the company to enhance the standards of excellence that define its actions. With this in mind, every complaint should be seen as an opportunity to continually improve the quality of the company's products, services and processes, with a commitment to guaranteeing an experience that has a positive and lasting impact on the lives of customers and other stakeholders.

In response to customer feedback, Fidelidade has implemented digital tools and automation to streamline the processing of claims, to encourage greater efficiency and transparency.

As a Group, Fidelidade provides several channels for policyholders, insured persons, beneficiaries or injured third parties to submit complaints regarding its actions. The Fidelidade website provides customers with information on the bodies they can complain to in the event of a dispute, namely CIMPAS – the Insurance Information, Mediation and Arbitration Center. Any personal data collected is processed in line with personal data protection principles and other applicable regulations, and information is provided on where to access the data protection policy and information on data subjects rights in this context.

In Portugal, the Fidelidade Group's insurance companies deal with complaints quickly and effectively using the Complaints Management Center (CGR), a specialist unit that receives and resolves such matters, using the process detailed below:



Creating products and services that generate real value for customers is a priority, including ensuring their well-being and protection as well as protecting their assets. Taking a proactive approach, Fidelidade develops innovative and sustainable solutions that support customers at all stages of their life and that help to mitigate risks.

The Product Design and Approval Policy (PCAP) ensures responsibility, quality and transparency in the design and sale of all products. This policy not only ensures that product information is clear and complete, but also reinforces the commitment to sustainability, allowing products to evolve competitively in a dynamic and growing market.

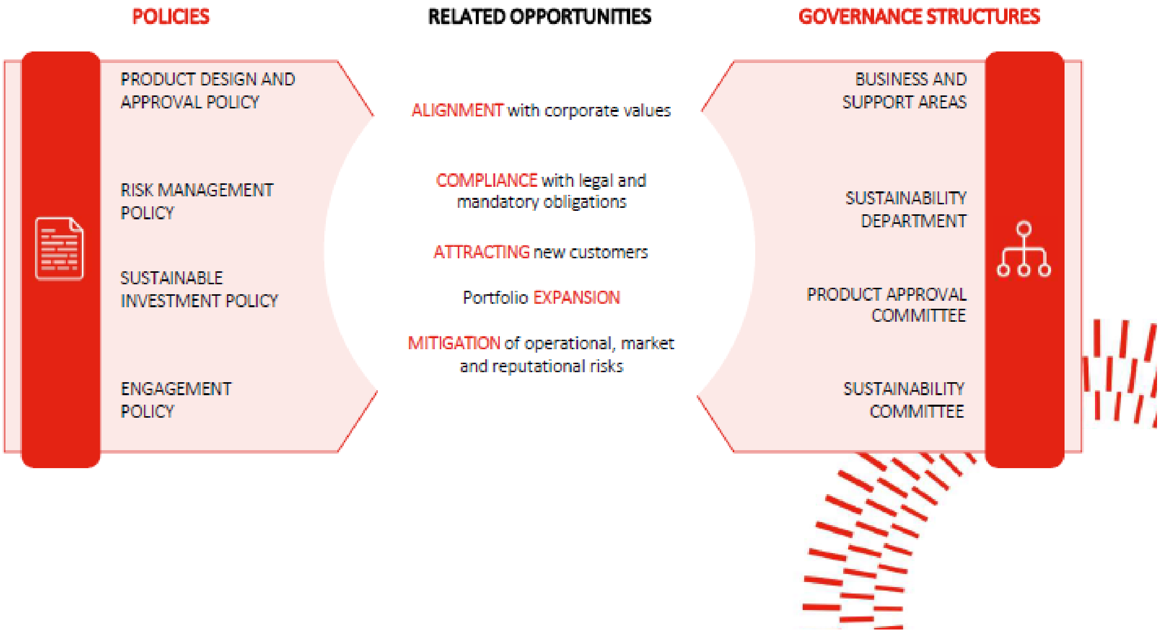
The insurance industry is undergoing transformation as a result of global trends and the increasing importance of ESG (Environmental, Social, and Governance) principles. To meet the rising demand for responsible solutions that are more in tune with a positive future, Fidelidade has added sustainable features to its products and services. In response to the demand for more flexible and comprehensive covers, Fidelidade has developed innovative solutions, including more sustainable options, new health and well-being covers, and digital policies. These initiatives not only meet the growing demand for more responsible options but also provide personalised cover aligned with customers' needs and expectations.

Moreover, the inclusion of ESG matters not only enhances the corporate image but also promotes risk mitigation, with products being created that take advantage of emerging opportunities and that respond to society's needs. Following these principles may lead to financial benefits as well as access to new markets and cost reductions, besides being a strategic advantage for the business.

Ignoring these factors could lead to significant financial, regulatory and reputational impacts, compromising the Group's competitiveness.

To address this trend, Fidelidade has adopted a structured and transparent approach, including ESG criteria in the design and approval of its products. Using strategies, policies and processes supported by specific governance structures, we guarantee that our products reflect the best practices in the sector, minimising risks and making the most of new opportunities.

In addition, Fidelidade includes sustainability criteria in the different phases of the product life cycle and has started to measure impact during the development phase. There is also a training plan, which includes subjects such as responsible products and marketing, aimed at key players in the product life cycle, and especially for product managers.



The Group recognises that the accelerated and progressive aging of the population is an unstoppable phenomenon. Attentive to global trends and the challenges faced by modern society, it has placed great emphasis on the issue of longevity. Fidelidade has positioned itself as a provider of solutions that promote enhanced value for each customer, guaranteeing that they may live with dignity and helping them to implement and achieve quality projects and aspirations, both in the present and in the future.

The Fidelidade Group offers a wide range of products and services, tailored to meet the specific needs of individual customers and companies, for two main segments, insurance and investment. Insurance products cover both the Non-Life and Life segments and also include financial products. Fidelidade also has a range of services that complement its insurance business.

LEGAL PROTECTION

The new Legal Protection insurance, launched by Fidelidade in 2024, is designed to assist customers in defending their rights and interests.

It guarantees access to legal assistance in resolving private life situations and the payment of legal expenses and lawyers' fees, when going to court is necessary.

FIDELIDADE PETS

In May 2024, Fidelidade upgraded the Fidelidade Pets product, originally launched in 2018, enhancing it to ensure a better alignment with customer requirements. Key improvements include broader covers, the removal of the Leishmaniasis vaccine exclusion (now covered in all new Pets policies), and more capital options for various health and liability covers.

FIDELIDADE
SEGUROS DESDE 1808

PPR COMPLEMENT

Launched in 2024, this product represents an innovative deaccumulation solution designed for the retirement phase, taking the form of a Retirement Savings Plan (PPR) with a diversified investment strategy. It offers the customer the flexibility to set periodic reimbursements, allowing them regular access to part of the income they have accumulated during their life, guaranteeing them a financial supplement that can be adjusted to the needs of this new stage. Customers can choose between two investment options, which differ in terms of the level of guarantees offered and the projected returns.

CONSTRUCTION WORK PROTECTION

Launched in 2024 for Individuals and SMEs, Fidelidade's Construction Work Protection guarantees comprehensive protection against material loss and damage, whether arising inside or outside the property, during construction or renovation projects. It also includes Non-Contractual Civil Liability cover for harm to third parties. Whether they are building a new home, remodelling a property or carrying out minor repairs, customers can choose from optional add-ons to complement their protection, including extended maintenance cover.

ACCIDENTS AT WORK – SELF-EMPLOYMENT

This insurance is mandatory for self-employed persons, even if they are employed by another entity simultaneously. To meet the needs of this customer segment, Fidelidade enhanced this product, in April 2024, with a range of new and innovative optional covers, namely Legal Protection, Vital Worker Protection (which, after an accident at work, guarantees additional capital for the Adaptation of the Home covers and a High-Level Permanent Incapacity Subsidy), Assistance in the Home and Technological Assistance. Customers have access to a 24/7 Accident Helpline so that, in the event of an accident, they can receive support right from the start, from a team of health professionals at the Permanent Medical Service.

MULTICARE EXTRA PROTECTION

Launched in the second half of 2024, Multicare Extra Protection insurance for individuals is designed to increase customers' protection with an additional capital of 250,000 euros for hospitalisation, provided the customer already has Multicare health insurance through the company they work for (base policy), with a minimum capital of 20,000 euros for Hospitalisation in the base policy. The customer can also take out optional cover for Serious Illnesses, with a capital of 1 million euros. Their household can also be included in the Multicare Extra Protection policy, provided they are covered under the same base policy of the Policyholder and are included in full. The process for taking out this product is simple, and there is no need to answer a medical questionnaire or undergo any tests first.

DIGITAL TREATMENTS

As part of our commitment to providing innovative solutions for our customers that are increasingly holistic and personalised, in the second half of 2024 Fidelidade included Digital Treatments among the range of benefits provided by Multicare. This initiative enhanced the Physical and Rehabilitation Medicine cover by allowing customers to attend remote physiotherapy sessions, prescribed by a doctor, in the comfort and privacy of their own homes.

MULTICARE PREVENTION ECOSYSTEM

Multicare is dedicated to the health and well-being of its customers. One of its strategic pillars is developing an innovative prevention ecosystem, focused on promoting healthy habits, preventing disease and enabling early diagnosis. This ecosystem rests on 3 services – Online Medicine, the Vitality Programme and the Screening Programme – and its aim is to reduce claims and guarantee sustainability in the business. Therefore, besides providing different products, it may also help to attract and retain customers, strengthening the company's positioning in healthcare innovation and prevention, with solutions that are both robust and high quality.

FINANCIAL PRODUCTS

The main aim of the Fidelidade Group's savings and investment products is to offer positive returns and liquidity and to strengthen capital positions. The products are adapted to different investor profiles and timelines. One example is Fidelidade Savings, which is a life insurance product for individuals with savings and investment solutions that is fully accessible digitally using the MySavings App. The App already has over 120,000 users and provides access to several Fidelidade PPRs (Retirement Savings Plans).

COMPANIES

In the corporate customer segment, the Fidelidade Group's portfolio of products offers a huge range of covers, for a vast number of business structures and professionals – entrepreneurs, employees, equipment and third party liability – regardless of the size of the company in question. The versatility of the products is also reflected in the many products dedicated to specific strategic sectors such as the catering and food trade, specialist offices, the beauty sector, freight transport, trading and distribution of non-food products, car dealerships and garages, education and tourism.

Financial Literacy: teaching today to transform tomorrow

At Fidelidade we understand that protecting means much more than just providing solutions. We believe it means teaching people to confidently face current and future economic challenges. In a context of low savings rates, a lack of financial literacy is a structural obstacle to economic stability.

We are fully aware that profound changes are required in this area, and that is why we are focusing on specific actions to reposition knowledge as the ultimate means of protection. Our initiatives in this area include:

- The **integration of financial education in education**, promoting more aware citizens from an early age
- **Financial empowerment workshops**, bridging theory with real-life financial decision-making
- **Innovative digital solutions**, including online resources and mobile apps, to democratize access to financial knowledge
- **Mentoring and personalized financial support**, ensuring tailored support for individuals seeking financial stability

MY SAVINGS APP

The MySavings application redefines the way customers approach savings and investment, offering a fully mobile and intuitive platform, linked to the Fidelidade Savings life insurance for individuals.

The app, which includes a glossary simplifying key economic and financial concepts, enables users to set and track their savings goals, make investments, and manage their finances in real-time.

The platform's significant growth, both in numbers of users and in the volume of assets under management, demonstrates its relevance and capacity to meet customers' needs.

The app has functions for users to consult balances, yields, deposits, maturities, and all product details. An active management feature is currently being developed, for deposits, reimbursements and editions, and also for taking out new policies. This development aims to increase convenience for customers as well as access to information, and to boost the number of users and app usage, enabling cross-selling opportunities.

Currently, the app provides access to the following PPR (Retirement Savings Plans): PPR Evoluir, PPR Leve, PPR 52+, and PPR 40+ ESG, and in the coming year PPR Complement is also likely to become available.

389 M€
PREMIUMS
(+230 M€ vs 2023)

80.7 M€
NUMBER OF POLICIES
(+ 30.5 M€ vs 2023)

5.6 M€
AVERAGE BALANCE PER POLICY
(78% growth vs 2023)

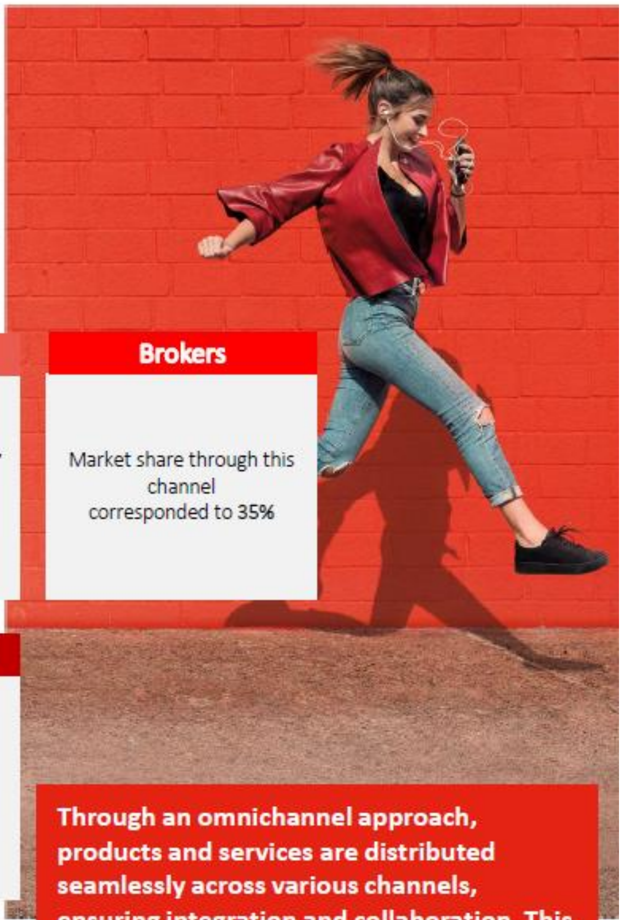
Omni-channel approach

The Fidelidade Group promotes innovative solutions that aim not only to optimise processes, but also to create sustainable competitive advantage. The digital transformation that is currently under way, supported by a number of investments, makes it possible to create and develop new applications for customers and to improve the resources and tools provided to our agents.

Automation and digitalisation of internal processes increases operational efficiency, allowing agents to spend more time on what really matters, the relationship with each customer.

With face-to-face sales, the priority is to sell more specialist products, and to support customers continuously throughout their lives. Proactive contacts are made to identify new business opportunities, such as cross-selling.

In digital channels and in the Contact Center, the emphasis is placed on speed and convenience, with a customer-centric approach, ensuring high-quality service—even remotely.



Mediators

Its products are sold by 2,872 agents, who offer a personalized service to their customers in Portugal. Leader in this channel with 30% market share

Newsstand

With distributors such as CGD and EUROBIC ABANCA, Fidelidade has 676 bank agencies that sell its products. Its market share represented 26%

Brokers

Market share through this channel corresponded to 35%

Own agencies

The Group has 48 agencies dispersed across the country, leading the market on this channel with 42% market share

Remote Channels

Online distribution and contact center channels accounted for 33% of the market share

The present values refer to December 2023.

Through an omnichannel approach, products and services are distributed seamlessly across various channels, ensuring integration and collaboration. This strategy enhances the customer experience by delivering more personalized and efficient service.

Investor relations

Guaranteeing a solid relationship with our investors and encouraging their active involvement are priorities for Fidelidade.

The Investor Relations Officer (IRO) has strategic responsibility for optimising the Fidelidade Group's financial structure by ensuring capital costs are kept to a minimum, and by providing support for the development of strategic opportunities linked to capital markets.

In addition, the Group's strategy involves promoting proactive communication with investors and capital market participants, to provide them with accurate information on the Group's operations and overall performance.

This process is supported, for the most part, by generating relevant information for the market, in conjunction with the business areas, the Company Secretary and the Executive Committee, and by implementing efficient means of disclosing information in order to reach fund managers, bondholders, financial analysts, rating agencies and other market participants.

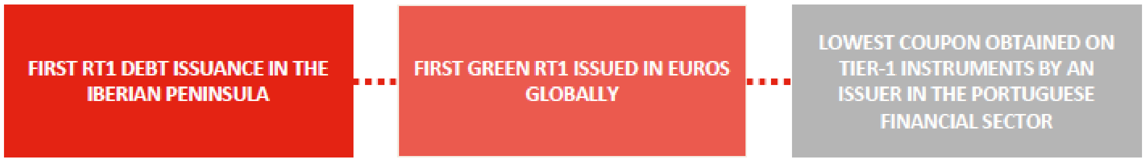
Value creation is one of the strategic pillars of the Group's management, reflecting an unwavering commitment to excellence and transparency.

Initiatives are implemented to consolidate the relationship with investors, ensuring their active and continuous involvement. Within this context, the IRO plays a key role in promoting constant high-quality dialogue, boosting investor confidence and supporting strategic decisions aligned with the organisation's long-term objectives.

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

<u>FITCH</u>

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.

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.

CARBON DISCLOSURE PROJECT

FIDELIDADE

Fidelidade received its CDP (Carbon Disclosure Project) 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.

Suppliers and partners

Fidelidade's supply chain management is characterised by its commitment and mission to create a positive impact. The management of this network is not limited to the procurement of products and services, but extends to a rigorous process of continuous monitoring and evaluation, which is essential to achieving the objectives associated with the transition to a more sustainable economy.

Our external partners, mostly small businesses, provide recurring services and are based in different countries, often marked by significant disparities in social welfare, business development and the socio-political context.

Aware of the importance of consolidating the resilience and quality of our supply chain, the Group has adopted a proactive approach to minimise any adverse impacts, which takes the form of a policy of continuous commitment to support and monitoring, incorporating procurement criteria aligned with ESG best practices.

Criteria for selecting suppliers

For the selection of suppliers, a set of criteria is defined to be applied in the Fidelidade Group:

RESPECT AND COMPLIANCE WITH THE PERSONAL DATA PROTECTION LAW	RESPECT FOR WORKERS' WELL-BEING AND WORKING CONDITIONS
EXISTENCE OF IMPLEMENTED CYBERSECURITY RULES	ENVIRONMENTAL AND/OR OCCUPATIONAL HEALTH AND SAFETY CERTIFICATION
ADOPTION OF INTEGRITY CONDUCT AND MORAL AND ETHICAL PRINCIPLES	VERIFICATION OF THE ORIGIN AND TYPE OF MATERIALS AND EQUIPMENT USED
ACTING WITH TRANSPARENCY, ENSURING DIALOGUE AND RESPECT FOR COMMITMENTS	WASTE TREATMENT AND MANAGEMENT
OBTAINING AND MAINTAINING THE LICENSES AND CERTIFICATIONS NECESSARY FOR CONDUCTING THEIR RESPECTIVE ACTIVITIES	EFFICIENT MANAGEMENT OF ENERGY AND RESOURCE
COMPLIANCE WITH NATIONAL AND INTERNATIONAL LEGISLATION	CO_2 EMISSIONS
PROFESSIONAL AND ORGANISATIONAL QUALIFICATIONS	PERFORMANCE OF GOOD SUSTAINABILITY PRACTICES

Community

At the Fidelidade Group, our commitment to people and the environment is reflected in our close involvement and focus on creating a positive and lasting impact in the communities where we operate.

The Social Responsibility Programme embodies the institution's world view.

Closely linked to its business and sustainability strategy, Fidelidade's Social Responsibility Programme is based on close community involvement and is committed to strengthening the social sector by taking a comprehensive approach that combines investment, support and training for social economy organisations.

Thus, the main objective of this programme is to structure our social responsibility activities, addressing fundamental issues related, among others, to the inclusion of people with disabilities or impairments, ageing and health prevention.

Through partnerships, initiatives and specific projects, the institution responds to both social issues and local needs, contributing to building a more resilient and sustainable future, always with the premise of generating a positive impact.

POSITIVE IMPACT ON THE COMMUNITY IN NUMBERS

1,000,323 €
Value of donations to the community

624,160 €
Value of donations to universities

103,237 €
Value of donated goods

204,656 €
Value in insurance offered to the community

4,496
Volunteering hours

7,965
Number of visitors to the Fidelidade Arte Gallery (free access)

Fidelidade Community

Over the years, we have been working with various social economy organisations.

This concept goes beyond a one-off relationship with entities, and is about strengthening a network that promotes the sharing of experiences, access to strategic resources and ongoing support, with the aim of strengthening and empowering social organisations.

In the social sphere, Fidelidade Community includes non-profit organisations, providing support that takes the form of concrete actions such as training, donations, volunteer programmes, insurance support and other collaborative initiatives. This support allows organisations to extend their impact and reach a growing number of beneficiaries. In addition, we encourage community members to exchange best practices, fostering shared solutions to common challenges.

The first Fidelidade Community Meeting, held on 17 May 2024 at the Técnico Innovation Centre powered by Fidelidade in Lisbon, was an important milestone for Fidelidade Community, bringing together more than 300 participants from over 80 social organisations.

This event was dedicated entirely to social organisations, and provided a series of moments and situations where knowledge could be shared between those who make a difference in the field on a daily basis. Through workshops and panel discussions, experts and representatives from the social sector in Portugal discussed the future of the social economy, addressing key issues such as funding, innovation, strategy and communication – crucial pillars for the sector's continued growth.

The Fidelidade Community Meeting reflects the dynamism and innovation that characterise Fidelidade Community, where the contribution of companies and the private sector in general is playing an increasingly important role, reinforcing the commitment to contribute to the development of a more inclusive and resilient society.

Academics

Besides promoting social aspects, Fidelidade Community also encourages academic actions, in the belief that enhancing knowledge is also key to strengthening society.

Fidelidade's relationship with universities is an essential pillar of its community work, reflecting its commitment to innovation, training and scientific and social development.

Several cooperation protocols have been established, creating a network of partnerships that aim not only to strengthen and disseminate knowledge, but also to train future professionals and promote greater financial literacy.

In this way, by investing in the transformation of centres for knowledge production, the organisation empowers society to face the challenges of the future, recognising the crucial role that these institutions play in the development of people and businesses.

Finance for All Programme

In 2024, the *Finanças para Todos* programme completed its second edition and, in October, it began its third edition. In addition to the training component, the relationship with the community was strengthened through the provision of content on the programme's website and on the social media channels of Nova, Fidelidade and the *Finanças para Todos* programme itself.

In the second half of the second edition, the *Finanças para Todos* programme conducted several initiatives to strengthen its visibility and impact. Its digital presence was strengthened by sharing and disseminating content on Meta and LinkedIn, expanding its reach and interaction with different audiences. At the same time, training activities were carried out targeting the third sector and other institutions, promoting community involvement and the dissemination of financial knowledge.

To boost participation in the programme, social media campaigns were launched and media partnerships were established, increasing the initiative's visibility and impact. The final event of the 2nd edition was a key moment, providing an opportunity for participants and partners to swap experiences and consolidating the community created around the Programme.

Main numbers of the 2nd edition

Online	15 classes	2,145 participants
Face	8 classes	477 participants

Strategic Objectives of the 3rd edition of the Program

- Geographic expansion of the program to reach a greater number of participants and maximize its impact
- Internal training for Fidelidade employees
- Recording content for asynchronous query
- Train at least 2,800 participants in a total of 28 classes in the 2024/2025 academic year

Donations, offers of insurance and special support

Fidelidade recognises the importance of continuously supporting the community, addressing both urgent needs and specific projects aligned with the Group's areas of activity.

In this context, donations in kind come from two main sources: salvaged goods – items in perfect condition that, under property or civil liability insurance, have been compensated to customers or third parties as a result of an accident – and computer equipment released by the institution, which is in perfect working order. These salvaged goods are donated to various charitable institutions and, in certain situations, also to employees, as part of social support.

In 2024, Fidelidade donated 11,011 items, corresponding to a total value of €103,237. The contributions, carefully distributed among different categories and types of beneficiary institutions, aim to maximise the reach and positive and transformative impact of these actions, promoting social well-being and strengthening the communities supported.

Weight of donated units by type of financial institution

- Social support — **295** units — ~4,190€
- Teaching — **94** units — ~13,040€
- Incapacity or disability — **1,488** units — ~12,205€
- Risk of exclusion — **9,134** units — ~73,802€

Details of Donations

CATEGORIES, NUMBER OF DONATED GOODS AND ESTIMATED VALUE

Footwear and Clothing
2,810 units | Estimated value: **14,050€**

Books
980 units | Estimated value: **2,940€**

Furniture
263 units | Estimated value: **€15,400**

IT equipment
188 units | Estimated value: **€22,420**

Home appliances
179 units | Estimated value: **15,580€**

Other
6,591 units | Estimated value: **€32,847**

Volunteering

The Group's commitment to society is consolidated not only through donations and support for specific projects but also through active involvement in volunteering.

Although no formal partnerships are established in this area, the Group has ongoing cooperation with leading institutions and organisations, such as *Banco Alimentar Contra a Fome, Banco de Bens Doados, Semear* and *Centro Social e Paroquial de Santa Catarina*.

Fidelidade's volunteering activities have a significant impact on employees, allowing them to develop essential skills such as teamwork, empathy, informal leadership and problem solving. In addition, they promote mutual understanding among volunteers, encouraging enthusiasm for learning and reinforcing values such as inclusion, solidarity and human commitment to diversity. These aspects are fundamental to strengthening the culture of Fidelidade, a company that provides services focused on supporting others.

Other important initiatives

Christmas Acts of Kindness

At Christmas 2024, Fidelidade enhanced its commitment to social responsibility through the *Gestos de Natal* (Christmas Acts of Kindness) initiative, with the motto 'Every act creates a positive impact!'. With the active participation of employees and the support of partner social organisations, the initiative celebrated the season in a transformative way.

The Christmas Hamper Act of Kindness, a tradition at Fidelidade for over 15 years, aims to support pensioners who have suffered accidents at work and beneficiaries of social organisations supported by Fidelidade Community or through commercial support. In 2024, with the support of the Workplace Accidents Business Division and teams from social organisations, 170 volunteers prepared 2,400 hampers. The initiative, which involved more than 600 people, helped 45 pensioners and families supported by 84 social organisations, thus promoting social inclusion, solidarity and collective action.

Launch of two books celebrating Fidelidade's History

In 2024, Fidelidade's historical memory was celebrated through two special initiatives, with the launch of two books. Their authors were able to consult documents preserved, archived, and catalogued in the Fidelidade Historical Collection, which helped with both accuracy and creativity. The publisher Guerra e Paz was responsible for publishing and promoting both works, guaranteeing editorial quality.

Fidelidade Art

Culture is one of the central pillars of our Social Responsibility Programme since we believe in the transformative impact culture can have on life and society, on personal and social development, and on everyone's quality of life.

One of the initiatives of this pillar of the programme is Fidelidade Art. Located in Chiado, Lisbon, Fidelidade Art is a space dedicated to contemporary art. The public are given free access to national and international artistic projects, and the space is a point of reference not only for art, but also for promoting culture and education.

Fidelidade's role in building a sustainable future.

In a constantly changing and volatile world, the challenges posed by climate change and environmental degradation have significant repercussions, with profound and multifaceted impacts on the global economy, society, the health of the planet, the well-being of populations and the future of the next generations.

The insurance industry plays a crucial role in mitigating these impacts, contributing to the resilience of society and the economy in the face of environmental risks.

Recognising the global relevance of sustainability and aware of its responsibility as a major player in the market, the Fidelidade Group has embarked on a transformative journey in recent years, aligning itself with its mission to contribute to a more sustainable society.

Portugal

275,799 GJ ENERGY CONSUMPTION WITHIN THE ORGANIZATION

199,772 GJ ELECTRICITY

12,507 GJ DIESEL

11,169 GJ GASOLINE

51,981 GJ NATURAL GAS

370 GJ PROPANE GAS

273,678 m^3 OF WATER CONSUMED

6,744 tonCO_2e SCOPE 1 EMISSIONS

9,276 tonCO_2e SCOPE 2 EMISSIONS (Location-based) – w/ Luz Saúde

1,108 tonCO_2e SCOPE 2 EMISSIONS (Location-based) –w/o Luz Saúde

9,446 tonCO_2e SCOPE 2 EMISSIONS (Market-based) – w/ Luz Saúde

344 tonCO_2e SCOPE 2 EMISSIONS (Market-based) –w/o Luz Saúde

148 t WASTE

1,128,976 tonCO_2e SCOPE 3 EMISSIONS

52,986 tonCO_2e TOTAL EMISSIONS Operational Scope 1, 2 (Market-based) and 3 excluding category 15 – Underwriting and Investments'

1,092,120 tonCO_2e SCOPE 3 EMISSIONS Category 15 – Underwriting and Investments

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 Protechting

Fidelidade, in partnership with Fosun, Fosun Foundation and Hospital da Luz *Learning Health*, launches the 7th edition of Protechting, 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). Protechting 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.2. Underwriting performance

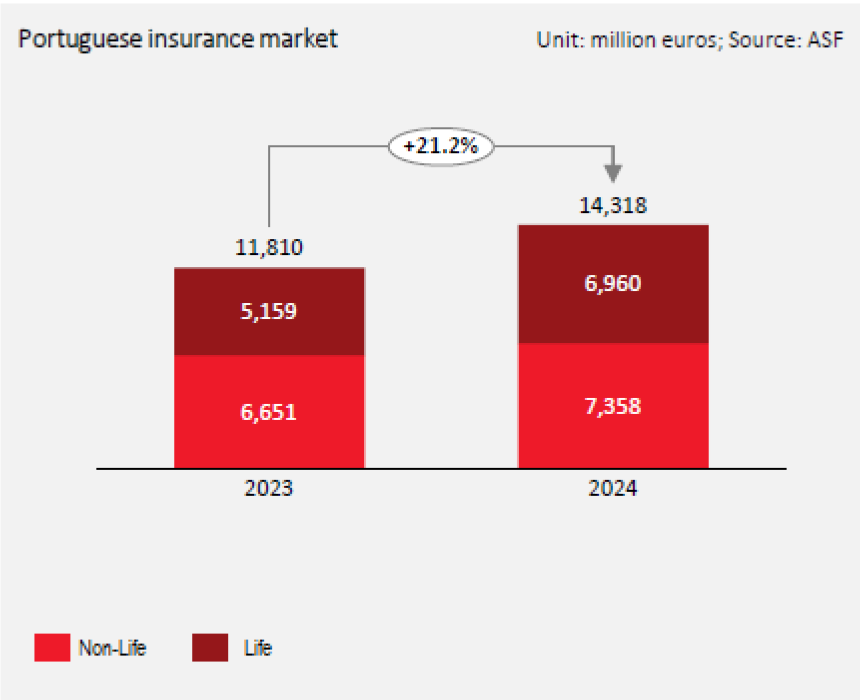
A.2.1. Insurance sector environment

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

A.2.2. Fidelidade's Performance

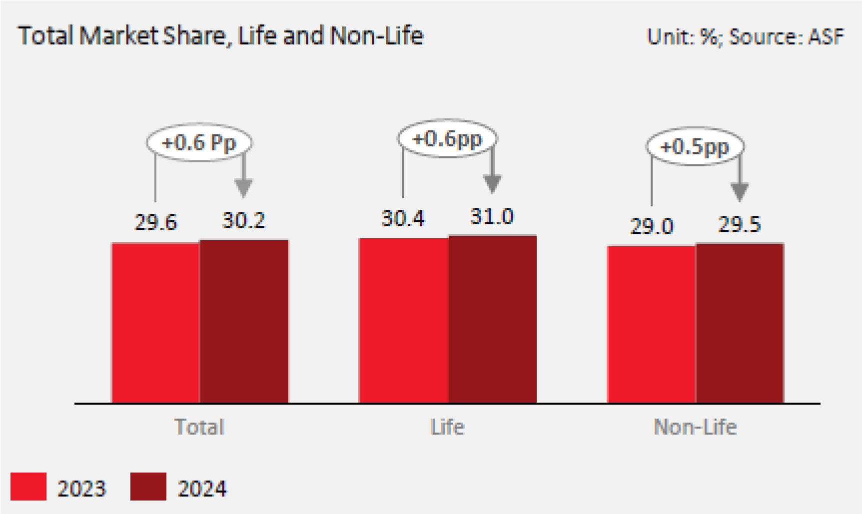
<u>POSITION OF THE FIDELIDADE GROUP IN THE PORTUGUESE MARKET</u>

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.

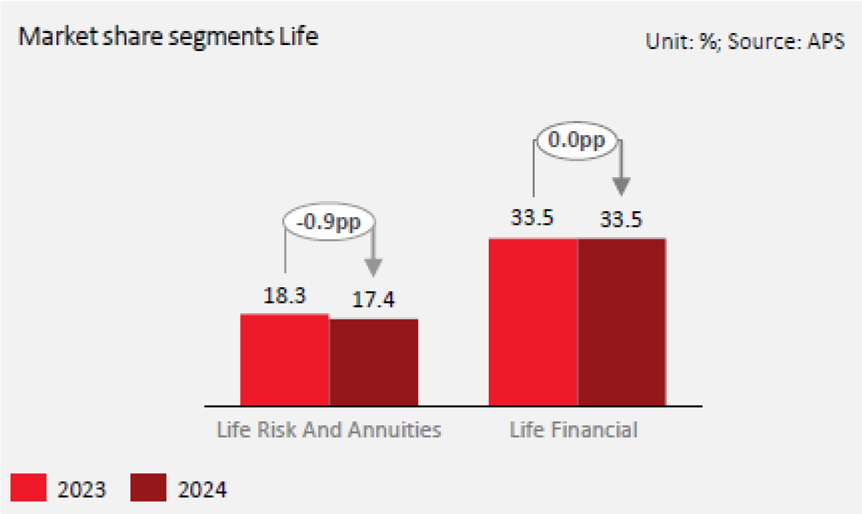
In the Life segment, the Fidelidade Group increased its market share by 0.6 p.p. compared to 2023, mainly reflecting the increased weight of the Financial Life segment, where the Fidelidade Group has a more significant share of total Life premiums.

In the Non-Life segment, Fidelidade 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.

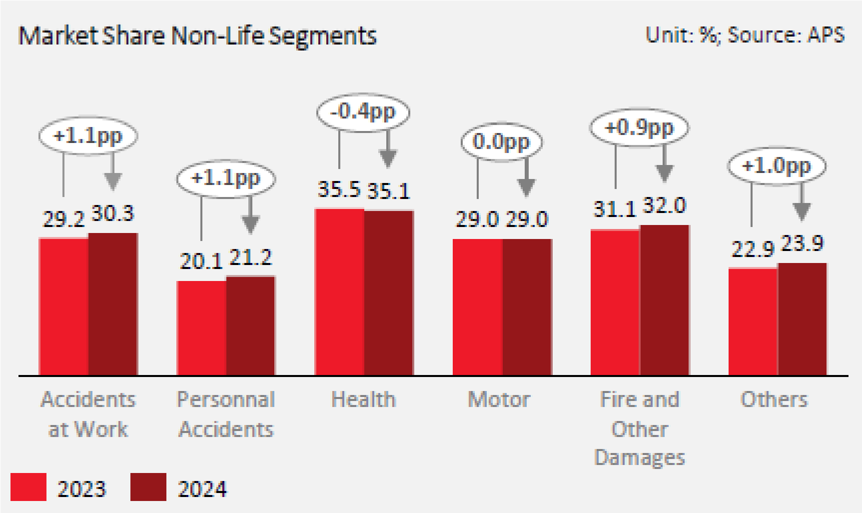
Meanwhile, the Health and Motor lines of business recorded growth in line with the market, reflecting a cautious risk underwriting policy with greater focus on the profitability of these lines of business.



Total Market Share, Life and Non-Life
Unit: %; Source: ASF
+0.6 Pp
+0.6pp
+0.5pp
29.6
30.2
30.4
31.0
29.0
29.5
Total
Life
Non-Life
2023
2024



Market share segments Life
Unit: %; Source: APS
0.0pp
-0.9pp
33.5
33.5
18.3
17.4
Life Risk And Annuities
Life Financial
2023
2024



Market Share Non-Life Segments
Unit: %; Source: APS
+1.1pp
+1.1pp
-0.4pp
0.0pp
+0.9pp
+1.0pp
29.2
30.3
20.1
21.2
35.5
35.1
29.0
29.0
31.1
32.0
22.9
23.9
Accidents at Work
Personnal Accidents
Health
Motor
Fire and Other Damages
Others
2023
2024

SEPARATE FINANCIAL PERFORMANCE [2]

Gains and losses – key indicators

Summary Results

	2024	2023	Var. 2024-2023
Premiums written	4,436.4	3,619.6	22.6%
Life	2,202.8	1,604.7	37.3%
Non-Life	2,233.6	2,014.9	10.9%
Net Income	11.4	83.6	-86.3%

Units: million euros

In individual terms, Fidelidade's total premiums in 2024 were 4,436.4 million euros, recording an increase of 22.6% compared to the previous year, driven by the performance in the Life and Non-Life segments.

The Life business recorded premiums of 2,202.8 million euros, increasing 37.3% compared to 2023, in line with the trend seen in the national market.

In the Non-Life segment, Fidelidade Individual grew 10.9% compared to the previous year, reflecting the positive performance of all lines of business.

In 2024, Fidelidade recorded a separate net income of 11.4 million euros, a decrease of 86.3% compared to the previous year, reflecting a fall not only in investment income but also in the operating result, in addition to the impact of the Pillar 2 Directive resulting from some international subsidiaries benefiting from favourable tax rules.

[2] Fidelidade's separate accounts include the insurance business of Fidelidade - Companhia de Seguros, S.A. in Portugal and of its branches in France, Luxembourg and Spain.

A detailed analysis of the main indicators of activity by line of business, compared to the previous year, is presented below:

Amounts in thousand euros

Line of Business	Life - Line of business	Non-Life - Line of business					Total 2024	
	Life	Health	Motor	General Liability	Fire and Other damage	Other	Non Life	Life + Non Life
Premiums written								
Gross Direct Insurance and Reinsurance Accepted	2.202.801	988.237	621.769	89.939	413.403	120.201	2.233.549	4.436.350
Reinsurers' share	33.063	572.072	4.079	39.092	178.901	80.359	874.503	907.566
Net	2.169.738	416.793	617.690	50.847	234.502	39.842	1.359.674	3.529.412
Premiums earned								
Gross Direct Insurance and Reinsurance Accepted	2.203.429	995.828	606.723	86.756	402.828	118.584	2.210.719	4.414.148
Reinsurers' share	30.492	1.352.729	4.085	38.137	172.635	80.935	1.648.521	1.679.013
Net	2.172.937	-356.901	602.638	48.619	230.193	37.649	562.198	2.735.135
Claims incurred								
Gross	1.750.284	733.479	427.982	29.933	196.855	41.987	1.430.236	3.180.520
Reinsurers' share	16.830	1.333.721	1.035	16.541	68.096	29.173	1.448.566	1.465.396
Net	1.733.454	-600.242	426.947	13.392	128.759	12.814	-18.330	1.715.124
Expenses incurred								
Net	151.457	98.044	174.074	16.139	89.732	24.746	402.735	554.192

Amounts in thousand euros

Line of Business	Life - Line of business	Non-Life - Line of business					Total 2023	
	Life	Health	Motor	General Liability	Fire and Other damage	Other	Non Life	Life + Non Life
Premiums written								
Gross Direct Insurance and Reinsurance Accepted	1.604.701	862.265	579.325	83.002	377.040	113.260	2.014.892	3.619.593
Reinsurers' share	22.865	495.199	3.436	40.121	172.601	77.935	789.292	812.157
Net	1.581.836	367.563	575.889	42.881	204.439	35.325	1.226.097	2.807.933
Premiums earned								
Gross Direct Insurance and Reinsurance Accepted	1.605.262	858.527	559.939	96.703	365.703	111.719	1.992.591	3.597.853
Reinsurers' share	22.873	1.171.057	3.435	55.597	172.216	78.563	1.480.868	1.503.741
Net	1.582.389	-312.530	556.504	41.106	193.487	33.156	511.723	2.094.112
Claims incurred								
Gross	2.144.028	543.018	390.326	55.991	189.451	18.924	1.197.710	3.341.738
Reinsurers' share	6.989	1.154.703	4.144	42.227	71.742	5.639	1.278.455	1.285.444
Net	2.137.039	-611.685	386.182	13.764	117.709	13.285	-80.745	2.056.294
Expenses incurred								
Net	137.505	102.327	173.635	22.213	84.717	21.723	404.615	542.120

At the end of 2024, Fidelidade Individual had total assets of 15.9 billion euros and insurance contract and investment contract liabilities of 12.3 billion euros, the latter increasing 7.3%, in line with the evolution in Life Financial products.

Shareholders' Equity totalled 1.9 billion euros, which represents a fall of 14.0% compared to the previous year, primarily reflecting the distribution of dividends in 2024.

Balance – main indicators

Summary Balance Sheet

	2024	2023	Var. 2024-2023
Total assets	15,949.2	15,205.5	4.9%
Liabilities of insurance contracts and investment contracts[26]	12,241.0	11,405.2	7.3%
Equity	1,889.7	2,197.1	-14.0%

Units: million euros

A.3. Investment performance

In 2024, the income obtained by type of investment is as follows, in thousands of euros:

Amounts in thousand euros

Investments	Dividends	Interest	Annuities	Total	Previous year
Investments allocated to life technical provisions					
Government bonds	0	33,885	0	33,885	74,094
Corporate bonds	0	136,644	0	136,644	137,520
Equities	1,227	0	0	1,227	14,129
Collective investment undertakings	7,383	0	0	7,383	10,453
Derivatives	0	-12,143	0	-12,143	-12,994
Others	0	-151	0	-151	-43
Subtotal	**8,610**	**158,235**	**0**	**166,845**	**223,226**
Investments allocated to non-life technical provisions					
Government bonds	0	5,295	0	5,295	418
Corporate bonds	0	30,049	0	30,049	26,491
Equities	16,052	0	0	16,052	25,878
Collective investment undertakings	14,009	0	0	14,009	18,112
Cash and cash equivalents	0	2	0	2	5
Property	0	0	1,647	1,647	3,054
Subtotal	**30,061**	**35,346**	**1,647**	**67,054**	**73,958**
Investments not allocated					
Government bonds	0	4,800	0	4,800	5,333
Corporate bonds	0	9,606	0	9,606	744
Equities	25,299	0	0	25,299	17,687
Cash and cash equivalents	0	4,632	0	4,632	5,832
Loans and Mortgages	0	1,613	0	1,613	2,101
Property	0	0	2,031	2,031	1,955
Others	0	470	0	470	12
Subtotal	**25,299**	**21,121**	**2,031**	**48,451**	**33,665**
Total	**63,970**	**214,702**	**3,678**	**282,350**	**330,849**

In addition, the changes in fair value of investments recorded in the 2024 financial year are as follows, also in thousands of euros:

Amounts in thousand euros

Investments	As a charge to		Total	Previous year
	Income statement	Shareholders' equity		
Investments allocated to life technical provisions				
Government bonds	-72	5,319	**5,247**	**10,253**
Corporate bonds	76,967	38,200	**115,167**	**34,398**
Equities	269	-49,810	**-49,541**	**44,148**
Collective investment undertakings	713	59,833	**60,546**	**95,351**
Loans and mortgages	2	0	**2**	**0**
Derivatives	1,388	-76,831	**-75,443**	**3,330**
Others	6	0	**6**	**-1**
Subtotal	**79,273**	**-23,289**	**55,984**	**187,479**
Investments allocated to non-life technical provisions				
Government bonds	354	0	**354**	**-1**
Corporate bonds	18,827	2,321	**21,148**	**-18,607**
Equities	-3,338	-11,021	**-14,359**	**21,768**
Collective investment undertakings	3,038	15,887	**18,925**	**1,844**
Loans and mortgages	1	0	**1**	**0**
Derivatives	-2,164	-27,507	**-29,671**	**4,562**
Others	49	0	**49**	**1**
Subtotal	**16,767**	**-20,320**	**-3,553**	**10,919**
Investments not allocated				
Government bonds	22	0	**22**	**-345**
Corporate bonds	1,465	32	**1,497**	**-158**
Equities	-15,527	232,508	**216,981**	**249,342**
Collective investment undertakings	300	276	**576**	**1,446**
Cash and cash equivalents	2,465	0	**2,465**	**-333**
Loans and mortgages	-597	0	**-597**	**1,542**
Derivatives	15,807	-31,247	**-15,440**	**720**
Others	3	0	**3**	**0**
Subtotal	**3,938**	**201,569**	**205,507**	**248,682**
Total	**99,978**	**157,960**	**257,938**	**447,080**

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 Company with material relevance for the purposes of disclosure in this report.

A.5. Any other information

There is no other material information relating to the Company’s business and performance.

B. System of Governance

FIDELIDADE
SEGUROS DESDE 1808

B.1. General information on the system of governance

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

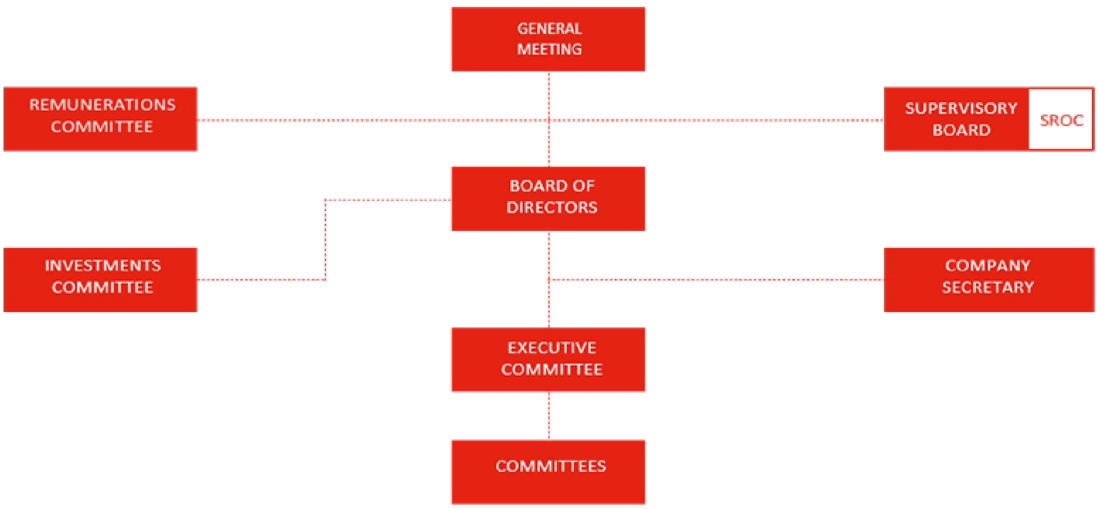
B.1.1. Corporate governance structure

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

Fidelidade 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.

Pursuant to the Articles of Association, the Board of Directors is composed of at least five members 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:

<u>GENERAL MEETING</u>

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(3) 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 the Company'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 the 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 Commitment 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 the Company'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 persons who, due to their professional experience and curriculum vitae, have the knowledge and appropriate profile regarding remuneration policy issues, 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 Company's business objectives and risk appetite, the organisation of the Company's 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 Company 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 the 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 Company'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.

B.1.3. Key functions

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** **Actuarial Function**	**Internal Audit Function**	***Compliance* 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:

<u>RISK COMMITTEE</u>

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.

<u>PRODUCTS COMMITTEE (LIFE AND NON-LIFE)</u>

The Products Committee's main mission is to approve and coordinate the launch of new products of all Group companies, 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 Company'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.

<u>ASSETS AND LIABILITIES MANAGEMENT COMMITTEE</u>

The main objectives of the Assets and Liabilities 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 structure for the Company's balance sheet to allow maximum profitability, limiting the level of risk possible and monitoring the performance of the Company's investments in terms of risk and return and the implementation of the ALM strategy, as well market and liquidity risks.

<u>SUSTAINABILITY COMMITTEE</u>

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 Policy

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 members of the management body comprises a fixed component and a variable component. The variable component is composed of a portion which seeks to remunerate short-term performance and a portion aimed at remunerating medium-term performance. The latter is awarded after the accounts for each financial year have been approved and after fulfilment of the predefined objectives has been confirmed.

The fixed component is a balanced proportion of the total remuneration, and the short and medium-term variable components are flexible proportions of the annual fixed remuneration. The executive members of the management body may not enter into contracts aimed at mitigating the risk inherent to the variable nature of their remuneration.

A range of non-remuneratory benefits are provided for the executive members of the management body, with the same conditions as those applicable to the other Fidelidade employees.

The complementary pensions and early retirement rules applicable to the members of the management body follow the same conditions as those applicable to Fidelidade employees. The Executive Board Members also have a Complementary Retirement Plan, set up through an insurance policy and the contribution of which is indexed to the gross annual fixed remuneration.

Besides those described above, there are no other remuneration mechanisms, and no other payments are provided for in the event of any removal of a director. In the event of termination of functions by agreement, the amounts involved must be approved by the Remunerations Committee.

In line with the Remuneration Policy, the members of the Supervisory Board only receive fixed remuneration. Non-executive members of the Board of Directors may or may not receive fixed remuneration for the performance of their functions, according to that decided by the Remunerations Committee, and the remuneration, if any, may be different for each of them and some may be remunerated while others are not.

The members of the Company's management and supervisory bodies do not benefit from any share allocation or stock option plans.

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-remuneratory 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 Company, are subject to supervision by the Supervisory Board.

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

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

The Company 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), aims to establish general principles for assessing whether the persons who effectively run the Company, 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/ master's 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 / master's 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 / master's 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 / master's 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 / master's 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, the scope of application of which is singular, covering the various insurance companies within the Fidelidade Group, 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 and Liabilities Management Committee and the Sustainability Committee.

B.3.1. 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 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.3.2. Risk management processes

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

B.3.2.1. Strategic Risk

The definition of the Company'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 Company's strategic priorities. Each area translates these principles into specific strategic guidelines for its scope of action.

The Company'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 Company'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 Company'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 Company’s position is both solid and dynamic.

B.3.2.2. Underwriting Risk – Product Design and Pricing

The Business Divisions 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 Company’s strategic objectives which are intended to be achieved with its launch / reformulation.

The launch of new products, 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.3.2.3. Underwriting Risk – Underwriting

The Business Divisions are responsible for managing and assessing the risks associated with underwriting the Company’s products, 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 Company’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.3.2.4. Underwriting Risk – Reserving

The Company's Reserving Policy establishes the methodologies for calculating provisions, broken down by line of business and in accordance with the obligations to be estimated. Accordingly, different provisions 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 Company'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 Company 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.3.2.5. Underwriting Risk – Claims Management Processes

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

The Company's Claims Management Policy 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.3.2.6. Underwriting Risk – Reinsurance and Alternative Risk Transfer

The Reinsurance Division negotiates and manages reinsurance treaties, 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 Company's Reinsurance Policy, 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 in the Company..

B.3.2.7. Market Risk

The Company's objectives, rules and procedures on market risk management 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 Company assesses, approves, implements, controls and monitors its investment activities and the risks resulting from those activities;
- Activities related to the Company's investment process, 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 Company's investment process.

Considering these aspects, the Company's investment management cycle 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.3.2.8. Counterparty Default Risk

The Company 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 Company'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.3.2.9. 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 Company'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 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 Company'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.3.2.10. Liquidity Risk

In a short-term perspective, responsibility for managing investments liquidity is given to the Investments Division.

The Company's aim in terms of liquidity is a treasury capable of managing all of the Company'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, the Company conducts a monthly ALM analysis of the liabilities and assets linked to the Life and Non-Life segments.

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 Company's Investments Policy.

In relation, specifically, to Asset and Liability and Liquidity Management processes, in 2024 the Company 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 Company'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.3.2.11. Reputational Risk

Management of the company'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 company Areas and the Executive Committee;
- Planning and monitoring of the company'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, the company 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 company's 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 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.

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

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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".

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.3.2.12. 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.3.3. Own risk and solvency assessment

The Company 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 the Company'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 Company'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 Company'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 Company's risk culture, by measuring the risks the Company 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 Company'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 Optimisation Office and the Financial Division are involved in carrying out the process.

When performing the ORSA, the Company begins by conducting an assessment (which is qualitative and, whenever so justified, quantitative) of the possible differences between the Company's 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 Company'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 Company deems relevant to better reflect its risk profile are introduced. In this process, all the risks that the Company 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 Company's risk profile and, consequently, of its global solvency needs, forecasts are produced, for a time period which coincides with the period defined in strategic planning, of the Company's financial position, the result of its operations, the changes in its own funds and its 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 Company's management, and the results obtained from it are taken into consideration in the Company'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 Company is exposed and project their evolution for the period under analysis.

Therefore, based on the results obtained, the Company 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 which the Company is not willing to run.

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 capita;
- 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 Company 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

The Risk Management Division is responsible for managing operational risk and the Company's internal control system.

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 Company's operational risk and its internal control is performed according to the following flow diagram:

<u>BUSINESS PROCESSES</u>

All the Company'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 company.

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

<u>RISKS AND CONTROLS</u>

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 Company are thus documented and characterised.

<u>ASSESSMENT</u>

To assess the Company's operational risk, quantitative information is collected on the risks previously identified by means of own assessment of risk questionnaires and the 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 various Company 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. 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 (cont.)	**Brief Description (cont.)**
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 establishing 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 Company's Board of Directors. Its mission is to guarantee assessment and monitoring of the Company'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 Company's 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 Company, 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 deduction to 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 Company'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 insurance companies within the Fidelidade – Companhia de Seguros,, S.A., universe, 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 Company, 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

There is no other material information relating to the Company's system of governance.

C. Risk Profile

FIDELIDADE
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Risk management is an integral part of the Company's daily activities, and an integrated approach is applied in order to ensure that the Company's strategic objectives (customers' interests, financial strength and efficiency of processes) are maintained.

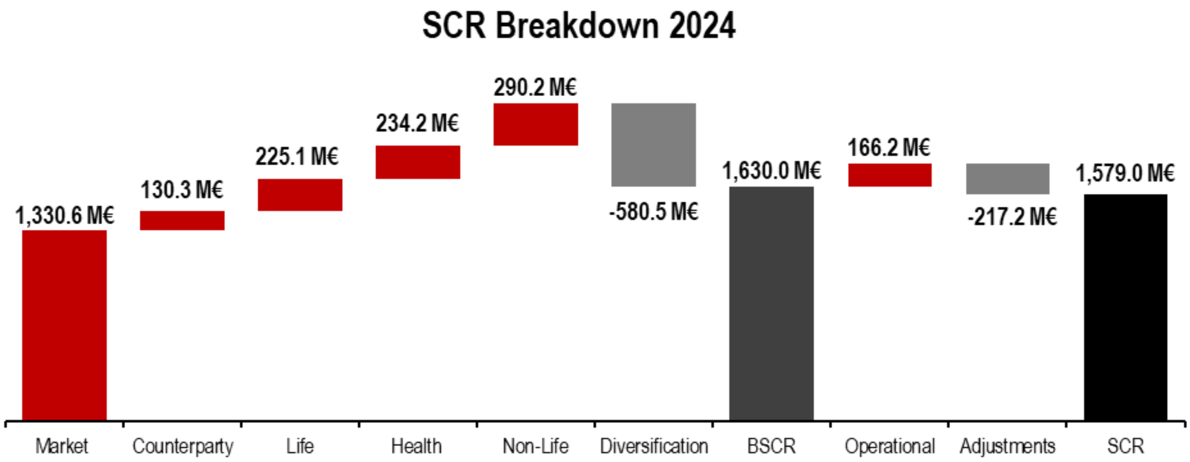
On the other hand, this integrated approach ensures value creation via the identification of adequate balance between risk and return, simultaneously guaranteeing the Company's obligations to its stakeholders.

Risk management assists the Company 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 the Company's risk profile.

Accordingly, to outline its risk profile, the Company identifies the various risks to which it is exposed and then assesses these.

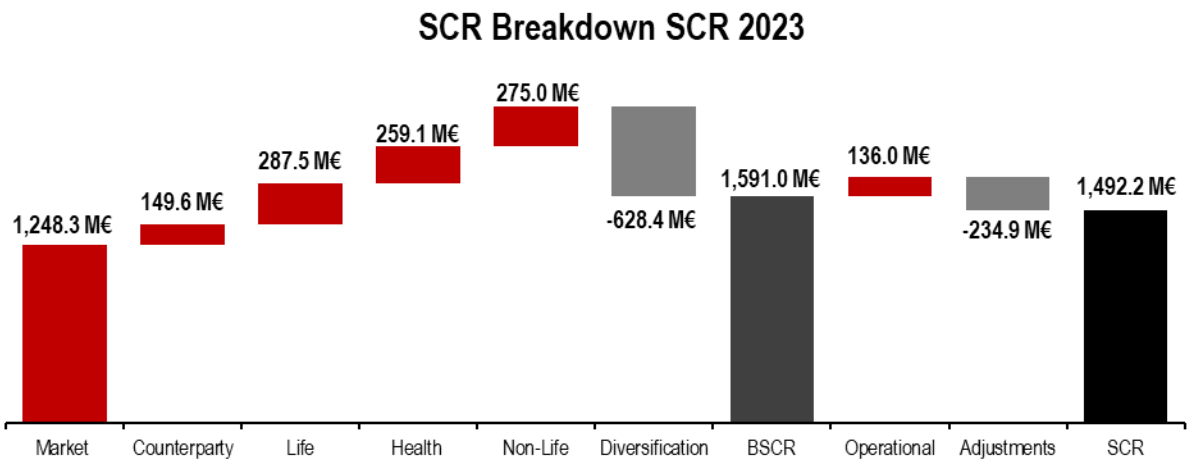
The risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks, not included in that formula, the Company has opted to use a qualitative analysis to classify the foreseeable impact on its capital needs.

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

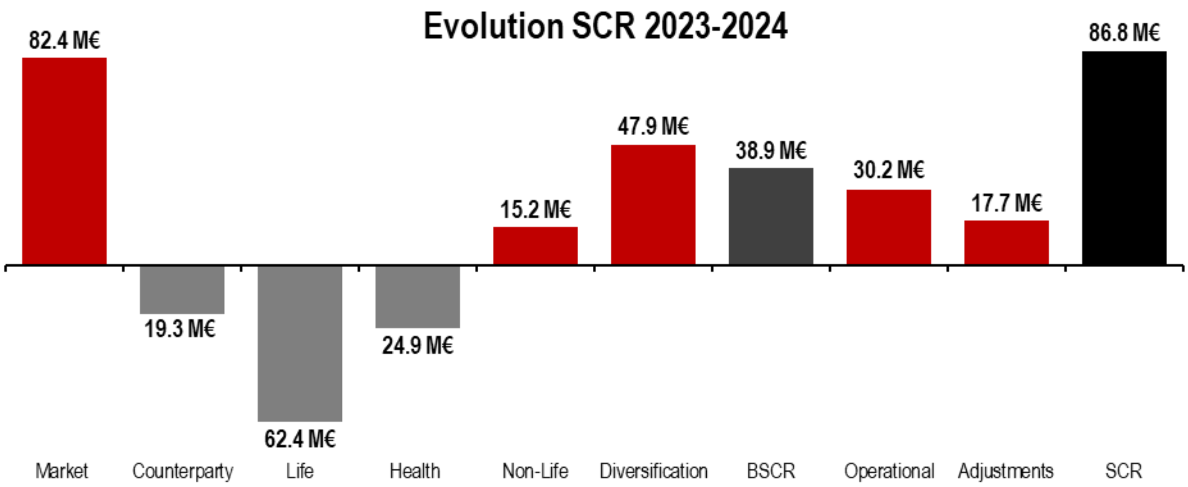


The market risk is clearly prominent in this requirement, followed by the Non-Life, Health and Life underwriting risks, which are much lower. The Counterparty Default risk and Operational risk are the lowest of the risk modules that make up the SCR.

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



The increase in the SCR of EUR 86.8 million is shown in the graph below.



The following elements can be highlighted in this evolution:

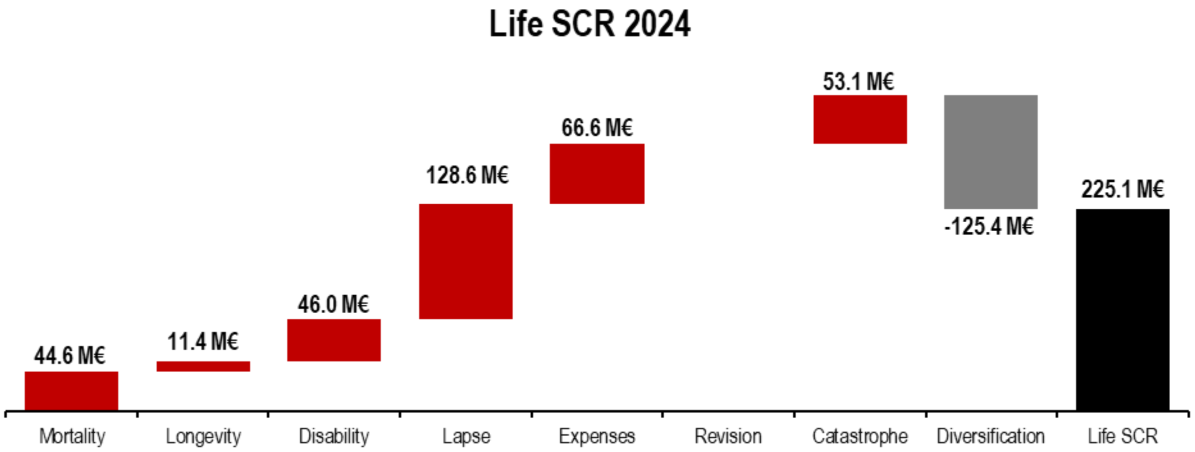
- The increase in market risk, detailed in chapter C.2;
- The decrease in counterparty default risk, detailed in point C.3;
- The decrease in the life underwriting risk, detailed in point C.1.1.;
- The decrease in the health underwriting risk, detailed in point C.1.3.;
- The increase in the non-life insurance underwriting risk, detailed in point C.1.2.;
- The increase in operational risk, detailed in chapter C.5.

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

C.1. Underwriting risks

C.1.1. Life underwriting risk

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



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 the Company 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.

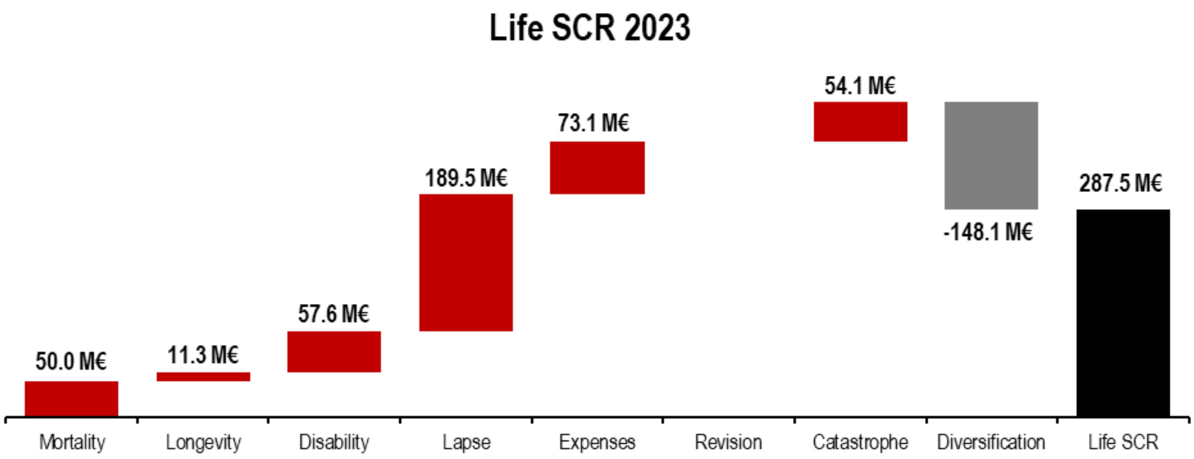
The second most significant sub-module, although carrying much less weight than the lapse risk, is the expense risk, which basically results from the fact that, when calculating the capital requirements of this risk sub-module, the Company considered as expenses, for the total amount of the Life obligations, 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.

With similar values, and lower than the expense risk, we have the catastrophe, disability and mortality risks, all with their origins in Life Risk insurance contracts.

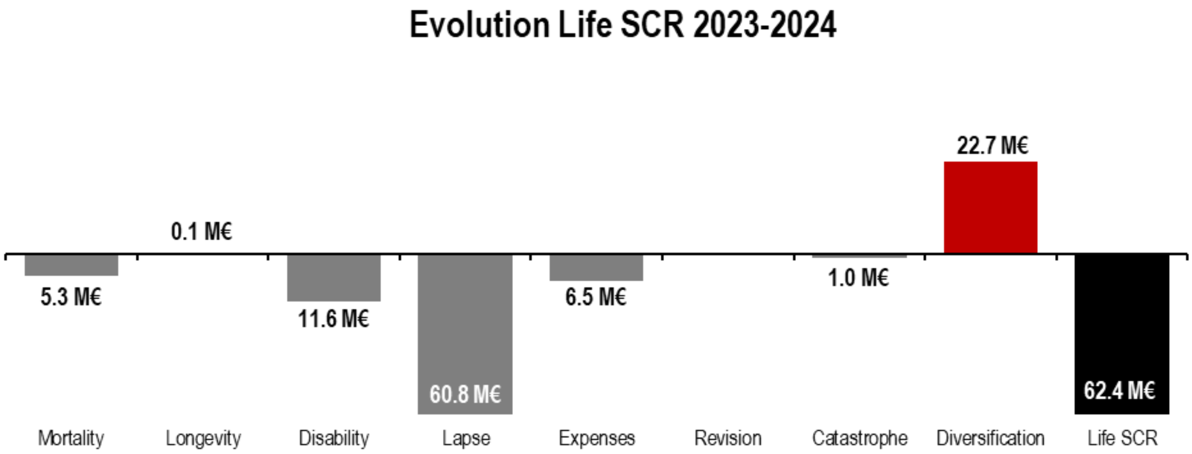
Lastly, there is the longevity risk, the significance of which is relatively low in this risk module, since the Companies' Annuities portfolio is small.

The revision risk is zero since there is no exposure to this risk in the Portuguese market.

The Life SCR at 31 December 2023 was:



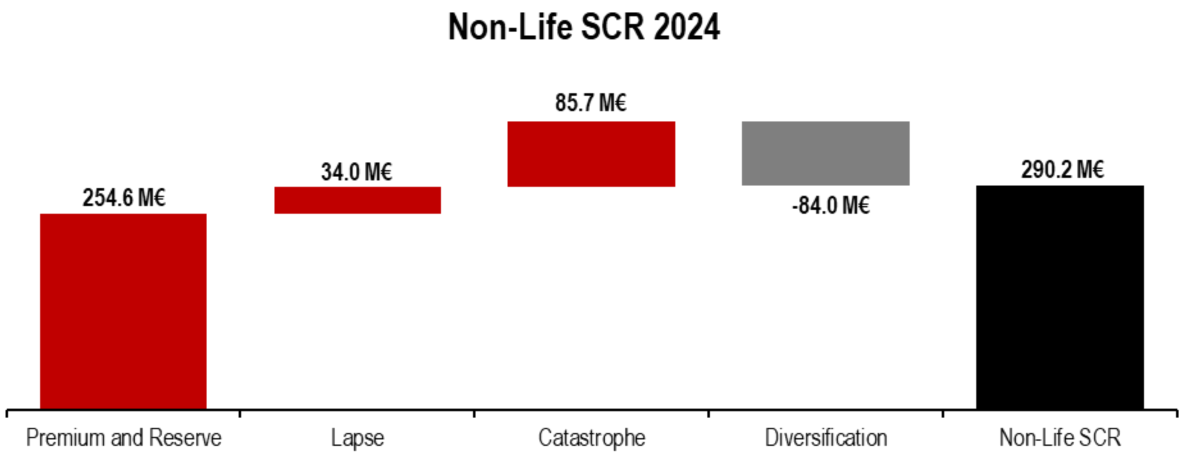
The decrease of EUR 62.4 million is shown in the graph below:



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.7.3. Mass Lapse Reinsurance.

C.1.2. Non-Life underwriting risk

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



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

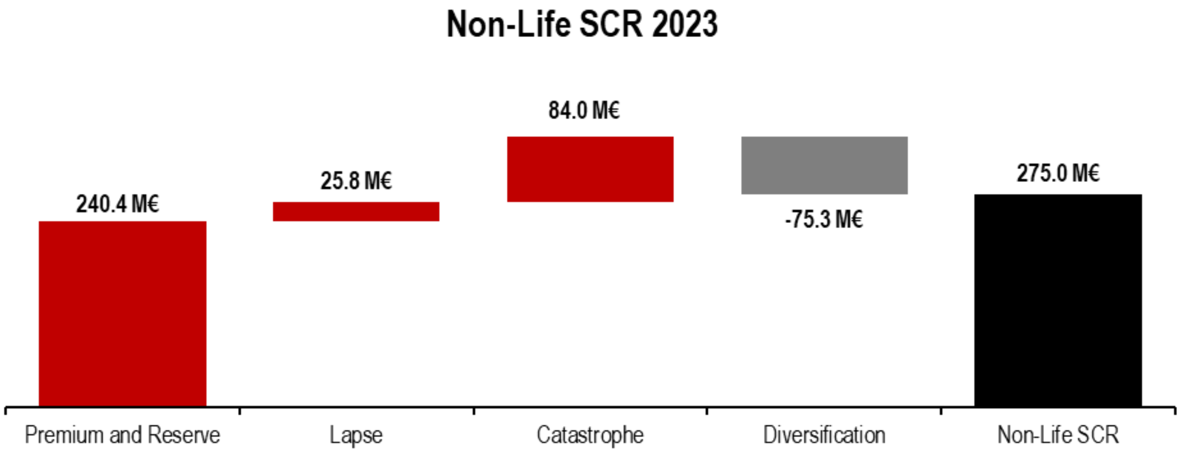
The weight of this risk basically results from the volume of premiums and reserves relating to motor insurance contracts (liability and other covers), fire and other damage insurance and general liability insurance.

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

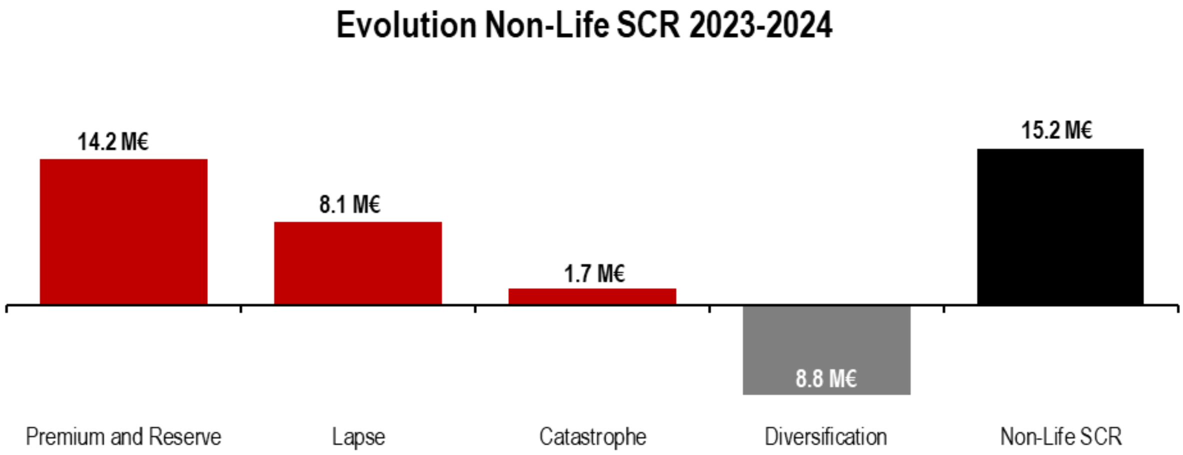
With a much lower figure, there is the catastrophe risk, which basically arises from the significant amount of sums insured with seismic phenomena coverage. However, in the event of a seismic phenomenon, because of the existing reinsurance contracts only a part of the liability will be assumed by the Company. 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 particularly insignificant, given that the insurance contracts have a contract boundary up to the next renewal date.

The Non-Life SCR at 31 December 2023 was:



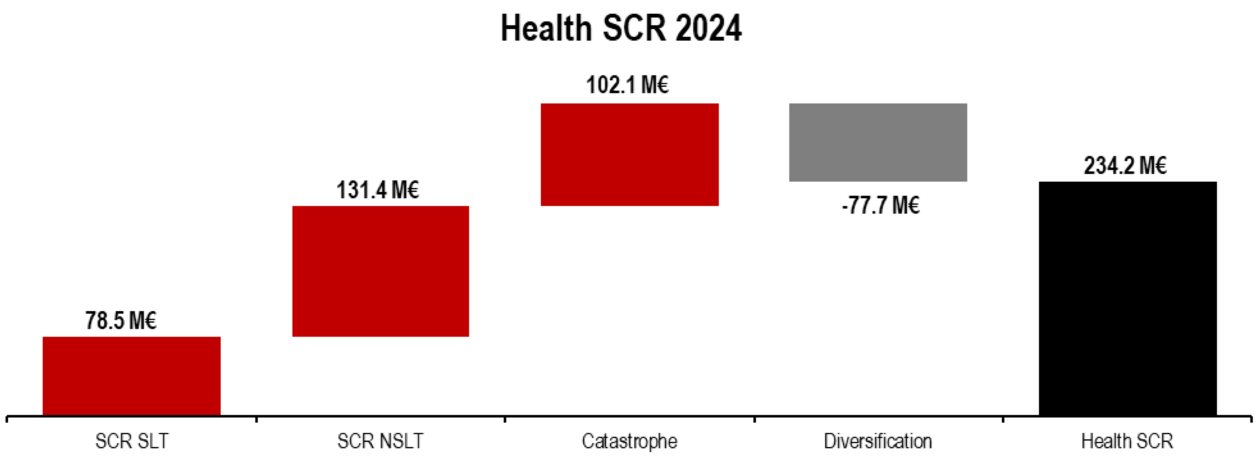
The increase of EUR 15.2 million is shown in the graph below.



The increase in this risk results from the Company's activity, with an increase in the volume of premiums and reserves of contracts in the motor and fire lines.

C.1.3. Health underwriting risk

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

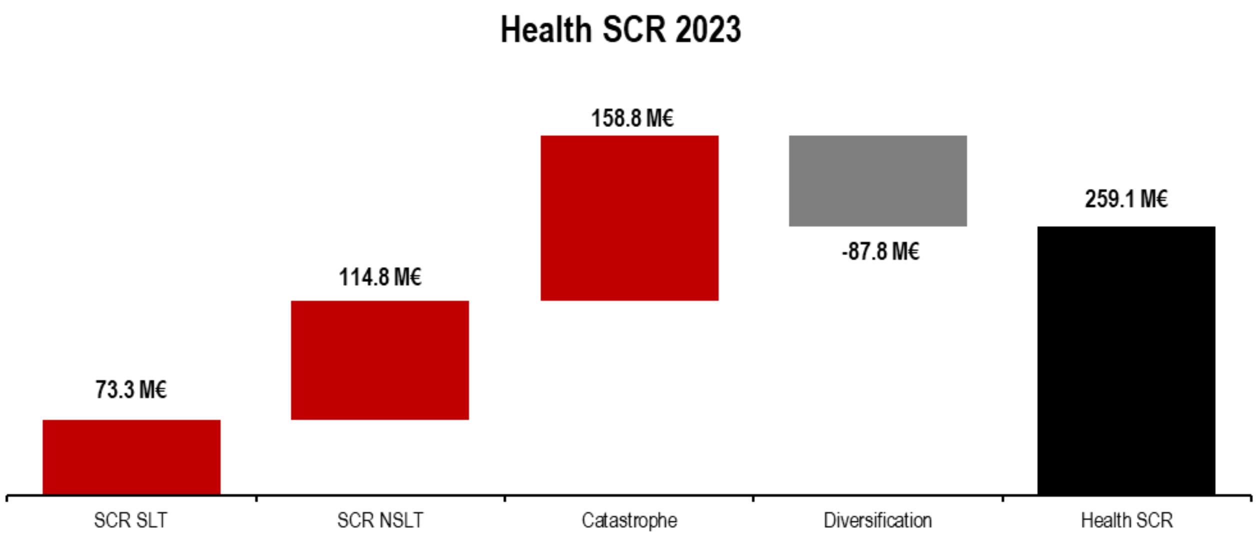


The SLT (similar to life techniques) health sub-module is basically composed of longevity risk resulting from pensions and permanent assistance expenses in the workers' compensation line of business.

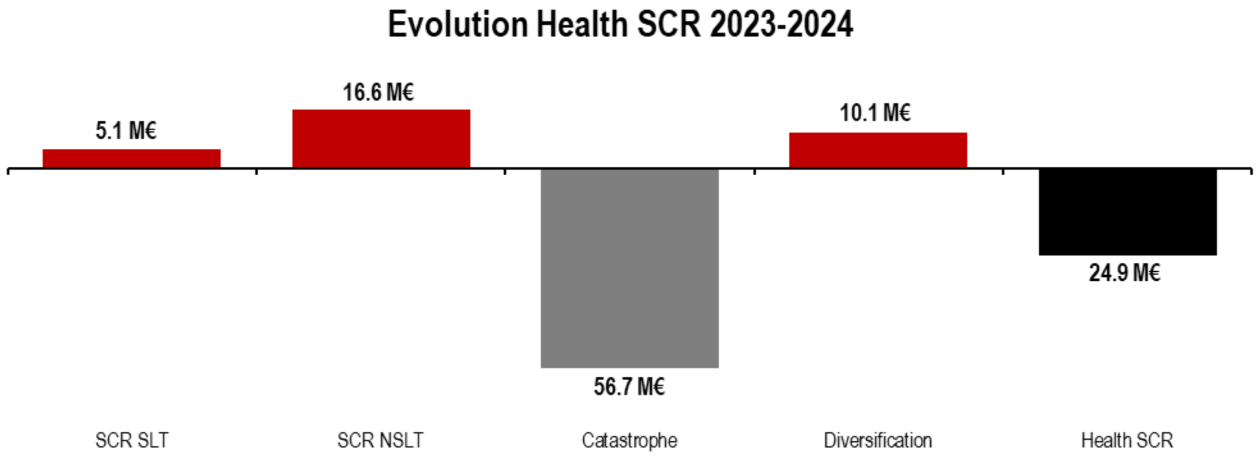
The NSLT (not similar to life techniques) health sub-module is essentially the result of the premium and reserve risk in the workers' compensation and personal accidents lines of business, given that health insurance is 100% reinsured with Multicare.

The catastrophe risk sub-module mainly results from the concentration of accidents, given the sums insured involved.

The Health SCR at 31 December 2023 was:



The decrease of EUR 24.9 million is shown in the graph below.



The evolution in this module was basically due to:

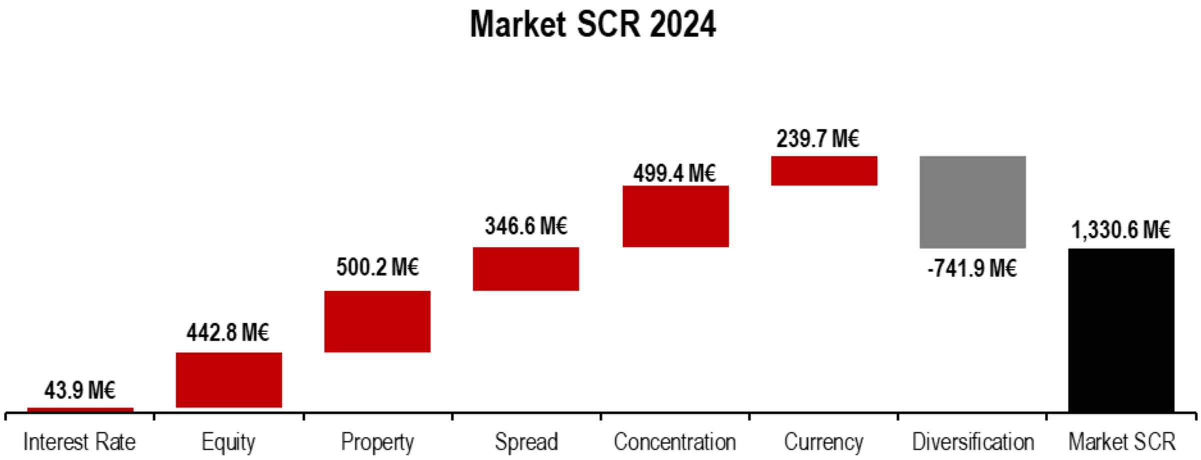
- The Company's activity;
- The revision of the reinsurance programme that allowed for greater mitigation of the concentration risk with an impact on the Catastrophe SCR.

C.1.4. Mitigation measures – underwriting risk

For a number of lines of business, the Company 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.

C.2. Market risk

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



Within this module, the most important sub-module is the property risk, reflecting the investment strategy that the Company is pursuing, where there is significant exposure to the real estate market.

The second most important sub-module in the market risk module is the concentration risk. The exposure to this risk, namely to the Fosun International Limited economic group, is heavily influenced by Fidelidade's direct participations, in particular in Luz Saúde and in the group's various non-European insurance companies. The Company is not exposed to concentration risk in relation to any other economic group.

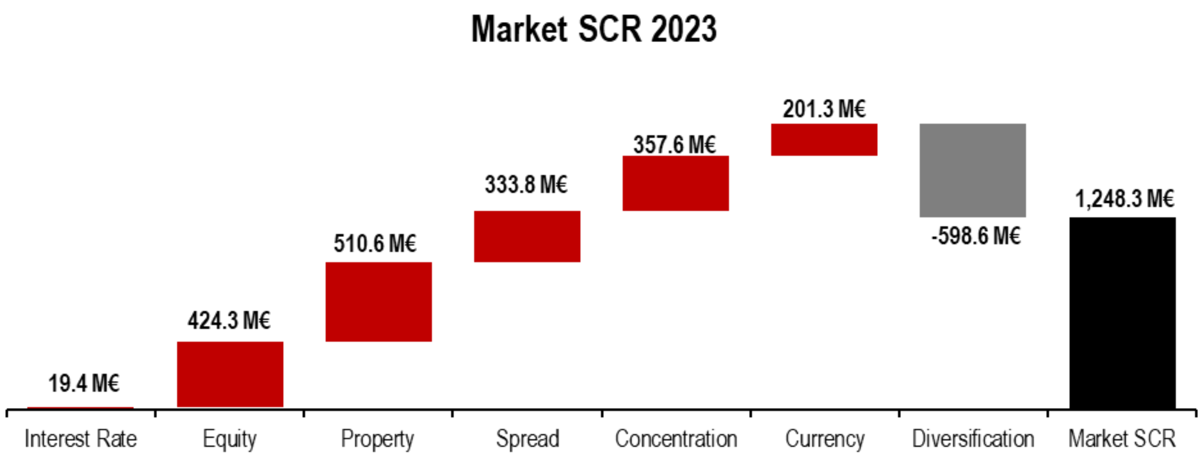
The third most important sub-module is equity risk, as a result of the Company's significant exposure to equity markets, in particular those relating to participations in Luz Saúde and in the group's insurance companies, held by Fidelidade.

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

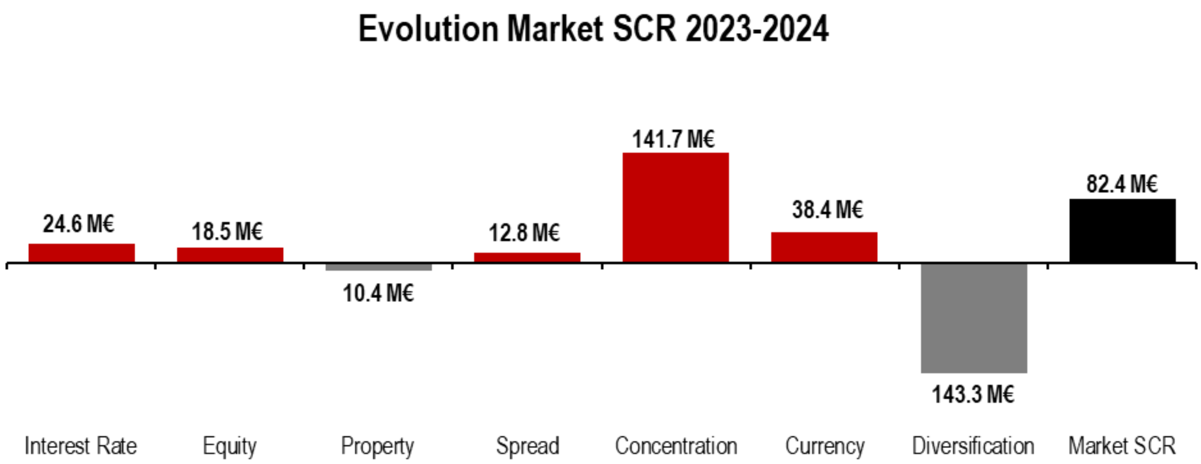
The currency risk has a lower value, limited by the hedging for the most significant exposures to foreign currency.

In the case of interest rate risk, its low value is a result of the Asset and Liability management carried out by the Company with the aim of maintaining the duration gap at low values.

The Market Risk SCR at 31 December 2023 was:



The increase of EUR 82.4 million is shown in the graph below.



Notable changes from the previous year include changes to the concentration risk, currency risk and equity risk, mainly explained by the appreciation of Fidelidade's strategic holdings, including Luz Saúde and the group's insurance companies.

The increase in the interest rate risk is 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).

C.2.1. Mitigation measures – market risk

The Company'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 Company'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 Company's general investment guidelines.

According to these guidelines, the main objective of the investment portfolio is to generate income for the Company, 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 Company hedges the currency exposure of its directly or indirectly held assets:

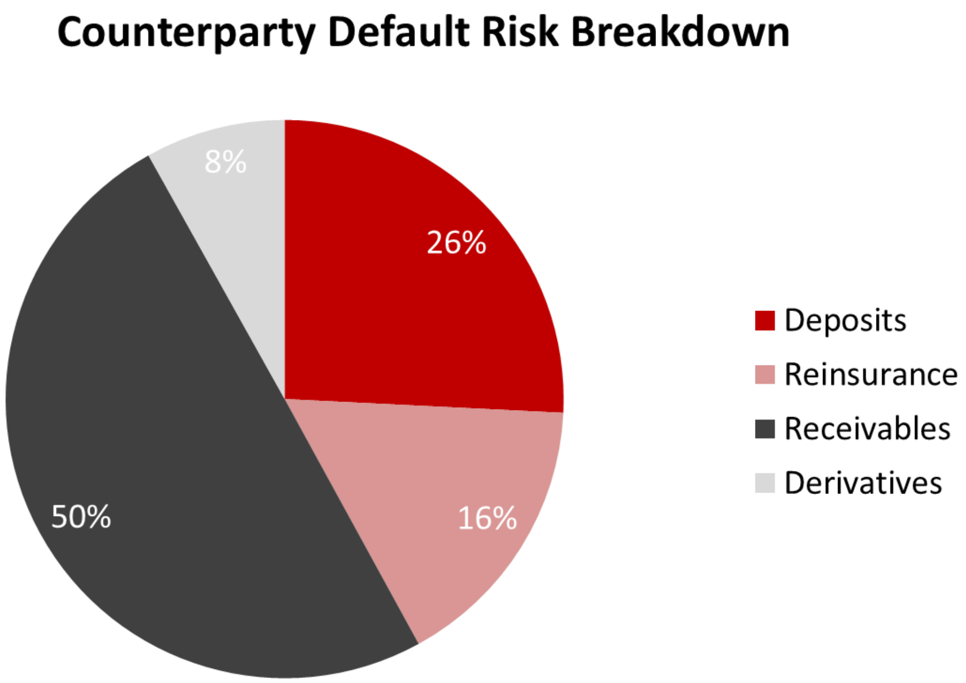
- The exposure to assets denominated in American Dollars (USD) and in Hong Kong Dollars (HKD), given the high correlation between USD and HKD, is mitigated by using futures, forwards and swaps contracts in USD;
- The exposure to assets denominated in Pounds Sterling (GBP) is mitigated by using futures, 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 Company 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 fifth highest of all the risks assessed by the Company.

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 receivables and to deposits. Of the remaining exposures, the most significant is exposure to counterparties to which the Company transfers risks through reinsurance contracts for underwriting risks.

C.4. Liquidity Risk

Management of Fidelidade's liquidity risk is defined in the ALM and Liquidity Policy, which is revised annually by the ALCO (Assets and Liabilities Management Committee). The GCF – ALM (Capital Planning and Financial Optimization Office – Asset and Liability Management Functional Area) produces a monthly report on this risk, in addition to the ALM report which presents analyses of cash flows distributed between by various lines of business, assuming various scenarios. A monthly report with a breakdown of the illiquid assets held in portfolio is sent to the ASF (Insurance and Pension Funds Supervisory Authority).

The Group's aim in terms of liquidity is a treasury capable of managing all of the Company's funding needs (cash outflows) in an appropriate timeframe, without resorting to credit or unplanned selling off of assets. For this reason, seven levels of asset liquidity have been defined, ranging from Step 0 (cash available in 1 day) to Step 6 (strategic investments which Fidelidade does not intend to sell in the near future) and two short and medium-term liquidity ratios that match the liquid assets with the cash-flow needs, which must be above 100%. Three levels of liquidity have also been defined (immediate, short-term and medium and long-term) which aim to assess whether Fidelidade has sufficient liquid assets to cover its obligations, including unexpected events, on both the liabilities and assets side. In this context, in June 2024, the ALM and Liquidity Policy was revised (within the ALCO), in which the Extension of the Partial Liquidity Step Methodology for eligible assets was approved, with a view to enhancing the view of these three levels of liquidity.

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	375,715
Expected profits included in future premiums – Non-Life	56,326
Total	**432,041**

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 Company. Its increase reflects the evolution of the Company's 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 Company 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 Company'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 material risks

Risks that do not fall within the standard formula are identified as part of the ORSA process.

The following risks are recognised by the Company as possible material risks.

C.6.1. Reputational risk

Management of the Company'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 Company and the Executive Committee;
- Planning and monitoring of the Company'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, the Company 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 Company's 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[4]. This risk is therefore considered to be sufficiently mitigated and, accordingly, is classified as a **low** risk.

C.6.2. Strategic risk

The Company'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 Company's employees, who seek to achieve the proposed objectives on a daily basis within the scope of their functions.

The strategic decisions taken by the Company 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 Company's activity. This risk is therefore considered to be **low**.

C.6.3. Business (continuity) risk

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

When analysing this risk, the possibility of the Company 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 Company'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

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

of concentration geographically speaking, with most of the business being in Portugal. Nevertheless, the Company 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 Company 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 the Company 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 Company, this risk must still be considered.

In addition, the Company is exposed to compliance risks during the normal course of its operations.

In conclusion, and considering all the points covered above, the legal risk associated with the Company 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 Company recognises 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 Company tests the recoverability of these taking into account estimated future tax profits following the shock, in a limited time period.

If there were no adjustment for the loss-absorbing capacity of deferred taxes, the solvency capital requirement coverage ratio would be 193%.

C.7.2. Risk sensitivity

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

Risk Type	Effect of changes on:		Total effect on Solvency Ratio
	Eligible Own Funds	Capital Requirement	
Equity	-18.8 p.p	+9.5 p.p.	-10.2 p.p.
Property	-12.5 p.p.	+5.2 p.p.	-7.6 p.p.
Spread	-12.4 p.p	+0.0 p.p.	-12.3 p.p.
Interest Rate (Up)	+0.2 p.p.	+0.4 p.p.	+0.7 p.p.
Interest Rate (Down) 50	-0.7 p.p.	-1.1 p.p.	-1.8 p.p.
Interest Rate (Down) 100	-2.2 p.p.	-1.7 p.p.	-3.8 p.p.

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

Risk Type	Effect of changes on:		Total effect on Solvency Ratio
	Eligible Own Funds	Capital Requirement	
Equity	-18.1 p.p.	+9.1 p.p.	-9.8 p.p.
Property	-13.3 p.p.	+5.8 p.p.	-7.9 p.p.
Spread	-9.7 p.p.	+0.7 p.p.	-9.1 p.p.
Interest Rate (Up)	+2.8 p.p.	+0.7 p.p.	+3.5 p.p.
Interest Rate (Down) 50	-2.0 p.p.	-0.3 p.p.	-2.3 p.p.
Interest Rate (Down) 100	-4.4 p.p.	-0.9 p.p.	-5.3 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.

D. Valuation for Solvency Purposes

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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 Company's assets or in the relevant assumptions used to calculate its 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**	**15,986,002**	**16,090,015**	**-104,012**	**15,154,825**
Liabilities					
D.2	Technical Provisions	11,493,687	12,267,871	**-774,184**	**10,615,822**
D.3	Other liabilities	1,964,746	1,932,288	**32,456**	**1,882,832**
	Total Liabilities	**13,458,433**	**14,200,159**	**-741,727**	**12,498,654**
Excess of assets over liabilities		**2,527,569**	**1,889,855**	**637,715**	**2,656,172**

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	14,881,867	14,652,862	**229,004**	**13,684,133**
Real estate assets	63,915	55,954	**7,961**	**69,390**
Other assets	649,379	811,545	**-162,166**	**1,032,316**
Reinsurance recoverables	390,842	569,654	**-178,812**	**368,986**
Total	**15,986,002**	**16,090,015**	**-104,012**	**15,154,825**

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	3,474,606	3,179,107	295,499	3,193,191
Equities — listed	143,120	143,120	0	309,887
Equities — unlisted	1,710	1,923	-213	1,223
Government bonds	3,489,628	3,497,168	-7,539	1,975,475
Corporate bonds	3,643,232	3,643,232	0	4,090,798
Structured notes	188,048	188,048	0	181,689
Collateralised securities	0	0	0	0
Collective investment undertakings	822,796	824,494	-1,698	737,408
Derivatives	0	0	0	184,800
Deposits other than cash equivalents	9,298	65,264	-55,967	161,779
Other investments	0	0	0	0
Assets held for index-linked and unit-linked contracts	3,109,430	3,110,507	-1,078	2,847,883
Total	**14,881,867**	**14,652,862**	**229,004**	**13,684,133**

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, 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 separately depending on the activity of the related undertakings. Considering that Fidelidade's subsidiaries are not listed entities, the excess of assets over liabilities is determined as follows:

- Subsidiaries that are not insurance or reinsurance companies - Fidelidade considers the equity method, as defined by International Financial Reporting Standards (IFRS), less any recognised amounts of goodwill and other intangible assets.;

- Subsidiaries that are insurance or reinsurance companies - Fidelidade determines the excess of assets and liabilities in accordance with the Delegated Regulation applicable to insurance and reinsurance companies.

When comparing the valuation of financial assets for solvency purposes with their valuation in the financial statements, the reasons for the 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 S.A. by the Adjusted Equity Method (the value of this participation, for solvency purposes, fell by 227,805 thousand euros), of Fidelidade Property Europe (increase of 207,358 thousand euros in the valuation for solvency purposes), of Multicare (increase of 74,432 thousand euros in the valuation for solvency purposes) and of Fid Perú (the value of this participation, for solvency purposes, increased by 74,610 thousand euros).

- Equities – unlisted

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

- 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	60,863	52,902	**7,961**	**58,330**
Property (other than for own use)	3,052	3,052	**0**	**11,061**
Total	**63,915**	**55,954**	**7,961**	**69,390**

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

The Company's 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 of Fidelidade 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.

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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	0	**0**	**0**
Deferred acquisition costs	0	2,923	**-2,923**	**0**
Intangible assets	0	84,919	**-84,919**	**0**
Tangible assets	21,155	21,155	**0**	**18,651**
Deferred tax assets	12,984	158,255	**-145,271**	**424,498**
Pension benefit surplus	1,853	1,853	**0**	**22,588**
Loans and mortgages to individuals	0	0	**0**	**0**
Other loans and mortgages	52,358	52,358	**0**	**73,090**
Loans on policies	1,505	1,505	**0**	**1,183**
Deposits to cedants	1,157	1,157	**0**	**1,149**
Insurance and intermediaries receivables	117,150	117,152	**-2**	**99,647**
Reinsurance receivables	32,423	32,423	**0**	**65,042**
Receivables (trade, not insurance)	78,401	78,401	**0**	**52,418**
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	261,652	246,669	**14,983**	**202,405**
Any other assets, not elsewhere shown	68,592	12,626	**55,966**	**71,496**
Total	**649,379**	**811,545**	**-162,166**	**1,032,316**

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

- Deferred acquisition costs
  The value of these assets for solvency purposes is zero.

- 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 Company'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 subsidiaries, as these adjustments are not eligible for tax purposes in accordance with the tax regulations applicable in Portugal.

- 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 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.1.4. 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:

- With the exception of medical expense, when calculating the claims provision, the value of the accounting provisions was assumed as the base value, which was 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;
- In the medical expense component of the Health NSLT line of business, since there is a 100% ceding treaty, the weight that the value of the reinsurance ceded accounting provision represents in the direct insurance of the line of business was applied to the best estimate of claims direct insurance;
- 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	15,027	48,135	**-33,108**	**25,379**
Life, index-linked and unit-linked	-4,824	0	**-4,824**	**0**
Non-life, excluding health insurance	231,455	325,993	**-94,538**	**224,866**
Health similar to life	0	0	**0**	**0**
Health similar to non-life	149,183	195,526	**-46,343**	**118,741**
Total	**390,842**	**569,654**	**-178,812**	**368,986**

The differences result from the method applied to calculate the best estimate, which uses assumptions that are not 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	9,100,758	9,615,557	-514,799	8,427,319
Non-Life	995,358	1,184,432	-189,074	927,210
Health – SLT	1,103,585	1,142,433	-38,848	1,012,036
Health – NSLT	293,986	325,451	-31,465	249,257
Total	**11,493,687**	**12,267,871**	**-774,184**	**10,615,822**

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 due to the Company not using 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	TMTP	Technical Provisions	Technical Provisions previous year
Index-linked and unit-linked insurance					
Contracts without options or guarantees	2,553,742	1,210	0	**2,554,952**	**2,508,106**
Contracts with options or guarantees	510,154	951	0	**511,105**	**297,103**
Capital redemption					
Contracts with profit sharing	1,034,378	7,160	-84,397	**957,141**	**1,141,315**
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	-306,505	91,313	0	**-215,192**	**-191,368**
Annuities					
Contracts with profit sharing	75,046	3,644	0	**78,690**	**81,949**
Contracts without profit sharing	88,601	2,928	0	**91,529**	**93,796**
Reinsurance accepted					
Reinsurance accepted	-5,712	0	0	**-5,712**	**2,573**
Total	**9,183,761**	**120,018**	**-203,021**	**9,100,758**	**8,427,319**

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

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 Company's portfolio, 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 Company's 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 Company's past history.

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 2023. 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 Company, 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	2,554,952	2,583,860	**-28,908**
Contracts with options or guarantees	511,105	526,646	**-15,541**
Capital redemption			
Contracts with profit sharing	957,141	1,060,442	**-103,301**
Contracts without profit sharing	5,112,069	5,066,536	**45,533**
Risk			
Contracts with profit sharing	16,176	5,199	**10,977**
Contracts without profit sharing	-215,192	176,953	**-392,145**
Annuities			
Contracts with profit sharing	78,690	74,263	**4,427**
Contracts without profit sharing	91,529	117,176	**-25,647**
Reinsurance accepted			
Reinsurance accepted	-5,712	4,482	**-10,194**
Total	**9,100,758**	**9,615,557**	**-514,799**

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 Company's solvency capital requirement coverage ratio of around 9.4 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	427,958	10,060	**438,018**	**411,963**
Other motor insurance	94,212	4,535	**98,747**	**89,729**
Marine, aviation and transport insurance	9,615	538	**10,153**	**4,941**
Fire and other damage to property insurance	236,369	4,865	**241,234**	**230,281**
General liability insurance	188,634	2,951	**191,585**	**179,475**
Credit and suretyship insurance	126	9	**135**	**523**
Legal expenses insurance	-239	74	**-165**	**250**
Assistance	-3,793	226	**-3,567**	**-3,408**
Miscellaneous financial loss	17,689	1,527	**19,216**	**13,456**
Non-proportional reinsurance accepted	0	0	**0**	**0**
Total	**970,571**	**24,786**	**995,358**	**927,210**

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 provisions 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 Company'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	438,018	449,965	**-11,947**
Other motor insurance	98,747	140,014	**-41,267**
Marine, aviation and transport insurance	10,153	16,357	**-6,204**
Fire and other damage to property insurance	241,234	318,798	**-77,564**
General liability insurance	191,585	211,932	**-20,347**
Credit and suretyship insurance	135	123	**12**
Legal expenses insurance	-165	3,285	**-3,450**
Assistance	-3,567	21,675	**-25,242**
Miscellaneous financial loss	19,216	22,283	**-3,067**
Non-proportional reinsurance accepted	0	0	**0**
Other technical provisions	0	0	**0**
Total	**995,358**	**1,184,432**	**-189,074**

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	1,166,591	95,076	-158,082	**1,103,585**	**1,012,036**
relating to insurance obligations other than health insurance obligations	0	0	0	**0**	**0**
Total	**1,166,591**	**95,076**	**-158,082**	**1,103,585**	**1,012,036**

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 best estimate of the provisions 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 Company'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	1,103,585	1,142,433	**-38,848**
relating to insurance obligations other than health insurance obligations	0	0	**0**
Total	**1,103,585**	**1,142,433**	**-38,848**

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 structure 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	117,332	178	**117,510**	**97,676**
Income protection insurance	67,213	986	**68,199**	**69,358**
Workers' compensation insurance	101,652	6,625	**108,277**	**82,223**
Total	**286,197**	**7,789**	**293,986**	**249,257**

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 best estimate of the provisions 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 rates 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 Company'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	117,510	142,603	**-25,093**
Income protection insurance	68,199	73,757	**-5,558**
Workers' compensation insurance	108,277	109,091	**-814**
Total	**293,986**	**325,451**	**-31,465**

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 harmonised index of prices, three-year forecast, disclosed by Banco de Portugal in December 2024 is used to calculate the best estimate.

In the best estimate projections, 2.1% was considered in 2025 and 2.0% in 2026 and subsequent years.

D.2.6. Reference interest rates

When valuing the technical provisions in Solvency II, the Company 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	16,354	16,354	0	29,692
Pension benefit obligations	27,770	27,770	0	7,347
Deposits from reinsurers	205,976	205,976	0	186,679
Deferred tax liabilities	0	0	0	395,981
Derivatives	202,695	203,534	-839	309,437
Debts owed to credit institutions	0	0	0	0
Financial liabilities other than debts owed to credit institutions	53,814	42,110	11,704	55,675
Insurance and intermediaries payables	99,969	100,027	-58	96,805
Reinsurance payables	88,581	88,581	0	94,414
Payables (trade, not insurance)	102,816	102,816	0	62,878
Subordinated liabilities	1,011,123	1,004,456	6,667	482,667
Any other liabilities, not elsewhere shown	155,648	140,665	14,983	161,258
Total	**1,964,746**	**1,932,288**	**32,456**	**1,882,832**

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

- Derivatives

  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.). These impacts are reflected in other balance sheet headings, namely "Holdings in related undertakings, including participations" and "Financial liabilities other than debts owed to credit institutions".

- 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.). These impacts are reflected in other balance sheet headings, namely "Holdings in related undertakings, including participations" and "Derivatives".

- 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 Company does not make valuations from financial models.

D.5. Any other information

D.5.1. Changing 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 Company has provenly waived the unilateral right to terminate the contract and to reject or amend the tariffs in force.

For these contracts, which are linked to mortgages, for the purpose of valuing their technical provisions, the Company 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 mortgage-linked contracts is of annual duration, when calculating the reinsurance recoverables the Company 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.5.2. Application of the transitional deduction to technical provisions

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the Company applied 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.

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 following table contains the respective amounts of the gross technical provisions and the reinsurance recoverables, for solvency purposes, with the reference date of 1/1/2019[5] , and in the financial statements, with the reference date of 31 December 2018. The 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**

[5] 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

Pursuant to Article 25 of Law No. 147/2015, of 9 September, the Company 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	**158,082**
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**

The following table quantifies the impact on the Company'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	**11,493,687**	**11,854,789**	**-361,102**
Basic own funds			
Excess of assets over liabilities	2,527,569	2,274,075	253,494
Eligible own funds to meet SCR	**3,452,864**	**3,199,370**	**253,494**
Solvency Capital Requirement (SCR)	**1,579,028**	**1,590,604**	**-11,576**
SCR coverage ratio	**218.67%**	**201.14%**	
Eligible own funds to meet MCR	**3,034,522**	**2,674,268**	**360,254**
Minimum Capital Requirement (MCR)	**420,828**	**425,069**	**-4,241**
MCR coverage ratio	**721.08%**	**629.14%**	

The impact of the annual decrease in the transitional deduction to technical provisions, on the first day of 2025, is approximately 0.4% of the total amount of the Company's technical provisions and 2.01 p.p. of its SCR, and the effects on the solvency position are therefore immaterial.

E. Capital Management

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

The changes which occurred in 2024, both in the Company's own funds and in its solvency capital requirement are explained in this chapter, including the issue of 500 million euros in subordinated debt as an item of Restricted Tier 1 own funds.

E.1. Own funds

E.1.1. Management of own funds

The current legal framework on the taking-up and pursuit of the business of insurance requires insurance undertakings to have an effective risk management system.

Accordingly, the own risk and solvency assessment, normally identified by the acronym ORSA, is considered a central element in this system, since, from a prospective vision, it relates risk, capital and return, in the context of the business strategy established by the insurance undertaking.

The ORSA exercise, which coincides with the Company's strategic planning timeframe (never less than 3 years), plays a key role in the Company's Capital Management, supporting its main activities, 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;
- Monitoring of capital adequacy in line with the regulatory capital requirements and the internal capital needs.

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, corrective actions to be implemented are detailed, in order to restore the adequate/intended level of capital.

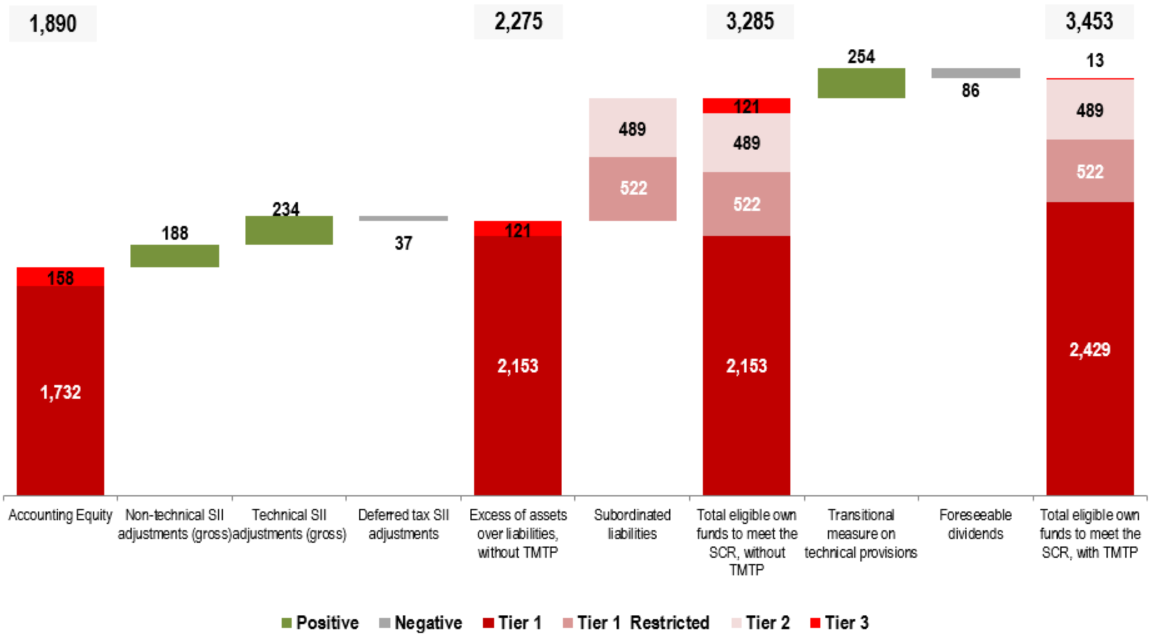
E.1.2. Structure, amount and tiering of own funds

The table below presents a comparison of the own funds as set out in the Company'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	15,986,002	16,090,015	**-104,013**	**15,154,826**
Technical Provisions	11,493,687	12,267,871	**-774,183**	**10,615,822**
Other liabilities	1,964,746	1,932,288	**32,457**	**1,882,832**
Excess of assets over liabilities	**2,527,569**	**1,889,855**	**637,714**	**2,656,172**

The difference is explained in the graph below in million euros.



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

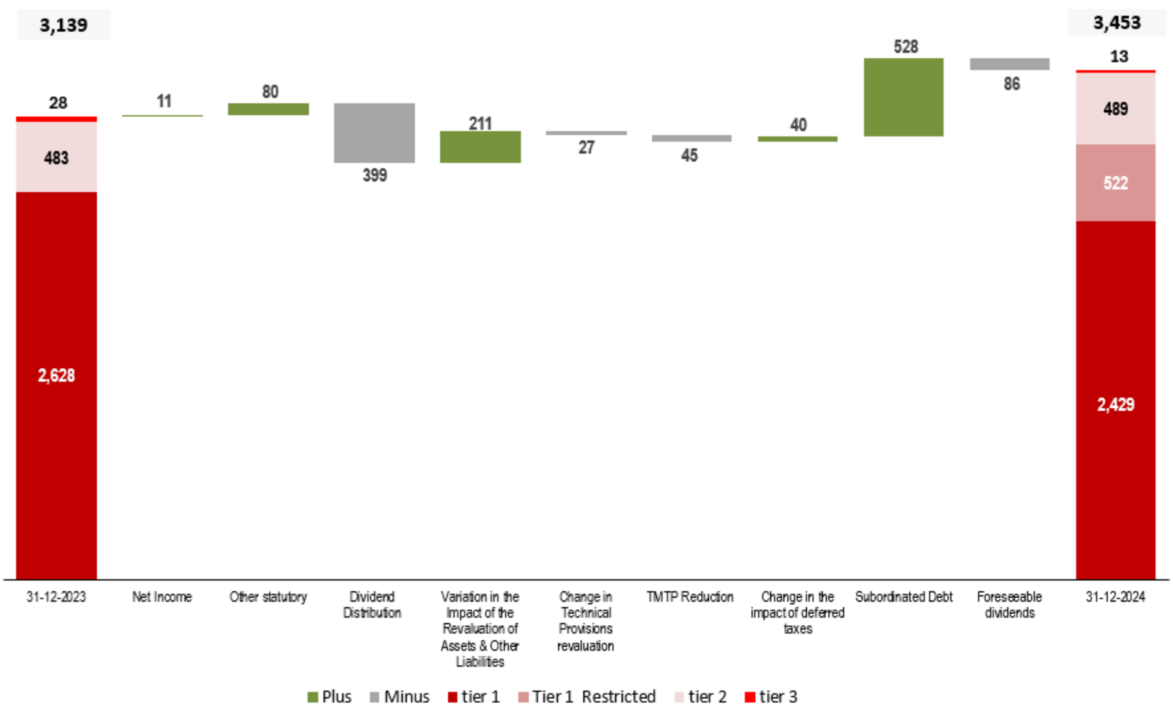
Amounts in thousand euros

	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
	Share premium account related to ordinary share capital	382,666	1	382,666	1
	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0		0	
	Subordinated mutual members accounts	0		0	
	Surplus funds	0		0	
	Preference shares	0		0	
	Share premium account related to preference shares	0		0	
	Reconciliation reserve	1,536,827	1	1,735,576	1
	Subordinated liabilities	489,524	2	482,667	2
	Subordinated liabilities	521,599	1	0	
	An amount equal to the value of net deferred tax assets	12,984	3	28,517	3
	Other items approved by the supervisory authority as basic own funds not specified above	0		0	
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0		0	
	Deductions for participations in financial and credit institutions	0		0	
Total basic own funds		**3,452,864**		**3,138,690**	

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 initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings, 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	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
	Supplementary members calls under first subparagraph of Article 96(3) of Directive 2009/138/EC	0		0	0
	Supplementary members calls other than under first subparagraph of Article 96(3) of Directive 2009/138/EC	0		0	0
	Other ancillary own funds	0		0	0
Total ancillary own funds		**0**		**0**	
Total available own funds		**3,452,864**		**3,138,690**	

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



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

	Available own funds to meet				Eligible own funds to meet			
	SCR	SCR previous year	MCR	MCR previous year	SCR	SCR previous year	MCR	MCR previous year
Tier 1	2,950,356	2,627,506	2,950,356	2,627,506	2,950,356	2,627,506	2,950,356	2,627,506
Tier 2	489,524	482,667	489,524	482,667	489,524	482,667	84,166	78,117
Tier 3	12,984	28,517	0	0	12,984	28,517	0	0
Total	3,452,864	3,138,690	3,439,880	3,110,173	3,452,864	3,138,690	3,034,522	2,705,623

No restrictions were identified which affect the availability and transferability of the company's own funds.

E.2. Solvency capital requirement and minimum capital requirement

To calculate the solvency capital requirement, the Company 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 company 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	1,579,028	**1,492,206**	218.67%	**210.34%**
MCR	420,828	**390,588**	721.08%	**692.71%**

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	1,330,644	**1,248,287**
Counterparty default risk	130,310	**149,562**
Life underwriting risk	225,058	**287,476**
Health underwriting risk	234,210	**259,103**
Non-life underwriting risk	290,219	**275,037**
Diversification	-580,480	**-628,422**
Intangible asset risk	0	**0**
Basic Solvency Capital Requirement	**1,629,961**	**1,591,043**
Operational risk	166,240	**136,040**
Loss-absorbing capacity of technical provisions	- 2,940	**-235**
Loss-absorbing capacity of deferred taxes	- 214,234	**-234,643**
Solvency Capital Requirement	**1,579,028**	**1,492,205**

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 Company 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 Company 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. Information on deferred taxes

On its 2024 Solvency balance sheet the Company recognised 12,984 thousand euros for deferred tax assets, which are considered to be part of the basic own funds.

E.7. Any other information

E.7.1. Transitional measure on equity risk

The Company 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.7.2. 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), Swiss francs (CHF) and Hungarian Forints (HUF) 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.7.3. 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 Company's solvency ratio is approximately 3 percentage points as of 31 December 2024.

E.7.4. 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

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Annex – Quantitative information*

* Amounts in thousand euros

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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	12,984
Pension benefit surplus	R0050	1,853
Property, plant and equipment held for own use	R0060	82,018
Investments (other than Assets held for index-linked and unit-linked contracts)	R0070	11,775,489
Property (other than for own use)	R0080	3,052
Holdings in related undertakings, including participations	R0090	3,474,606
Equities	R0100	144,830
Equities — listed	R0110	143,120
Equities — unlisted	R0120	1,710
Bonds	R0130	7,320,908
Government bonds	R0140	3,489,628
Corporate bonds	R0150	3,643,232
Structured notes	R0160	188,048
Collateralised securities	R0170	0
Collective investment undertakings	R0180	822,796
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	9,298
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	3,109,430
Loans and mortgages	R0230	53,863
Loans on policies	R0240	1,505
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	52,358
Reinsurance recoverables from:	R0270	390,842
Non-Life and Health similar to non-life	R0280	380,638
Non-life, excluding health insurance	R0290	231,455
Health similar to non-life	R0300	149,183
Life and Health similar to life, excluding health insurance and index-linked and unit-linked	R0310	15,027
Health similar to life	R0320	0
Life, excluding health and index-linked and unit-linked	R0330	15,027
Life, index-linked and unit-linked	R0340	-4,824
Deposits to cedants	R0350	1,157
Insurance and intermediaries receivables	R0360	117,150
Reinsurance receivables	R0370	32,423
Receivables (trade, not insurance)	R0380	78,401
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	261,652
Any other assets, not elsewhere shown	R0420	68,592
TOTAL ASSETS	R0500	**15,986,002**

S.02.01.02
Balance Sheet

		Solvency II Value
		C0010
LIABILITIES		
Technical provisions — non-life	R0510	1,289,344
Technical provisions — non-life (excluding health)	R0520	995,358
TP calculated as a whole	R0530	0
Best Estimate	R0540	970,571
Risk margin	R0550	24,786
Technical provisions — health (similar to non-life)	R0560	293,987
TP calculated as a whole	R0570	0
Best Estimate	R0580	286,197
Risk margin	R0590	7,789
Technical provisions — life (excluding index-linked and unit-linked)	R0600	7,138,287
Technical provisions — health (similar to life)	R0610	1,103,586
TP calculated as a whole	R0620	0
Best Estimate	R0630	1,008,510
Risk margin	R0640	95,076
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	6,034,701
TP calculated as a whole	R0660	0
Best Estimate	R0670	5,916,843
Risk margin	R0680	117,858
Technical provisions — index-linked and unit-linked	R0690	3,066,057
TP calculated as a whole	R0700	2,583,860
Best Estimate	R0710	480,036
Risk margin	R0720	2,161
Other technical provisions	R0730	
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	16,354
Pension benefit obligations	R0760	27,770
Deposits from reinsurers	R0770	205,976
Deferred tax liabilities	R0780	0
Derivatives	R0790	202,695
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	53,814
Insurance and intermediaries payables	R0820	99,969
Reinsurance payables	R0830	88,581
Payables (trade, not insurance)	R0840	102,816
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	155,648
TOTAL LIABILITIES	R0900	**13,458,433**

EXCESS OF ASSETS OVER LIABILITIES	R1000	**2,527,569**

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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	551,852	53,631	378,738	344,860	265,748	28,724	403,431	88,466	426	8,101	57,396	25,268					**2,206,642**
Gross — Proportional reinsurance accepted	R0120	3,321	67	628	10,445	716	248	9,972	1,473			2	36					**26,908**
Gross — Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140	550,358	17,698	20,926	4,024	55	16,032	178,901	39,092	283	3,543	44,685	15,816					**891,415**
Net	R0200	4,815	36,000	358,440	351,282	266,409	12,940	234,501	50,848	143	4,558	12,712	9,488					**1,342,135**
Premiums earned																		
Gross - Direct business	R0210	545,195	51,378	376,384	337,534	258,028	28,967	393,914	85,665	423	7,753	55,409	25,790					**2,166,439**
Gross — Proportional reinsurance accepted	R0220	3,321	67	628	10,445	716	160	8,914	1,091			2	80					**25,424**
Gross — Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240	543,736	16,374	20,926	4,024	61	15,977	172,635	38,137	276	3,542	44,685	16,455					**876,829**
Net	R0300	4,780	35,071	356,085	343,956	258,682	13,151	230,192	48,618	146	4,211	10,726	9,416					**1,315,034**
Claims incurred																		
Gross - Direct business	R0310	399,097	22,171	143,265	275,079	145,978	26,249	196,573	33,673	-60		78	15,811					**1,257,914**
Gross — Proportional reinsurance accepted	R0320	2,885	13	-378	6,719	206	-89	282	-3,740	-5			3					**5,896**
Gross — Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340	400,322	4,998	425	998	37	17,097	68,096	16,541				12,076					**520,591**
Net	R0400	1,660	17,186	142,462	280,800	146,146	9,063	128,760	13,391	-65	1	78	3,739					**743,219**
Expenses incurred	R0550	-10,305	14,456	92,492	102,090	71,984	4,499	89,732	16,139	12	1,379	13,995	4,861					**401,336**
Other expenses	R1200																	**137,513**
Total technical expenses	R1300																	**538,848**

S.05.01.02
Premiums, claims and expenses by line of business

		Line of business: Life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit sharing	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		33,385	322,932	1,836,367				10,117	**2.202.801**
Reinsurers' share	R1420		31,793						1,270	**33.063**
Net	R1500		1,592	322,932	1,836,367				8,847	**2.169.739**
Premiums earned										
Gross	R1510		33,352	322,932	1,837,028				10,117	**2.203.429**
Reinsurers' share	R1520		29,222						1,270	**30.492**
Net	R1600		4,130	322,932	1,837,028				8,847	**2.172.937**
Claims incurred										
Gross	R1610		356,927	188,571	1,198,244	91,666			6,542	**1.841.950**
Reinsurers' share	R1620		15,877			664			953	**17.494**
Net	R1700		341,050	188,571	1,198,244	91,002			5,589	**1.824.456**
Expenses incurred	R1900		79,805	27,145	44,216	1,401			291	**152.859**
Other expenses	R2500									
Total technical expenses	R2600									**152.859**

S.12.01.02
Life and Health STL Technical Provisions

		Insurance with profit sharing	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Reinsurance accepted	Total (Life other than health, including unit-linked)	Health insurance (direct insurance)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health insurance (reinsurance accepted)	Total (Health similar to life)
				Contracts without options or guarantees	Contracts with options or guarantees		Contracts without options or guarantees	Contracts with options or guarantees					Contracts without options or guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0	2,583,860			0			0	0	**2,583,860**	0			0	0	**0**
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	0	0			0			0	0	**0**	0			0	0	**0**
Technical provisions calculated as the sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030	1,125,381		-30,118	510,154		-217,904	5,218,100	0	-5,712	**6,599,900**		0	0	1,166,591	0	**1,166,591**
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-59		-2,053	-2,771		24,294	0	0	-9,208	**10,204**		0	0	0	0	**0**
Best estimate minus recoverables from reinsurance/SPV and Finite Re — total	R0090	1,125,439		-28,065	512,925		-242,198	5,218,100	0	3,496	**6,589,696**		0	0	1,166,591	0	**1,166,591**
Risk Margin	R0100	11,024	2,161			106,834			0	0	**120,019**	0			95,076	0	**95,076**
Amount of the transitional measures on technical provisions																	
Technical provisions calculated as a whole	R0110	0	0			0			0	0	**0**	0			0	0	**0**
Best estimate	R0120	-84,397		0	0		0	-118,624	0	0	**-203,021**		0	0	-158,082	0	**-158,082**
Risk Margin	R0130	0	0			0			0	0	**0**	0			0	0	**0**
Technical Provisions - Total	R0200	**1,052,007**	**3,066,057**	**0**	**0**	**4,988,406**	**0**	**0**	**0**	**-5,712**	**9,100,757**	**0**	**0**	**0**	**1,103,586**	**0**	**1,103,586**

S.17.01.02
Non-Life Technical Provisions

		Direct insurance and proportional reinsurance accepted												Non-proportional reinsurance accepted				
		Medical expenses insurance	Income protection insurance	Workers' compensation insurance	Motor 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	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	**Total Non-Life Obligations**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Technical provisions calculated as the sum of BE and RM																		
Best Estimate																		
Provisions for premiums																		
Gross	R0060	21,277	12,707	18,335	93,138	59,900	-2,749	63,951	2,457	-13	-239	-3,893	2,429	0	0	0	0	**267,301**
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	20,413	111	0	0	-4	-418	18,169	2,692	-5	-3,585	-28,817	673	0	0	0	0	**9,229**
Net Best Estimate of provisions for premiums	R0150	864	12,596	18,335	93,138	59,904	-2,331	45,781	-234	-8	3,347	24,924	1,756	0	0	0	0	**258,072**
Claims provisions																		
Gross	R0160	96,055	54,506	83,317	334,820	34,312	12,364	172,418	186,176	139	0	100	15,260	0	0	0	0	**989,468**
Total recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	93,052	32,704	2,904	15,496	31	5,084	97,871	116,660	0	0	0	7,608	0	0	0	0	**371,409**
Net Best Estimate of claims provisions	R0250	3,003	21,802	80,413	319,323	34,282	7,280	74,548	69,516	139	0	100	7,653	0	0	0	0	**618,059**
Best estimate total — Gross	R0260	117,332	67,213	101,652	427,958	94,212	9,615	236,369	188,634	126	-239	-3,793	17,689	0	0	0	0	**1,256,769**
Best estimate total — Net	R0270	3,867	34,399	98,748	412,462	94,185	4,949	120,329	69,282	131	3,347	25,023	9,409	0	0	0	0	**876,131**
Risk Margin	R0280	178	986	6,625	10,060	4,535	538	4,865	2,951	9	74	226	1,527	0	0	0	0	**32,576**
Amount of the transitional measures on technical provisions																		
Technical provisions calculated as a whole	R0290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Best estimate	R0300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Risk Margin	R0310	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
TECHNICAL PROVISIONS - TOTAL																		
Technical provisions - Total	R0320	117,510	68,200	108,277	438,018	98,747	10,153	241,234	191,585	136	-165	-3,567	19,217	0	0	0	0	**1,289,344**
Technical provisions - Total	R0330	113,465	32,815	2,904	15,496	27	4,666	116,040	119,351	-4	-3,585	-28,817	8,281	0	0	0	0	**380,638**
Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default — total	R0340	4,045	35,385	105,374	422,521	98,720	5,487	125,194	72,234	140	3,421	25,250	10,936	0	0	0	0	**908,706**

S.19.01.21
Non-life insurance claims

Total non-life business
Accident year/Underwriting year Z0020 1

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	Development year												In current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +			
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											1,159	R0100	1,159	1,159
N-9	R0160	338,312	120,995	10,794	2,758	2,244	650	745	358	435	309	0	R0160	309	477,600
N-8	R0170	384,739	135,278	51,565	21,593	4,574	2,069	736	354	756	0	0	R0170	756	601,663
N-7	R0180	426,578	160,878	18,065	6,548	4,580	979	2,398	1,149	0	0	0	R0180	1,149	621,174
N-6	R0190	466,284	160,166	12,377	3,633	7,027	1,928	1,324	0	0	0	0	R0190	1,324	652,738
N-5	R0200	474,923	152,684	10,758	7,138	8,126	2,371	0	0	0	0	0	R0200	2,371	656,001
N-4	R0210	458,038	126,282	11,463	8,415	3,207	0	0	0	0	0	0	R0210	3,207	607,406
N-3	R0220	528,630	178,273	21,118	5,817	0	0	0	0	0	0	0	R0220	5,817	733,838
N-2	R0230	581,447	203,325	29,015	0	0	0	0	0	0	0	0	R0230	29,015	813,788
N-1	R0240	660,629	226,307	0	0	0	0	0	0	0	0	0	R0240	226,307	886,936
N	R0250	759,858	0	0	0	0	0	0	0	0	0	0	R0250	759,858	759,858
													Total R0260	**1,031,272**	**6,812,160**

(absolute amount) **Gross undiscounted best estimate of claims provisions**

	Year	Development year												Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +		
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											33,960	R0100	30,605
N-9	R0160	0	35,608	13,674	8,120	5,800	5,468	4,941	4,317	2,712	2,912	0	R0160	2,710
N-8	R0170	196,008	107,184	46,851	15,818	8,668	7,504	6,881	3,775	4,200	0	0	R0170	3,884
N-7	R0180	221,658	47,367	24,205	16,249	11,040	9,355	7,966	7,997	0	0	0	R0180	7,287
N-6	R0190	201,090	34,992	22,340	16,010	10,074	6,345	5,267	0	0	0	0	R0190	4,849
N-5	R0200	181,257	37,990	21,641	14,358	7,678	11,238	0	0	0	0	0	R0200	10,636
N-4	R0210	162,512	40,289	33,001	38,309	36,652	0	0	0	0	0	0	R0210	33,950
N-3	R0220	245,359	53,309	29,343	39,191	0	0	0	0	0	0	0	R0220	37,270
N-2	R0230	260,945	64,196	50,667	0	0	0	0	0	0	0	0	R0230	48,274
N-1	R0240	295,072	63,652	0	0	0	0	0	0	0	0	0	R0240	60,725
N	R0250	339,083	0	0	0	0	0	0	0	0	0	0	R0250	331,995
													Total R0260	**572,185**

S.22.01.21
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	11,493,688	361,102	0	0	0
Basic own funds	R0020	3,452,864	-253,494	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	3,452,864	-253,494	0	0	0
Solvency Capital Requirement	R0090	1,579,028	11,576	0	0	0
Eligible own funds to meet Minimum Capital Requirement	R0100	3,034,522	-360,254	0	0	0
Minimum Capital Requirement	R0110	420,828	4,241	0	0	0

S.23.01.01
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 as set out in Article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	509,264	509,264		0	
Share premium account related to ordinary share capital	R0030	382,666	382,666		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual members accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	1,536,828	1,536,828			
Subordinated liabilities	R0140	1,011,123		521,599	489,524	0
An amount equal to the value of net deferred tax assets	R0160	12,984				12,984
Other items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
TOTAL BASIC OWN FUNDS AFTER DEDUCTIONS	R0290	**3,452,864**	**2,428,757**	**521,599**	**489,524**	**12,984**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	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	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first sub-paragraph of Article 96(3) of Directive 2009/138/EC	R0360	0			0	
Supplementary members calls other than under first sub-paragraph of Article 96(3) of Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
TOTAL ANCILLARY OWN FUNDS	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	3,452,864	2,428,757	521,599	489,524	12,984
Total available own funds to meet the MCR	R0510	3,439,880	2,428,757	521,599	489,524	
Total eligible own funds to meet the SCR	R0540	3,452,864	2,428,757	521,599	489,524	12,984
Total eligible own funds to meet the MCR	R0550	3,034,522	2,428,757	521,599	84,166	
SCR	R0580	1,579,028				
MCR	R0600	420,828				
Ratio of eligible own funds to SCR	R0620	218.67%				
Ratio of eligible own funds to MCR	R0640	721.08%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	2,527,569
Own shares (held directly and indirectly)	R0710	149
Foreseeable dividends, distributions and charges	R0720	85,679
Other basic own fund items	R0730	904,913
Adjustments for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	0
Reconciliation reserve	R0760	1,536,828
Expected Profits		
Expected profits included in future premiums (EPIFP) — Life business	R0770	375,715
Expected profits included in future premiums (EPIFP) — Non-life business	R0780	56,326
Total Expected profits included in future premiums (EPIFP)	R0790	**432,041**

S.25.01.21

Solvency Capital Requirement — for undertakings on standard formula

		Gross solvency capital requirement	Undertaking-Specific Parameter (USP)	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,330,644		
Counterparty default risk	R0020	130,309		
Life underwriting risk	R0030	225,058	0	0
Health underwriting risk	R0040	234,210	0	0
Non-life underwriting risk	R0050	290,219	0	0
Diversification	R0060	-580,480		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	**1,629,961**	**0**	**0**

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	166,241
Loss-absorbing capacity of technical provisions	R0140	-2,940
Loss-absorbing capacity of deferred taxes	R0150	-214,234
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	1,579,028
Capital add-on already set	R0210	0
SOLVENCY CAPITAL REQUIREMENT	R0220	**1.579.028**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirement for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF SCR aggregation for Article 304	R0440	0
		0
Approach to tax rate		0

		Yes/No
		C0109
Approach relating to tax rate	R0590	2
		0
Approach based on average tax rate		0

		LAC DT
		C0130
LAC DT	R0640	-214,234
LAC DT justified by reversion of deferred tax liabilities	R0650	-75,393
LAC DT justified by reference to probable future taxable economic profit	R0660	-138,841
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-534,392

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Minimum Capital Requirement — Both life and non-life business

		Non-Life business	Life business
		MCR(NL,NL) Result	MCR(NL,L) Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	195,662	0

		Non-Life business		Life business	
		Net (of reinsurance/SPV) Best Estimate and TP calculated as a whole	Net (of reinsurance) premiums written in the last 12 months	Net (of reinsurance/SPV) Best Estimate and TP calculated as a whole	Net (of reinsurance) premiums written in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	3,867	4,815	0	0
Income protection insurance and proportional reinsurance	R0030	34,399	36,000	0	0
Workers' compensation insurance and proportional reinsurance	R0040	98,748	358,440	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	412,462	351,282	0	0
Other motor insurance and proportional reinsurance	R0060	94,185	253,427	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	4,949	12,940	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	120,329	232,234	0	0
General liability insurance and proportional reinsurance	R0090	69,282	53,115	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	131	143	0	0
Legal expenses insurance and proportional reinsurance	R0110	3,347	4,558	0	0
Assistance insurance and proportional reinsurance	R0120	25,023	12,712	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	9,409	22,469	0	0
Non-proportional health reinsurance	R0140	0	0	0	0
Non-proportional casualty reinsurance	R0150	0	0	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0	0	0
Non-proportional property reinsurance	R0170	0	0	0	0

		Non-Life business	Life business
		MCR(L,NL) Result	MCR (L,L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	41,110	184,055

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Minimum Capital Requirement — Both life and non-life business

		Non-Life business		Life business	
		Net (of reinsurance/SPV) Best Estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) Best Estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit sharing — guaranteed benefits	R0210	0		1,045,096	
Obligations with profit sharing — future discretionary benefits	R0220	0		6,970	
Index-linked and unit-linked insurance obligations	R0230	0		3,068,719	
Other life (re)insurance and health (re)insurance obligations	R0240	1,103,586		4,964,111	
Total capital at risk for all life (re)insurance obligations	R0250		25,621,387		28,602,043

Overall MCR calculation

		C0130
Linear MCR	R0300	420,828
SCR	R0310	1,579,028
MCR cap	R0320	710,563
MCR floor	R0330	394,757
Combined MCR	R0340	420,828
Absolute MCR floor	R0350	8,000
		C0130
MINIMUM CAPITAL REQUIREMENT (MCR)	R0400	420,828

Notional non-life and life MCR calculation

		Non-Life business	Life business
		C0140	C0150
Notional linear MCR	R0500	236,773	184,055
Notional MCR excluding add-on (annual or latest calculation)	R0510	888,418	690,610
Notional MCR cap	R0520	399,788	310,775
Notional MCR floor	R0530	222,104	172,653
Notional combined MCR	R0540	236,773	184,055
Notional absolute MCR floor	R0550	4,000	4,000
Notional MCR	R0560	236,773	184,055

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