

FIDELIDADE

SEGUROS DESDE 1808

Consolidated FY 2022 Solvency II

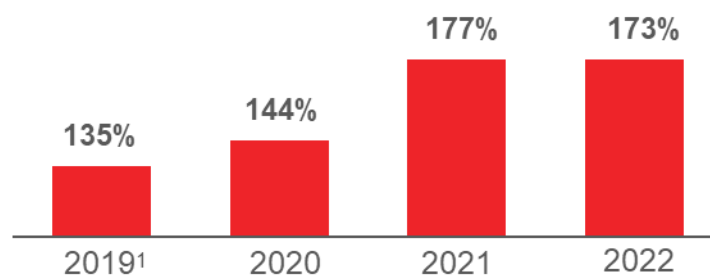
Lisbon, May 22nd, 2023

Audited figures

Solvency II ratio

Fidelidade's consolidated FY 2022 Solvency II ratio was 172,7%, a 4 p.p. reduction compared to 2021, but comfortably within the upper side of the 150%-180% target range management has committed to maintain. Own funds decreased 10% relative to the end of 2021 and closed the year at 3.083 M€. The capital requirement was 1.785 M€, an 8% decline.

Fidelidade Consolidated Solvency II Ratio



1. Pro-forma ratio

During last year, in addition to market volatility, the Solvency ratio was affected by two one-off events, which had an aggregate effect of approximately 20 p.p. First, in June, Fidelidade fully repaid the outstanding supplementary capital of €165 M. Second, it acquired 49% of Luz Saúde last September.

The solvency capital requirement improvement was primarily the result of market risk reduction on the back of the ongoing reshaping of the life financial business toward non-guaranteed products.

Outlook

Going forward Fidelidade's management continues committed to keep the Solvency ratio in the upper end of the Risk Appetite Framework target of 150% to 180%. Derisking adjustments, as the Life guaranteed portfolio matures and shifts into unit-linked and low-capital intensive products, and organic capital generation will continue driving Solvency II ratio improvements. Additionally, balance sheet optimization initiatives related to subsidiaries and asset allocation driven efficiency gains in the investment portfolio will further reinforce this strategic initiative.