



INTEGRATED MANAGEMENT REPORT 2022

Integrated

Report

2022

FIDELIDADE
SEGUROS DESDE 1808

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Jorge Magalhães Correia,
Chairman of the Board of Directors

MESSAGE FROM THE BOARD OF DIRECTORS - EXECUTIVE BOARD

This is Fidelidade's first Integrated Management Report. A document that, in addition to the usual report of financial performance and accounting, also contains the report dedicated to sustainability.

More than just a change of style, the present report reflects a substantial and strategic change in our vision for the coming years.

At Fidelidade, we believe there is no longer a division between business and sustainability topics. Without being truly sustainable, we cannot have a robust and profitable business with a future.

For many years, Fidelidade has had a clear sense of its role as an insurer and business entity, with a strong social awareness and impact on the lives of its customers, partners and suppliers, as well as on society in general. In addition to working in the area

of social responsibility, especially the continuation of the Fidelidade Community Award, one of the largest in Portugal, in the daily life of our business we aim to contribute and make a difference in people's lives through fair and consistent practices, as is the case with the WeCare programme, dedicated to supporting our most serious claims and whose philosophy has extended to other areas of our performance.

"At Fidelidade, we believe there is no longer a division between business and sustainability topics."

By 2022, we were already in the top 50% of the sustainability ranking organised by Sustainalytics for the insurance business. We signed up to the ten principles of the United Nations Global Compact, a special initiative of the United Nations

Secretary-General dedicated to sustainability. We therefore strengthened our commitment to these principles in terms of human rights, working practices, environmental protection and anti-corruption, integrating them into our strategy and our activities. At the same time, we are committed to the Principles for Sustainable Insurance of United Nations Environmental Programme Finance Initiative and have reinforced our social commitments to the WeCare programme, a programme that is very dear to us and truly distinguishes us as a company.

"We therefore strengthened our commitment to these principles in terms of human rights, working practices, environmental protection and anti-corruption, integrating them into our strategy and our activities."

But, in 2022, we felt we needed to do more, and took steady steps to define a sustainability strategy and a governance model that placed sustainability at the centre of our concerns. We concretely defined our long-term vision for the social and environmental dimensions, and we created a directorship to orchestrate this effort in our day-to-day life. At Fidelidade, we understand that sustainability is the core of our activity. Protecting people and

their goods is our mission, and sustainability is an essential condition for our ability to fulfil this purpose. We see our contribution to this global sustainability in three key dimensions: take on an important role in the social sphere; play a proactive role in the ecological transition; and be a responsible and exemplary economic agent.

As an example for the environment, more than working only in reducing our footprint, we took important steps in building a business model that forces us to be proactive by developing new product and service solutions and having commercial practices that effectively contribute to the reduction of our global footprint.

With regard more generally to our performance in 2022, the return to normality was accompanied by the considerable increase in claims and other costs. We suffer the consequences of disruption of supply logistics chains and the impact of war in Ukraine and the resulting energy and food crises. All these factors have led to record inflation in recent years in Portugal of 8.1%, according to data from Eurostat.

2022 was also one of the most difficult in financial markets, one of the worst of recent decades, with huge devaluation, both in the stock market and bonds, which is always a very important factor for a company that manages about 17 billion in assets. Volatility in financial markets and macroeconomic



Rogério Campos Henriques,
Chairman of the CA Executive Board

uncertainty also negatively impacted the business life business in Portugal, impairing the capture of savings inherent to our business model.

That said, and despite the adverse scenario we experienced in 2022, we can be satisfied with the results that we achieved. We have been able to grow our business globally and maintain quite reasonable profitability levels.

"We have been able to grow our business globally and maintain quite reasonable profitability levels."

In 2022, our global premiums grew by 4%, reaching 5.118 billion euros, reflecting both good performance in the Non-Life business in Portugal, a market in which we continued to lead and gain market share, and good performance of our international operations, without exception. Our net profit reached 220 million euros, a robust result taking into account the difficult and uncertain times we live in.

The contribution of our international operations, whose revenue rose by 50% to 1,540 million euros and now represents 30% of the global business, achieved a net profit of 38 million euros, justifying the international diversification strategy pursued. In 2022, with the increase in our stake in the insurer La Positiva to 94% (purchase of 42.9% from local shareholders), with the integration of SIM/Ímpar with the existing operation in Mozambique and the consolidation of Prosperity Group which, being based on Liechtenstein, is mainly dedicated to marketing retirement savings products in Germany and Switzerland.

2022 was also the year when our strategic focus on health obtained its best results. The Luz Saúde Group, without suffering a negative impact due to the PPP of the Beatriz Ângelo Hospital in Loures, made a profit of 26.7 million euros, supported by sustained growth in revenue (599 million euros).

"The contribution of our international operations, whose revenue rose by 50% to 1,540 million euros and now represents 30% of the global business, achieved a net profit of 38 million euros, justifying the international diversification strategy pursued."

2022 was also positively marked by maintaining the rating A- Stable by the reputed Fitch Agency, a top rating in the context of the Portuguese market. In its report, the agency stressed Fidelidade's strong business profile, high capitalisation and solvency, the solidity of its investment portfolio, as well as the prominent leadership in the Portuguese market and international diversification, as fundamental factors for the maintenance of financial rating.

We also continued to follow the path of innovation in the insurance business, with many solutions that are detailed throughout this report, among which we highlight the Auto Digital App, which uses augmented reality for vehicle survey, a solution distinguished in the Portugal Digital Awards. Innovation also came from other areas: in our MySavings app we first included an ESG index; we continued the development of Just in Case, a solution that won in CTT E-commerce Awards; we surpassed the 10,000 customers in the solution of Fidelidade Fixed home service; and we launched a partnership with NOS technology to develop a Cybersecurity solution for SMEs.

On the other hand, in 2022, we continued to focus on longevity matters, both in terms of savings and health, and we launched a large advertising campaign that represented a renewed positioning of Fidelidade and Multicare in the market: Fidelidade for All Ages. We wish to say a final word of thanks to all of our 8,000+ people around the world in the various companies in the Fidelidade Group insurance area.

In 2022, we strengthened our belief that if we work as a team and in tune with our distribution network, reinforcing ties, returning to human contact, increasing our knowledge of how to balance the need to physically present with the possibility of doing things virtually, understanding the situation and needs of our customers, we can overcome all obstacles in our way. These results, which we now present, would not have been possible without the individual contribution of all who work in the Fidelidade Group and who continue, year after year, to demonstrate great determination to fulfil our purpose: Protect our customers so that life does not stop.

"We wish to say a final word of thanks to all of our 8,000+ people around the world in the various companies in the Fidelidade Group insurance area."

1. FIDELIDADE GROUP



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1.1. **OUR JOURNEY**



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1.1. OUR JOURNEY

KEY FIGURES 2022

GROSS PREMIUMS WRITTEN¹

M€ 5,118

4.2% YOY

QUOTA DE MERCADO

29.6%

PORTUGAL (#1)

30.3% LIFE (#1)

28.8% NON-LIFE (#1)

12.7%

PERU (#3)

21.4%

BOLIVIA (#1)

12.3%

MOZAMBIQUE (#3)

12.5%

ANGOLA (#3)

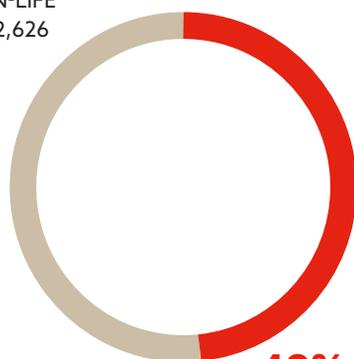
63.3%

CAPE VERDE (#1)

BUSINESS MIX

51%

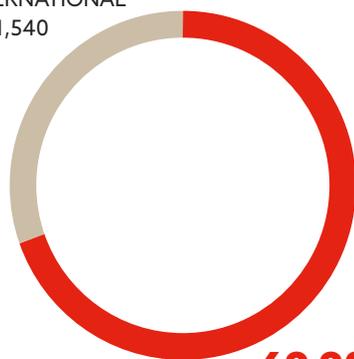
NON-LIFE
M€ 2,626



FOOTPRINT

30.10%

INTERNATIONAL
M€ 1,540



49%
LIFE M€ 2,492

69.90%
PORTUGAL
M€ 3,577

NET PROFIT

M€ 220

-18.4% YOY

FITCH RATING LTD

A

IFS - INSURER FINANCIAL
STRENGTH

A-

IDR - LONG TERM ISSUER
DEFAULT RATING

SUSTAINALYTICS ESG RATING

24.7

MEDIUM RISK

¹ Includes sum related to investment contracts.

² Fidelidade Group, excluding Luz Saúde employees.

³ Fidelidade Group Insurers.

COMBINED NON-LIFE RATIO

	LOSS RATIO	EXPENSE RATIO	
2021	64.9%	28.5%	93.4%
2022	68.1%	29.3%	97.4%

+4.0p.p.

EMPLOYEES²

8,003



CUSTOMERS³

+ 8.5 M



1.1. OUR JOURNEY

KEY FIGURES 2022



⁴ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).



1.1. OUR JOURNEY

ACT WITH PURPOSE

MISSION AND VALUES

Being Fidelidade means knowing how to be closer and boost change. It means looking to the future while being proud of our past. It means overcoming challenges and limits to go further.

The Fidelidade Group's mission is to support the development and building of a sustainable society. The Group is committed to serving people throughout their lives, with innovative products and services that provide effective protection.

From our early origins, we have always been a human company made up of people who think about people. We are genuine in everything we say and do. People know they can trust us. This is the commitment we have made, which also promotes stability

in our relations with all those who are Fidelidade customers, employees, partners, shareholders and society itself. This is what we work for every day, giving meaning to our purpose, so that life never stops!

It is by sharing our values that we are Fidelidade!

BE PROUD OF OUR PAST, INSPIRE OUR FUTURE

We are Fidelidade whenever we reinvent the past with the future. Our history makes us proud, challenges us, and gives us strength, responsibility and inspiration to reinvent the future. We honour our History by sharing our knowledge.

BE INNOVATIVE, CHASE THE PROGRESS

We are Fidelidade whenever we drive change. We believe it is always possible to find better solutions to protect the Lives and Property of our clients. It is this spirit that drives us to change and reinvent what we do.

BE OUTSTANDING, OVERCOME YOUR LIMITS

We are Fidelidade whenever we outdo ourselves. We always want to do more, and we try to go further in everything we do. We dare to dream and outdo ourselves so we can continue to transform society.

BE PEOPLE DRIVEN, BE THERE

We are Fidelidade whenever we are there. The Fidelidade Group is made up of people who contribute to protecting and caring for people. We are reliable, and we honour our commitments. People know they can count on our skills. Because every story is a part of our story.



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1.1. OUR JOURNEY ACT WITH PURPOSE

HISTORY OF THE FIDELIDADE GROUP

With more than two centuries of history, Fidelidade results from the merger of various Portuguese insurers and boasts credibility, size and solidity.

Our roots date back to 1808, when the insurer Bonança was founded. In 2004, we became Fidelidade Mundial, following the merger of Fidelidade and Mundial Confiança. This was strengthened in 2005 with the acquisition of Império Bonança by the Caixa Geral de Depósitos Group.

The years that followed were marked by progressive integration of the two companies, culminating in the launch of the single brand Fidelidade in 2013. In 2014, Fidelidade was privatised, with the Fosun Group acquiring most of its share capital, beginning a new phase marked by consolidation of the company's leadership in Portugal and international expansion.

A HISTORY THAT NEVER STOPS

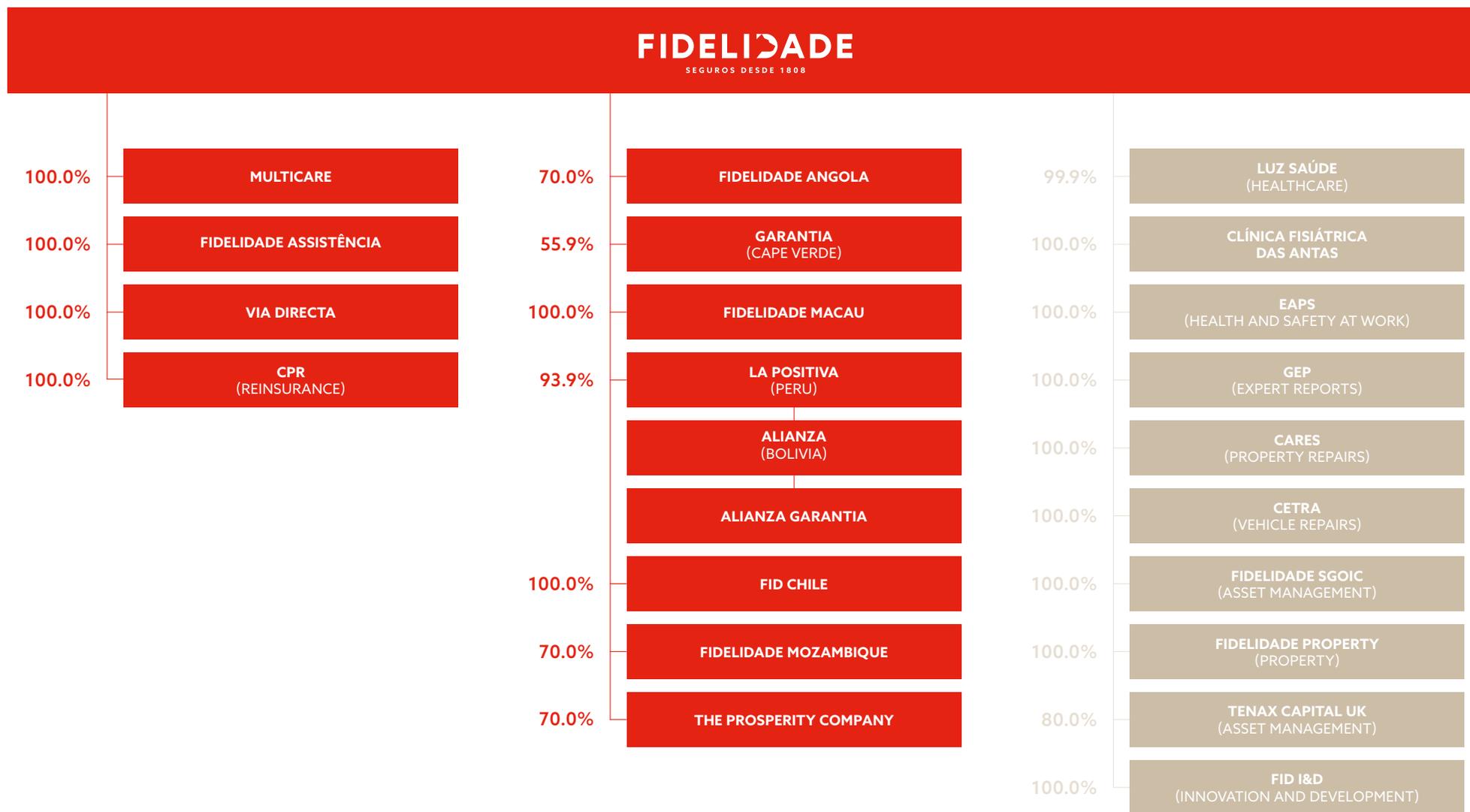


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FIDELIDADE GROUP

1.1. OUR JOURNEY

ACT WITH PURPOSE



1.1. OUR JOURNEY

ACT WITH PURPOSE

FIDELIDADE

SEGUROS DESDE 1808

Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group and is market leader in the Portuguese insurance market. It provides a wide range of Life and Non-Life products and, as previously mentioned, has operations in several geographies.

MULTICARE

FIDELIDADE

Multicare - Seguros de Saúde, S.A. is the insurance company within the group dedicated to health insurance, managing the market leader in health insurance in Portugal, with over one million customers. It stands out for its pioneering spirit, focus on prevention and robust capital. It has a network with about 5,000 private health providers, including the main reference units. It is the only health insurer with ISO 9001 Quality Management System certification since 2011.

FIDELIDADE

ASSISTANCE

Fidelidade Assistência - Companhia de Seguros, S.A. is an insurance company specialised in Assistance and Legal Protection insurance. Operating essentially as a reinsurer, it is the market leader in Portugal.

via directa

COMPANHIA DE SEGUROS, S.A.

Via Directa - Companhia de Seguros S.A. is the insurance company within the Fidelidade Group designed to sell insurance policies through remote channels (telephone and internet), and operates through several brands, among them the OK! Teleseguros brand. It is a pioneer in online sales of insurance in Portugal and leader in the direct insurers segment.



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1.1. OUR JOURNEY ACT WITH PURPOSE



COMPANHIA
PORTUGUESA
DE
RESSEGUROS
S.A.

Companhia Portuguesa de Resseguros, S.A. operates in reinsurance in the Non-Life segment in Portugal, essentially underwriting risks under the Non-Proportional Treaties with Fidelidade.



SEGUROS DESDE 1808
ANGOLA

Fidelidade Angola - Companhia de Seguros, S.A., (previously Universal Seguros, S.A.), set up in 2012, is currently the third largest insurer in Angola in terms of turnover. It operates in the Non-Life and Life segments, offering a wide range of products, especially in the Corporate sector.



SEGUROS DESDE 1808
忠誠保險
MACAU

Fidelidade has been present in Macao since 1999, and is duly authorised to carry on the insurance business, serving the local population with a diverse offer of protection solutions for private clients and companies. It initially operated through local branches and subsequently through companies incorporated under local law: Fidelidade Macau - Companhia de Seguros, S.A. (set up in 2015) and Fidelidade Macau Vida - Companhia de Seguros, S.A. (set up in 2020). These companies sell Non-Life and Life insurance, respectively, through an agents' network and Banco Nacional Ultramarino ("BNU"), with which they have a Bancassurance agreement.



Garantia - Companhia de Seguros de Cabo Verde, S.A., which is celebrating its 30th anniversary, is the market leader in insurance in Cape Verde and operates in the Life and Non-Life segments with a diverse range of products, including health insurance (the pioneer in the market). The company distributes its insurance through agencies and the banking channel, having entered into a Bancassurance agreement with Banco Comercial do Atlântico, also its shareholder.

1.1. OUR JOURNEY ACT WITH PURPOSE



Founded in 1937, La Positiva Seguros y Reaseguros, S.A.A. heads the insurance group that occupies 3rd place in the Peruvian market. It provides a wide range of products in the Non-Life and Life segments, and has a vast distribution network in that country. The La Positiva Group is also present in Bolivia and Paraguay, through its holdings in the companies Alianza Compañía de Seguros y Reaseguros S.A. E.M.A. and Alianza Vida Seguros y Reaseguros, S.A. (Non-Life) and its investee La Positiva Vida Seguros y Reaseguros, S.A. (Life) are companies listed on the Lima Stock Exchange (POSITIC1; POSITVC1).



Alianza Compañía de Seguros y Reaseguros S.A. was founded in 1991 and heads the largest private capital insurance group in Bolivia, selling Non-Life and Life insurance. It operates through Alianza Vida Seguros y Reaseguros S.A., which is also the market leader among private capital insurers. Both companies are listed on the Bolivian stock market.



Alianza Garantía S.A. is an insurance company that has been operating in the Non-Life and Life segments in Paraguay since 1972. The company is a subsidiary of Alianza Compañía de Seguros y Reaseguros S.A. (Bolivia), which became a shareholder in 2014. It is currently ranked 10th among Non-Life insurers in Paraguay.



Fidelidade Moçambique – Companhia de Seguros, S.A., previously called Seguradora Internacional de Moçambique, S.A., is one of the largest and most experienced insurance companies operating in Mozambique, with a diverse offer of products in the Life and Non-Life segments. It currently occupies 3rd place in the insurance market. It is present throughout the country through a network of own stores in the province capitals and through exclusive access to the Millennium Bim network, one of the largest and most prestigious banks operating in Mozambique.



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1.1. OUR JOURNEY

ACT WITH PURPOSE



FID Chile Seguros Generales, S.A. is an insurance company in the Non-Life segment that began operating in January 2020, after having obtained authorisation from the Chilean regulator in the final quarter of 2019. FID Chile has developed a range of Non-Life products aimed at individual and corporate customers, and distributes these through brokers and other non-traditional channels.



Luz Saúde, S.A. is the head of the Luz Saúde group and one of the leading private healthcare providers in Portugal. It manages fourteen private hospitals, thirteen private clinics operating on an out-patient basis, and one retirement home. In 2022, it had 1,200 beds and performed 389,000 urgent consultations and 60,000 surgeries and births.



Safemode is the brand under which EAPS – Empresa de Análise, Prevenção e Segurança, S.A. develops and provides risk analysis and health and safety at work services, including occupational medicine, among others.



GEP – Gestão de Peritagens, S.A. is the company responsible for providing loss adjusting expert reports and claims inquiries for the insurers in the Fidelidade Group, and is present in Portugal, Angola and Cape Verde.



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1.1. OUR JOURNEY ACT WITH PURPOSE



CETRA – Centro Técnico de Reparação Automóvel, S.A. is the company in the Fidelidade Group that provides motor vehicle repair services. It operates under the Fidelidade Car Service brand.



The companies Fidelidade - Property Europe, S.A. and Fidelidade - Property International, S.A. are responsible for managing the Fidelidade Group's real estate investments in the European Union and in the rest of the world.



Cares – Assistência e Reparações, S.A. is the Fidelidade Group company that specialises in repairs, maintenance and assistance for property. It works in the insurance, retail and corporate markets, and is certified by ISO 9001 for Quality since 2013.



Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A. was set up in 2018, with the aim of managing real estate investment funds in Southern European markets.



1.1. OUR JOURNEY

ACT WITH PURPOSE



Tenax Capital Limited is an asset management company, with its headquarters in London, specialising in the management of funds for insurers and private banks, with a focus on building low-capital-intensive products in these financial institutions. The company currently has around 800 million euros of assets under management in different equity, bonds and alternative investment funds.

the prosperity company

TPC (The Prosperity Company) is a group whose main objective is to offer savings solutions, currently based on unit-linked pension products, for individuals. The group's flagship company is a Liechtenstein-based life insurance company. The group also has other companies to exploit other dimensions of its value proposition, both for customers and intermediaries. Its activity today is mainly concentrated in Switzerland and Germany.



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1.1. OUR JOURNEY

INSURER AREA

LATAM

Peru	✓	✓	🏠
Bolivia	✓	✓	🏠
Paraguay	✓	✓	🏠
Chile	✓		🏠

EUROPE

Portugal	✓	✓	🏠
Spain	✓	✓	🏠
France	✓	✓	🏠
Liechtenstein	✓	✓	🏠

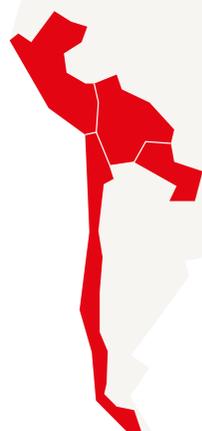
AFRICA

Angola	✓	✓	🏠
Mozambique	✓	✓	🏠
Cape Verde	✓	✓	🏠

ASIA

Macao	✓	✓	🏠
China			🏠

- ✓ Life
- ✓ Non-Life
- 🏠 Subsidiary
- 🏠 Branch
- 🏠 Representative offices



30.1%

Of Fidelidade's business is outside Portugal

8,003

Employees⁵

13

Countries, including Portugal

⁵ Fidelidade Group, excluding Luz Saúde employees.



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1.1. OUR JOURNEY INSURER AREA

The Fidelidade Group now occupies a leading position in the Portuguese insurance market, complemented by an international presence with high potential.

In recent years, Fidelidade's international business has undergone a real transformation. Fidelidade grew abroad and established itself as a benchmark in the various markets where it operates. Its geographical diversification gives Fidelidade greater resilience in the face of adverse situations, while also ensuring new opportunities for future growth for the insurance business. Fidelidade classifies its companies abroad as strategic holdings and aims to be a benchmark in the international markets in which it operates. In this regard, its international governance, implemented in the recent past, is based on a model of high proximity

between local teams and central services. The objective is to promote the development of operations abroad, on the one hand taking advantage of Fidelidade por Mundo's best practices and, on the other hand, valuing the local specifics of the diverse operations.

INTERNATIONAL EXPANSION

At the first stage, Fidelidade's international expansion took place in countries where its shareholder and distribution partner, Caixa Geral de Depósitos, was already present. The expansion into these markets followed a logic of collaboration and materialisation of synergies with this partner in markets with strong cultural proximity to the Portuguese market.



In this context, Fidelidade developed its international presence in Europe from 1995 onwards, through its branches in Spain and France, and also its presence in Africa (Angola, Cape Verde and Mozambique) and Macao. In the second stage, and after the Company's privatisation process, the international expansion underwent accelerated development with the entry into high-potential markets, both due to their socioeconomic perspectives and the accelerated growth of the respective insurance sectors.

Thus, Fidelidade entered the Latin American market in 2019 by acquiring a majority share in the insurer La Positiva, based in Peru. This purchase also granted it entry into the Bolivian and Paraguayan markets. In 2020, Fidelidade launched its operation in Chile.

1.1. OUR JOURNEY INSURER AREA

The entry into South America, in 2019, marks a turning point in the Group's internationalisation strategy. Fidelidade acquires a majority stake in the insurance group La Positiva, a benchmark group in the Peruvian market. With this purchase, the Fidelidade Group gained access to the Bolivian and Paraguayan markets. In 2020, Fidelidade also opens a new insurer in Chile. The Spanish language thus starts to have a weight similar to that of the Portuguese language, both in the terms of employees and customers.



In 2022, international activity exceeded 1.5 billion euros in Gross Premiums Written, as a result of consistent growth in all the geographies where Fidelidade operates.

In 2022, Fidelidade strengthened its competitive position. It gained market share in virtually all markets and competed daily in many geographies for leading positions.

The growth in international operations resulted from the organic growth obtained in many of the geographies, and from the two acquisitions made in the period: Seguradora Internacional de Mocambique and The Prosperity Company (TPC) in Liechtenstein. In the first case, Fidelidade strengthened its presence in the Mozambican

market, where it was already active, and thus took its place among the largest insurers in this market. In the case of TPC, the acquisition of the majority shareholding guaranteed access to an insurance company with an advanced technological platform and a wide range of Life products.



1.1. OUR JOURNEY INSURER AREA

FID SEGUROS | CHILE

As a result of interest in the Chilean insurance market, and a systematic approach to the market, Fidelidade launched an operation in Chile from scratch in 2020, FID Chile. In its first year of activity, the operation reached USD 40M in gross written premiums (GWP) and 1.0% market share, well above expectations.

Since then, FID Chile has stood out as a disruptive player with a bold value proposition, based on a technological and innovative culture, which offers a wide variety of products through a multichannel approach. The operation is led by a young team that is nevertheless experienced in the insurance industry.

The lack of legacy associated with an agile company profile, with decisions strongly supported by data analysis, has allowed the development of innovative solutions, with a reduced time to market and high levels of service, which constitutes an important competitive advantage in the local market. The recognition of this project involves growth in the Chilean market, but also the recognition obtained abroad – for example, FID Seguros won the Insurer Innovation Awards – Americas in 2022.

At the end of 2021, FID Chile reached USD 70M USD in GWP with a market share of 1.5%, and, by the end of 2022, it exceeded USD 108M, 87,920 customers and a market share of 2.2%.

The innovative business model, management team and recent growth experience are good indicators of FID Chile's ability to become a benchmark in the Chilean market over the medium term.



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1.1. OUR JOURNEY

2022 HIGHLIGHTS**CORPORATE MATTERS****Acquisitions****The Prosperity Company**

Acquisition of The Prosperity Company ("TPC") – Fidelidade completed the acquisition of 70% of the capital of the TPC Group holding, whose main activity is the development of long-term savings products, based on innovative technological solutions. TPC is present in several countries, including Germany, Switzerland and Italy.

La Positiva Generales

Increase of its stake in La Positiva - Fidelidade successfully completed its takeover bid ("OPA") for the shares of the Peruvian insurance company La Positiva Seguros y Reaseguros, S.A. ("La Positiva"), which allowed it to acquire a further 42.9% of its capital, an investment of 396.3 million soles, approximately 101.2 million euros. Fidelidade, which owned a 51% stake in La Positiva, now controls 93.9% of the insurer. This transaction, already foreseen in the initial agreement in 2018, reinforces Fidelidade's controlling position in La Positiva, considered a strategic asset in the Group's international expansion.

Luz Saúde

Increase of its stake in Luz Saúde - Fidelidade, implementing the plan outlined in 2017, completed the acquisition of a further 49% of the share capital of Luz Saúde, and now directly holds 99.9% of the share capital. This transaction forms part of the strategy to strengthen the Group's position in the healthcare sector, in particular with regard to the provision of high-quality and differentiated hospital healthcare, an area in which the Luz Saúde Group holds a prominent position and continues to focus on improvements.

Tenax Capital Limited

Acquisition of an additional 5% stake in the capital of Tenax Capital Limited, through the exercise of the contractually agreed call option, and now holds 80% of the share capital.



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1.1. OUR JOURNEY 2022 HIGHLIGHTS

Ratings

IN PORTUGAL

Fidelidade

The ratings agency Fitch once more assigned Fidelidade an A- stable rating (IDR) and an A- stable rating (IDS), one of the highest ratings in the Portuguese business panorama, which expresses Fidelidade's strong capacity to honour its financial commitments.

Fidelidade obtained the ESG Rating from Sustainalytics, a reflection of the efforts made by Fidelidade over the years to act in an increasingly socially, environmentally and economically responsible way. In particular, it highlighted that the risk management for Data Privacy and Security was rated as "Strong".

UNITED NATIONS GLOBAL COMPACT

In 2022, as part of its commitment to contribute to a more sustainable future, Fidelidade joined the United Nations Global Compact, a special initiative of the UN Secretary General dedicated to corporate sustainability and based on 10 Principles, focused on universal declarations and conventions.

UNEP FI Principles for Sustainable Insurance

Also in 2022, Fidelidade signed up to the UNEP FI - Principles for Sustainable Insurance, reflecting its commitment to implementing principles of responsibility and transparency and to integrating environmental, social and governance aspects into all business processes.

INTERNATIONAL ACTIVITY

Fidelidade Macau - Fitch

The ratings agency Fitch assigned Fidelidade Macau, for the first time, the Rating A stable (IFS), one of the highest ratings in the Macau Special Administrative Region.

FID Chile - Feller Rate

Feller Rate assigned it an A+ rating with a stable outlook, contributing to the consolidation process of FID Seguros in the Chilean market.

La Positiva - Moody's and Pacific Credit Rating

Moody's and Pacific Credit Rating assigned La Positiva Generales and La Positiva Vida an A rating with a stable outlook.



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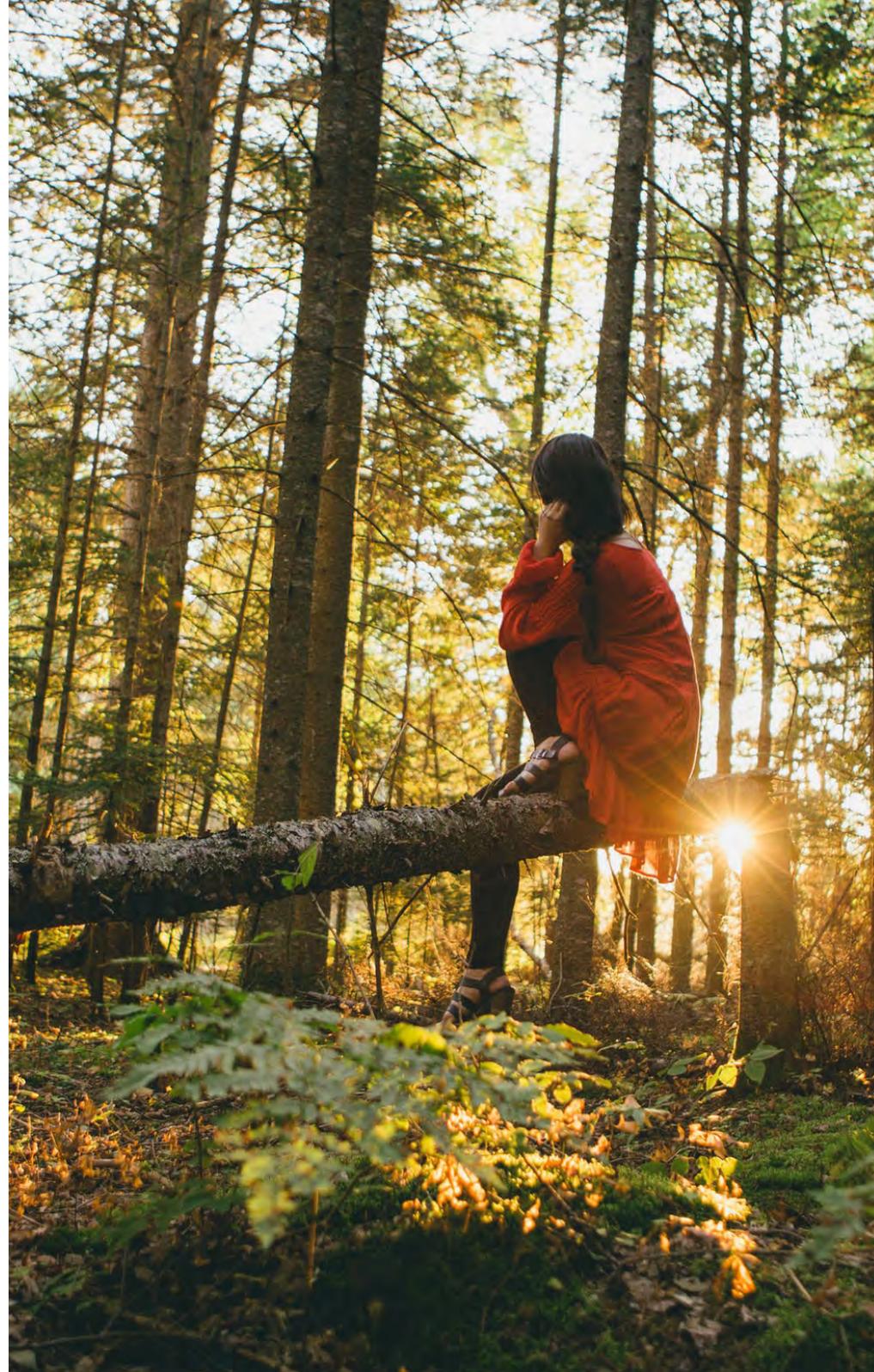
1.1. OUR JOURNEY 2022 HIGHLIGHTS

OFFER

Forest Fund

In 2022, a proposal was made to set up a forest fund, with a view to valuing invested capital through the management of forestry and agricultural resources, which aims to be an important instrument in the promotion of a more sustainable forestry policy in Portugal. Through investment in the forestry sector for compliance with criteria and management of environmental, social risks and best governance practices (ESG - Environmental, Social and Governance), this fund should ensure the management of living assets that make up forestry resources and the management of the surrounding property assets, which can also safeguard profitability, risk and liquidity criteria, protecting and valuing the interests of its investors and invested capital.

- **Funds to invest in a premium forest in Portugal**
- **With international accreditation**
- **Asset management**
- **Balanced portfolio with stable direct financial returns and high-quality carbon credits.**
- **Forest Property Fund under supervision of CMVM (Securities Market Commission) and managed by Fidelidade Sociedade Gestora**
- **Term: 20 years, renewable for additional 5-year periods**
- **Seed capital: €12M | Fidelidade Commitment 100%**



1.1. OUR JOURNEY 2022 HIGHLIGHTS

Health

IN PORTUGAL

Check-Ups

Regular screening is one of the most important tools for disease prevention and early diagnosis. The most recent update of the Oncological Check-up took place in 2022. We also continued the free post-Covid-19 check-up in 2022. The focus on post-COVID-19 consequences continues to be the subject of much debate and scientific investigation, so it is important that we continue to support customers.

Online Medicine

We continued the telemedicine platform, which in 2022 provided more than 175,000 medical consultations, an increase of more than 20% compared to 2021. In 2022, three new specialities were unveiled

(Cardiology, Gastroenterology and Ophthalmology), communication was strengthened in the Online Assistant Physician and the “Get Yourself in Shape” programme was launched with advice from Personal Trainers.

Vitality

In 2022, we kept promoting this programme, which continues to be a case study in Portugal in terms of health prevention, with the 2nd edition of the Corrida Multicare Vitality taking place. We launched a tailor-made version for corporate clients, which was popular.

INTERNATIONAL ACTIVITY

Fidelidade Macau - Vaccine Insurance

In 2022, Fidelidade Macau developed a new insurance product for vaccines, in collaboration with the Government of Macao, with the aim of protecting the local population.

Fidelidade Ímpar - Health Insurance

In 2022, Fidelidade Ímpar implemented new health insurance plans and coverage, as part of the development of improvements and new offers that took place throughout the year.

Alianza Garantia - Salud Gold

In 2022, Alianza Garantia launched its first health insurance product, Salud Gold, thus becoming the first insurer in the market to offer this type of product.



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1.1. OUR JOURNEY 2022 HIGHLIGHTS

Investment, Savings & Life

IN PORTUGAL

Financial Life

Financial products launched in 2022 included 5-year Investimento Global in January and September and Investimento Ibéria in March, May and July. These are financial products linked to investment funds, with no profit sharing and no guarantee of income and capital, with the expectation of making a solid return on savings.

Fidelidade Savings

With the objective of associating savings and investment with the promotion of good social, environmental and governance practices, Fidelidade began to include a sustainable component in the individual life insurance

product Fidelidade Savings. In this component, asset indices are aligned with the United Nations Sustainable Development Goals and the Principles of Responsible Investment, dedicated to the conscious creation of positive social and environmental impacts. As such, they exclude from their portfolio controversial sectors or those with a negative environmental impact, as well as those that do not comply with international human rights, labour, environmental and corruption procedures – in accordance with the UN Global Compact Principles. This sustainable objective is part of Fidelidade's strategy to increasingly integrate environmental and social criteria into the design of its portfolio.

Senior Home Care 70+

For customers over 70 years old, the product offers a set of services that contribute to an easier day-to-day life, with all the necessary comfort and resources.

Project IPATH (Complete Permanent Disability for Regular Work)

In 2022, action was reinforced with regard to IPATH through the implementation of a new questionnaire for evaluating tasks that may or may not be carried out by the injured person. Cases were identified for follow-up by the WeCare team for joint evaluation. Additionally, a scientific article was prepared in partnership with the Gaia Professional Rehabilitation Centre to define principles, methodologies and IPATH evaluation criteria.

Self-Employed

We reformulated the tariff model for SE - Self-Employed. It now has an updated list of professions and a guarantee of continuity in the simulation and issuance flows, in order to allow a more agile response from the network. A new tariff based on optimisation models was implemented, with a view to striking a balance between competitiveness and profitability.



1.1. OUR JOURNEY 2022 HIGHLIGHTS

INTERNATIONAL ACTIVITY

TENAX - Subfunds

In 2022, it launched two subfunds with ESG objectives under the European Union SFDR - Tenax Healthcare Fund and Tenax Sustainable Credit Fund.

La Positiva - Eco-Friendly Investments

In 2022, La Positiva asked the investment area to create a portfolio of eco-friendly investments, strengthening the company's efforts to become increasingly responsible and sustainable.

The Prosperity Company - Sustainable Funds

The Prosperity Company continued to develop its sustainable investment portfolio by adding 89 new funds, bringing the total now to 316 sustainable funds (80% of the portfolio).

The Prosperity Company - KOKON Value Green

2022 marked the launch of a green product offered by The Prosperity Company, committing to plant a tree for each year of each policy. 608 trees were planted.

Guarantia - Compulsory Insurance for Accidents at Work and Occupational Diseases

Guarantia created the new Compulsory Insurance for Accidents at Work and Occupational Diseases (SOATDP), including a module for including insured persons en masse.



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1.1. OUR JOURNEY

2022 HIGHLIGHTS

OTHER SEGMENTS

IN PORTUGAL

Fidelidade Company Multirisks

This new product offers robust protection with basic coverage essential and transversal to all sectors of activity, protection that adjusts to different activities with optional coverage according to the sector of activity and customised protection with the possibility of choosing different amounts insured and deductible options best suited to the protection to be acquired.

Fidelidade Third-Party Professional Liability

A new product that intends to guarantee the payment of compensation arising from financial losses resulting from a claim for an incorrect act. It is aimed at companies and individual entrepreneurs (ENI) with

a turnover of up to 5 million euros who provide one or more services in the course of their professional activity. It is necessary to protect companies and ENI and guarantee their financial stability against potential claims from third parties resulting from negligence in the exercise of their professional activity.

Green Mobility

The successful marketing of green mobility products continued in 2022. We highlight OK! Electric Cars, specific insurance for electric cars that guarantees protection and assistance for the vehicle, including towing to the nearest charging station, protection for charging cables and differentiated prices on vehicle rental and product discounts. In addition,

the OK! Bike product, which aims to provide protection for bicycle journeys and immediate location in case of accidents.

The Medelan Project

The Medelan project is an example of the Group's commitment to sustainability. The building, located in the centre of Milan (Italy), was the subject of a full rehabilitation project, completed in September 2022, and already has LEED Pre-Certification at Platinum level (Platinum), WELL Certification at Silver level (Silver) and is Wired Score Certified.

Prevention

Safemode has developed an offer to associate protection services (health and safety at work) with Accidents

at Work insurance. 2022 also saw the beginning of new coverage for Accident Prevention and Accidents at Work insurance. This project will be developed further in 2023.



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1.1. OUR JOURNEY 2022 HIGHLIGHTS

OPERATION

IN PORTUGAL

Integrated Insurance Proposal

In 2022, a key document was developed to synthesise, aggregate and systematise the offer of protection solutions, which aim to satisfy customer needs identified in the initial phase of the sales process.

Homebanking

Previously developed, homebanking is a simple service for families and businesses for their mobility and convenience and boasts innovative features. CGD is one of our main partners and offers this service. In 2022, some financial products began to be offered via the Caixadirecta

Service (namely on the online channels, application and telephone). Thus, the following functions were made available for the PPR Evoluir product: consultation, subscription, increase, redemption, recomposition and alteration of scheduled deliveries.

CTT Platform

In 2022, a partner commercial platform was developed for the CTT channel, with two marketed business lines, Health and Financial Life. This platform was made available in July 2022.

INTERNATIONAL ACTIVITY

China - Benchmark Partnership

In 2022, Fidelidade maintained its commitment to be the benchmark insurance partner for Chinese companies with an international presence. It worked with some of the Top 100 of the largest Chinese companies in various industries, reaching around €16.4 million in gross premiums written in the diverse geographies. In terms of bilateral business, our commitment to Portuguese companies was likewise reinforced this year. We provided increasingly global solutions for the needs of their customers, most notably the business with Portuguese customers in Spain, which reached €13.1M in gross premiums written.

Garantia - Prevention of Money Laundering and Terrorist Financing

Garantia started the implementation of the first phase of the procedures for the Prevention of Money Laundering and Terrorism Financing, within the scope of the corporate project of Fidelidade's Compliance Department.

FID Chile - Teleton

For the second consecutive year, FID Chile continued its promotional work with Teleton (child rehabilitation institute), through an internal awareness plan to improve participation and donations to the entity.



1.1. OUR JOURNEY 2022 HIGHLIGHTS

INNOVATION

IN PORTUGAL

Protecting 5.0

Fidelidade, Fosun and Hospital da Luz Learning Health launched, in 2022, the 5th edition of Protecting, an international programme for innovation that links top startups in the areas of Insurtech (insurance) and Healthtech (health) with companies in these industries with a global reach and a strong focus on solutions linked to sustainability.

FIXO

The FIXO app, launched in 2021, responds to a market need for quality services at home, in line with Fidelidade's strategy to expand its offer of services.

Auto Digital App

OK! Teleseguros launched, in 2022, the Auto Digital App, which allows the digitalisation of the car inspection process using augmented reality technology, thus making the contracting of car insurance with collision damage coverage 100% digital.

INTERNATIONAL ACTIVITY

FID Chile - Insurer Innovation Award 2022

FID Chile was nominated and distinguished with the Insurer Innovation Award 2022 - America, by The Digital Insurer. The award-winning project, Open FID, promotes digital transformation to link brokers and processes with the company.

The Prosperity Company - Digitalisation

In 2022, The Prosperity Company promoted the development of innovative models and the digitalisation of services, focusing mainly on hosting automated and digital brokers, an online product academy, an application for customers and email and printing services. The investment surpassed CFH 2M.

Fidelidade Angola - Auto Easy Campaign

Fidelidade Angola launched its first 100% online contracting product, which strengthens the company's image as an innovative company in the Angolan insurance market.

Fidelidade Ímpar - Online Course for Salespeople

Fidelidade Ímpar was the first insurer to implement a course dedicated to recruiting potential salespeople entirely online, allowing anyone who wants to apply to do so, no matter where they live.



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1.1. OUR JOURNEY 2022 HIGHLIGHTS

ORGANISATION AND ENABLERS

IN PORTUGAL

Sustainability Strategy

In 2022, the sustainability strategy for the Fidelidade Group was defined and implemented, including for international operations.

Property & Casualty Middle Market

The Property & Casualty Middle Market underwriting department was created, which includes third-party liability, transport, property and engineering branches. Operating in the small and medium-sized companies segment, its objective is to boost our presence in this market segment by providing closer technical support and offering products that are more tailored to the needs of the sector.

International Corporate Business

The International Corporate Business office was created to develop the international business of the areas under the management of the Corporate Business Division, namely to monitor clients' international programmes, develop international property & casualty (P&C) programmes and support subsidiaries and branches abroad.

Reinsurance optimisation

Throughout 2022, activities were carried out to optimise the reinsurance conditions of the Group's various operations, which in future will allow a full integration of the reinsurance supports of the entire Fidelidade Group.

Process Automation

Participation in the implementation of a robot (RPA - Robotic Process Automation), which aimed to optimise the processes of loading data from FSCD (financial system) that make up the Process of "Collection of non-leader coinsurance receipts".

Office Business Agility (OBA)

The OBA, with its role as a catalyst for transformation, continued in 2022 to increasingly the company's agility. During the year, this area focused on supporting the strategic and operational planning and follow-up process, supporting transversal and specific projects in the various business areas, in terms of products, processes and operations, training leaders and facilitators and the dynamisation of internal and external communication in these matters.

Commercial Support

Fidelidade created two new structures to strengthen its commercial area: the Commercial Development Centre and the Medium-sized Companies Centre.



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1.1. OUR JOURNEY 2022 HIGHLIGHTS

INTERNATIONAL ACTIVITY

Fidelidade Mozambique - 30th Anniversary

Seguradora Internacional de Moçambique, S.A., which had been operating under the Fidelidade - Ímpar brand, adopted a new corporate name, Fidelidade Moçambique - Companhia de Seguros, S.A., and put on various activities for employees and the community during 2022, the year in which it celebrates 30 years of existence. In addition to the events it participated in, it also developed its online reach with the implementation of a new website and the launch of the My Fidelidade Moz application.

The company's thirtieth anniversary marks a path focused on innovation and continuous improvement of products and services, which contributes to the well-being of Mozambican families and to the development and growth of companies in the country.

"In addition to the events it participated in, it also developed its online reach with the implementation of a new website and the launch of the My Fidelidade Moz application."

FID Chile - Business Centres and Sales Channels

Two new business centres were opened in Chile (Concepción and Puerto Montt). Five new sales channels were also implemented: Entel, Itaú, 123 Seguros, Scotiabank and Unimark.

La Positiva - Broker Portal

Improvements were made to the experience of the Brokers Portal, already used by more than 600 Brokers. This improvement made it possible to carry out more transactions, as it facilitated the sales and consultation processes.



1.1. OUR JOURNEY

AWARDS AND RECOGNITIONS

In 2022, Fidelidade continued to strengthen its qualitative presence in the market, which resulted in a series of recognitions and distinctions by its main stakeholders. The 2022 Awards and Recognitions reflect the Group's commitment to establishing itself as a responsible and sustainable company in all areas of its activity.

Portugal Digital Awards

Fidelidade won the Best Insurance Project award, given to the best digital transformation project in the insurance sector, for the "Automatic Processing of Car Claims" service. A service that is based, on the one hand, on a modular technology to correct the spatial distortion introduced by the camera and the user in the photographs captured for the purposes of claim declaration and, on the other hand, on an auto machine learning (ML) system, which makes it possible to generate quality ML models with minimal human intervention.

The combination of the two systems allows for a high degree of automation. It reduces by approximately 60% the burden of manual processing of accident statements, guaranteeing service maintenance and response time to customers. In the Digital Grand Awards category, the Auto Digital app by Via Directa, which allows the customers to inspect the vehicle themselves when purchasing car insurance, won

the title of Best Future of Customer Experience Project. Through a simple and innovative process, the app aims to create a unique user experience for the customer, regardless of their ability to use digital tools. Auto Digital also allows surveys to be carried out digitally through augmented reality videos.

Innovation Awards

FID Seguros Chile won, in 2022, the international award The World's Digital Insurer, in the category of Insurer Innovation Awards - Americas. This award reflects the continuous geographic expansion and contributes to greater proximity and credibility with customers and business partners.

Best Contact Centers 2022

The Fidelidade and Multicare contact centres, which are operated by NewSpring Services, won awards at the 2022 edition of the APCC - Portuguese Association of Contact Centres awards.



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1.1. OUR JOURNEY

AWARDS AND RECOGNITIONS

CTT e-Commerce Awards

The Just in Case project, Fidelidade's travel insurance product, was the winner of the 2022 edition of the CTT e-Commerce Awards, in the App e-commerce category.

Human Resources Awards

In 2022, at the 11th edition of the Human Resources Portugal Awards, the Fidelidade Group won the Well-Being, "Seniors Management and Active Ageing/Preparation for Retirement" and "Human Resources Director" awards.

Iberian Lawyer Award

Fidelidade was distinguished, for the fourth consecutive year, at the Gold Awards organised by Iberian Lawyer, and in this sixth edition, Fidelidade, in addition to being the only Portuguese insurance company nominated for the In-House Legal Team of the Year - Insurance, was given the In-house Counsel of the Year award, for the insurance industry in the Iberian Peninsula.

Nomination for the EFMA Award

The FIXO Fidelidade project was nominated for the Product & Service Innovation category in the EFMA-Accenture Innovation in Insurance Awards.

Fidelidade Management Company

In 2022, awards related to the buildings were handed, namely to The Ivens hotel, considered by Condé Nast Traveler readers to be the sixth best hotel in the Iberian Peninsula, and it was also awarded the title "Best Visual Identity" in the AHEAD Europe Awards. These two distinctions highlight the quality of the real estate portfolio of the IMOFID fund, managed by Fidelidade Sociedade Gestora (FSG), an entity 100% owned by the Fidelidade Group. Fidelidade Property Europe won the SIL 2022 award (Salão Imobiliário de Lisboa) for the best urban renovation in the Tourism category. The winning project consisted of adapting/renovation a 19th-century mansion in the heart of Chiado, a former Rádio Renascença building, located at n° 14 Rua Ivens which also extends from n° 1 to n° 5 Rua Capelo. Its transformation into a 5-star charming hotel will be the responsibility of the Portuguese hotel group CAISOR, which currently manages the Lx Boutique Hotel, also in downtown Lisbon.



1.2. **OUR BUSINESS**



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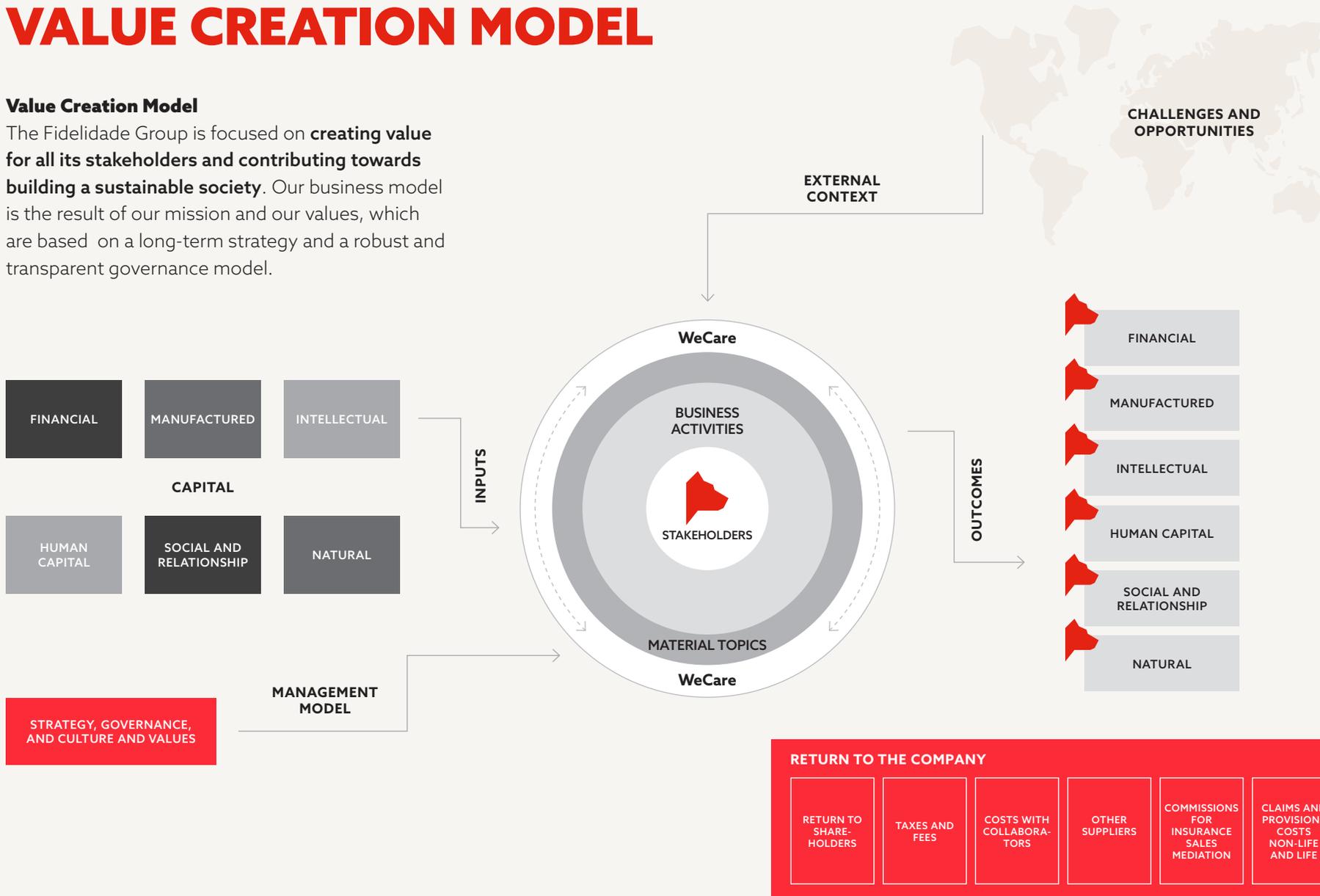
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1.2. OUR BUSINESS

VALUE CREATION MODEL

Value Creation Model

The Fidelidade Group is focused on **creating value for all its stakeholders and contributing towards building a sustainable society**. Our business model is the result of our mission and our values, which are based on a long-term strategy and a robust and transparent governance model.



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1.2. OUR BUSINESS VALUE CREATION MODEL

INPUTS CAPITAL



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1.2. OUR BUSINESS VALUE CREATION MODEL

MANAGEMENT MODEL

STRATEGY, GOVERNANCE, AND CULTURE AND VALUES

Strategy

The strategic business plan corresponds to a long-term vision, which integrates Fidelidade's positioning as an agent of change committed to building a sustainable development model.

Governance

In the context of a market in constant evolution, in which legal and regulatory requirements are increasingly challenging, the definition of a solid governance structure, assisted by ethical mechanisms, but also compliance and risk management, is fundamental to ensure a sustained development, creating value for all stakeholders.

Culture and Values

An organizational structure based on "doing good and doing it well," supported by the WeCare commitment to care for all stakeholders, and guided by the values **Be proud of our past, inspire our future | Be innovative, chase the progress | Be outstanding, overcome your limits | Be people, be there.**

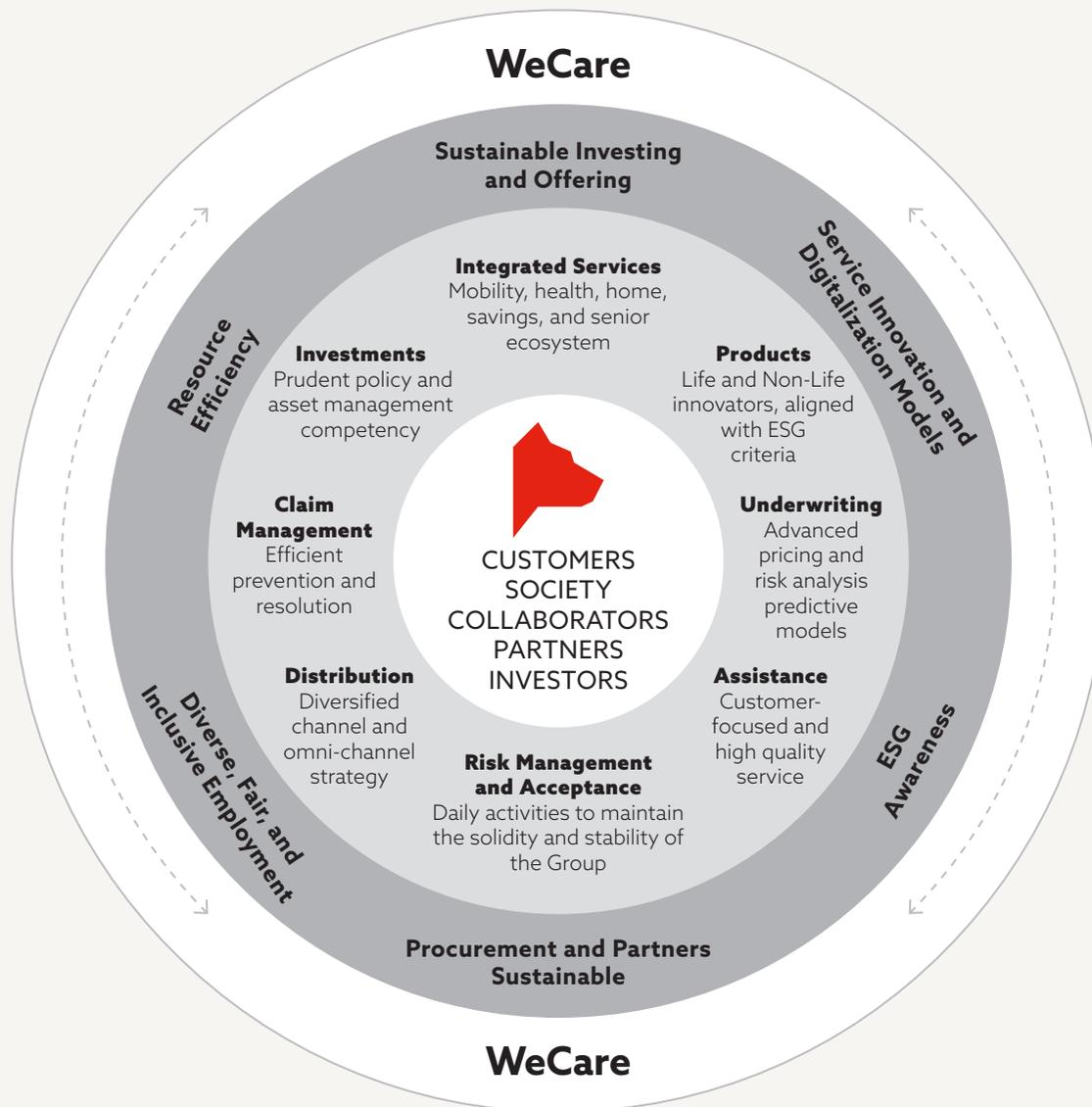


1.2. OUR BUSINESS VALUE CREATION MODEL

EXTERNAL CONTEXT

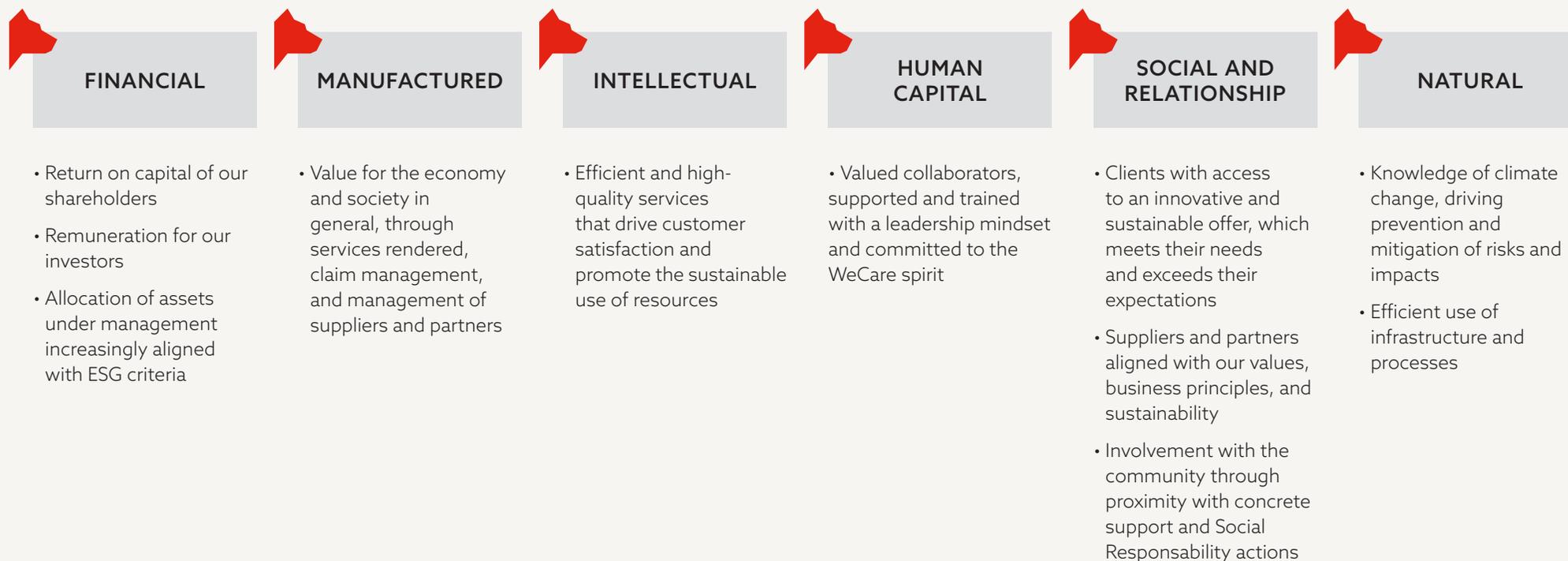


1.2. OUR BUSINESS VALUE CREATION MODEL



1.2. OUR BUSINESS VALUE CREATION MODEL

OUTCOMES



1.2. OUR BUSINESS VALUE CREATION MODEL

OUTCOMES

**RETURN TO
THE COMPANY**
> €5,621M

RETURN TO
SHAREHOLDERS

> €267M

TAXES
AND FEES

> €106M

COSTS WITH
COLLABORATORS

> €462M

OTHER
SUPPLIERS

> €642M

COMMISSIONS FOR
INSURANCE SALES MEDATION

> €560M

CLAIMS AND PROVISIONS
COSTS NON-LIFE AND LIFE

> €3,578M

DONATIONS

> €3M



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1.2. OUR BUSINESS

MARKET CONTEXT**MACRO-ECONOMIC EVOLUTION⁶****i) Global Market**

2022 was marked by a sharp slowdown in world economic activity, while at the same time there was a substantial increase in inflation, which recorded one of the highest figures in recent decades. The persistent COVID-19 pandemic, the conflict between Russia and Ukraine, the rise in food and energy prices and the rise in interest rates have worsened this slowdown.

In this sense, the global economy grew 3.2% in 2022, about half of that recorded in 2021 and the lowest growth since 2001, with the exception of the years impacted by the global financial crisis and the most critical phase of the COVID-19 pandemic.

After the unexpected increase in inflation in 2022, it is likely that it will stabilise in the coming years, reflecting a monetary policy aimed at restoring price stability, in particular through the increase in benchmark interest rates by the main central banks.

“2022 was marked by a sharp slowdown in world economic activity, while at the same time there was a substantial increase in inflation”

ii) Portugal

In Portugal, economic growth was marked in the first quarter of 2022 by a recovery from the pandemic crisis, but it lost momentum during the year, as the effects of the conflict between Russia and Ukraine were felt, as well as rising prices and interest rates.

Despite the difficult context, Portuguese GDP grew by 6.8% in 2022, above the 5.5% level recorded in 2021. The increase in inflation was widespread and impacted by external pressures that raised the general price level, mainly in energy and food products, raising inflation to 8.1% in 2022, (0.9% in 2021). The consequent reduction in families' purchasing

power led to a cooling of the economy, due to greater uncertainty on the part of economic agents. For its part, the unemployment rate remained at historically low levels (settling at 5.9% in 2022, which represents a decrease of 0.7pp compared to 2021).

⁶ Source: IMF Economic Outlook (Oct-2022), BdP Economic Bulletin (Dec-2022).

1.2. OUR BUSINESS MARKET CONTEXT

iii) Latin America

The Latin American region recorded growth of 3.5%, below the 6.9% recorded in 2021. Also in this geography, growth in the first half of the year was positively impacted by strong economic activity, as a result of still favourable commodity prices, stable external financing conditions and the normalisation of activities in sectors with intensive contact, thanks to the stabilisation of the

COVID-19 pandemic. However, there was a slowdown in growth in the second half of the year as growth in partner countries weakened, financial conditions tightened and commodity prices rose. As such, inflation stood on average at 14.1%, above the 9.8% recorded in 2021.

iv) Sub-Saharan Africa

The sub-Saharan Africa region recorded growth of 3.6%, down from the 4.7% recorded in 2021, due to lower growth by trading partners, more restrictive financial and monetary conditions and a negative change in the terms of the goods trade. Additionally, the war in Ukraine significantly impacted low-income countries due to rising food prices. In this case, the sub-Saharan Africa

region was particularly affected, since food represents on average around 40% of the consumption basket in this region. As such, inflation stood, on average, at 14.4%, above the 11.1% recorded in 2021.



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1.2. OUR BUSINESS MARKET CONTEXT

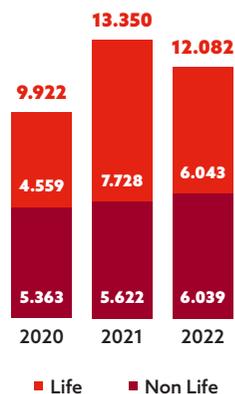
INSURANCE SECTOR ENVIRONMENT

i) Evolution of the Portuguese Insurance Market

In 2022, the insurance sector registered a decrease compared to the previous year, with total premiums being affected by the economic context of inflation and high interest rates. The insurance market ended 2022 with a total value of gross premiums of 12.1 billion euros, a decrease of 9.5% compared to 2021, reflecting the evolution of the Life segment (-21.8% to 6.0 billion euros). On the other hand, the Non-Life segment continued its growth trajectory, with premiums amounting to 6.0 billion euros, 7.4% more than in 2021.

Portuguese Insurance Market

Unit: million euros
Source: ASF



The decrease in premiums in the Life segment was mainly due to the Life Financial component, in particular in terms of Unit-linked products. Despite the economic context of rising interest rates, which began to be felt in the second half of 2022, the loss of income caused by inflation and instability in financial markets had a negative impact on this type of financial product. This evolution contrasts with the increase in premiums seen in 2021, which benefited from high levels of household savings compared to the pre-pandemic years, reflecting the uncertainty regarding the evolution of the economic situation in the context of a pandemic.

For their part, premiums in the Non-Life segment maintained their growth trend, generating greater traction when compared to the growth seen in the previous year, mainly as a result of the recovery in economic activity.

“In 2022, the insurance sector registered a decrease compared to the previous year, with total premiums being affected by the economic context of inflation and high interest rates.”

⁷ Source: Statistics Portugal in Level of household savings.

1.2. OUR BUSINESS MARKET CONTEXT

In this segment, it is important to highlight the positive evolution registered in the Health branch (+11.8%), 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 branch to consolidate its position as the second largest branch in the Non-Life segment, with direct insurance premiums rising to 1.156 billion euros.

Non-Life Gross Premiums

	Gross Premiums		
	2021	2022	Var
Non-Life	5,621	6,039	7.4%
Motor	1,894	1,966	3.8%
Health	1,034	1,156	11.8%
Accidents at Work	965	1,027	6.4%
Fire and Other Damage	1,000	1,074	7.4%
Other	728	816	12.0%

Unit: million euros
Source: ASF

ii) Evolution of insurance market in Peru, Bolivia and Chile

In the Latin America market where the Fidelidade Group is present – especially Peru, Bolivia and Chile – the

NonLife segment maintained the trend in premiums growth. Growth accelerated in 2022 in the Chilean and Bolivian markets.

Non-Life Gross Premiums

Country	Gross Premiums	
	2021	2022
Peru	9.8%	0.3%
Chile	2.6%	4.2%
Bolivia	0.5%	9.8%

Unit: % change rate

Source: Local Regulatory Entities with information updated to October and August 2022 (Peru and Bolivia); Chile with figures projected by AACH (Asociacion de Aseguradores de Chile A.G.)



1.2. OUR BUSINESS MARKET CONTEXT

In 2022, premiums in the Life segment maintained a very high level of growth, reflecting the strong commercial dynamics of annuity products (survival and old age).

Life: Gross Premiums

Country	Gross Premiums	
	2021	2022
Peru	9.8%	0.3%
Chile	2.6%	4.2%
Bolivia	0.5%	9.8%

Unit: % change rate

Source: Local Regulatory Entities with information updated to October and August 2022 (Peru and Bolivia); Chile with figures projected by AACH



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1.2. OUR BUSINESS MARKET CONTEXT

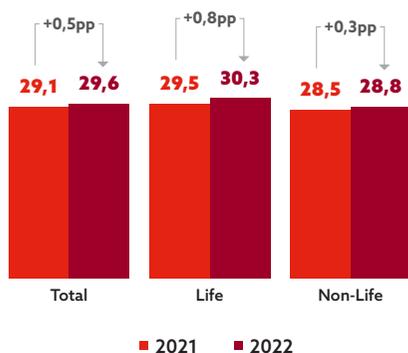
MARKET SHARE

i) Position in the Portuguese Market

In 2022, the Fidelidade Group maintained its leading position in the Portuguese market. It recorded a global market share of 29.6%, which corresponded to an increase of +0.5 p.p. compared to the previous year, reflecting the performance of both the Life and Non-Life segments.

Total Market Share, Life and Non-Life

Unit: %
Source: ASF



In the Life segment, the Fidelidade Group, despite the decrease in the amount of premiums, strengthened its market share by +0.8 p.p. compared to 2021, which reflects the commercial performance of Financial Products, in particular in the Unit-linked products component where the market share increased from 27.3% in 2021 to 35.1% in 2022⁸.

Fidelidade also increased its market share compared to 2021 in the Non-Life segment, reflecting the positive contribution of most business lines:

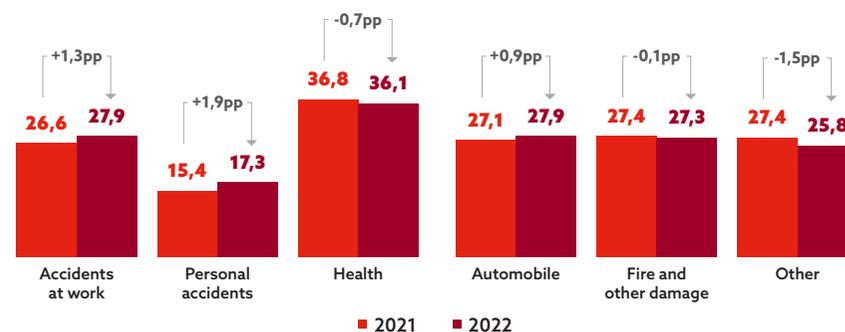
- The Accidents at Work branch recorded an increase in market share of 1.3 p.p. which made it possible to retake the leading position in this line of business;

- Also in the Motor and Personal Accidents branches, there was a strengthening of positioning translated into an increase in market shares by 0.9p.p. and 1.9p.p. respectively, reflecting strong commercial dynamics;

- The Health and Fire and other damage branches saw a decrease in market share compared to 2021, essentially reflecting the reinforcement of the cautious risk underwriting policy.

Non-Life Segment - Market Shares

Unit: %
Source: ASF



⁸ Source: ASF, December 2022

1.2. OUR BUSINESS MARKET CONTEXT

ii) Position in the International Market

Latin America

In 2022, the Fidelidade Group consolidated its position in the insurance market in Latin America⁹:

- **Peru:** 3rd place, with the La Positiva achieving a market share of 12.7%¹⁰, similar to the previous year. In the Non-Life market, La Positiva Seguros had the 3rd largest share, with 15.4%, and La Positiva Vida also reached 5th place in the Life segment, with 10.6%.

- **Bolivia:** 1st place, with a market share of 21.4% in the Non-Life business and 24.2% in the Life business, reinforcing its leading position among all private capital insurers;

- **Chile:** 17th place (operations only began in 2020);

- **Paraguay:** 10th place with a market share of 3.27%.

Other Geographies

The Fidelidade Group also consolidated its position in **Africa**.

In Mozambique, the acquisition of Seguradora Internacional de Moçambique, S.A., which operates under the Ímpar brand, allowed it to reach 3rd place in value insurance with a market share of 12.3%¹¹. In Angola, Fidelidade reached a market share of 12.5%, thus reaching 3rd position in the ranking¹².

⁹ Source: Peru SBS December 2021 and October 2022; Bolivia: APS August 2022; Chile: CMF September 2022; Paraguay: BCP, Banco Central do Paraguai October 2022.

¹⁰ Including La Positiva Seguros and La Positiva Vida.

¹¹ Source: Report Main Quarterly Indicators (III Quarter 2022) - ISSM (Mozambique Insurance Supervision Institute).

¹² Source: Association of Angolan Insurers, November 2022.



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1.2. OUR BUSINESS

CHALLENGES AND OPPORTUNITIES**Financial Uncertainty**

After two years in which the Covid-19 pandemic had a very significant impact on the socioeconomic context, the year 2022 brought additional challenges. The Fidelidade Group saw its business impacted in several ways, in particular through the effect of inflation on average claims costs, volatility in financial markets and the global stock market devaluation, the rise in interest rates and the devaluation of bond markets which posed significant challenges in terms of investment management.

Nevertheless, despite this adverse and unstable scenario, the Group managed to maintain satisfactory levels of profitability.

International diversification continued to prove to be an opportunity to offset the impacts felt in the core market, Portugal. As the current macroeconomic context of uncertainty and instability did not equally impact all geographies, international operations recorded strong growth in sales and results, thus contributing to the Group's growth. In Portugal, there is the challenge of working even more in harmony with the distribution network, so that Fidelidade becomes even closer to its customers, offering innovative solutions that adapt to their needs in the current context of serious difficulty. Focusing on medium and long-term success, Fidelidade continues to promote longevity policies focused on prevention and intends to reinforce its position of increasingly being a business partner

for companies. Fidelidade interprets the current situation as an opportunity to offer more protection to its customers, so that their lives are as little affected as possible.

Internally, Fidelidade is implementing organisational models and ways of working that afford the organisation greater efficiency, agility and capacity to adapt to new and different contexts.

The challenges and macro trends identified by Fidelidade as priorities in the context of its operational activities also constitute an opportunity for growth and consolidation of the business.

Our approach:

Fidelidade invested in the growth of the different business areas, maintaining its focus on savings, promoting healthy lifestyle habits and seeking to be a partner for companies in this new phase of economic transformation. On the other hand, the internationalisation strategy that the Fidelidade Group has pursued in recent years has proved to be an asset in this macroeconomic context of uncertainty and instability.



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1.2. OUR BUSINESS CHALLENGES AND OPPORTUNITIES

Climate Change

Climate change is currently one of the great challenges facing the insurance sector. It materialises both in physical risks, resulting from the increase in the frequency and severity of extreme phenomena, and in transition risks due to the actions necessary for the development of a global low/carbon neutral economy.

Several dynamics justify careful reflection on the part of the sector. If, on the one hand, extreme phenomena can cause a significant increase in the number and severity of claims, on the other hand they can lead to an increase in the mortality and disability rate in certain geographies, triggering situations of socioeconomic instability. In turn, the transition to a carbon-neutral economy, boosted by

legal and regulatory instruments, as is the case in Europe of the Climate and Taxonomy Law, but also by pressure from customers and market analysts, attentive to the degree of sector exposure to fossil fuels, may well imply significant changes in business management. Two scenarios that contain, in themselves, high degrees of uncertainty, whose analysis and foresight is increasingly necessary and pressing.

However, climate change may also contain a set of important opportunities for the insurance sector. Alongside the development of products and services that promote a climate-resilient economy, with comprehensive degrees of protection against the risks presented, the adoption of sustainable investment

policies, which favour green businesses and respond to current market expectations, will be decisive for the sustainability of the sector. It is part of the responsibility of entities such as the Fidelidade Group to encourage the generation of knowledge that supports society as a whole in preparing for the impact of climate change.

Our approach:

The Fidelidade Group is committed to reducing greenhouse gas (GHG) emissions, in order to contribute to the global targets established by the Paris Agreement. We also believe that it is part of our responsibility to encourage the generation of knowledge that supports society, as a whole, in preparing for the impact of these climate changes.



1.2. OUR BUSINESS CHALLENGES AND OPPORTUNITIES

Ageing and Longevity. Health and Savings.

In the European context, an ageing population is a widespread reality, embodied by the increase in average life expectancy and the decrease in the birth rate. A reality that affects economies and communities. First, the growing need to use national health and social security systems to guarantee support for a population weakened by age and, in many cases, with adverse socioeconomic conditions. Second, due to the impossibility of ensuring, through the contribution of the working population, the investment necessary for the sustainability of these social support systems. This imbalance was aggravated by the Covid-19 pandemic,

which requires the insurance sector to reflect on the challenges and opportunities raised by the populations with greater longevity.

Our approach:

The Fidelidade Group encourages financial literacy, promoting saving habits and providing products and services that help achieve these objectives, especially in preparation for retirement.

We highlight two approaches in this respect. On the one hand, promoting healthy and sustainable lifestyles among our customers, with a view to disease prevention and health promotion, mitigating the risks associated with an ageing population. The development of products and services suited to the expectations of an elderly population, with protection, coverage and capital needs adjusted to an affordable value, could be decisive in this respect. On the other hand, the promotion of greater financial literacy, namely through a savings culture with a view to a healthy and secure retirement, will create the conditions for people to make informed choices throughout their lives, from a perspective of long-term personal sustainability.

Our approach:

The Fidelidade Group is committed to disease prevention and health promotion. It offers distinctive value propositions, such as coverage that responds to major concerns of the population, especially cancer and mental health.



1.2. OUR BUSINESS CHALLENGES AND OPPORTUNITIES

Trends, Regulations and Benchmarks

Alongside financial and social challenges, companies are also exposed to new trends and legal and regulatory developments regarding sustainability. In this context, we highlight the CSRD – Corporate Sustainability Reporting Directive, which replaces the NFRD – Non Financial Reporting Directive, concerning the reporting of non-financial information, and which will bring new and important challenges to more than 50,000 companies in Europe, and also the SFDR – Sustainable Finance Disclosure Regulation and Regulation (EU) 2020/852 (Taxonomy) which together constitute a new and demanding sustainability reporting model. If, on the one hand, SFDR requires companies to disclose how

they are managing sustainability risks, the impact of investments and the sustainability characteristics of their products, on the other hand, Taxonomy demands an analysis of asset portfolios in order to assess how companies are contributing to the environmental objectives of the European Union, through compliance with technical criteria and minimum social safeguards.

The reporting of non-financial information, embodied in the way in which organisations address sustainability issues, in a continuous effort to mitigate negative impacts and enhance their positive impacts on society and the planet, along with the use of global benchmarks, such as the Sustainable Development Goals are now essential to face an increasingly

challenging market context, particularly for the insurance sector. A reality with strategic and operational implications for the Fidelidade Group, which finds in the application of ESG criteria to the business an important factor of distinction and competitiveness.



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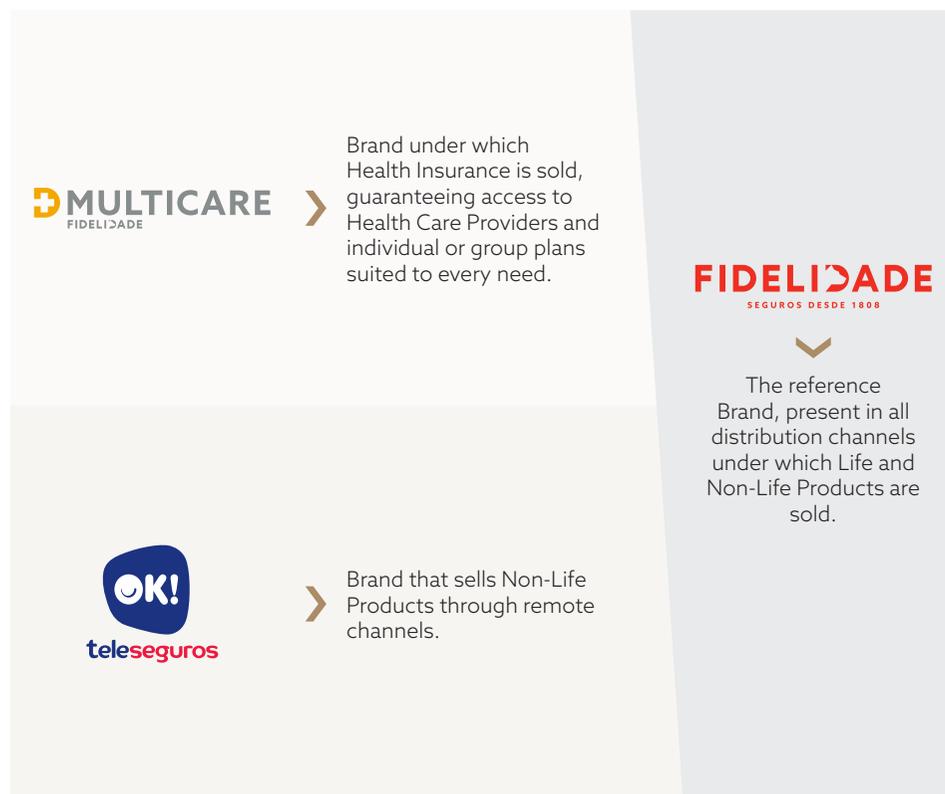
1.2. OUR BUSINESS

OFFER AND INVESTMENTS

INSURER BRANDS

Positioning and Recognition

The Fidelidade Group centres its insurance brands on values such as transparency, customer loyalty, agility and efficiency, evidenced across the board. The Group markets products from all lines of insurance in the Portuguese market, based on a multi-brand network and a range of diversified distribution channels. The offer is segmented into three distinct brands - Fidelidade, Multicare and OK! teleseguros - which are the leading Portuguese brands in the areas where they act. This diversity allows us to intervene in different areas, promoting behavioural changes in people and companies and facilitating access to better options for savings, health, entrepreneurship and digital services.



Talking about our brands inevitably means talking about how we reach out to our customers, addressing topics that are essential for their needs and for our strategy for operating in the market. In 2022, the institutional campaign “Fidelidade for all ages” reinforced our position for prioritising people and the different challenges that arise throughout life. Focusing on themes such as savings, health, assets and assistance, we reaffirmed our intention to always be present in the lives of customers, at any age, actively contributing to the sustainable longevity of the community.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

Aligned with the growing concern with health and the practice of physical exercise, we also held the second edition of the Corrida Multicare Vitality, whose registration fee was gifted to the Associação Semear. In 2022, we introduced, alongside the 5 km run and walk, a 10 km run, inviting all eligible Health cardholders to participate via SMS and email. These initiatives enhance the use of the Multicare Vitality programme and promote the adoption of healthier and more active lifestyles.

“Longevity is one of the biggest challenges of the 21st century. Living longer, but with a higher quality of life, is the goal of today’s society. And it is with pride that I see, once again, Fidelidade assuming a pioneering position in the market, particularly in this matter, by creating new solutions that will positively impact our customers, but particularly with the courage to assume this commitment with the market, through its new slogan “Fidelidade for All Ages”. It is clearly a huge commitment that involves us all, focusing on a greater purpose.”

Cristina Tavares,
Marketing and Clients Department

In order to reinforce the brand’s continuous strategy of innovation and rejuvenation, Fidelidade also maintained its association with music events that attract media coverage, approaching a younger audience. In 2022, Fidelidade was present at Nos Alive and Vodafone Paredes de Coura and also sponsored Termómetro, thus staking out its position in the field of music. This positioning assumes the commitment to reach the younger layers, through brand activation actions and involvement with the public that can contribute, over the short term, to the rejuvenation of the client portfolio and to the development of solutions more adapted to their specific needs.

In 2022, we continued to be proudly distinguished by consumers and entities as one of the best insurers in Portugal, winning awards in different product categories and for campaigns carried out. These acknowledgments result from the continuous investment in an innovative and high-quality offer, with a focus on people’s real needs and on accompanying them, side-by-side, at all stages of life.



1.2. OUR BUSINESS OFFER AND INVESTMENTS

Trusted Brands 2022

Distinction of Fidelidade and Multicare as Trusted Brands 2022, in the Life and Property, Auto and Health Insurance categories by Reader's Digest Selections.

Consumer Choice 2022

Distinction of three Fidelidade Group brands for the Consumer Choice award: Fidelidade, in the Insurance category; OK! teleseguros, in the Direct Insurance category; and Multicare, in the Health Insurance category. These acknowledgements were awarded for the eighth, fourth and third consecutive years, respectively.

Five Star Award 2022

Acknowledgment of OK! teleseguros with the 2022 Five Star Award in the Direct Insurance category, chosen by consumers, showing the highest levels of satisfaction, recommendation or purchase intention.

Powerfull Brands Awards

Recognition of Fidelidade and Multicare as the winning brands in the Large Insurer and Health Insurance categories respectively. These awards are used as a tool for measuring the value of brands in dimensions that are still not very tangible, but crucial for the value chain, such as sustainability, purpose, ethics and innovation of brands.

Effectiveness Awards

The Efficacy awards highlight campaigns developed by agencies in Portugal, in which the Fidelidade Pets campaign was awarded Gold in various categories - Financial Services and Insurance, Low Budget, Commerce & Shopper and Activation and Sponsorships - and Fidelidade Start (Mediator of Futuro) won Bronze, also in the Financial Services and Insurance category.

Marketeer Awards 2022

Marketeer Award - 2022 Edition awarded to Fidelidade.



1.2. OUR BUSINESS OFFER AND INVESTMENTS

PRODUCTS & SERVICES

Assuming the commitment to integrate ESG factors into the core of its business, the Fidelidade Group favours products and services that accompany people in the various stages of their lives, increasingly positioning itself as a promoter of responsible behaviour and a partner of customers in the provision of protection and assistance services. We also privilege an offer that, in the different areas of action, contributes to the energy and ecological transition of society; we are constantly moving towards the most sustainable offer on the market.

At the environmental level, examples of this include the commitment to products that encourage more ecological mobility and benefits when underwriting our products by individuals and companies that adopt more sustainable behaviour, for example, promoting health prevention, driving habits responsible or risk mitigating measures in companies. The recurring and differentiating update of the underwriting, conditions and coverage of our products and the availability of financial products aligned with ESG criteria also decisively boost the transition to environmentally and socially responsible assets and practices.

“At the environmental level, examples of this include the commitment to products that encourage more ecological mobility and benefits when underwriting our products by individuals and companies that adopt more sustainable behaviour”

The Fidelidade Group also focuses on products and services that address important social challenges in the different areas of activity. In order to strengthen access to better health conditions, in line with SDG 3, we offer products that include disease prevention (with regular check-ups included in all health insurance), coverage in response to emerging concerns, such as cancer and mental health, faster and more comfortable diagnoses in telemedicine, and also programmes that reward healthy lifestyle habits, preventing the development of more alarming clinical situations.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

OUR COMMITMENTS IN NUMBERS:

By the end of 2023, we will:

- Have 10 products/services aligned with ESG criteria planned or offered in Portugal.

The incorporation of ESG criteria in the portfolio of products and services, among other benefits, contributes to one of the main points of society: the dignified and sustained longevity of the population. The commitment to services that promote health and safety in the personal and professional spheres, from telematics solutions that minimise dangerous driving habits and road accidents, to awareness and prevention of accidents at work, is a significant part of our response to this challenge. Also noteworthy is the suitability of products and services for the most vulnerable population, especially the elderly population and

those with low purchasing power, who lack answers adapted to their specific needs. The adjustment of coverage and capital at an affordable price for the most disadvantaged families, the implementation of partnerships and activities to promote financial literacy and the availability of products and services that allow the achievement of savings goals help to ensure more stable family lives, more sustainable reforms and, above all, more dignified conditions for life in society.

The Group emphasises and invests in the increasingly significant offer of sustainable products, based on a responsible and transparent marketing approach.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS



Fidelidade Drive

Application that makes it possible to collect data on the user's driving profile, feedback on their driving and the improvement of quality and safety on the road, adding challenges and points that can be exchanged for vouchers. With a focus on sustainability, the Fidelidade Drive application started the path to the energy transition, where users can see not only the savings associated with driving an electric or hybrid car, compared to a combustion car of the same range, but also the ecological footprint of their driving. Users of this kind of vehicle also have special challenges and prizes.



Fidelidade Savings

Individual life insurance that integrates savings and investment solutions, allowing customers to define savings goals and make investments 100% digitally, through the MySavings Application. Fidelidade Savings now includes investment options in ESG matters and excludes from its investment portfolio controversial sectors or those with a negative environmental impact, or even those that are not in line with the Principles of the United Nations Global Compact, regarding human rights human rights, labour, environmental and anti-corruption practices.



Multicare Vitality

Health and wellness programme that has more than 20 million users worldwide and rewards its members for adopting a healthy lifestyle. The Multicare Vitality programme reinforces not only the positioning of Fidelidade and Multicare as promoters of a healthy lifestyle, but also brings benefits for the health and well-being of our customers and for our business. The programme kept up its promotion and dynamism in 2022, with the 2nd edition of Multicare Vitality Race and the launch of a Tailor-Made version for corporate customers, points that contribute to this programme continuing to be a case study in terms of health prevention in Portugal.



1.2. OUR BUSINESS OFFER AND INVESTMENTS



Online Medicine

Multicare’s telemedicine platform, a pioneer in online medicine in 2016, continued to evolve in 2022, with more than 175,000 medical consultations and growth of over 20%. Three new specialities were unveiled last the year – Cardiology, Gastroenterology and Ophthalmology – and the “Get Yourself in Shape” programme was enhanced with advice from personal trainers. Online medicine services do not involve additional costs for customers or impact insurance capital, resulting in a practical, quick and accessible way to adopt a healthier lifestyle and take better care of their health.



Check-ups

Regular screening is one of the most important tools for disease prevention and early diagnosis, which prevents health problems. Preventive Medicine coverage guarantees the right to a periodic check-up, adjusted to age and gender, including medical appointments and complementary exams. Launched in 2009, this coverage has been updated in terms of check-ups due to the evolution of medicine, with a recent update, in 2022, of the oncological check-up. In 2022, we also continued the free Post-Covid Check-Up at Luz Saúde units, with a defined clinical protocol. This check-up is still important in the post-pandemic period, when the possible consequences of the virus are still being debated, leading us to continue this support to all customers with Preventive Medicine coverage who were not in a grace period and who have had COVID-19.



Mental Health

Having been a pioneer in Portugal in launching mental health coverage in 2021, in 2022 Multicare made a new commitment to make that protection even more effective. As a way of supporting its customers in the use of this coverage, Multicare updated the price paid for psychology consultations (by specialist psychologists) and of the psychotherapy sessions, as a way of attracting more psychologists to the network, and now has over 400 psychologists spread across the country. Recognising the importance of prevention and maintaining well-being and mental health balance, Multicare also included in this coverage assistance by digital means, which pays the cost of subscribing to digital applications (Calm and Headspace) that enhance relaxation and stress and sleep management, promoting greater ability to deal with everyday challenges. In this context, we highlight the partnership with the Order of Portuguese Psychologists for the joint promotion of mental health.



1.2. OUR BUSINESS OFFER AND INVESTMENTS



Fidelidade Cyber

The sale of the Fidelidade Cyber product continued, with two aspects: individuals (Cyber Families) and companies (Cyber Safety). Both products aim to strengthen customer protection and ensure greater security, offering legal protection against various threats, for individuals, and assessing the degree of exposure of companies to cyber risks along with the offer of services and coverage for business protection for SMEs.



Prevention Academy

With the purpose of integrating Fidelidade's prevention ecosystem and transforming the mindset of employees, partners and customers, Safemode launched the Prevention Academy. This Academy provides training and information content on risk areas and their prevention and mitigation, as well as on sustainability and safety, as well as health and well-being at work. In 2022, we outlined the programme's strategy and business model and carried out certified training in Asset Risk Analysis, in partnership with the Business Knowledge Centre.

Multicare Dental

A new product focused on protecting the oral health of children, young people and adults, which includes acts focused on prevention, at no additional cost, and allows access to a wide range of treatments at high-quality private health providers at agreed prices. Multicare Dental's health insurance combines a simple signup - no clinical questionnaire, no pre-existing items, no age limit for membership or permanence - and high-quality services at affordable prices.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

Casa Mais

Fidelidade Casa has become Fidelidade Casa Mais, a more competitive protection solutions that meets the needs of our customers. This evolution resulted in a greater differentiation between insurance plans, presenting a value proposition more adjusted to the needs of protection and financial capacity at all times, more franchise options, better assistance services, greater tariff competitiveness and better more suggestions to recommend the right plan for each customer.

Fidelidade Company Multirisks

Fidelidade Company Multirisks intends to respond to the needs of the business market with an offer available for small businesses and small and medium-sized companies. The new Fidelidade Company Multirisks features 27 basic coverages that provide companies with protection in the most recurrent unforeseen circumstances, as well as specific coverages geared towards each activity sector, optional coverages, different capital insurance and deductible options.

Fidelidade Third-Party Professional Liability

A product that intends to protect companies by guaranteeing the payment of compensation arising from financial losses resulting from a claim for an incorrect act, including, in addition to the main third-party coverage, it covers losses due to acts of dishonesty by employees, reputational expenses or lost document expenses. It thus guarantees their financial stability against potential claims from third parties resulting from negligence in the exercise of their professional activity.

Financial Products

Launch of several 5-year Iberia Investment and Global Investment products, namely financial solutions with risk on behalf of the Policyholder that boost product returns, with rates above conservative products with low interest rates. These products are linked to investment funds, with no profit sharing and, although lacking a guarantee of income and capital, have the expectation of making a solid return on savings with a secure maturity.

MySafemode Customer Portal

Development of the MySafemode customer portal, with a view to managing the risk mitigation recommendation plans at Scorerisk. Scorerisk calculates the risk score, allowing all the collected information to be available in SAS and to be used in analytics models. This platform makes it possible to carry out risk analyses and action plans for their mitigation in a structured and digital way, both by specialist and non-specialist technicians.

OK! Bike | OK! Electric Vehicles | OK! Auto GPS

In 2022, we continued to promote products that foster sustainable lifestyles and, at the same time, more comfortable and digital ones: OK! Bike, which guarantees adequate protection for those who travel by bicycle in the city and, through digital campaigns, encourages more sustainable travel; OK! Electric Vehicles, insurance with special conditions and incentives for this type of transport, and OK! Auto GPS, insurance that guarantees a discount of up to 20%, calculated according to the driving profile of each customer, promoting good driving practices and thus contributing to road safety.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

Auto Digital App

Launch of the Auto Digital application, the first application in Portugal for surveys using augmented reality, which allows remote assessment of vehicles and online contracting of extra protection associated with collision damage coverage. Around 80% of our customers, through digital channels, have adopted this app. These customers no longer have to travel to a workshop with their vehicles, thus avoiding the production of a large amount of CO2 and travel costs.

Just in Case

Just in Case is the Fidelidade Group's on-demand platform that allows you to plan and prepare all trips, in a simple, fast and 100% digital way and, in less than 2 minutes, take out travel insurance, providing a set of benefits for travellers. Available online and via app, Just in Case insurance is designed to be a solution that provides 24/7 assistance from the moment a person decides to travel until they have completed their journey. This product enabled the Fidelidade Group to (1) increase the number of new

customers, 42% of sales were to new customers, as well as the respective number of relevant interactions, (2) increase the level of monthly revenue generated by the Group, (3) contribute to the rejuvenation of the client portfolio as 60% of Just in Case policies were sold to consumers under the age of 34, (4) also fulfil one of the key objectives of expanding the role beyond insurance – through a proposal of contextual value, building a closer relationship, increasing the frequency of contact with the customer and enhancing the network effect by allowing friends to be invited.

Just in Case is a clear signal from the Fidelidade Group of its commitment to investing in new business models, new sources of income and new ways of adding value to the society in which it operates. It improves the final experience for the consumer, simplifying and digitising the entire subscription experience, reducing friction and associated paperwork, generating greater transparency throughout the subscription process and also reducing travel and paper use.

One Stop Space

In 2022, an assistance platform for the elderly was launched that connects users to caregivers, with the aim of promoting a better quality of life for the older population.

The know-how and good practices of the different geographies are an asset of great importance for the Fidelidade Group. The consolidation of a model of proximity and interconnection between the different locations is central to the development of the business, an objective that was continuously developed during 2022.

These strategic synergies make it possible to design and implement several innovative projects, sharing experiences and challenges between the various international operations.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

FIDELIDADE SEGUROS CHILE

Launch of a new bank insurance channel (mortgage) and opening of two new Business Centres (Concepcion and Puerto Montt).

FIDELIDADE ANGOLA

Launch of the online sales solution for the Auto Easy product, which allows customers to subscribe to Motor Third-Party Liability insurance with Fidelidade Angola, in a fully digital manner, at any time and without any human intervention. After registering the information, an ATM reference is generated and, after settlement, the customer receives a Motor Insurance Certificate by email.

FIDELIDADE FRANCE

The new bancassurance business platform (SIVEDI) was launched to replace SIBA (Système Informatique Bancassurance) which CGD directors stopped using in December. This new platform, which is already available for the Caixa Geral de Depósitos network, is more modern and intuitive and will facilitate business in the banking channel.

This advance is the result of teamwork, lasting several months, between the head office and the branch in France, in the form of yet another Agile International project.

FIDELIDADE SPAIN

In 2022, Fidelidade Spain the distribution of the Fidelidade Pets product through Eurocaja Rural, Cajalmendralejo and the broker Alkora. It also launched an app for Fidelidade customers.

FIDELIDADE MACAO

Focuses on the development of differentiating products, such as MaxValue 20, an all-in-one solution for long-term savings, innovative in the Asian market, or Vaccination Insurance, developed together with the Government of Macao to protect the local population.

ALIANZA SEGUROS BOLIVIA

The Segurador Alianza Group established a strategic partnership with the company Transclick and Conseso Corretores de Seguros. The new "Calm Travel" Plan protects bus passengers in the event of accidents with telemedicine, medical consultations, emergency assistance in different health centres, as well as economic capital in the event of death for the insured's beneficiaries.

LA POSITIVA PERU

La Positiva, within the scope of digitalisation and transformation, has invested in the WhatsApp channel not only for sales, but also to support the reporting of claims. An internal company CRM is linked to this channel, which allows storing customer information which is then used in conversations and problem-solving via WhatsApp. This channel allows for a closer approach to customers, in a more agile and less formal way, so that customers feel the Company's monitoring more closely.

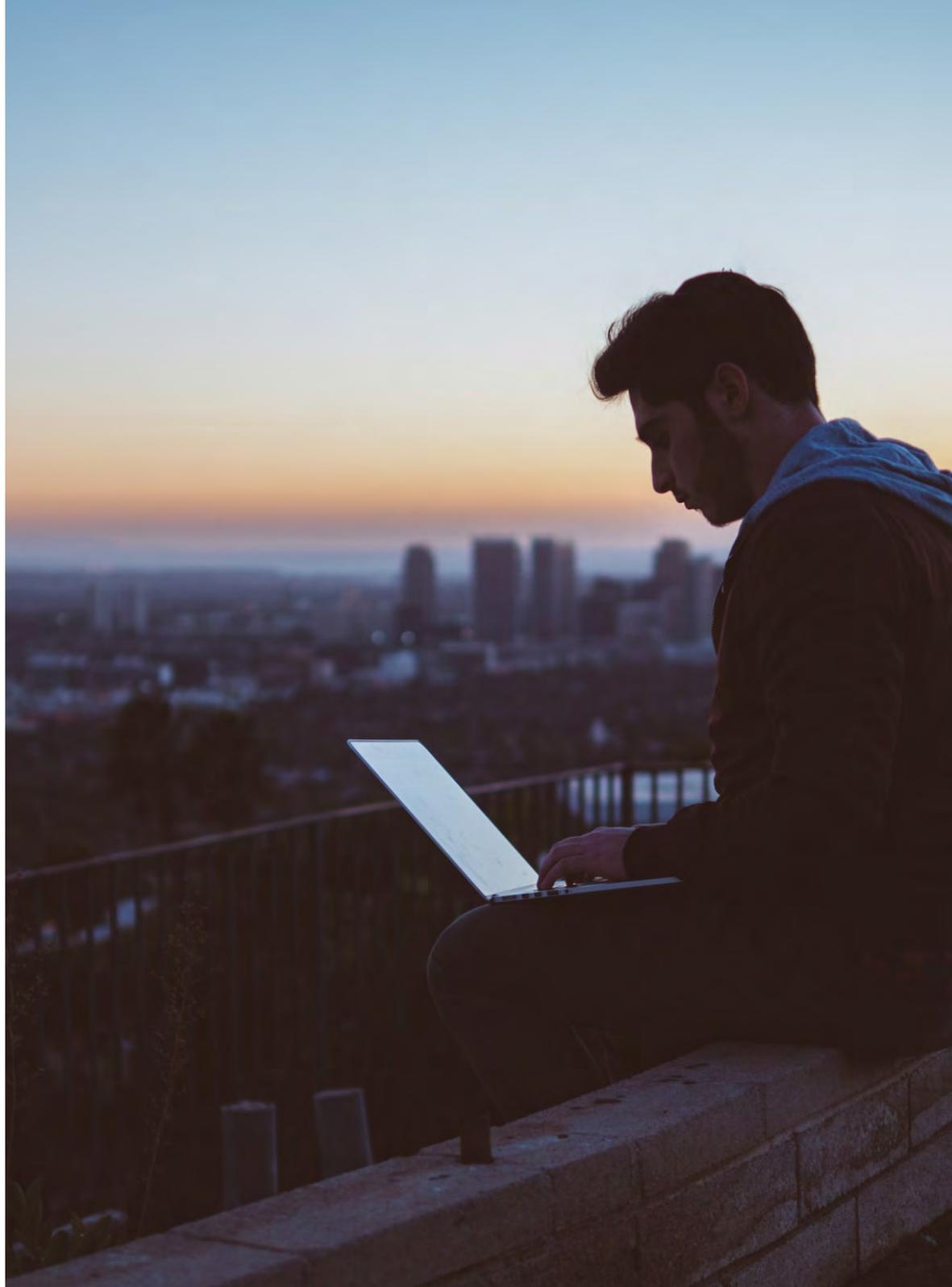


1.2. OUR BUSINESS OFFER AND INVESTMENTS



Added value partnerships

The Fidelidade Group reinforced the partnership ecosystem in 2022, namely in the automotive ecosystem, with the consolidation of the Fidelidade Drive 2.0 application in partnership with Brisa, and in the Pets ecosystem, with the creation of a network of partners offering services. This investment consolidates the focus on diversification and cooperation with key sectors of the Portuguese economy, essential for promoting a unique offer, aligned with the needs of our customers.



1.2. OUR BUSINESS OFFER AND INVESTMENTS

Fidelidade Drive 2.0

In 2019, Fidelidade and Brisa started a joint partnership for the development of the Smart Drive project in the area of digital mobility. This partnership provided advantageous offers for customers through the Drive product, a digital application. With benefits for customers such as discounts and useful tips, Drive continued its development in 2022, through the inclusion of new components, such as the FidCoin digital currency, reinforcing and consolidating the partnership between the two companies.

Pets Ecosystem

The creation of the Pets Ecosystem, in 2022, emerges as a response to the need for greater protection and also a positioning in areas complementary to insurance. Thus, a vast network of partners was developed at a national level, from service providers aimed at animal health, as well as pet product stores or grooming and pet-sitting services, consolidating an innovative and differentiated offer.

PPR on Homebanking - CGD

In 2022, some financial products began to be offered via the Caixadirecta Service (namely on the online channels, application and telephone), a simple service for families and business that focuses on mobility, convenience and innovative features. The following functions were made available for the PPR Evoluir product: consultation, subscription, increase, redemption, recomposition and alteration of scheduled deliveries.

Corporate Talks

The Corporate Talks, moderated by journalist Camilo Lourenço, aim to promote debate on topics that are useful to Portuguese entrepreneurs, and are aimed at small and medium-sized companies. Topics such as cybersecurity, creation of business plans, financial analysis or digital marketing are addressed, culminating in a sharing of knowledge between various players and local communities.

Fidelidade joined the project, together with Novo Banco, Sendys Group and Viseon Portugal.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

INVESTMENTS

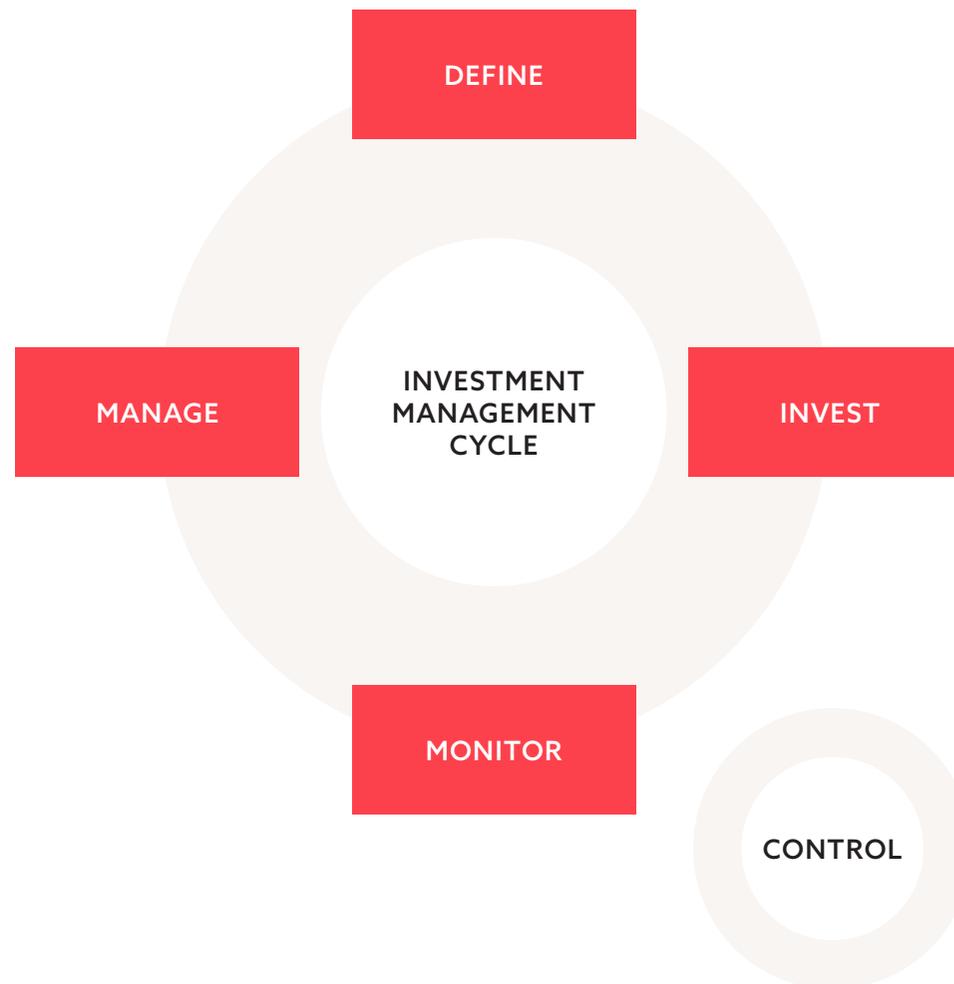
Ensuring that financial investments meet liquidity needs and provide positive returns, along with strengthening the capital position, implies portfolio management based on a prudent and diversified investment strategy, accurate risk control and the integration of ESG factors in its Investment Policy.

The Investment Process

The composition of an adequate portfolio is based on a structured, disciplined and transparent process. Thus, a new cyclical process was developed in line with the Group's priorities.

The following are involved in this process:

- Executive Board;
- Investment Committee;
- Asset-Liability & Capital Committee;
- Risk Committee;
- Investment Department;
- Property Investment Management;
- Risk Management Department;
- Capital Planning.



1.2. OUR BUSINESS OFFER AND INVESTMENTS

“At Fidelidade, we see ourselves as long-term protectors of our policyholders’ assets. We consider ESG factors an important part of our fiduciary duties to manage investment portfolio risk and a key step towards raising long-term profitability.”

Lingzhi Yu,
Investments Department

SUSTAINABLE INVESTMENTS

Our commitments in numbers:

- By 2025, 100% of the asset portfolio reviewed according to ESG criteria.
- Issue the first green bond.

Fidelidade currently has the information to improve the investment process, integrating the ESG impact naturally into the decision-making process and carrying out the control and monitoring of the ESG characteristics of securities investments, both in terms of the total portfolio and in terms of individual

exposure and commercial product. In turn, carrying out ESG Due Diligence in real estate investments is already a standard practice that will soon be incorporated into the property acquisition procedure.

Fidelidade will make its asset portfolio more sustainable, discriminating ESG-Compliant investments positively and less sustainable ones negatively, and seek to be an active agent in the energy transition of the entities in which it invests and a promoter of the best social and governance practices in these organisations. As an enabler of this transition, Fidelidade will issue green bonds, in which the entire amount obtained will be invested in sustainable assets.

Our approach:

- Reduction of investment related to fossil fuel extraction and thermal coal production to no more than 5% of the total investment portfolio;
- Reduction of investment related to other environmental issues, namely polluting, mining or aerial materials and others to a value not exceeding 5% of the total investment portfolio;
- Reduction of investment related to weapons, gambling and tobacco to no more than 3% of the total investment portfolio.



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

IMOFID - Open Real Estate Investment Fund

Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A., responsible for managing long-term investments, believes in the importance of adopting ESG management models, which include, in addition to financial aspects, environmental, social and governance aspects in investment decision-making. The development and implementation of an ESG Management Framework and System for IMOFID builds on this conviction and is based on the analysis and control of:

Environmental Criteria

- Greenhouse Gas Emissions
- Biodiversity conservation
- Protection of water resources
- Protection of forests

Social Criteria

- Relationship with the social environment: workers, local communities and citizens in general
- Employment
- Health
- Safety
- Diversity
- (...)

Governance Criteria

- Rights of shareholders and responsibilities of executive management
- Decision-making procedures
- Organisational structure
- Control mechanisms and compliance systems



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1.2. OUR BUSINESS OFFER AND INVESTMENTS

The project, started in the third quarter of 2022 and scheduled for completion in the first quarter of 2023, provides for the development of an ESG Strategy for IMOFID, consisting in the definition of: Pillars, Objectives, KPIs, Action Plan and Roadmap.

2022 also marked the beginning of IMOFID's expansion in the Iberian market with the acquisition of two office buildings in Spain: the Trianon in Madrid with a LEED Gold EB O+M rating and the OCA in Barcelona with a Triple AAA Lease.

In March 2022, Tenax launched a new subfund, UCITS – Tenax Healthcare Fund, focused on healthcare and biotechnology, aligned with the European Union SFDR, as an investment that promotes ESG objectives. Very soon, the second sub-fund with this alignment will be launched - Tenax Sustainable Credit Fund - which targets ESG investments in small and medium-sized Italian companies.

The Prosperity Company had a big year in terms of sustainable investment. In 2022, it added 89 sustainable funds or strategies to its portfolio. In terms of contracts, there was an increase from 54.4% in 2021 to 79.5% in 2022.



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1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

Becoming a more agile company is a current priority of Fidelidade, based on four fundamental values:

Focus on customers so that it is possible to respond to their needs, bringing solutions with real applicability to the market.

Focus on output to allow testing products and concepts and perceiving receptivity to conceived ideas.

Adaptability to the context so that it is possible to incorporate the feedback that is received.

Empowering people and teams to be able to respond to challenges.

We believe that we are more effective in responding to our customers, the market and challenges by imprinting these values in our DNA. In 2022, focused on these four principles, we worked on several fronts.

Defining a new strategic planning cycle**Agility**

- Projects
- Areas
- Processes
- Products

Training

- Leaders
- Stimulators

Community Building**Communication**

- Internal
- External



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1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

A new strategic planning cycle

In 2021, the Fidelidade Group began to design a new strategic planning cycle with the objective of ensuring that teams on the ground would be better able to clearly understand priorities and work more autonomously with well-defined objectives.

This project resulted in:

- The **Annual Business Planning (ABP)**, an annual plan that links the strategic plan to the key initiatives to be carried out during the year. Thus, by empowering teams, strategic priorities and objectives become clear to the entire organisation.

- **The Activity and Business Review (ABR)**, three annual occasions where priorities for the following four months are reviewed, people and resources are allocated and priorities updated.

- The **alignment of the budget and scorecard** for each area to the objectives defined by the ABP and ABR, ensuring the alignment of incentives throughout the organisation.

Developing agility in projects implies joint work by multiple areas and different skills, an effort on which the Fidelidade Group focused during

2022. We believe these teams become autonomous, and more customer-focused, while ensuring higher levels of efficiency and effectiveness.

To this end, we defined new work tools, provided coaching-on-the-job, designed a training programme in agility, in the Executive and Employee areas, created informal communities for sharing and evolving certain functions within the Group and developed a work of internal and external communication to share this process of organisational transformation.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

RESEARCH & DEVELOPMENT AND INNOVATION

Research, development and innovation (R&D) activity is one of the main drivers of growth and competitiveness of companies. It allows the consolidation of the current knowledge base and deepens the learning of new opportunities, while stimulating productivity, creating more qualified jobs and raising quality standards. In this way, innovation is intrinsic and essential to the long-term sustainability of companies and the creation of a positive impact on society and the environment. At the Fidelidade Group, we are concerned with developing and strengthening our position in this field through

the creation of new disruptive value propositions, whether in the sphere of insurance or as a partner for customers in the provision of prevention, protection and assistance services (beyond insurance venture), differentiating us within our sector.

“We remain strongly committed to staying at the forefront of transformational innovation, not only in our core insurance business, but also in new ventures that are shaping the future and creating new avenues for growth. We will continue to do so in an increasingly sophisticated, open and collaborative way in order to catapult positive impact on all our stakeholders, from the creation process to its final delivery.”

Daniel Riscado,
Centre for Transformation



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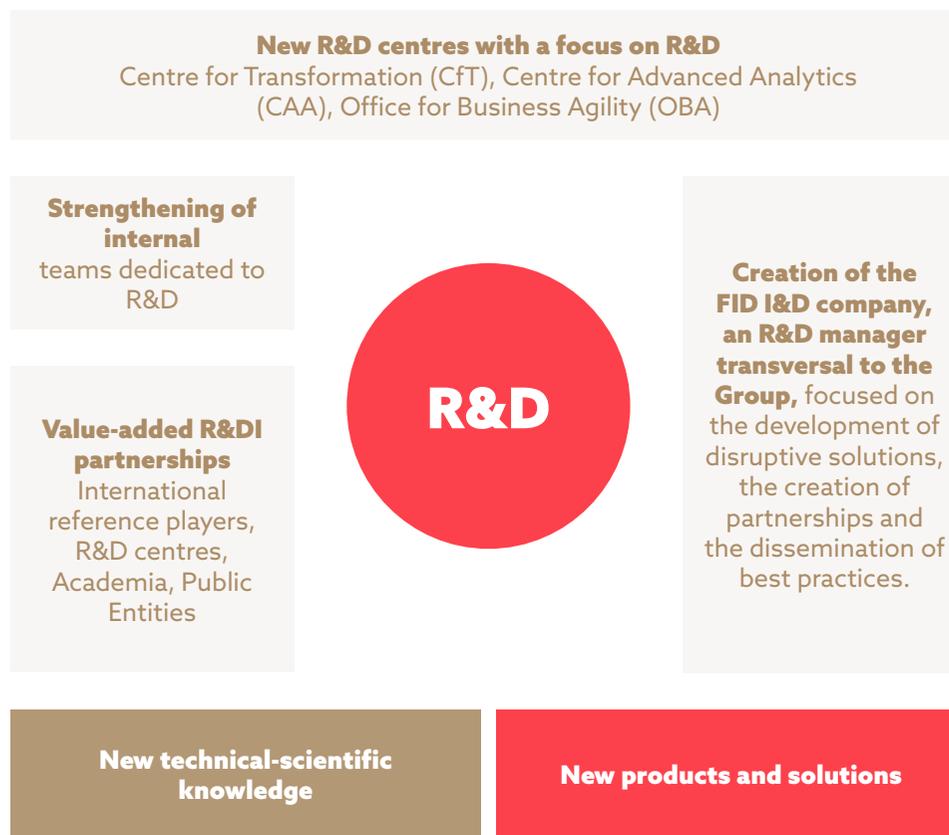
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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

R&D Centre

At Fidelidade, R&D is a core component in all departments. To this end, we created R&D centres, a company fully dedicated to this area, and reinforced other areas across the Group, namely Technology and Business Support (TBS), the People and Organisation Department (DPE), the Marketing and Customers Department (DMK) and the Business Units themselves. In terms of internal teams dedicated to R&D, between 2020 and 2021, 195 new qualified employees were hired in the areas of analytics, transformation and digitalisation.

This investment allowed the Group to work on new projects and disruptive value propositions, such as initiatives to promote the digital transition and, in parallel, reduce situations of social



inequality, fill market gaps or projects for the energy transition of buildings.

This evolution is the result of the Fidelidade Group's differentiation effort, and is also a means to establish new partnerships to carry out R&D projects, with the possibility of access to community support.

In this context, in 2022, Grupo Fidelidade once again applied to SIFIDE. And it also developed, participated and/or accompanied other initiatives that were candidates for financial incentive programmes, such as the Recovery and Resilience Programme (RRP), Portugal 2020 and Portugal 2030.



1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

Recovery and Resilience Programme (RRP)

- Applications under Component 5. "Business Capitalisation and Innovation" (Promoters: Multicare and Fidelidade).
- Applications under Component 16. "Companies 4.0" for the creation of a national network to provide services to companies for the development and testing of new products and services (Promoters: FID I&D, Multicare, Fidelidade and FPE).
- Applications for two Group buildings under Component 13. "Energy Efficiency Services" for the modernisation and implementation of energy efficiency measures,

contemplating the reduction of GHG emissions by 40% and 46% for both buildings. In total, applications involve an investment of €2.7M and a potential incentive of €400k (Promoters: FPE and Fidelidade).

Portugal 2020

- Expression of interest to the Incentive System for Research and Technological Development - SI I&DT (Promoter: FID I&D).

External level

According to statistics on R&D in Portugal for 2020, produced by the General Directorate of Statistics for Education and Science ("DGEEC"), the insurance, reinsurance and pension funds sector (except mandatory social security) invested around €18.4 million in R&D activities. **The Fidelidade Group invested around €9.5M, contributing with more than 51.5% in R&D in its sector and occupying the 28th position in the general list of companies/groups with the highest investment in R&D activities in that year.**

Internal level

The Group bases its R&D on 3 main pillars across its entire structure:

IMPROVEMENT OF INTERNAL PROCESSES

INNOVATIVE VALUE PROPOSITIONS

TRANSFORMATIONAL ENABLERS



1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

IMPROVEMENT OF INTERNAL PROCESSES

This pillar focuses on making the Fidelidade Group's processes more efficient, both internally and in our relationship with customers.

Digitalisation and process automation

Since 2019, Fidelidade has been innovating in car accident claims processes. Customers can now book the expert report automatically, after the automatic opening of the process, and receive a message with information on the date and workshop. Claim processes recognize completion of the Amicable Car Accident Declaration (DAAA), through Optical Character Recognition (OCR) and Intelligent Character Recognition (ICR) mechanisms. This project significantly improves service to customers and business partners, having recently received the Best Insurance Project award at the IDC Portugal Digital Awards.

OK! TELESEGUROS

In 2022, we launched **AutoDigital**, an application that digitises the car inspection process using augmented reality technology, making car insurance with own damage coverage 100% digital and consequently more sustainable, as it reduces our customers' vehicle travel.

THE PROSPERITY COMPANY

We highlight the promotion of innovative models and the digitalisation of services, especially the self-service digital integration of brokers and the **Prosperity** application for the digital management of life insurance policies.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

B2B

In terms of process improvement, we highlight projects such as **B2B Web Services**, which allow the automatic integration of data and documents between Fidelidade's systems and those of its business partners, with a view to lessening the administrative burden, reducing administrative costs and increasing autonomy. This process resulted in a significant number of new members, totalling around 500. Also with a view to increasing autonomy at the point of sale and reducing dependence on central services, Fidelidade has **developed tools and mechanisms that allow its distributors to have greater autonomy in adjusting the final pricing**, in order to provide an immediate response to their customers. This methodology reduced the level of dependence on central services. This model, initially

implemented in the private motor sector, will now be replicated in different mass market products.

Liber 3G Multiplanos

Fidelidade developed the Liber 3G Multiplanos project, a new motor simulator with a set of new functionalities and innovative features that give more autonomy to distribution partners.

New payment methods and billing solutions

Fidelidade is committed to building a transversal customer journey, both by facilitating payments through alternative means, both remotely and in person, as well as through integrated electronic billing solutions.

Assisted Sales

As of November 2022, we have made it possible to sell insurance at a distance, using the existing insurance platforms at Caixa Geral de Depósitos, with integrated signup through homebanking. At the moment, the Multicare, Vida Essencial, AT Empregada Doméstica and Pack Recheio products are included.

PPR Evoluir on Caixa Geral de Depósitos Homebanking

In November 2022, we made PPR Evoluir available on Caixa Geral de Depósitos' homebanking, with a digital signup feature.



1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

SAFEMODE

The **Carview** application, implemented since 2014, supports the Occupational Medicine, Occupational Health and Safety and Commercial activities and has been improved in terms of planning, scheduling, invoicing and fee management. This application allowed the reduction of time for Occupational Medicine managers.

Solera and Bde – Safemode has developed two innovative technical video consulting tools, which carry out risk analyses remotely for the client, making risk management more efficient and allowing a faster response to the client's needs.

Scorerisk – This application, developed in 2019, supports Safemode's risk analysis activities. In 2022, it was enhanced with features to support risk prevention, namely in terms of managing Action Plans and preparing the MySafemode customer portal (available in January 2023). In 2022, 1,400 Occupational Health and Safety Risk Analysis and Risk Assessments were carried out and 28,000 risk mitigation recommendations were generated. Scorerisk also promotes Simplified Risk Analysis for the Fidelidade Group's commercial network.

IN 2023

During 2023, Fidelidade will make available the simulation and contracting of various products, namely Vida Risco and Multiriscos Habitação, on CGD's new **Mortgage Credit Platform**. Functional integration will be done through APIs, reducing the need for computer developments.



1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

Homebanking Health

This project, started at the end of 2022, offers greater flexibility in the sale of health products to the individual segment, through the Caixa Geral de Depósitos website, Caixa Direta Online and Caixa Directa Application.

FIDELIDADE - SOCIEDADE GESTORA DE ORGANISMOS DE INVESTIMENTO COLETIVO, S.A. ("FSG")

In 2022, FSG invested in reinforcing its paperless philosophy with the implementation of a module in the Fund Manager to manage the workflow of the digital validation process of invoices. Thus, it simultaneously managed to improve the visibility and efficiency of the process and reduce paper consumption.

FID CHILE SEGUROS GENERALES, S.A.

Over the last 2 years, FID Chile Seguros has developed the Open FID portal, a key initiative that promotes a digital transformation 2.0 and connects brokers with the company. With the Open FID project, FID Chile Seguros was the winner of the World's Digital Insurance Awards - America, in the Insurer Innovation category.

Fidelidade Chile also developed the Online Workshop Portal, which allows analysts and regulators to interact with repair shops.

SAFEMODE

At the end of 2021, Safemode created the Projects and Digital Innovation Area to ensure the management of digital tools and improve the effectiveness, efficiency and quality of the organisation's processes, by boosting and streamlining digital innovation and reviewing methods of work and organisational models.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

Automation of management processes

Customer Analytics Models

Propensity to use, consumption and analysis models were developed, including, for example, the Propensity to Use Online Medicine, Propensity to Join and Use of Vitality and the Propensity to Join Fidelidade Drive.

Geographic solution Location Intelligence @ Cares and Multicare

A more efficient support initiative for the management of the network of service providers that aims to expand the capacities for querying and viewing geographic information in the Cares and Multicare businesses.

AUTOMATION

PROCESSES

- Fidelidade used **Robotic Process Automation** (RPA) technology in several areas, especially to optimise the processes for loading data from the FSCD (financial system), which make up the collection process for non-leader coinsurance receipts.

FLEETS

- The **fleet automation** process automatically validates and processes changes to Risk Units in policies. Up to August 2022, this process avoided the creation of 7,000 SIP processes in the current year, substantially reducing the time spent by the teams on this matter.

ACCIDENTS AT WORK AND PERSONAL ACCIDENTS

- As of January 2023, updates to the Safe People will be carried out through **automatic integration into the system**. Fidelidade Angola estimates that this automation will eliminate 14,924 SIP creation actions, which corresponds to 75% of actions for the Accidents at Work and Personal Accidents branches, freeing up teams for more critical work.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

FIDELIDADE ASSISTANCE

In terms of **process automation**, highlights include the automatic reading and processing of supplier invoices and the **SPEECH BOT**, a robot that automates answering calls, allowing for a more efficient response and reducing the Assistant's conversation time on the Service Platform.

Trusty Chatbot

Fidelidade has a chatbot which, through Artificial Intelligence, makes customer service more personalised and automatic, using messages on the Fidelidade and Multicare websites. A project launched in partnership with Visor.ai, winner of Protechting 2017.

PAX

The PAX (Personal Assistant Xperience) chatbot, which supports people from the Fidelidade Group with day-to-day issues, has become essential for sharing, collaborating and communicating with our employees.

ROBOTIC PROCESS AUTOMATION

Robotic Process Automation (RPA) is a technology that allows people to perform daily tasks as a user and autonomously trigger responses, initiate new actions or communicate with other systems. In order to expand its use, the Group put on several awareness-raising sessions in this field with various departments and released a newsletter for employees to publicise the latest updates on the subject. In 2022, 735,336 transactions were processed using RPA, saving the business 61,623 hours and €1M. Additionally, 10 awareness sessions were held, 70 robots were developed and development optimisation was improved.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

CARES

Some innovations include communication through the Agile Initiatives channel, the implementation of kanban, the creation of 2 robots for indexing information and the digitalisation of the Electrical Risk process service.

SAFEMODE

Safemode developed the **Infraspeak** tool for managing the company's equipment for the areas of Occupational Medicine and Occupational Health and Safety, and fire safety equipment and installations. This tool allows it to provide customer service that complements the Self-Protection Measures and also makes management more efficient and reliable.

EM 2023

Optimisation of taking out Multi-Risk Home Insurance (MHR) associated with Mortgage Loans - The reformulation of the MRH contracting flow for Associated Sales will be implemented, allowing for an improvement in service levels and greater autonomy for Caixa Geral de Depósitos.

Other process improvement projects

Workshops and remote sessions on ideation and creativity

We held workshops and remote sessions of ideation and creativity using digital tools to reduce our employees' travel between buildings.

BCTT and CTT Platforms

In 2022, we implemented two partner commercial platforms for the BCTT and CTT channels, with the marketing of the Health and Financial Life business lines.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

OK! teleseguros

• New OK! teleseguros Customer

Area – In 2022, OK! teleseguros presented its new customer area, which includes several improvements in terms of functionality and customer experience.

• Online Medicine

– Video consultations on general and family medicine from OK! Health on the OK! teleseguros app. This remote format allowed our customers to travel less, making it a more sustainable option.

• Virtual Agent

– The OK! teleseguros has developed a virtual agent that supports insurance sales and customer retention campaigns.

LA POSITIVA

• Broker Portal

– La Positiva implemented a portal for more than 1,000 brokers, which allows sales operations and consultations to be carried out and improves the brokers' experience, and is already used by more than six hundred people.

• AWS Landing Zone

– The service and security zone has been implemented on the Amazon Web Services Cloud platform.

• Enterprise Content Management

– A repository of business documents for systems on the Amazon Web Services Cloud platform was created. La Positiva was one of the

first insurers in Peru to work with this platform with the objective of improving the Time To Market of new solutions.

• **Datalake Cloud** – Datalake was developed at Amazon Web Services, which improves flexibility and speed in obtaining data, as Solvency II users do not need to make on premises reports.

• **Digital Payments** – Integration with online payment hubs for digital collection of premiums and automatic collection by credit/debit card.

• **API Manager Scouting** – The general architecture of the API Manager was designed. It will allow for integration between digital channels and core business processes, brokers and partners.

• Health IT Catch Up Scouting

– The general architecture for the technological transformation of the Health business unit was defined and the Cloud platforms that will be part of the solution were selected.



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1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

INNOVATIVE VALUE PROPOSITIONS

The Innovative Value Propositions pillar aims to improve the quality of the Fidelidade Group's product and service offerings, always putting customer needs first. For this reason, we work daily to stay one step ahead of trends and respond to the challenges of an ever-changing market.

Protechting 5.0

The Fidelidade Group sees entrepreneurship as a source of innovation and therefore continuously works to boost and streamline access to resources, creating opportunities for collaboration in pilot projects. In March 2022, Fidelidade, Fosun and Hospital da Luz Learning Health, with the support of the innovation consultant Beta-i, launched the 5th edition of Protechting. This international innovation programme aims to reinforce the connection between the selected startups, in the areas of Insurtech (insurance) and Healthtech (health), with the Group companies in Portugal and abroad, namely with Fidelidade Angola, Alianza in Bolivia, Garantia in Cape Verde, FID Seguros in Chile, Fidelidade France,

Fidelidade Macau, Fidelidade Ímpar in Mozambique, Alianza Garantia in Paraguay, La Positiva in Peru and also Fidelidade Espanha.

In 2022, 99 applications were received. From these were chosen 3 startups, which received tickets and the right to a booth at the Web Summit 2022 event.

Protechting has already contributed to the development of more than 50 pilot projects and 5 commercial agreements. Now we define Sustainability as a cross-cutting pillar, where one of the criteria for evaluating applications is the level of Contribution to the Sustainability Strategy.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

INSURTECH

We look for mature and sustainable solutions that improve the customer experience, posing challenges in the areas of General Insurance, Property and Home Living, Cybersecurity, Future of Mobility, Power of Technology and Beyond Insurance, where new forms of business or approaches to life are considered after Covid-19.

HEALTHTECH

Technology applied to health care has improved diagnoses and treatments, increasing efficiency in the sector. Therefore, we seek effective and sustainable solutions that improve people's health and well-being, always with a focus on safety, analysing challenges related to Well-being and Lifestyle, Disease Detection, New Treatments, Post-Covid-19 Life, Care Patient and Health Management.

TRANSFORMATIONAL ENABLERS

Transformational Facilitators promote innovation within the Fidelidade Group by creating synergies and developing innovative, disruptive and accessible solutions.

- **Centre for Transformation and Centre for Advanced Analytics**

– New centres focused on R&D designed to accompany the development of innovative projects and reinforce analytics capabilities. In 2022, more than 15 innovative solutions were tested as part of the Centre for Transformation's innovation team projects.

- **Office for Business Agility** – Area recently created at Fidelidade that applies Agile methodologies to facilitate the day-to-day activities of the organisation and plan and develop disruptive projects with a positive impact on the processes of the Fidelidade Group, using a hub & spoke logic.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

- **Strategic partnerships** – Aim to create or solidify value-added proposals in an ecosystem approach.
- **Protechting Programme** – International innovation programme designed to accelerate startups and create synergies with global companies.

OFFICE FOR BUSINESS AGILITY

The OBA has been a fundamental area in the development of the Group's agile culture, due to its aggregating vision, which makes it possible to function as an operational axis and catalyst for transformation. In 2022, the work carried out by OBA was recognised by impacted employees with high levels of satisfaction recorded (average of 4.1 out of 5), and this action had a relevant and significant impact on around 25% of all Fidelidade departments. The impact of OBA and living the values of agility has been felt on various topics, and more specifically in the way work is planned and carried out and in the retention and dissemination of knowledge and development of employees' skills.



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1.2. OUR BUSINESS

INNOVATION AND DIGITALISATION

FID R&D IN THE GROUP'S STRATEGY

Recently, as part of its strategy, the Fidelidade Group created FID R&D, the R&D centre within the Group, based on four strategic aims:

- Develop R&D projects to create innovative digital solutions that put FID R&D and its Customers at the forefront of the ecosystems in which they operate, from home, mobility, health and well-being, travel and leisure, always with a broad geographical context in mind.
- Create and concentrate a deep base of technical and scientific knowledge that allows FID R&D to support and advise its clients to achieve their objectives, addressing, for example, new segments and markets and increasing contact moments and quality of service.
- Develop robust proprietary digital solutions to be made available to third parties or commercialised on a national and international level, which differ from other value propositions, respond to trends and are based on state-of-the-art technologies, namely artificial intelligence, machine learning, data analytics, robotics, internet of things and automation of decision processes.
- Build a technological network of intelligence and knowledge that brings together the results of the

joint collaboration between the R&D teams at FID R&D and key partners in the academic area (such as entities of the Research and Innovation System and Technological Research Centres), the business sector and government entities.

FID R&D was considered an “entity with recognised suitability for the practice of R&D activities”, by the National Innovation Agency (ANI), in the fields of cybersecurity, internet of things, new forms of communication, information and communication technologies (ICT) applied to health and for access to open knowledge. The assigned R&D seal allows stakeholders to demonstrate recognition of suitability for the practice of R&D activities.



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1.2. OUR BUSINESS INNOVATION AND DIGITALISATION

FID R&D also plays an important role in the identification, analysis and monitoring of R&D projects/initiatives by the Fidelidade Group that may be included in the public financial and tax incentive programs available for this purpose, in particular the Tax Incentive System to Business Research and Development (SIFIDE II) of the Fidelidade Group to support business research and development. Likewise, FID R&D supports the identification of application opportunities within national and international financial incentive systems and the preparation of applications and management of the incentive strand associated with such initiatives. Thus, by continuously stimulating investment in this area,

we contribute to the generation of disruptive knowledge with the potential to provide the insurance business with the ability to anticipate social and environmental crises, always with people at the centre of service provision.

INITIATIVES

Hackacity

In September 2022, the 5th edition of Hackacity Porto was launched, at Estádio do Dragão. This initiative aims to encourage the development of ideas with a positive impact on the city, using publicly available information.

Websummit

In 2022, Fidelidade was present at the Websummit with the aim of attracting and interacting with potential partners and startups in the area of Sustainability, fostering future collaboration opportunities. More than 100 startup pitches were made and more than 300 leads were collected from entities that showed interest in maintaining contact post-event.

“Building Tomorrow Together - Innovation in Dementia”

As part of the Roche and Multicare partnership for the Building Tomorrow Together - Innovation in Dementia programme, 4 pilot projects were carried out in 5 hospitals, through the support of startups with digital solutions in the area of Dementia.

Instituto Superior Técnico Innovation Centre Powered by Fidelidade

In 2022, Fidelidade and Instituto Superior Técnico (IST) signed a collaboration protocol to promote research and foster the generation of knowledge in the areas of insurance and technology. Further to this, Fidelidade will award eight scholarships for master's degrees, eight scholarships for doctoral degrees and annual merit awards for Best Student of Computer and Computer Engineering and another for Best in Deep Learning.



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1.3. **OUR STRATEGY**



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

“Prepare for the future so that life does won’t stop.” A business vision that is also a commitment to society, based on a perspective of sustainability and value creation for our stakeholders.

With more than two centuries of history, Fidelidade acted according to a long-term vision which aims at the growth and consolidation of the business and, at the same time, the creation of a positive impact in the various geographies in which it operates, both from an economic point of view and a social and environmental point of view.

Therefore, the strategic business imperatives correspond to sustainability imperatives, which embody our vision of the future, as an agent of development and construction of a sustainable society.

To this end, we listen to our stakeholders and consider their contributions in defining the strategy that guides our actions, identifying the main priorities, in a continuous commitment to our mission and our values.

Act responsibly, honouring the past and building the future that aims for sustainable development.

Fidelidade defined a plan for sustained growth and transformation, transversal to the Group’s companies, which redefines priorities and sets goals. An ambitious plan, based on four strategic imperatives, oriented to action and complemented by a cross-cutting commitment to internationalisation.

Imperatives that ensure sustained global action, framed in an ESG approach.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

ACCELERATE GROWTH

Strengthening the national presence

To strengthen its position in the Portuguese market, the Fidelidade Group leverages the strength of its brands, its presence in the various distribution channels, its recognised technical capabilities and its culture of innovation to serve more customers. In addition, it makes a continuous effort to improve commercial dynamics, enhanced coordination between the different sales channels, in order to offer an omnichannel experience and an adaptation of the product offer to the expectations of customers in the different distribution channels.

This action plan has resulted in a continuous increase in the market share, mainly of the Non-Life business, and a proven resilience in the face of external adversities, as observed in recent years. At the same time, the potential identified in the Life business at the national level, reinforced by Fidelidade's positioning in the Savings ecosystem, has been one of the growth drivers.

Innovation and digital transformation

Innovation and digital transformation are the means for the Fidelidade Group to boost its insurance activity, through the creation of new business models supported by new technologies. It is also a key player in strengthening its presence in the domestic market and a means of adding value to international operations.



1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

OPTIMISE PROFITABILITY

The Fidelidade Group has shown positive and consistent results in recent years, thanks to several initiatives to improve profitability, which continue to be a focus of action for the future. Of these initiatives, the continuous automation of internal processes, the transformation of the Life business and the optimisation of the management of the investment portfolio stand out.

Continuous improvements in efficiency

This continuous improvement in efficiency is based on automation and the use of analytics technologies, which translates into an increasing digitalisation of interaction with the customer and distribution partners. This focus allows the Group to increase the number of processes that do not require human intervention, thus freeing up resources for activities with greater added value. Another result is the efficiency gains obtained, with an important impact on various aspects of the business, such as underwriting or claims management.

Transformation of the life business

In a macroeconomic context of sharp interest rate increases, the Vida Finance business remains one of the fundamental axes for the company's profitability. Continuing with the transition to unsecured capital products (unit-linked), Fidelidade will continue to seek to take on an important role in the area of savings and investment.

The redefinition of the offer, in which the regular rhythm of closed series launches stands out, led to a growing weight of this type of products, which helped to better balance the portfolio. To this reformulation is added a focus on differentiated asset management capabilities, in order to exploit the potential that this line of business presents in the Portuguese market.

Optimisation of investments

The optimisation of the management of the investment portfolio is to ensure the adequacy to the market and regulatory context in which Fidelidade operates, with sustainability concerns always present in our investment decisions, and thus we assume a responsible investor position. We seek to enhance the "return and risk" binomial, safeguarding the prudent posture that has always characterised Fidelidade's performance. This optimisation also focuses on diversifying investments, either geographically or in terms of asset classes, to mitigate risks and ensure protection against adverse market contexts.



1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

FOCUS ON THE CUSTOMER

Currently, Fidelidade's ambition is not only to offer insurance and mutualise the customer's risk, but to proactively support them in managing their risks and solve their problems and needs in a comprehensive way. This ambition demands the development of new integrated offers in the ecosystems in which it operates, providing products and services outside its primary activity and increasingly focused on preventing and solving the customer's holistic needs.

We have taken this path in areas such as Mobility, Heritage, Health and Assistance through the acquisition and internalisation of various services relevant to the activity and also through forging strategic partnerships with important groups with a global presence.

In view of the increasing complexity of the market and the increasing demand of consumers, we will continue to seek to boost the Fidelidade Group's presence along the value chain, in order to offer a differentiated value proposition to our customers and continue to introduce sustainability criteria that foster ecological transition and social well-being.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

MOBILISE THE ORGANISATION

To achieve the first three strategic objectives of growth, profitability and customer focus, the Fidelidade Group needs to be endowed with talent and working methods. Therefore, it remains attentive to the transformation and trends of the sector, in order to ensure today the necessary talent for the challenges of tomorrow, in line with the ambition to become a benchmark employer in the national market. We have developed an action plan that allows us to respond in a structured way to the demanding challenges we face and fill the potential gaps identified with the talent available in the market.

In addition, we continue to invest in employee training and internal mobility, fostering experience sharing and knowledge generation. Alongside this, the Group has taken a journey to reformulate the way it works and its organisational processes based on Agile methodologies, with a growing number of interdisciplinary teams already working under this methodology.

In this sense, Fidelidade continues to promote the necessary actions so that all employees take on the Group's values, purpose and identity. The various social responsibility initiatives guaranteed by Fidelidade, such as the WeCare programme, also foster community spirit throughout the Group.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

INTERNATIONAL BUSINESS

International expansion plays a decisive role in the growth strategy of the Fidelidade Group, while helping to reduce the historical concentration in the Portuguese market and serving as a fundamental mechanism to ensure risk diversification.

The Fidelidade Group's internationalisation process aimed, at an early stage, for the markets with which Portugal has greater economic, cultural and linguistic affinities; to a large extent, it followed its natural banking channel distribution partner (CGD), focusing on markets where the Bank was present.

The acquisition of a majority stake in the La Positiva Insurance Group in 2019 and the start of operation in Chile in 2020 marked the beginning of a new phase of international expansion of the Group, followed by the acquisition of a majority stake in the International Insurance Company of Mozambique (SIM) and the signing of an agreement to acquire a majority stake in The Prosperity Group AG, with its operation focused on European markets such as Germany and Switzerland.

The objective of the Fidelidade Group is to balance the consolidation of the various international operations with the possibility of selectively exploring expansion opportunities in complementary markets where, due to its skills, it can offer competitive advantages, while always keeping in mind strict compliance with all the criteria of financial and operational sustainability.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

BUSINESS AND SUSTAINABILITY

The strategic business plan corresponds to a long-term vision, which integrates Fidelidade's positioning as an agent of change committed to building a sustainable development model.

More than 200 years of history give Fidelidade the certainty that only by taking care of the present is it possible to persevere and achieve a prosperous, just and sustainable future.

It was with this in mind that, in 2020, we began a process of reflection on our potential contribution to society, by analysing sectoral and regulatory trends, studying the performance of our peers and listening to the expectations of internal and external stakeholders, in order to identify the main challenges, but also the areas in which Fidelidade's positive impact could be amplified with improved performance at the social, environmental and economic/governance levels.

Listening to stakeholders was a fundamental step in the reflection process on Fidelidade's impact on society and the planet, which helped us to identify the main challenges, anticipate risks and map opportunities, enabling the selection of the most important topics for Fidelidade. A fundamental process for building a transparent and trusting relationship, essential for long-term value creation.

The insurance sector currently faces a multitude of challenges that affect strategic and operational performance. From demographic issues such as longevity and ageing populations, the future of work and the need to invest more and more in financial literacy and disease prevention and health promotion, to organisational issues such as cybersecurity and data protection, alongside environmental challenges such as energy transition, climate change and the proliferation of extreme events.

For Fidelidade it was a particularly challenging reflection process carried out in the context of a pandemic crisis, so in 2022 we decided to proceed with a re-evaluation process, which culminated in the identification of seven key topics and four priority challenges for the Fidelidade Group.



1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

CHALLENGES

- Longevity and Ageing
- Health
- Climate Change and Extreme Events
- Savings and Financial Literacy

KEY TOPICS

- Diverse, fair and inclusive employment
- ESG awareness for customers and partners
- Sustainable Products and Services
- Innovation and service digitalisation models
- Sustainable Investment
- Sustainable Procurement
- Resource efficiency

Based on this identification, Fidelidade set out its strategic vision for sustainability: "Vision 2030 – Preparing the future, contributing to the resilience of Society and positively impacting all stakeholders", based on three axes of action concerning social, environmental and economics/ governance.

To ensure the implementation of Vision 2030, Enablers were also identified. They are facilitating instruments for coherent and cross-cutting execution, and to ensure alignment with the UN 2030 Agenda through the identification of seven priority Sustainable Development Goals.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

2030 VISION

"Prepare for the future, contribute to society's resilience and have a positive impact on all our stakeholders."



Social Dimension

Assume an important role in the social dimension, impacting society as a whole.



Environmental Dimension

Take on a proactive role in the ecological transition.



I. Economic/Governance Dimension

II. Be a responsible and exemplary economic actor.

"Sustainability is the condition of our activity, our long-term vision. We intend to promote a behavioural change in society, by raising awareness of the role of each and every one, investing in the prevention and mitigation of risks. As a benchmark insurer in Portugal, Fidelidade assumes its responsibility in 3 key dimensions: social, environmental and economic. We want to continue to have an important social role to foster a more resilient society, take a proactive stance in the ecological transition, and strengthen our role as a responsible and exemplary economic agent."

João Mestre,
Sustainability Department



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

ENABLERS

We highlight the key enablers in supporting the implementation of the Fidelidade Group's vision of sustainability:

- i. Review of existing policies, including a sustainability angle, and creation of new policies, such as: Sustainability Policy, Environment and Climate Policy, Responsible Investment Policy, Responsible Procurement Policy and Code of Conduct, Diversity, Equality and Inclusion Policy and Risk Management Policy.
- ii. Set up a review of processes that ensure transparency, business ethics and respect for all our stakeholders.
- iii. Regular, transparent and clear communication on sustainability topics.
- iv. Create governance bodies involving the various areas of Fidelidade, such as the Sustainability Committee, among others.

UN 2030 AGENDA

Sustainable Development Goals

When, in September 2015, 193 UN Member States adopted the resolution "Transforming our world: Agenda 2030 for Sustainable Development", we were all exhorted to contribute, in an indelible way and on a global scale, to its realisation.

For the Fidelidade Group, the contribution to this global project involves aligning its strategic priorities with the Sustainable Development Goals, with a view to creating a positive impact on the planet and society. This process resulted in the identification of seven priority SDG to which it contributes most significantly, without ever forgetting the global and unbreakable commitment it maintains to the entire UN 2030 Agenda.

2022 marked the reinforcement of this important commitment to the United Nations, through signing up to fundamental principles, promoted by two important initiatives on a global scale, endorsed by the UN Secretary-General:

- i. Principles of the United Nations Global Compact, in the areas of Human Rights, Labour Practices, Environmental Protection and Anti-Corruption.
- ii. UNEP FI Principles for Sustainable Insurance, addressed to the insurance industry and addressing risks and opportunities relating to environmental, social and governance aspects.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

PRIORITY

SDG



SDG 3 - Good Health and Well-Being

Development of products and services that foster healthy living habits and respond to the health needs of customers.



SDG 8 - Decent work and economic growth

Conduct as a responsible employer, which encourages best practices with partners and suppliers, ensuring an economically viable activity that respects all stakeholders.



SDG 9 - Industry, innovation and infrastructure

Innovative approach that responds to the needs of customers and fosters sustainable development, involving the society.



SDG 10 - Reduce inequalities

Provision of products and services that respond to the needs of the most disadvantaged segments of the population. Responsible action with employees that promote Diversity, Equity and Inclusion.



SDG 12 - Responsible consumption and production

Influence, throughout the value chain, behaviours that promote the circular economy and the responsible use of resources.



SDG 13 - Climate action

Encourage customers, suppliers and partners to reduce their carbon footprints, as well as within the scope of its own activity. The goal of reaching the net-zero goal is a strategic priority in Fidelidade's operations.



SDG 17 - Partnerships for the Goals

In order to achieve the remaining Sustainable Development Goals, Fidelidade will act in partnership with its stakeholders to decisively enhance the impact of its actions.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

The Fidelidade Group embodies its 2030 Vision through Axes of Action and the respective Sustainability Commitments.

SOCIAL DIMENSION

Assume an important role in the social dimension, impacting society as a whole.

ENVIRONMENTAL DIMENSION

Take on a proactive role in the ecological transition.

INFLUENCING CHANGE

Influence the adoption of more sustainable behaviours, especially through products and services, and privilege suppliers that ensure alignment with the best sustainability practices, while supporting those who are still at the beginning of their journey.

ACTION AXES

LONGEVITY

Promotion of solutions that promote saving habits in preparation for retirement, in health prevention and in the provision of services dedicated to the senior population.

PREVENTIVE HEALTHCARE

Improve the health of the population by responding to their concerns, providing products, services and programmes that foster healthy living habits, promote prevention and facilitate access to health care.

SOCIAL INCLUSION

Providing products and services aimed at the underserved/underprotected population, promoting inclusive protection.

Employees: Diversity and Inclusion Policy

Society: Volunteer programmes, donations, Fidelidade Community Award.

WeCare Spirit

ACTIVE SOCIAL RESPONSIBILITY AGENT

Foster a cohesive and resilient Society, through joint work with institutions that work with social challenges.

WE CARE COMMITMENT

Maintain the WeCare spirit in the commitment to customers, going beyond what is legally required in supporting victims in the most serious cases and ensuring assistance to the population in the markets in which it operates.

ECONOMIC AGENT WITH AN ENVIRONMENTAL COMMITMENT

Alignment with the objectives of the Paris Agreement, by assuming a commitment to reducing GHG emissions and supporting carbon sink projects through the financing and development of sustainable ecosystems that foster biodiversity, particularly in the interior of the country to favour local employment.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS



Offer of sustainable products and services to promote the adoption of behaviours in line with this objective and take account of customers' interests in terms of sustainability.

We commit to having **10 ESG products in Portugal, planned or on offer, by the end of 2023.**

Issue the first Fidelidade green bond.



BY THE END OF 2023, WE WILL:

- Continue listening to the Group's organisational climate in Portugal, through an annual survey to be carried out by Great Place to Work and disseminate the key findings to employees;
- Strengthen our commitment to people, introducing a target for all Executives and Managers to reach an Engagement Index of 80% in their departments;
- Carry out **internal mobility for 10% of the Group's employees in Portugal**, promoting their growth and skills development;
- Carry out a **new assessment of the Psychosocial Risks** to which the Group's employees in Portugal are exposed and disseminate the key findings to employees;
- Hold an **awareness session on Diversity, Equity and Inclusion** with Executives and Managers to train 130 people;
- Carry out **awareness-raising initiatives open to all employees** on the themes of Diversity and Equity, Well-Being and Psychosocial Risks, namely by holding 7 webinars; train 50 people in inclusive recruitment, 100 people in psychosocial risks and 50 team leaders in Psychological First Aid.
- Ensure that **60% of people in the Fidelidade Group have a defined Personal Development Plan** (currently <30%).



BY THE END OF 2023, WE WILL:

- **Have 100% of the electricity used in Portugal from 100% renewable sources.**
- Complete the carbon footprint measurement for operations, investments and underwriting.
- Create the **Environmental Programme** that will detail the net-zero strategy for reducing and offsetting carbon emissions.
- Launch a **forest fund** with an investment from Fidelidade of 12 million euros.
- Launch the **Centre for Climate Change** in conjunction with universities and other Portuguese institutions.



1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS

ECONOMIC DIMENSION
Be a responsible and exemplary economic actor.

INFLUENCING CHANGE

ACTION AXES

RESPONSIBLE INVESTOR AND GREEN BONDS ISSUER - SUSTAINABLE INVESTMENTS
Make our asset portfolio more sustainable, with a greater number of ESG Compliant investments.

Increase investments in sustainable assets, not only in the environmental dimension but also in the social and governance ones.

PROCUREMENT AND SUSTAINABLE PARTNERSHIPS
Enhance the sustainability trajectory of stakeholders along the value chain, incorporating ESG criteria in the selection of suppliers and supporting our business partners in their sustainability journey.

TRAINING
Promotion of reskilling and upskilling of employees, ensuring they have adequate skills throughout their careers and enhancing their employability.

EQUITY, DIVERSITY AND INCLUSION
Equitable treatment, with fair pay that encourages diversity and inclusion.

SUPPORT FOR EMPLOYEES
Support for employees, in terms of economics, health and preparation for an active life in retirement.



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1.3. OUR STRATEGY

STRATEGY, COMMITMENTS AND GOALS



Active promoter and orchestrator of sustainability in the Portuguese economy, making a decisive contribution to fostering a more sustainable society, in conjunction with other companies and national entities.

Underwriter of global sustainability commitments, demonstrating alignment with the UN 2030 Agenda and the Sustainable Development Goals, along with the adoption of best practices in terms of sustainability.



BY THE END OF 2023, WE WILL:

- Revise the **supplier evaluation and selection process with a view to including ESG criteria**, by reviewing the Procurement Policy and drawing up a Code of Conduct.
- Develop a **Technological School focused on reskilling** employees and cross-training to reinforce digital proficiency skills;
- Continue **training the leaders of the future through the “Leadership Journey” training programme**, training 64 people;
- Hold **training sessions** for all Fidelidade employees in Portugal on the subject of sustainability;
- Continue carrying out awareness-raising initiatives open to society on the subject of sustainability, in particular conferences, talks and training sessions.
- Include **sustainability performance indicators in the annual employee assessment**, including at the Executive Committee level.

BY THE END OF 2025, WE WILL:

- Review 100% of the asset portfolio according to ESG criteria.
- Develop a **Leadership School**, focused on the development and training of Fidelidade leaders which will, by the end of 2024, train 50% of current leaders.
- Ambition to issue the first **Fidelidade green bond**.



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1.3. OUR STRATEGY

STAKEHOLDERS: IDENTIFICATION AND MEANS OF INVOLVEMENT

The identification and involvement of the main stakeholders are fundamental elements for Fidelidade. They allow the selection of the most relevant topics, but also the anticipation and mitigation of risks and the identification of new opportunities, which enhances value creation over the long term. The most important stakeholders for Fidelidade are therefore actively involved, through different channels and activities, in a constant concern for their needs and expectations in terms of business and sustainability.

MEANS OF INVOLVEMENT	STAKEHOLDERS	Business Partners	Customers	Management and Employees	Sustainability Specialists	Society and Communities	Suppliers	Peer Entities	Sectoral Entities
Report	Board Meetings			x					
	EC Meetings			x					
	Committees			x					
	Management information			x					
	Integrated Report	x	x	x	x	x	x	x	x
	Website	x	x	x	x	x	x	x	x
Communicate	Informative brochures	x	x						
	Press	x	x	x	x	x	x	x	x
	Newsletters	x	x	x		x			
	Intranet			x					
	Extranet	x							
	Promotional SMS		x						
Innovate	Social Networks	x	x	x	x	x	x	x	x
	Applications		x						
	Protocols and Partnerships with Universities / Other Sectoral Entities					x			x
	Working Groups	x			x			x	x



1.3. OUR STRATEGY

STAKEHOLDERS: IDENTIFICATION AND MEANS OF INVOLVEMENT

MEANS OF INVOLVEMENT	STAKEHOLDERS	Business Partners	Customers	Management and Employees	Sustainability Specialists	Society and Communities	Suppliers	Peer Entities	Sectoral Entities
Promote	Education and awareness-raising actions	x				x	x		
	Support for initiatives and projects					x			x
	Meetings, Exhibitions and Conferences	x	x	x	x	x	x	x	x
	Cultural Events	x	x	x	x	x	x	x	x
Involve	Management Meetings			x					
	Meetings with workers' representatives			x					
	Engagement initiatives with the local community	x	x			x			
	Communication channels with customers to handle complaints and suggestions		x						
Evaluate	Dialogue with consumer associations		x						
	Customer satisfaction surveys		x						
	Satisfaction surveys	x							
	Market Research		x						
	Public consultations to define new legal and regulatory measures								x

The Fidelidade Group assumes a set of national and international commitments that guide its performance and positioning as an environmentally and socially responsible entity. Involvement in working groups, participation in initiatives and the relationship with entities that develop these matters underpin its strong commitment to sustainability.



1.3. OUR STRATEGY

COMMITMENTS AND INVOLVEMENT WITH INITIATIVES AND ENTITIES

COMMITMENTS

CEO´s Call to Action “A new deal for Europe” | CSR Europe

A Call to Action from business leaders who use the United Nations Sustainable Development Goals as a compass to make the necessary transformations to face the challenges. The Paris Agreement and the UN Guiding Principles on Business and Human Rights are the beacons of its journey. As a company, we want to add value to society and achieve sustainable profitability through a strong purpose and ethical foundation for our business. We believe in a democratic society in Europe where the rule of law, cooperation between business, civil society and governments are our greatest assets in responding to public concerns on the road to Europe’s future – a Europe that leaves no one behind.

Charter of Principles | BCSD - Business Council for Sustainable Development - Portugal

By subscribing to the Charter, Fidelidade assumed the commitment to promote the continuous improvement of management and guide its activity towards value creation for all stakeholders – customers, suppliers, employees, investors, local communities. The Charter sets out six fundamental sustainability principles that translate into twenty goals: Legal Compliance & Ethical Conduct; Human rights; Labour Rights; Prevention, Health and Safety, Environment and Management.

“Towards COP27” Manifesto | BCSD Portugal

Recognising the importance of the transition to a more just and carbon-free global economy, in line with the Paris Agreement, Fidelidade signed the Manifesto “Towards COP27”, in full agreement with its priority axes of action.

Fidelidade had already signed up, in 2021, to BCSD Portugal’s “Towards COP26” Manifesto, which embodies its continued commitment to this matter.

“Taking advantage of the crisis to launch a new paradigm of sustainable development” Manifesto | BCSD Portugal

In the context of crisis and pandemic, the BCSD and its Members declared their ambition to aid Portugal in building a development model that values investment and employment – while promoting a more inclusive society – and to maintain the path towards the transition to a lower carbon economy and society, ensuring the balances of the biosphere. Moreover, this response should help to limit the impact on public finances of the fall in economic activity and take advantage of the opportunities for Portugal from the rebalancing of the global and European economy.



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1.3. OUR STRATEGY

COMMITMENTS AND INVOLVEMENT WITH INITIATIVES AND ENTITIES

Lisbon Commitment European Green Capital 2020 • Climate Action Lisbon 2030 | Lisbon City Council

Fidelidade made commitments in the following areas: Commitment to green measures for energy, water, noise and air quality, the circular economy, citizenship and participation and reduction of the thermal load of buildings. It also committed to the Mobility Pact for mobility measures.

Portuguese Charter for Diversity | APPDI - Portuguese Association for Diversity and Inclusion

As a signatory organisation, Fidelidade assumes diversity as an ethical imperative, which translates into a fundamental and guiding principle of its internal and external action, and is part of its values and its institutional identity.

“Innovation, Economic Development and Sustainability for Portugal” Manifesto | Strategic Council for the Portuguese Sustainability Award

By signing up to the Manifesto, Fidelidade is committed to working in alignment with the SDGs, the Paris Agreement and the European Green Deal.

Inclusive Community Forum | Nova SBE

An initiative dedicated to the lives of people with disabilities that aims to promote a more inclusive community. Commitment renewed in 2022.

Principles for Sustainable Insurance | UNEP-FI

The PSI, promoted by the UN, constitute a global framework for the insurance sector, which aims for better understanding, prevention and reduction of ESG risks and better management opportunities to provide reliable and high-quality risk protection.

Ten Principles | United Nations Global Compact

Fidelidade signed up to the Ten Principles of the UN Global Compact, a United Nations initiative aimed at mobilising companies to adopt corporate social responsibility and sustainability policies. Since 2015, the UN Global Compact has also been responsible for helping to achieve the Sustainable Development Goals.

The Ten Principles of the UN Global Compact – underpinned by universally accepted declarations and conventions such as the Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights and the Rio Declaration on Environment and Development – are divided into



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1.3. OUR STRATEGY

COMMITMENTS AND INVOLVEMENT WITH INITIATIVES AND ENTITIES

four areas, Human Rights, Labour Practices, Environmental Protection and Anti-Corruption, with a view to integrating them into companies' strategy and operations.

Fidelidade is committed to respecting and promoting each of these Ten Principles.

Principles of the UN Global Compact

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.



1.3. OUR STRATEGY

COMMITMENTS AND INVOLVEMENT WITH INITIATIVES AND ENTITIES

PARTICIPATION IN WORKING GROUPS

- BCSD Portugal | Sustainable Finance;
- BCSD Portugal | Journey 2030 – Working Group on the Charter of Principles of Companies for Sustainability, created to support companies in the transition to more sustainable business models and put the Charter of Principles into operation, in particular through the definition and development of useful tools for signatory companies;
- GRACE | Communication Cluster, Financial Cluster, Citizenship and Volunteering Cluster. Fidelidade also sits on the Board;
- Business Roundtable Portugal | The Business Roundtable Portugal Association represents 42 of the largest Portuguese business groups and aims to accelerate Portugal's economic and social growth to ensure a more just, prosperous and sustainable country. Fidelidade integrates the People – Attraction and Retention of Talent and Companies – Innovation axes. Commitments | BRP WGs we are part of: Reskilling; Professional qualification; Management Exchange; INOV Contact; Advisors – Foreign Trade; Co-Working; International CEO Conversations; Teenagers.
- Jornal de Negócios | Strategic Council of the Portuguese Sustainability Award;
- Diversity & Inclusion Journey | Speak | Beyond Diversity Roundtable.
- Santa Casa da Misericórdia de Lisboa - Casa do Impacto | Conselho Consultivo Programa +PLUS.

Since 2022, Fidelidade has been leader jointly EDP of the Sustainability Working Group;



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1.3. OUR STRATEGY

COMMITMENTS AND INVOLVEMENT WITH INITIATIVES AND ENTITIES

GLOBAL ENGAGEMENT WITH ENTITIES

Non-exhaustive list of affiliations and involvement with other entities in the Fidelidade Group.

- APFIPP - Portuguese Association of Investment Funds, Pensions and Assets;
- Macau Insurers' Association;
- Macau Insurance Industry Professionals Association;
- Liechtenstein Insurance Association ("LLA");
- Association of Insurance Companies of Chile ("AACH");
- Ecoembes;
- Ecopilas;
- Cáritas y Textil Empleo;
- Cruz Roja Española;
- Asociación Inserta;
- Fundación Juan XXIII - Centro Especial de Empleo;
- Proyecto Libera;
- Cámara de Comercio Cánada-Perú;
- Amcham.



2. CREATE VALUE, INVEST IN THE FUTURE



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2.1. **FINANCIAL PERFORMANCE**



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2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

EXECUTIVE SUMMARY

	2022	2021	Change 22/21
Summary of Results			
Premiums written	5,118,141	4,911,602	4.2%
Life	2,491,991	2,628,513	-5.2%
Non-Life	2,626,149	2,283,089	15.0%
Combined ratio (%) ¹	97.4%	93.4%	4.0 p.p.
Technical Result	71,274	45,311	57.3%
Non-Technical Result	108,838	31,270	248.1%
Investment yield (%) ²	2.0%	3.6%	-1.6 p.p.
Investment Earnings ³	158,096	330,410	-52.2%
Net Profit ⁴	220,475	270,242	-18.4%
BALANCE SHEET Summary			
Assets under Management ⁵	17,041,678	18,099,943	-5.8%
Total Assets	20,249,171	20,350,385	-0.5%
Technical Provisions	14,472,260	14,054,213	3.0%
Equity ⁶	2,553,597	3,054,714	-16.4%
ROE	7.9%	8.8%	-0.9 p.p.

Unit: thousands of euros

1. Combined Non-Life ratio adjusted to the technical costs of the insurance activity; 2. Excludes Unit-linked products and properties for own use; 3. Financial income deducted from attribution to clients/technical interest and expenses related to investment management; 4. After minority interests; 5. Includes properties for own use; 6. Excludes minority interests

In 2022, the Fidelidade Group reached a consolidated written premium volume of 5.1181 billion euros, an overall increase of 4.2% compared to the previous year, supported by the strong growth of the Non-Life business.

The combined Non-Life ratio increased over the same period, driven by the resumption of normal economic activity, reflected in the frequency of accidents and the effect of inflation.

The technical result improved to 71.3 million euros, reflecting the improvement in the profitability of the Life Risk branches in a post-pandemic context.

The investment result decreased by 52.2% to €158.1 million, influenced by the effect of the devaluation of investment assets throughout 2022, reflecting both the instability felt in financial markets and the effect of increased inflation and interest rates.

The positive evolution of the non-technical result to 108.8 million euros, which contributed to the improvement in the result of the non-insurance activity of the Fidelidade Group, was not sufficient to compensate for the reduction in the investment result, leading to a net profit of 49.8 million euros less than in 2021, falling to 220.5 million euros.



2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

It should also be noted that at the end of 2022 the Fidelidade Group had 17.0 billion euros in assets under management, representing a decrease of 5.8% compared to 2021, which mainly reflects the effects of devaluation of financial assets. On the other hand, technical provisions increased by 3.0% compared to 2021.

Equity amounted to 2,553.6 million euros; the average return on shareholder equity ("ROE") was 7.9%.

PREMIUMS WRITTEN

Consolidated premiums

	2022	% Mix	2021	% Mix	Change 22/21
Premiums Written					
Life¹	2,491,991	48.7%	2,628,513	53.5%	-5.2%
Risk and Annuities	522,849	21.0%	443,081	16.9%	18.0%
Financial Life	1,969,142	79.0%	2,185,433	83.1%	-9.9%
Non-Life	2,626,149	51.3%	2,283,089	46.5%	15.0%
Motor	747,747	28.5%	668,183	29.3%	11.9%
Health	541,694	20.6%	466,993	20.5%	16.0%
Fire and Other Damage	560,233	21.3%	477,570	20.9%	17.3%
Accidents at Work	375,454	14.3%	312,145	13.7%	20.3%
Other Non-Life	401,021	15.3%	358,198	15.7%	12.0%
TOTAL	5,118,141	100.0%	4,911,602	100.0%	4.2%

(continuation)

	2022	% Mix	2021	% Mix	Change 22/21
Geographic Breakdown					
Life¹	2,491,991	100.0%	2,628,513	100.0%	-5.2%
Portugal	1,831,491	73.5%	2,277,607	86.7%	-19.6%
International	660,500	26.5%	350,906	13.3%	88.2%
Non-Life	2,626,149	100.0%	2,283,089	100.0%	15.0%
Portugal	1,746,405	66.5%	1,604,564	70.3%	8.8%
International	879,745	33.5%	678,524	29.7%	29.7%
TOTAL	5,118,141	100.0%	4,911,602	100.0%	4.2%
Portugal	3,577,896	69.9%	3,882,172	79.0%	-7.8%
International	1,540,245	30.1%	1,029,430	21.0%	49.6%

Unit: thousands of euros

1. Includes investment contracts

2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

Due to the highly uncertain macroeconomic context that characterised 2022, the Life business recoded a decrease of 5.2% compared to the previous year, to 2,492 million euros, reflecting the behaviour of Financial Life premiums in Portugal. In contrast, the Life business at an international level recorded growth of 88.2% compared to the previous year, benefiting both from the performance of international operations and from the integration, in early 2022, of the prosperity company group, which performs its activity in several European markets.

In the Non-Life segment, the Fidelidade Group grew 15.0% in 2022 to 2.626 billion euros, with a positive performance in all business lines and in all geographies. In 2022, the international business represented about a third (33.5%) of the total volume of Non-Life written premiums.

The business lines that saw the highest growth in 2022 were Accidents at Work, Fire and Other Damage and Health with increases of 20.3%, 17.3% and 16.0% respectively.

Premiums in Portugal

	2022	% Mix	2021	% Mix	Change 22/21
Premiums in Portugal					
Life	1,831,491	51.2%	2,277,607	58.7%	-19.6%
Risk and Annuities	197,630	10.8%	191,050	8.4%	3.4%
Financial Life	1,633,861	89.2%	2,086,557	91.6%	-21.7%
Non-Life	1,746,405	48.8%	1,604,564	41.3%	8.8%
Motor	549,147	31.4%	512,610	31.9%	7.1%
Healthcare	417,944	23.9%	380,478	23.7%	9.8%
Fire and Other Damage	298,086	17.1%	276,100	17.2%	8.0%
Accidents at Work	286,623	16.4%	256,387	16.0%	11.8%
Other Non-Life	194,604	11.1%	178,990	11.2%	8.7%
TOTAL	3,577,896	100.0%	3,882,172	100.0%	-7.8%

Unit: thousands of euros



2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

In Portugal, the Fidelidade Group performed well in Non-Life segment premiums, growing 8.8% compared to the previous year and above the market average (7.4%), growth to which most business lines contributed. This evolution allowed its Non-Life market share to increase by 0.3 p.p. to 28.8%.

In terms of Non-Life activity, the Accidents at Work and Health branch recorded the highest growth, with total premiums reaching 286.6 and 417.9 million euros respectively. It should also be noted that Fidelidade's market share in Portugal for Accidents at Work increased to 27.9% (versus 26.6% in 2021).

In the Life business in Portugal, Fidelidade registered a decrease of 19.6%, compared to the previous year, influenced by the unfavourable evolution of Life Financial products. However, since the market shrank by 21.8% compared to the previous year, this allowed the Fidelidade Group to increase its market share.

International business premiums

	2022	% Mix	2021	% Mix	Change 22/21
International Premiums					
Life Premiums	660,500	42.9%	350,906	34.1%	88.2%
Risk and Annuities	325,219	49.2%	252,031	71.8%	29.0%
Financial Life	335,281	50.8%	98,875	28.2%	239.1%
Non-Life	879,745	57.1%	678,524	65.9%	29.7%
Motor	198,600	22.6%	155,573	22.9%	27.7%
Healthcare	123,750	14.1%	86,515	12.8%	43.0%
Fire and Other Damage	262,146	29.8%	201,470	29.7%	30.1%
Accidents at Work	88,831	10.1%	55,758	8.2%	59.3%
Other	206,417	23.5%	179,209	26.4%	15.2%
TOTAL	1,540,245	100.0%	1,029,430	100.0%	49.6%

Unit: thousands of euros

The amount of premiums from the international business reached 1.5402 billion euros in 2022, recording growth of 49.6% compared to the previous year in the Life and Non-Life segments.

Non-Life activity grew 29.7%, with Peru, Chile and Angola the geographies that contributed the most to the increase of 201.2 million euros in international Non-Life premiums.

2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

The Accidents at Work branch grew very positively (59.3%), driven by the Fidelidade Group's business in Mozambique and Angola. For its part, the Health sector registered a growth of 43.0%, influenced by the increase in demand in health insurance underwriting in Mozambique and Angola.

The Life Risk and Annuities branch, which plays an important role in the Latin American business, registered a significant growth of 29.0%, essentially reflecting an increase in demand for life policies in Bolivia and Peru, as well as the effect of the appreciation of the local currency against the euro.

Finally, it should be noted that, in international activity, the Financial Life branch registered a growth of 239%, reflecting the integration of The Prosperity Company group.

	2022			2021			Change 22/21
	%Life	%Non-Life	Total	%Life	%Non-Life	Total	%
International Premiums							
PERU	34%	66%	597,556	36%	64%	520,098	14.9%
LIECHTENSTEIN	100%	0%	237,562	-	-	-	-
BOLIVIA	49%	51%	214,141	44%	56%	172,100	24.4%
FRANCE + LUX	39%	61%	120,989	31%	69%	98,864	22.4%
CHILE	0%	100%	101,578	0%	100%	61,624	64.8%
ANGOLA	6%	94%	77,199	4%	96%	42,350	82.3%
MACAO	73%	27%	66,106	76%	24%	65,118	1.5%
SPAIN	7%	93%	45,494	12%	88%	27,894	63.1%
MOZAMBIQUE	12%	88%	44,334	1%	99%	10,109	338.6%
CAPE VERDE	15%	85%	19,763	15%	85%	16,750	18.0%
PARAGUAY	4%	96%	15,522	4%	96%	14,524	6.9%
TOTAL	43%	57%	1,540,245	34%	66%	1,029,430	49.6%

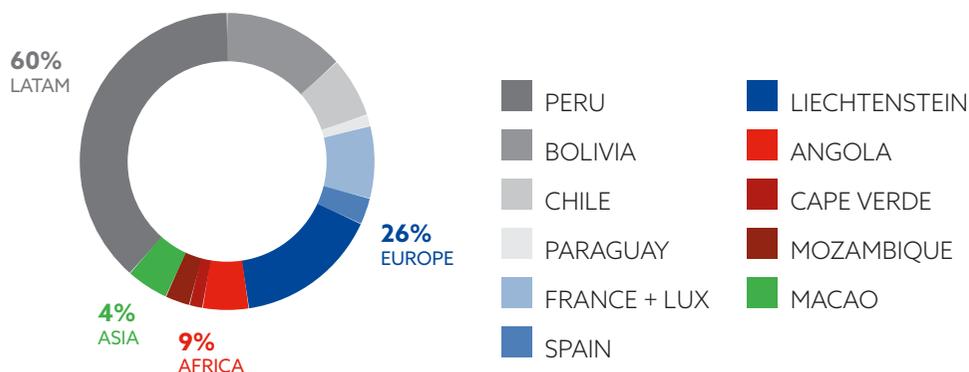
Unit: thousands of euros

2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

Thus, with regard to geographic distribution in 2022, the Latin American business represented 60% of the Fidelidade Group's international business, Europe 26%, Africa 9% and Asia 4%.

International Business: Geographic Distribution



PROFITABILITY

Combined ratio

	2022	2021	Change 22/21
Combined Ratio			
Consolidated CoR	97.4%	93.4%	4.0 p.p.
Loss Ratio	68.1%	64.9%	3.2 p.p.
Expense Ratio	29.3%	28.5%	0.8 p.p.
CoR Portugal	95.3%	93.0%	2.4 p.p.
CoR International	105.4%	96.6%	8.7 p.p.

Unit: (%)

The consolidated combined ratio of the Fidelidade Group stood at 97.4%, increasing by 4.0 p.p. compared to the previous year, mainly reflecting the normalisation of claims frequencies in most business lines and the increase in costs due to inflation.

This increase in the combined ratio occurred both in activity in Portugal (+2.4 p.p. compared to 2021, to 95.3%) and in international business (+8.7 p.p. compared to 2021, to 105.4%), the latter being influenced by non-recurring impacts.



2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

Net Profit

	2022	2021	Change 22/21
Income statement			
Technical Result	71,274	45,311	57.3%
Investment Earnings	158,096	330,410	-52.2%
Non-Technical Result	108,838	31,270	248.1%
Income before tax	338,208	406,991	-16.9%
Taxes and Minority Interests	-117,734	-136,750	13.9%
NET PROFIT	220,475	270,242	-18.4%

Unit: thousands of euros

Net profit decreased in 2022, explained by the lower contribution of investment income, reflecting the accounting recognition of impairments associated with investment assets.

BALANCE SHEET INDICATORS

Assets under Management

	2022	% Mix	2021	% Mix	Change 22/21
Assets under Management					
Not connected to Unit Linked ¹	13,881,758	81%	16,339,673	90%	-15.0%
Unit Linked	3,159,920	19%	1,760,270	10%	79.5%
Total Assets under Management	17,041,678	100%	18,099,943	100%	-5.8%
yield ² (%)	2.0%	-	3.6%	-	-1.6 p.p.
RoTE (%)	10.5%	-	10.9%	-	-0.4 p.p.

Unit: thousands of euros

1. Includes properties for own use; 2. Excludes Unit-linked and properties for own use

At the end of 2022 Fidelidade had assets under management amounting to 17.0 billion euros, 19% of which related to Unit Linked contracts.

The investment portfolio not connected to Unit Linked products amounted to 13.9 billion euros, generating an average annual return of 2.0%.

It should also be noted that, in 2022, we continued the policy of diversification by asset class and geography as a way of maximising profitability with an adequate level of risk in view of the environment of rising interest rates, taking into account the optimisation of the capital structure under the Solvency II regime.



2.1. FINANCIAL PERFORMANCE

CONSOLIDATED FINANCIAL PERFORMANCE

Technical Provisions

	2022	% Mix	2021	% Mix	Change 22/21
Technical Provisions					
Life	11,469,049	79%	11,227,249	80%	2.2%
Non-Life	3,003,211	21%	2,826,964	20%	6.2%
Total	14,472,260	100%	14,054,213	100%	3.0%

Unit: thousands of euros

Technical provisions in 2022 amounted to 14.5 billion euros, an increase of 3.0% compared to 2021, reflecting the evolution of the Life and Non-Life segment.

Equity

	2022	2021	Change 22/21
Equity			
Equity and Minority Interests	2,856,100	3,618,980	-21.1%
Minority Interests	302,502	564,267	-46.4%
Equity excluding Minority Interests	2,553,597	3,054,714	-16.4%
ROE (%)	7.9%	8.8%	-0.9 p.p.

Unit: thousands of euros

At the end of 2022, equity excluding Minority Interests stood at 2.5536 billion euros, lower than the previous year, mainly reflecting the effect of the devaluation of financial assets on the Revaluation Reserve and the reimbursement of additional benefits. The average return on shareholder equity ("ROE") was 7.9%.

Debt

	2022	2021	Change 22/21
Debt			
Subordinated debt	502,165	501,054	0.2%
Debt ratio (%)	2.5%	2.5%	0.0 p.p.

Unit: thousands of euros

In 2021, Fidelidade issued for the first time subordinated debt in the financial markets, allowing the optimisation of its capital structure. At the end of 2022, subordinated debt totalled 502.2 million euros and the debt to total assets ratio was 2.5%.

2.1. FINANCIAL PERFORMANCE

INDIVIDUAL FINANCIAL PERFORMANCE

Fidelidade's individual accounts include the insurance business of Fidelidade - Companhia de Seguros, S.A. in Portugal and its branches in France, Luxembourg, Spain and Mozambique¹³.

SUMMARY OF RESULTS

	2022	2021	Change 22/21
SUMMARY OF RESULTS			
Premiums written	3,682,092	3,959,112	-7.0%
Life	1,882,092	2,311,992	-18.6%
Non-Life	1,799,999	1,647,120	9.3%
Combined ratio (%) ²	96.3%	93.7%	2.5. p.p.
Net Profit	112,443	212,283	-47.0%

Unit: thousands of euros

2. Non-Life combined ratio adjusted to the technical costs of the insurance activity

In individual terms, Fidelidade reached a total in premiums of 3.6821 billion euros in 2022, recording a decrease of 7.0% compared to the previous year, originating in the Life segment.

¹³ The branches in Mozambique (Life and Non-Life) ended their activity in early 2022. Their insurance portfolio was integrated into Seguradora Internacional de Moçambique.

2.1. FINANCIAL PERFORMANCE

INDIVIDUAL FINANCIAL PERFORMANCE

In fact, the Life business recorded premiums totalling 1,882.1 billion euros, decreasing by 18.6% compared to the previous year, although shown a better performance than the national market average.

In the Non-Life segment, Fidelidade individual grew by 9.3% in 2022, reflecting the positive performance of all business lines.

The combined Fidelidade individual ratio stood at 96.3%, recording an increase of 2.5 p.p. compared to the previous year, due to the aforementioned recovery of the claim rate to levels similar to the pre-pandemic period, as well as the effect of inflation.

In 2022, Fidelidade recorded an individual net profit of 112.4 million euros, a decrease of 47.0% compared to the previous year, mainly due to the lower contribution of investment results.

SUMMARY OF BALANCE SHEET INDICATORS

	2022	2021	Change 22/21
BALANCE SHEET Summary			
Total Assets	15,453,475	16,694,316	-7.4%
Technical Provisions	11,751,537	12,264,215	-4.2%
Equity	2,228,674	2,812,082	-20.7%

Unit: thousands of euros

At the end of 2022, Fidelidade Individual had a Total Asset value of 15.5 billion euros and technical provisions of 11.8 billion euros, the latter decreasing 4.2% in line with developments in Life Finance products.

Equity amounted to 2.2 billion euros, which represents a decrease of 20.7% compared to the previous year, also reflecting the negative effect on revaluation reserves arising mainly from the reduction in value of debt instruments measured at fair value.



2.1. FINANCIAL PERFORMANCE

HOW WE SEE THE FUTURE

For 2023, expectations point towards a year marked by some uncertainty regarding the macroeconomic and geopolitical context. Despite the consistent recovery of economic activity in the last year, after material impacts resulting from the pandemic context, the outlook is constrained by a number of factors. Inflationary pressures and the consequent rise in interest rates, as well as the war in Ukraine, are serious challenges for the future with a clear impact on companies and the financial capacity of families.

Economic projections for 2023 point to a significant slowdown in growth levels. The world economy is expected to grow at a rate of 2.3%¹⁴. Portugal and Latin America are expected to grow by around 1.5%⁹ and 1.7%¹⁵ respectively. The trend towards increased prices is expected to slow down, with an inflation estimate of 6.5%¹⁰ for the world economy and 5.8%⁹ in Portugal.

Insurance premiums, in particular Non-Life, are expected to follow a moderate growth trend, in line with previous years. With regard to the Life sector, the context of rising interest rates will create a number of opportunities, but also challenges for the competitiveness of our financial product offer.

In 2023, the Fidelidade Group will continue to focus on the acceleration of its digital transformation, seeking to consolidate the online channels, equipping the different distribution channels with the necessary tools for distance sales.

The Fidelidade Group will continue to strengthen its commitment in the area of Sustainability, seeking to develop initiatives that position us increasingly as a benchmark in this area. The alignment of our activity and mission with ESG values is something we have invested a lot in and we shall certainly continue to deepen our commitment in this regard.

In 2023, the Fidelidade Group will continue to focus on the acceleration of its digital transformation, seeking to consolidate the online channels, equipping the different distribution channels with the necessary tools for distance sales.

Although uncertainty about the future continues to mark the agenda, the Fidelidade Group should remain focused on its strategic initiatives, driving the ongoing transformation of the Life business and continuing to promote innovative solutions for the benefit of customers in the various ecosystems in which it operates.

¹⁴ Economic Bulletin - Boletim Económico - December 2022 (bportugal.pt)

¹⁵ IMF – World Economic Outlook October 2022 World Economic Outlook, October 2022: Countering the Cost-of-Living Crisis (imf.org)

2.1. FINANCIAL PERFORMANCE

HOW WE SEE THE FUTURE

In this context, Fidelidade will continue to launch, through its banking partner and other distribution channels, innovative savings and investment solutions that give our customers not only an attractive risk/return binomial in the current macroeconomic context, but also differentiated investment options with a focus on sustainability. To this end, we shall continue to leverage the internal asset management skills acquired over several decades to manage customer savings, as well as the partnerships in place with globally important asset management institutions.

In addition, the set of innovative solutions available in the Fidelidade ecosystem will continue to be strongly promoted in 2023. Naturally, we highlight the following: the Vitality programme, which promotes healthy habits; the Fidelidade Drive applications, encouraging safe driving; the Fixo platform, for domestic services and repairs, which reinforced the Fidelidade Group's proximity to its customers. We shall also expand our offer of innovative products like Fidelidade Pets, insurance for domestic animals with health coverage.

Although uncertainty about the future continues to mark the agenda, the Fidelidade Group should remain focused on its strategic initiatives, driving the ongoing transformation of the Life business and continuing to promote innovative solutions for the benefit of customers in the various ecosystems in which it operates.

Finally, developing our international activity will have a key place on our agenda, as the Fidelidade Group intends to position itself as a benchmark player in the international markets in which it is present and build a path to growth outside its domestic market. Maintaining this ambition, in 2023, the Group will

continue not only to consolidate and enhance existing operations, but also to analyse potential opportunities to enter complementary markets where it could have a competitive advantage.



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2.2. EUROPEAN TAXONOMY



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2.2. EUROPEAN TAXONOMY

With increasing exposure to both acute (e.g. heat waves/wind) and chronic (e.g. average sea level rise) physical climate risks, the European Commission has developed a regulatory response that aims to incorporate environmental, social and governance (ESG) sustainability in investment decision-making, with the aim of boosting sustainable financing in financial markets.

The European Union Taxonomy, hereinafter referred to as the "Taxonomy Regulation" or "Taxonomy", aims to establish a mechanism for identifying environmentally sustainable economic activities, together with Directive 2014/95/EU of the European Parliament and of the Council (i.e. Non-Financial Reporting Directive - NFRD). In this regard, Article 8 of the Taxonomy regulation requires organisations covered by the NFRD to disclose how and to what extent their economic activities are eligible and aligned with

the Taxonomy. These two concepts introduced by the Taxonomy mean the following:

- An **economic activity is eligible** if it contributes substantially to at least one of the six environmental objectives underlying the Taxonomy, regardless of whether that activity meets the technical criteria set out in the Delegated Acts;
- An **economic activity is considered aligned with the taxonomy** when the significant contribution of this eligible economic activity to at least one of the environmental objectives is confirmed, based on the technical criteria specified through the Delegated acts.

Following the implementation of its sustainability strategy, the Fidelidade Group is developing a set of actions in order to deepen its implementation in a cross-cutting way to several areas of activity. That strategy makes a

point of including its investments and its products, with reference to the European regulations on this matter, namely Regulation (EU) 2019/2088 (SFDR) and Regulation (EU) 2020/852 (EU Taxonomy), as well as other normative provisions in this regard that have been approved.

Thus, the Group intends to continue to work on the evolution of its strategic positioning by defining a work plan that incorporates the conclusions of the alignment analysis for Taxonomy, a process that requires the structural integration of information related to the sustainability of its portfolio of assets and products and services. After this phase, and without prejudice to the fact that products have already been developed that meet the ESG criteria, the Group intends to review its strategy regarding the conception and design of new products and conclude the investment strategy review, allowing the continuation of a positive contribution to mitigation and adaptation to climate change.

For insurance companies, the reporting requirements of the Taxonomy are based on the disclosure of the proportion of eligible and aligned assets, as well as the proportion of economic non-life insurance activities (direct insurance and reinsurance) eligible and aligned with the Taxonomy.

Article 10 (3) of Commission Delegated Regulation (EU) 2021/2178, which applies since 1 January 2022 to financial institutions, aims to identify economic activities eligible for the environmental objectives set out in Article 9 (a) and (b) of Regulation (EU) 2020/852 of the European Parliament (i.e. climate change mitigation and climate change adaptation). Thus, the information available in this report is intended to meet the disclosure requirements imposed in that article, both in the investment component and in non-life insurance products.



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2.2. EUROPEAN TAXONOMY

ASSET PORTFOLIO ANALYSIS

The asset portfolio analysis considers the consolidated assets of the Fidelidade Group. Thus, the assets covered by the Key Performance Indicator (KPI) include all assets consolidated in the Group, with the exception of assets that are excluded from the calculation of the indicator, which are exposures to central banks, supranational issuers and central governments, as described in Article 7 (1) of Commission Delegated Regulation (EU) 2021/2139. In the table below, it is possible to verify the proportion of assets considered in the calculation of eligibility (assets covered by the indicator).

Table 1 - Proportion of total covered assets and uncovered assets (i.e., assets with exposures to central banks, supranational issuers and central governments) of the Fidelidade Group, in monetary units and percentage value.

Assets	Book value (€)	Proportion
Total assets covered by the indicator	17,135,865,881	85%
Exposures to central banks, supranational issuers and central governments	3,113,305,556	15%
Total assets of the Fidelidade Group	20,249,171,437	100%

As government bonds are excluded from the eligibility analysis, covered assets consist of bonds, shares, derivatives, treasury, real estate and other investments.

The table below shows the composition of the hedged asset at Group level:

Table 2 - Total proportion in monetary units and percentage value of the covered asset portfolio

Assets	Book value (€)	Proportion	Of which, for sectors eligible for Taxonomy	Proportion of eligible assets
Assets covered in both numerator and denominator	5,071,362,961	30%	3,337,984,942	19%
- Exposure to companies subject to NFRD	1,905,780,969	11%	252,357,891	1%
- Exposure to real estate assets	2,943,753,022	17%	2,943,753,022	17%
- Assets of non-financial companies of the Group	221,828,971	1%	141,874,029	1%
Assets excluded from the numerator for the purposes of calculating the key performance indicator	12,064,502,920	70%		
- Derivatives	265,813,672	2%	-	-
- Exposure to European companies not required to report NFRD	1,077,274,126	6%	-	-

2.2. EUROPEAN TAXONOMY

(continuation)

Assets	Book value (€)	Proportion	Of which, for sectors eligible for Taxonomy	Proportion of eligible assets
- Exposure to foreign companies not required to report NFRD	5,282,072,379	31%	-	-
- Other exposures for which eligibility could not be identified	1,758,688,433	10%	-	-
- Cash and cash equivalents and sight deposits	440,581,921	3%	-	-
- Other assets	3,240,072,390	19%	-	-
Total assets covered by the indicator	17,135,865,881	100%		

In accordance with Article 7 (2) and (3) (EU) 2021/2139, exposures to derivatives and non-financial reporting counterparties are excluded from the numerator by (EU) 2013/34. Additionally, and according to the clarifications of October 2022 (2022/C 385/01)¹⁶, 'Cash and cash equivalents and demand deposits' and 'Other assets' positions are not considered in the numerator, as it is not feasible to assess their eligibility since it is not clear to which economic activity these assets are allocated.

To identify positions eligible for the EU Taxonomy, all real estate assets held as well as positions whose counterparties are subject to NFRD were considered: companies listed on European regulated markets, credit institutions, insurance companies, with more than 500 employees. However, there are exposures (17.8%) for which, given the information available at the time, it was not possible to determine their sector of activity or the obligation to present the non-financial report and, therefore, it was not possible to assess their eligibility.

It should be noted that eligibility for the EU Taxonomy indicates whether investments are associated with activities that can substantially contribute to climate change mitigation or adaptation, but not to what extent. As such, and complying with the deadlines stipulated by Regulation (EU) 2020/852, the Group estimates to present its alignment with environmental sustainability in its 2023 Integrated Report.

¹⁶ Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets

2.2. EUROPEAN TAXONOMY

Non-Life Business Portfolio Analysis

The analysis of the Non-Life business portfolio took into account all direct Non-Life insurance and reinsurance products from the Fidelidade Group. In this regard, the measurement of the DCI was carried out based on the list of coverages eligible for Taxonomy according to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021:

- Medical expenses insurance;
- Income protection insurance;
- Accidents at Work insurance;
- Motor insurance – third-party liability;
- Motor insurance – other;
- Marine, aviation and transport insurance;
- Fire and other property damage insurance;
- Assistance

In addition, it was necessary to evaluate whether the coverages cover climate events defined in Annex A to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as it is intended to assess whether the Non-Life business portfolio aims to contribute substantially to the environmental objective imposed in Article 9 (b) of Regulation (EU) 2020/852 of the European Parliament and of the Council, which consists of adaptation to climate change.

Table 3 - Proportion of the Fidelidade Group's total eligible and non-eligible Non-Life business, in monetary unit and percentage value.

	Gross premiums by value (€)	Proportion
Activities eligible for taxonomy	-1,090,253,437	42%
Of which are direct insurance	-1,079,650,476	41%
Of which accepted reinsurance	-10,602,960	0.4%
Activities not eligible for taxonomy	-1,535,896,019	58%
Total Non-Life premiums	-2,626,149,456	100%

For the eligibility analysis, the Fidelidade Group's consolidated Non-Life business portfolio was surveyed and the respective coverages were analysed. With the structural objective of carrying out this analysis at the policy level, it was not possible to do so for this exercise, since this methodology requires a set of granular information regarding the level of inclusion of climate risk that is not yet fully available. Thus, we opted for an alternative analysis that is based on the analysis of coverage and by Solvency II business line.



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2.2. EUROPEAN TAXONOMY

The activities that are considered eligible were analysed taking into account the coverages described in Delegated Regulation (EU) 2021/2139, based on the mapping of coverages for Solvency II business lines and also taking into account whether the coverages cover claims caused by weather events. In addition, the possibility that in the future claims caused by climatic events will be reported was analysed.

According to the clarifications of October 2022 ((EU) 2022/C 385/01), accepted reinsurance activities should be analysed from the same perspective as direct insurance activities. In other words, eligible accepted reinsurance activities shall be covered by the activities listed in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and shall also cover at least one of the climate events mentioned in Appendix A to that Regulation. For this reason, the eligibility analysis of the Non-Life business portfolio of accepted reinsurance followed the same rationale applied to the Non-Life business portfolio of direct insurance.



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2.3. **ACCOMPANY THE CUSTOMER**



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2.3. ACCOMPANY THE CUSTOMER

We put customers at the centre of the Fidelidade Group; they influence the transformation of the business model and shape its products and services. The rapid changes in customer needs, also the result of the current context, dictate an increasingly sustainable approach, attentive to the expectations of a demanding and constantly evolving market. In order to continue to prepare the future, contributing to leave the

world better, the Fidelidade Group is committed to accompany its customers, at all stages of their life, responding at all times to their needs and expectations.

Our ambition: to provide an increasingly innovative and sustainable offer of products and services, promoting healthier and more sustainable lifestyles, while always maintaining the WeCare spirit in the commitment to customers to ensure that we are present at the times when they need it most.

KEY FIGURES¹⁷

NUMBER OF CUSTOMERS

>8.5 M



BRANCHES IN PORTUGAL

49

AGENTS IN PORTUGAL

3,137

¹⁷ Fidelidade Group Insurers.



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2.3. ACCOMPANY THE CUSTOMER

CUSTOMER NEEDS AND EXPECTATIONS MANAGEMENT

In 2022, the Fidelidade Group continued to seek to exceed the expectations of its customers. In this context, we highlight national recognition, such as the distinction of Fidelidade and Multicare as Trusted Brands 2022 and Consumer Choice 2022, the latter together with OK! teleseguros, demonstrating the effort to place the customer at the centre of our world and focus on the quality of our services.

In order to consolidate a culture of offering centred on protected and involved customers, we implement mechanisms and tools that allow regular and consistent monitoring of customers and continuous improvement of their experience through innovation.

The Fidelidade Group intends to continue accompanying its customers by adapting its products and services in an increasingly personalised way.



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2.3. ACCOMPANY THE CUSTOMER



“If I didn’t have this insurance, everything would have been very difficult... Fortunately, Multicare considers chemotherapy treatments as hospitalisation and my treatments were reimbursed at 90%. Because I had this insurance, I could take a deep breath and go forward. I was very surprised because I received an email saying: ‘I am the manager of your process. I want everything to go well. I am at your disposal.’ This is something we don’t expect an insurance company to do for us.”

Leonor Castro,
Customer



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2.3. ACCOMPANY THE CUSTOMER

BETTER SOLUTIONS

The best solutions result from processes that connect improving the customer experience with product efficiency. As such, the Fidelidade Group has focused on solutions that promote the digitalisation and automation of processes.

DIGITALISATION

>1M customers registered on MyFidelidade

9 out of 10 rating for Maria SpeechBot's performance

AUTOMATION

Motor insurance claims

47% of orders submitted digitally

72% of expert reports scheduled automatically

Throughout 2022, we have designed and developed innovative solutions that simplify sales processes and allow us to provide a better customer experience.

An Integrated Insurance Proposal was created that synthesises and systematises the purchased product, aiming to meet the needs of the customer early in the sales process. The Personal Network Office was regularly involved in collecting information on market and strategic products (Health, Life Risk, Personal Accidents, among others) to improve Fidelidade's product range.

REFORMULATION OF CLAIM PLATFORMS | CLINICAL PLATFORM

The new Clinical Management Platform ("PGC"), related to the management of claims for accidents at work, will in future allow a move from a posteriori control logic to an effective alignment in the application of the best clinical practices throughout the network of providers, ensuring the definition and implementation of the best treatment plan for each accident victim.



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2.3. ACCOMPANY THE CUSTOMER

OFFER

FIDELIDADE CAR SERVICE

Fidelidade Car Service, attentive to new market trends, especially with regard to soft mobility, began in 2022 to provide its customers with an innovative, sustainable and comfortable mobility service, through which customers can enjoy a daily limit for their trips through the Bolt app.

EMERGENCY PLAN

In view of the weather situation that affected Portugal in December 2022, Fidelidade activated its Emergency Plan for the occurrence of natural disasters. This plan includes several components to support the population with claims, Fidelidade's clients and aims to make the process of settling claims faster, making every effort to minimise the impact of occurrences on people's lives. In order to promote a faster service, customers were advised to use digital means to report claims, but for customers who find it hard to use digital access, Fidelidade created a special emergency line to handle these situations more quickly. For customers who suffered from floods in private homes, Fidelidade buttressed the use of the MyFidelidade application with the possibility of uploading photographic records and speeding up the claim report. The Fidelidade Group registered a total of 2,653 claims.



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2.3. ACCOMPANY THE CUSTOMER

CUSTOMER SATISFACTION

With a proven performance in caring for its customers, reflected in the distinctions received and in the market share, the Group is committed to assessment and evaluation methods by the customer that are increasingly in line with current requirements.

MULTICARE

Multicare is committed to seeking the best procedures to assess customer satisfaction and identify opportunities for improvement. It conducts an annual market survey covering two customer segments (new policyholders and customers using insurance) and questions general satisfaction/recommendation and various aspects of insurance, such as underwriting, coverage, materialisation/operation, brand.

OVERALL SATISFACTION

8.16_{/10}

FIDELIDADE CAR SERVICE

Always focusing on the customer and aiming to translate a true culture of trust, credibility and transparency into the market, in 2022 a more robust customer satisfaction assessment system was implemented, which allows, in almost real time, to assess their perception of the performance of Fidelidade Car Service in various dimensions, such as the quality of repairs or customer service.

OVERALL SATISFACTION

8.02_{/10}

OK! TELESEGUROS

Via Directa's quality policy aims at customer satisfaction, based on an excellent service based on good practices, a critical spirit and a focus on continuous improvement. In this regard, it regularly assesses customer satisfaction, collecting their opinion on various indicators, such as ease of access, resolution of issues, clarity of information provided, adequacy of services to expectations or courtesy of employees.

OVERALL SATISFACTION

8.50_{/10}



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2.3. ACCOMPANY THE CUSTOMER

FIDELIDADE ASSISTANCE

Fidelidade Assistance, as a company certified according to NP EN ISO 9001:2015, evaluates policyholder satisfaction on an ongoing basis. It has a Satisfaction Evaluation System that provides the following indicators: Real Time Survey, Global Satisfaction Index, Net Promoter Score, as well as detailed information on the quality of service provided by the supplier network.

OVERALL SATISFACTION

8.75 /10

MULTICARE

Multicare was the first and remains the only Health Insurer certified with ISO 9001 - Quality Management System, a certification which it has always renewed, the result of a continuous work of adopting the best management practices that place customer service excellence at the top of Multicare's priorities. It was also recognised as "Committed to Excellence", according to the excellence model of the European Foundation for Quality Management (EFQM) by the Portuguese Association for Quality (APQ).

Complaint Mechanisms

Fidelidade reviewed and updated the **Customer Ombudsman Regulations** and prepared a **Complaints Management Policy** in 2022, subsequently published on the websites of the Group companies. The main purpose of this review was to contribute to an improvement in the quality of products and services provided by the Group to customers, employees and partners. The Policy allows the clear and unequivocal definition the principles of action to be observed by all employees in the management of complaints received.

Complaint processes focus on participation in the Complaint Management Centre ("CGR"),

which acts as a central reception and response point, duly identified internally and externally. In addition to the CGR, where the customer can visit, complaints can be delivered to any branch of the Company or intermediary, sent to the Centre's address or registered in the physical or digital Complaints Book.

Additionally, and whenever justified, customer complaints that substantiate situations, actions, omissions and non-compliance with procedures are reported to the audit, compliance and/or risk management and Legal Affairs Department, which is understood to be in view of what has been reported, justify an audit/analysis process by these structural bodies.



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2.3. ACCOMPANY THE CUSTOMER

OMNICHANNEL APPROACH

By adopting an omnichannel approach, the Fidelidade Group ensures a high-quality distribution network.

REMOTE CHANNELS	Internet distribution and telephone service accounted for 39% ¹ of the market share, down from the previous year (42%).
AGENTS	Fidelidade has the support of 3,137 agents in the marketing of its products, who offer a personalised service to its customers in Portugal. It is the leader in this channel with a 25% ¹ market share.
BROKERS	Through this channel, captured premiums corresponded to 36% ¹ of total premiums in the Portuguese market.
BANK	With distributors such as CGD, Banco CTT and EUROBIC, Fidelidade has 909 bank branches that sell its products. Its market share represented 26%.
OWN AGENCIES	The Group has 49 branches across the country, leading the market in this channel with a 44% ¹ market share.

2022 saw some improvements to the distribution channels. The Commercial Platform, used for the activity of distributors, registered a use rate of 91% for mediators and 66% for brokers. The contact centre recorded a total of 87,262 calls answered, which represents a decrease of 12.9% compared to the previous year, reflecting an improvement in customer response and in processes management and optimisation.

During the year, and with the aim of providing better customer service and responding accordingly, the Group decided to replace all value-added telephone lines to the customer with local call cost lines. In the case of claims lines, given the specific nature of the services, the two lines were kept in parallel, ensuring the monitoring of the volume of calls that will fall in one and another number, thus allowing any risks to be mitigated.

¹ 2021 shares



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2.3. ACCOMPANY THE CUSTOMER

INTERNATIONAL DISTRIBUTION

EUROPE

Spain

Spain has the Agents and Brokers channel with the greatest representation in this operation: 82% (nearly a quarter is bilateral business). Fidelidade Espanha also has two channels with some representation: Bancassurance has 10% of sales and Canal Direto 7%. In the various channels, five new distribution agreements were established, aimed mainly at the sale of insurance for Pets and Companies.

In 2022, Spain invested in the digital channel, debuting with Fidelidade Pets, the first product with a 100% digital underwriting. This strategy for entering the digital channel is in line with the objective of boosting innovation and omnichannel that Fidelidade Espanha has demonstrated

throughout 2022, in addition to being an important key to forging new partnerships with innovative solutions, mainly in the banking channel, and to boost sales. An agreement was also signed with MGA Orizon for the growth of the business of companies in Life and Collective Accidents, and also in third-party liability.

France

Distribution channels in France are based on Brokers (65%) and the Bancassurance channel (35%).

Liechtenstein

At The Prosperity Company, the Agents and Brokers channel is the only distribution channel. It has been growing since 2017 thanks to an improvement in the activation of this channel through the existing platform for Brokers, optimisation and streamlining measures in the internal

CRM, as well as such as carrying out campaigns focused on attracting new brokers. In parallel, The Prosperity Company has been working on its digital platforms in order to capture and retain this network through innovation and accessibility.

AFRICA

Angola

At Fidelidade Angola, the main distribution channels include Brokers, Agencies, with 28 branches and a team of specialist salespeople with over 700 members, and Bancassurance in commercial partnerships with seven local banks: Caixa Angola, Banco Fomento Angola, Standard Bank, Banco Investimento Rural, Banco Valor, Banco Comercial do Huambo and Banco Comercial Angolano.

Mozambique

In 2022, the distribution channels in Mozambique were strengthened with the acquisition of Seguradora Internacional de Moçambique, S.A., which operates under the Ímpar brand. The company in the meantime changed its corporate name to Fidelidade Moçambique – Companhia de Seguros, S.A. that operates under the brand Fidelidade Ímpar. It uses the Mediation channel (40%), composed of Brokers, Exclusive Agents and Multibrand and Promoters, the banking channel (34%), with partnerships such as Millennium BIM, Nedbank, Mozabank, and the Direct Channel (26%) composed of eight of its own branches. Fidelidade Ímpar invested in communication closer to the market, through WhatsApp Business and expanding the availability of its Call Centre to 24/7, 365 days a year.



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2.3. ACCOMPANY THE CUSTOMER

Cape Verde

At Guarantia, the Branches are the most important distribution channel with 70% of the gross premiums written. It should be noted that the Guarantia has invested in the continuous training of human resources and digital transformation, in order to innovate in the services provided by its branches. The banking channel (15%) has been a strong focus in Cape Verde through consolidating commercial partnerships with BCA, BI, BAI, IIB and Ecobank.

ASIA

Macao

In Macao, distribution channels differ by business. In Life, they mainly include Bancassurance, with 94% of gross premiums written, with the direct channel having a less important

role with 6%. In Non-Life, distribution channels include: Brokers (32%), Bancassurance (29%), Direct Channel (28%) and Agents (11%).

LATIN AMERICA

Chile

In Chile, the main channels are Santiago Commercial (29.56%), Branches (29.81%), Corporate (29.17%) and Affinities (11.46%). FID Seguros' business model is based on a scalable technological platform, which allows an agile interface with the different distribution partners.

Peru

La Positiva's commercial distribution relies on several channels that allow it to be close to customers and provide them with quality service. Distribution channels in Peru include: Brokers

(with a weight of 43% in the portfolio), Non-Traditional Channels (19%), Own Distribution (12%), Direct Channel (7%), Public Tender (15%), Digital Sales Force (3%) and e-commerce (1%). Non-traditional channels include the establishment of banking partnerships, retailers and other entities. Own distribution is divided between the sales force (organised into four teams, namely Annuities, Family Protection, Traditional Life and Non-Life), the call centre and e-commerce.

Of note is the potential offered by the e-commerce channel, which has websites that make it possible to directly purchase insurance online. The direct channel is mainly made up of branches and retail in shopping centres, located essentially in Lima, an opportunity that allows La Positiva to reach new customers.

Bolivia

Distribution channels in Bolivia include Bancassurance (40%), Brokers (35% of gross premiums written), Direct Channel (13%), and Sales Force (12%). The broker channel offers a personalised business service by branch of activity. In the Bancassurance channel, commercial partnerships with three of the largest retail banks in Bolivia stand out: BMSC, FASSIL and FIE.



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2.3. ACCOMPANY THE CUSTOMER

SALES-FOCUSED CULTURE

In 2022, there was an aggregate domestic growth of Non-Life premiums. This growth is achieved in a balanced and diversified manner across all customer segments and across all distribution channels. The balance sheet demonstrates the Group's knowledge in identifying priority opportunities and in defining a clear positioning for each segment. It prioritises the work of articulation and engagement between teams and focuses on customers.

OFFER

MULTICARE VITALITY

Fidelidade, through its health insurance company Multicare, extended the Multicare Vitality programme to all its business customers. The programme encourages employees of companies to adopt healthier lifestyles, having as direct benefit rewards in partners that can reach EUR 310 per year. This programme, a pioneer in the national market, combines Fidelidade's experience in protection with that of Vitality, the world leader in behavioural change, and aims to improve habits and behaviour, contributing to a future with more health and quality of life.

FIDELIDADE CAR SERVICE

With the customer in mind and at the centre of the decision, Fidelidade Car Service inaugurated, in December, in Almada, the 4th Unit of the Fidelidade Group's Workshop Network, dedicated to motor repairs following collisions, and the new unit of Car Service intends to serve Fidelidade Customers from the municipalities of Almada, Barreiro, Seixal, Sesimbra, Setúbal and Moita. It has the capacity to repair 10 vehicles per day.

MULTICARE MENTAL HEALTH

With the client at the centre, Multicare launched a sub-limit that reimburses applications for prevention and treatment of mental health, curated by the Portuguese Psychologists' Association (OPP). This innovation project improves mental health coverage in health insurance and supports its customers to strengthen their mental stability.



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2.3. ACCOMPANY THE CUSTOMER

In March 2022, the Group participated in the XII Congress of the Portuguese Public Prosecutor's Union – SMMP, under the theme Public Prosecutor's Office Autonomy/Responsibility, Quality and Citizenship. Fidelidade was present with a brand activation that represented one of the most appreciated moments of the Congress. The three-year event has afforded Fidelidade unique moments to strengthen the existing partnership between the Company and SMMP and communicate its offer of products and services with this very specific segment of customers.

“We bought my daughter a bike... and after three months I reached Platinum status and had savings to pay for my life insurance, all through the Multicare Vitality app. This application motivates people to have a healthier life, because by sharing health indicators (for example, non-smokers, health data and nutrition habits), we get additional FidCoins. In this case, our access to the authorisation is made easier.”

João Fontinhas,
Amateur triathlete and customer

“I stopped going to the gym during the pandemic and didn't feel like going back. Multicare Vitality was like a friend who tells me I have to exercise... it's my coach who keeps me motivated and focused and gives me benefits, which is also good.”

Sofia Fresco Rosa,
Customer



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2.3. ACCOMPANY THE CUSTOMER

Engaged and customer-oriented teams

To offer the best experience and follow the customer consistently, the Fidelidade Group focuses on employee engagement, with the implementation of training programmes or improvement of daily processes. Training sessions were held for the network of mediators, of which the following stand out:

- With a view to working ever better with customers from a savings point of view, promoting greater diversification of the distribution channels of financial life products without guaranteed capital, especially in the traditional distribution network (Branches and Mediation), Fidelidade created several initiatives - follow-up

expertise, additional incentives/ dynamics and training - with the aim of reinforcing knowledge about financial products and increasing commercial performance.

- Seeking to contribute to the professionalisation and growth of the mediation channel, Fidelidade developed several commercial development programmes aimed at different segments of brokers:
 - Alpha Programme, which aims to promote the professionalisation of mediators;
 - Stores Program, focused on excellent service and the concept of ranking stores;

- Share of Wallet Programme, with the objective of increasing the relationship of multi-brand brokers with the Company, aiming to accelerate the growth of market share and boost the development of a predominantly exclusive network;
- AllWin Programme, to boost large multi-brand brokers unrelated to Fidelidade.
- The Business Knowledge Centre developed small e-learning and microlearning training courses, which aim to provide self-learning content, including topics such as resilience and emotional intelligence.



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2.3. ACCOMPANY THE CUSTOMER

ESG AWARENESS FOR CUSTOMERS

Fidelidade has increasingly prioritised the integration of ESG factors in its offer. In addition to the products and services offered that are considered to contain social and environmental benefits, the Group also seeks to put on ESG awareness actions for and with its customers.

IN PORTUGAL

Vitality

Within the scope of the Vitality product, which promotes healthy living habits, several customer-oriented campaigns are carried out on the subject of healthy living, including dynamics on Mental Health.

Drive

The Drive car insurance application encourages better driving habits, reducing the likelihood of an accident and simultaneously cutting fuel consumption.

Communication

OK! teleseguros promotes awareness through the dissemination of products that promote more sustainable living habits and disseminates support given under the Social Responsibility policy of the Fidelidade Group, amplifying campaigns.

INTERNATIONAL ACTIVITY

La Positiva - Campaigns

In Peru, informative campaigns were carried out for customers and brokers through communication channels with messages that promote the awareness of care for the planet and mobilise for action. It also launched the Cyber Ahorro campaign with tips on how to be more sustainable at home.

The Prosperity Company - ESG Questionnaire

An ESG questionnaire was implemented for all customers to raise awareness of the topic, and several workshops are planned for 2023.



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2.4. **CARING FOR PEOPLE**



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2.4. CARING FOR PEOPLE

OUR PEOPLE

Valuing, supporting and developing our people is the commitment we make to society. That is our purpose as a responsible employer, which in its teams the contains engine of business development – a business made by people and for people.

At the end of 2022, the Fidelidade Group’s insurance area had 8,003 employees, representing an increase of 2.9% compared to the previous year. This corresponded to an increase of 232 employees, 102 employees in Portugal and 130 employees in international operations.

TOTAL EMPLOYEES¹⁸

	2021	2022
Portugal	3,436	3,538
International	4,335	4,465
Total	7,771	8,003

¹⁸ Fidelidade Group, excluding Luz Saúde employees.

¹⁹ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

²⁰ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal except for Fidelidade Assistance, Cares and Fidelidade SGOIC).

KEY FIGURES¹⁹

3,484
NUMBER OF FULL-TIME
EMPLOYEES

3,508
NUMBER OF EMPLOYEES ON
PERMANENT CONTRACTS

6.7%
TURNOVER RATE
(-18.3% compared to 2021)

98,316
HOURS OF
TRAINING GIVEN
(-5.2% compared to 2021)

81.8%
EMPLOYEES RECEIVE
PERFORMANCE AND CAREER
DEVELOPMENT ANALYSIS²⁰
(+0.6% compared to 2021)



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2.4. CARING FOR PEOPLE

DISTRIBUTION OF EMPLOYEES WITH A LINK TO THE FIDELIDADE GROUP BY SENIORITY²¹

SENIORITY

	2021	2022
Up to 10 years	62.5%	66.0%
11-20 years	15.4%	13.2%
21-30 years	16.4%	14.8%
31-40 years	4.7%	4.8%
Over 40 years	1.0%	1.2%
Total	100%	100%

Recognising that talent is one of its most important assets, the Fidelidade Group continued, in 2022, to invest in its people using a holistic approach, acting to enhance their well-being, but also from a more professional point of view, namely in terms of developing new skills and improving the way of working.

In this context, it has put on, among various initiatives, reskilling and upskilling programmes to, on the one hand, ensure the necessary skills to be able to respond to business challenges and, on the other hand, boost their employability prospects in a context of ever-longer professional activity.

²¹ Fidelidade Group, excluding Luz Saúde employees.

DEVELOP AND SUPPORT EMPLOYEES

Supporting employees at the end of their careers and offering social responses to all those in need are part of the Fidelidade Group's priorities, embodied in:

Putting on integrated reskilling and upskilling programmes, providing employees with the appropriate skills throughout their professional career.

Recognition mechanism for employees who want to start preparing for the end of their working life, but gradually and linked to the Fidelidade Group, through a programme that allows a reduction of normal working hours.

NOS Programme

Providing corporate responses that address employees' concerns and needs (e.g. economic, legal and health, among others).



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2.4. CARING FOR PEOPLE

2022 was also a year in which we continued to focus on decentralising of responsibility for people management to all those responsible for the team, thus enhancing closer, more effective and humane management and leadership. This involves delegation and autonomy of functions within the Fidelidade Group, with a view to achieving greater organisational agility. Society is changing and the insurance sector is undergoing an exponential transformation, which is why attentive and proactive leadership is an increasingly critical success factor. For Fidelidade, more than a hierarchical position, leadership is a mindset, based on the certainty that it is within everyone's reach and that it can change actions and attitudes, in the manager and in others, who become agents of change and examples of humanism and trust with visible effects on motivation, collaboration and ideation of new solutions. Training and caring internally will always allow for a better collective response from the Group.

In parallel, the guarantee of adopting the best practices related to well-being and psychological safety and continuously enhancing diversity, equity and inclusion within the Group substantiate its important commitment to the attraction, retention and growth of its teams. But these concerns go beyond the professional context. The Group supports its employees throughout the different stages of their lives, both in times of greater personal or family need, and in preparing for active life after they retire. Being one of the best companies to work for in Portugal, actively contributing to the improvement of the living conditions of its

WeCare Commitment

At Fidelidade we never leave anyone behind, even if it makes us go slower. Sometimes knowing how to stop, breathe and rethink for our people is as important as knowing how to run towards new ideas and challenges. Therefore, on our way, we hop over prejudices and stereotypes and walk by example, so that everyone can be their very best. The WeCare Commitment extends throughout the entire social dimension of the Group; we continuously seek to exceed what is expected by customers and partners and placing the focus on the customer.



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2.4. CARING FOR PEOPLE

employees, is one of the main objectives of the Fidelidade Group, which ensures that a 360° approach to people management its people is the foundation upon which this area is built.

Our human resources strategy plays a key role here. Based on fundamental principles such as non-discrimination and the promotion of equality, without ignoring diversity, and respect for the dignity and promotion of the Person, our HR Policy also focuses on the humanisation of relationships and working conditions, the adoption of measures promoting a balance between work, family and personal life, equal opportunities and employee appreciation, all of which encourages productivity. The implementation of functional and performance management models, based on principles of transversality, coherence and meritocracy, and of compensation mechanisms based on functions and performance and also based on principles of transversality and non-discrimination, are an example of the Group's commitment to the flexible and evolutionary management of its human capital.

APPRECIATING EMPLOYEES

The Group is committed to preparing teams, leaders and each of its employees for adequate professional performance that enhances the development of the business.

WELL-BEING

The Group promotes the training of its employees, contributing to their development, and seeks to guarantee their physical and psychological well-being in a safe and collaborative environment.

LEADERSHIP MINDSET

The Group recognises leadership as a critical success factor; it aims for a transformational mindset, an example of humanism and trust, with an impact on People, the Business and Society.



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2.4. CARING FOR PEOPLE

FLEXIBLE BENEFITS

As a responsible employer, the Group invests in models and practices that contribute to the well-being of its people. From the outset, in the design of a benefits model based on a global offer that integrates contractual and non-contractual benefits, to contribute even more value to the remuneration package and, in parallel, facilitate employee' daily lives. Flexible and revised annually, in order to meet the needs of employees, this package has around 75 benefits grouped into the following types: family support, financial support, work organisation, social responsibility, health and insurance.

By way of example, and among many others, reference should be made to the Health Plans for employees that extend to the household; Risk Life Insurance; Life Insurance Annual Income for Education Expenses; Personal Accident Insurance – Vital Protection; Discounts on Own Insurance; Pension Plans; Career Benefits; Amount of annual leave; Remuneration Advance in Illness and Complementary Illness Subsidy; School and pre-school support for dependent children; Merit Awards for children who excel in school exams; Support for Education, Exemption for Accompanying Children on the First Day of School.

By the end of 2023, we commit to:

- Continue listening to the Group's organisational climate in Portugal, through an annual survey to be carried out by Great Place to Work and disseminate the key findings to all employees.
- Strengthen our commitment to people in the Group, introducing a target for all Executives and Managers to reach an Engagement Index of 80% in their departments.
- Carry out internal mobility for 10% of all the Group's employees in Portugal, promoting their growth and skills development.
- Carry out a new assessment of the Psychosocial Risks to which all the Group's employees in Portugal are exposed and disseminate the key findings to all employees.
- Hold an awareness session on Diversity, Equity and Inclusion for Executives and Managers to train 130 people.
- Continue to carry out awareness-raising initiatives open to all employees on the themes of Diversity and Equity, Well-Being and Psychosocial Risks, namely by holding 7 webinars; train 50 people in inclusive recruitment, 100 people in psychosocial risks and 50 team leaders in Psychological First Aid.
- Continue training the leaders of the future through "Leadership Journey", training 64 people;
- Develop a Leadership School, focused on the development and training of Fidelidade leaders which will, by the end of 2024, train 50% of current leaders.
- Develop a Digital Technological School focused on reskilling our employees and cross-training to reinforce digital proficiency skills;
- Ensure that 60% of people in the Fidelidade Group have a defined Personal Development Plan (currently <30%).



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2.4. CARING FOR PEOPLE

EMPOWER TO EVOLVE

Committed to the appreciation of its people throughout their lives and careers, the Fidelidade Group finds in training and qualification a way to promote their continuous evolution, creating the conditions to improve their well-being and quality of life over a long-term perspective.

Wevolution Academy

As a knowledge and sharing centre, the **Wevolution Academy** aims to be the central point of all Fidelidade's learning activities, strengthening the responsibility of each one for their own continuous development. This was another year of strengthening the offer in the Academy's platform ecosystem; more than 6,000 pieces of content were made accessible, seeking to expose employees to new and important approaches and trends.

The training catalogue is based on six learning pillars:

- **Onboarding** that affords newcomers a better understanding of what it means to be Fidelidade and their suitability for the role;
- **Leadership** with tools to support the development of teams and their leaders;
- **Know-how** with a focus on retaining and sharing the organisation's technical knowledge;
- **Customer focus** with training on customer service culture;
- **Innovation** focused on agility, trends and the digital transition;
- **Culture and personal development** for the improvement of behavioural skills and personal characteristics.

MULTICARE

Onboarding

Welcome programme for new Multicare employees, complementary to Fidelidade's. Composed of an opening session, reception by the Multicare Executive Committee, visit to all Multicare OE, a closing session and two training sessions, considered fundamental for the business. A programme adjusted to the profile of employees, highly valued by participants as an instrument of integration and learning. In 2022, 37 employees took part.



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2.4. CARING FOR PEOPLE

Leadership Journey - The Discovery of Leadership

To foster the adoption of a leadership mindset within the Fidelidade Group, based on its values and future challenges, a development initiative was conceived and implemented - the Leadership Journey - which began with two pilot classes. It is a deep and disruptive development journey in which participants are challenged, through immersive experiences, to deepen their self-knowledge, and acquire tools and knowledge that allow them to develop and lead others and the business. The start of the Journey will materialise the construction of the Leadership School, focusing on the development and transformation of the Fidelidade Group's leadership.

FIDELIDADE CAR SERVICE

Coaching for employees

Aware of the fact that personal development has a direct impact on employees' happiness and achievement level, in 2022 Fidelidade Car Service developed a coaching project which seeks to challenge coaches to reflect on their daily activities, but also on the company decisions, questioning them and proposing others that better serve the interests of the Fidelidade Car Service Community. The continuity of the individual coaching programme for employees who already perform, or have the potential to perform, team coordination functions, consists of two modules and lasts between 12 and 14 months.

LA POSITIVA

In 2022, together with the UTEC University, La Positiva provided a training programme with 5 modules (including topics such as culture and transformation and change management) to the company's managers.

Side by side to grow the business

Following internal changes and alterations to our financial product offer to ensure greater adaptation to the needs and different moments of the customers' life cycle, we considered it important to train several teams involved in the design, management and marketing of these products, aiming to increase and align knowledge regarding their specific features, strengthen financial literacy and revive concepts of Macroeconomics, Markets and Financial Products and Financial Insurance.



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2.4. CARING FOR PEOPLE

MULTICARE

In addition to the transversal training put on by the Group, Multicare also implements training actions on topics specifically related to the health insurance business, namely technical-legal, operational, products and clinics, with the objective of supporting the management of products, networks of providers and claims. In order to make training profitable and facilitate the transmission of knowledge and learning, the Multicare Video Library was created in 2022 on the Wevolution platform, where training videos and thematic sessions accessible to all Multicare employees are hosted. At the end of 2022, this video library had nine published pieces of content, with many others in preparation for publication.

FIDELIDADE MACAU

Fidelidade Macau has a Continuous Professional Development Programme, which addresses, with employees and business partners, the most important topics of the business, and also features industry professionals invited to share their experiences.

LA POSITIVA

La Positiva conducted training sessions on insurance, together with the ESAN university, which had topics such as risk fundamentals, insurance, reinsurance, human and property risk management. The sessions are available on the internal platform for all employees.

Renewal of the Training Offer on Everyday Tools and Skills

Updating of the Office 365 training programmes, which form part of the Fidelidade Group's transversal training plan, with the introduction of a hybrid training offer, available to employees, aimed at strengthening knowledge and acquiring new skills.



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2.4. CARING FOR PEOPLE

MULTICARE

Let's Talk about...

In 2022, Multicare launched "Let's Talk about..." sessions with a more practical and less expository character than regular training sessions, in which employees ask questions to clarify matters they are already familiar with in their daily activity.

LA POSITIVA

La Positiva has launched a training plan with the aim of strengthening the company's culture and finding continuous improvement solutions for the business. The training, consisting of 12 sessions, is dedicated to various topics, such as empowerment, decision-making, customer experience, innovation mindset, creative problem solving, among others.

Agility and Dynamism

The climate of change that has guided the last few years has accelerated the process of transformation in organisations. The Agile culture, which includes a new mindset and new ways of working, is today a strategic and decisive factor for organisations' survival, preparing them for the constant change in the management of their business. This has also been a path taken by the Fidelidade Group, in pursuit of the intended transformation, with the establishment of new forms of work centred on the Customer, the Employee and the delivery of Value. One of the steps taken on this path was the investment in training employees in the areas of agility, transformation and agile mindset, as well as in the ways of working that result from this. A programme that seeks alignment with the Fidelidade Group's transformation purpose, focused on expanding, promoting and supporting the implementation of a culture of greater agility and innovative ways of working in the Organisation.

Leverage Product Owner Transformation

In order to support and boost the transformation and evolution path intended for the role of Product Owner and the way the Group manages its products, we created a programme that develops and/or reinforces the skills and knowledge critical to the performance of this role. An ongoing and evolving programme that considers several crucial pillars of learning, and closely monitors employees with this role in the Group.

Sustainability Training

In line with the development of its sustainability strategy, the Fidelidade Group made its employees aware of the importance of the topic, also providing opportunities for sharing and training through multiple actions and initiatives.



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2.4. CARING FOR PEOPLE

	PARTICIPANTS	HOURS
Portuguese Quality Association "The conversation with APQ: Demystifying Sustainability"	1	1.5
Reuters Events Conference "Sustainability Reporting & Communications Europe 2022"	1	13.5
BCSD Portugal Sustainability Training - Beginners	1	16
Portuguese Association of Insurers "The SFDR Regulation on sustainability-related disclosure in the financial services sector"	3	9
GRACE & ISEG Executive Programme Sustainability	7	168
IDEFE-ISEG Sustainable Finance - Green and Climate Finance 4th Edition	3	168
Getsmarter Sustainable Real Estate Creating a Better Built Environment	3	240
Webinar "Demystifying Sustainability"	2	3
Portuguese Association of Insurers "Car theft and fraud in Portugal - Investigation and proof techniques"	5	45
International Federation of Health Plans Fraud, Waste, Error and Abuse Expert Panel Meeting	2	33

FIDELIDADE MANAGEMENT COMPANY
In 2022, FSG (Fidelidade Management Company) employees participated in the online training session "Sustainable Finance for Real Estate Investment Organisms", held by APFIPP - Portuguese Association of Investment Funds, Pensions and Assets, with the aim of providing guidance to OII on how to implement and operationalise the set of rules and duties in the field of SFDR Regulations and Taxonomy.



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2.4. CARING FOR PEOPLE

BALANCE BETWEEN PROFESSIONAL, FAMILY AND PERSONAL LIFE

The new working reality, triggered in large part by the COVID-19 pandemic, contains multiple and complex challenges that the Fidelidade Group, attentive to the needs and expectations of its employees, has tackled and makes a point of continuing to address.

Surveys carried out in 2021 already revealed that the majority of employees would like to have a more flexible working model, so we implemented an alternative work model, called SmartWorking, in June 2022, on an experimental basis until the end of 2023 for employees who request it. The project, consisting of four types of work – “New Onsite”, “Hybrid”, “Partially Remote” and “Remote” – applied to each employee according to the function performed, the

inherent needs of the same and the Department which they belong, has its own regulation that sets out the objective and scope of application, applicable procedures and rules, along with a guiding document – SmartWorking FAQs – to clarify needs related to the application model.

“In 2015 I started my journey at Fidelidade, through the Trainees Programme. From the outset I felt that Fidelidade was a company of excellence that I would be proud to be part of. The concern for employees and their growth in the personal and professional field was clearly famous! After 7 years, I feel supported, heard, and also that my work is recognised. At the same time, I feel that concern for employees well-being and work-life balance are also a constant. My choice when entering the labour market could not have been more appropriate. That’s why I’m still part of this great team!”

Diogo Costa,
Fidelidade Employee, Strategic Planning and Development Department



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2.4. CARING FOR PEOPLE

EMPLOYEE SATISFACTION

Employee satisfaction is highly important to the Fidelidade Group and that is why, since 2021, the Great Place to Work questionnaire has been implemented and distributed on an annual basis. This model measures the organisational climate of Grupo Fidelidade, through the Trust Index indicator, which has an average of 60 questions, grouped into five dimensions: credibility, impartiality, camaraderie, pride and respect.



In 2022, the participation rate increased by 15 p.p. compared to the previous year; it totalled 76%, which demonstrates that people want to be more engaged and desire to be heard. Seven employers received the Great Place to Work seal.

FIDELIDADE MANAGEMENT COMPANY

In addition to the Great Place to Work surveys, FSG independently implemented employee satisfaction surveys.

LA POSITIVA

La Positiva obtained 88% satisfaction from its employees in the results of the 2022 Organisational Climate Questionnaire. Each management team prepares and implements action plans based on the results. La Positiva also has a group of employees, representatives of each area, who are responsible for disseminating activities and executing initiatives that promote a good work environment; they hear the concerns and suggestions of their teams related to this theme.

THE PROSPERITY COMPANY

The organisational climate is important for The Prosperity Company. Annual employee surveys are conducted and a digital monitoring of employee satisfaction and concerns is conducted on a weekly basis. The company implements regular risk review processes related to human resources and concerns shared by its employees.



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2.4. CARING FOR PEOPLE

WELL-BEING, HEALTH AND SAFETY

Implementing a culture of well-being, health and safety is essential to the success of organisations, safeguarding one of their most important assets: people. With this in mind, in 2020, the Fidelidade Group created a multidisciplinary team dedicated to well-being to research the topic, analyse trends, define the scope and pillars of the Company's well-being, reviewing the impact of ongoing initiatives and structuring a transversal well-being programme across the entire Group. In a journey that will extend until 2023, Fidelidade assumes corporate well-being strategically, seeking to create the favourable conditions for the individual achievement of each employee, in all its spheres, under the motto "So that our People feel good about work, at home and in the community". To this end, the Fidelidade Group increasingly acts in a preventive and proactive manner, providing to all a set of initiatives and services that contribute to global well-being, promoting a balance between professional and personal spheres, facilitating healthy changes in behaviour, both inside and outside of work.

A four-pillar approach:

CORPORATE

So that employees feel good throughout their professional experience, from recruitment to departure, aligned with a culture of trust.

LIFESTYLE

So that employees feel good in their personal life, supported whenever necessary, encouraged to enjoy their time and inspired to make a difference.

HEALTH

So that employees feel good physically and mentally, including in their everyday health regime and with close support in any situation.

FINANCIAL

So that employees feel good financially, understanding their remuneration, managing their budget and achieving their goals.

Fidelidade Group's Occupational Safety and Health management system is based on the obligations arising from the legal framework and the implementation of benchmark practices. The activity developed in the field of Safety, Hygiene and Health at Work aims to prevent occupational risks and promote the safety and well-being of employees. In this regard, Fidelidade identifies hazards and assesses risks, during which it makes the most appropriate recommendations, which it orders to plan implementation according to their relevance and urgency.

The scope of work covers the risk assessment of workstations and workspaces, including assessments of indoor air quality, thermal environment, lighting and, where applicable, exposure to microbiological agents and radon gas concentration levels.

In 2022, the measures adopted to prevent the contagion and spread of the SARS-CoV-2 virus were maintained, and it is important to highlight the updating of the Contingency Plan based on the evolution of the pandemic and the recommendations

2.4. CARING FOR PEOPLE

of the health authorities, in addition to the adoption of the teleworking regime, where possible, for most workers.

For the Fidelidade Group, the health and well-being of employees is a "Greater Good", which it does everything to promote and facilitate. The Group guarantees all employees a very close monitoring by Occupational Medicine that goes far beyond what is legally foreseen, namely:

- frequency of exams;
- number and scope of complementary diagnostic tests to support medical exams, which allows and guarantees a potential and better early diagnosis;
- monitoring and articulation with Accidents at Work;
- preventive actions such as vaccination plans, screening and awareness-raising.

In 2022, a total of 1,987 periodic exams, 1,099 occasional exams and 445 admission exams were carried out. There was also close monitoring of 36 employees who suffered accidents at work.

Awareness-raising and training of employees for the management of psychosocial risks plays a key role in this context. The psychosocial risk mitigation programme "On the Road to Well-Being" held a series of webinars, such as the "Emotional Demands", conducted by psychologist Inês Jeremias and focused on identifying and managing anxieties, fears and concerns, stress management resources and facilitating strategies and proactive problem solving strategies. The "Super Living Guide" is also made available to employees. It aims to equip our People with tools and mechanisms to implement on a daily basis, in alignment with the culture and objectives of the Group.

Health and Safety Prevention Portal

The Fidelidade Group launched the Prevention Portal to support the implementation of this culture of well-being, health and safety. Thus, we intend that the Portal be:

- A preferred vehicle for training and information on safety at work, in accordance with the legislation in force, as well as to promote the development of personal and collective well-being;
- A consultation channel for workers and their participation;
- A way to communicate hazards, incidents and accidents at work;
- A communication channel relating to any situation that may jeopardise the safety or working conditions of employees.



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2.4. CARING FOR PEOPLE

Prevention Academy as part of Wevolution

Designed with the aim of contributing to a more sustainable society, the Fidelidade Prevention Academy encourages a culture of risk prevention among employees, partners and customers, with a view to adopting safer behaviours.

The purpose of the Academy is to integrate Fidelidade's prevention ecosystem to encourage commitment in transforming the mindset and organisational culture of companies, in order to contribute to reducing accidents, improve working conditions and enhance the loyalty of Fidelidade Group customers. In 2022, we outlined the strategy and business model for the Prevention Academy and certified training in Asset Risk Analysis was given to 36 Fidelidade intermediaries, in partnership with the Business Knowledge Centre, and an e-learning training session was provided for all Fidelidade Group employees in Occupational Health and Safety - Office & Home Office.

In 2023, the Fidelidade Group will continue to develop the Prevention Academy, training employees, partners and client companies of the Group on the topics of prevention, risk knowledge and respective mitigation, sustainability, safety, health and well-being at work.

LA POSITIVA

In 2022, La Positiva celebrated "Occupational Health and Safety Week" by carrying out several activities. In order to promote the importance of health and safety through specific actions with the participation of employees, virtual classes in occupational gymnastics, laughter and nutrition therapy sessions and a contest for posters on the theme HSW were held. A weight management initiative was also implemented for employees with a critical BMI health status, addressing the problem through nutritional, psychological and sports counselling. La Positiva also carried out a national lighting and noise study, which ensures safe and healthy working conditions for employees, and a skin protection programme for employees exposed to solar radiation in the performance of their duties; it provides sunscreen periodically, along with the necessary information so that they are aware of the dangers of solar radiation.



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2.4. CARING FOR PEOPLE

Training in Physical and Psychological Well-Being

In 2022, Fidelidade completed the first phase of a training programme that resulted from the implementation of the Psychosocial Risk Mitigation Plan. This programme aims to raise awareness and enable better management of risk factors related to physical and psychological well-being, and several sessions were held with active and significant participation of employees. Objectives: development of strategies to promote well-being and performance at work; development of communication and emotional management skills; knowledge of work organisation tools for better self-control and team management; development of conciliation strategies, promoting personal and professional well-being; preparation of a personal well-being plan; and identification of emerging risks.

	PARTICIPANTS	HOURS
Psychosocial Risks		
outcome Webinars "On the Road to Well-Being"	447	927
Diversity and Inclusion		
Roundtable - Diversity, Equity and Inclusion	60	90
Come out of your Shell Webinar "Unconscious Biases - Diversity, Equity and Inclusion"		
Catarina Marques Rodrigues Awareness-raising Sessions: "For Inclusive Communication"	73	109.5
	52	142.5
Onboarding		
E-learning course "Grupo Fidelidade - Welcoming, Prevention and Safety"	57	38.19
E-learning Course		
"Health and Safety at Work - Office & Home Office"	573	573



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2.4. CARING FOR PEOPLE

MULTICARE

Healthy Breaks

In 2022, Multicare continued its “Healthy Breaks”, short sessions of 15 to 20 minutes that address personal development topics and practical tools for skills development. The Healthy Breaks were initially intended only for Multicare employees, but, due to the recognition of the value of their content and presentation format, they are currently open to participation, and subsequent consultation, by the entire Fidelidade Group. The content is available on the Wevolution platform. Topics addressed in 2022: Divergence and Harmony, Social Connection and Humility.

SAFEMODE

During 2022, Safemode conducted Psychosocial Risks surveys for its employees.

TEAM BUILDING AND CORPORATE EVENTS

The Fidelidade Group continued to invest in corporate events and team-building actions in different companies, which are so important for boosting team spirit and employee well-being. Examples of this commitment are the engagement activities promoted by Multicare, with emphasis, in 2022, on the Annual Objectives Meeting, which was marked as the first major post-lockdown Multicare face-to-face event, with around 260 people in the room and via remote transmission; Team Building Multicare; the Festival and the Christmas Dinner; Team Building Make-a-Wish and various leisure activities and promotion of a healthier life. GEP and La Positiva are also other examples of success in promoting this type of activity. They carried out some team building activities and themed days throughout the year, and employees were very satisfied with the initiatives.



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2.4. CARING FOR PEOPLE

DIVERSITY, EQUITY AND INCLUSION

Caring for People also means **promoting fair treatment and remuneration, ensuring and promoting diversity and inclusion**. The Fidelidade Group considers these principles essential in its performance for the promotion of a healthy work environment and for the Company's success.

Commitment to Diversity, Equity and Inclusion (DEI)

In 2022, the Executive Committee signed the Commitment to Diversity, Equity and Inclusion, which was subsequently shared with the entire organisation. This commitment includes the guidelines that guide the Fidelidade Group's performance in all geographies with regard to the theme of Diversity, Equity and Inclusion and marks another step in the Group's journey to become even more diverse, inclusive and raising the awareness of its People this topic.

The Fidelidade Group's Commitment to Diversity, Equity and Inclusion takes the form of strategic guidelines, embodied in concrete commitments:

- Develop existing processes to promote a welcoming environment that respects all people;
- Build a safe and benchmark environment;
- Ensure zero tolerance of prejudice, discrimination and harassment;
- Promote an increasingly inspiring leadership and main promoter of diversity, equity and inclusion;
- Foster Diversity, Equity and Inclusion.

The commitment to and focus on DEI is reflected in different levels of the Group's governance model, where diversity of perspectives and visions is valued, including at the level of the corporate bodies and the Executive Committee. The Board of Directors and the Executive Committee of the Fidelidade Group reflect the strategic vision of integration and sharing of knowledge and perspectives across the various nationalities of the executives who comprise them.



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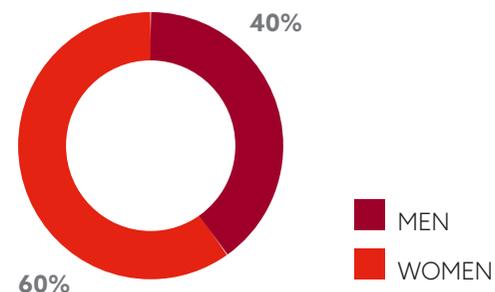
2.4. CARING FOR PEOPLE

ROUNDTABLE

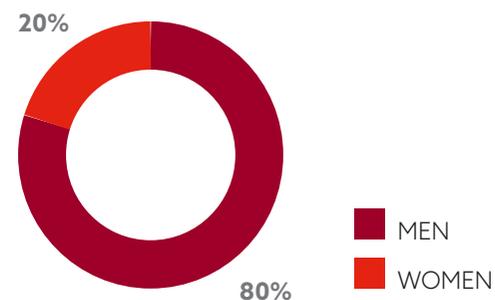
This commitment was the basis of another awareness-raising action – Roundtable – which took place in July 2022 and was attended by a large number of Fidelidade employees. The need to talk about this topic in order to create a strong organisational culture that attracts and retains talent was highlighted. There were interventions by more than 50 employees, who attended the conversation both in person and remotely, on topics such as gender equality, inclusion of people with disabilities in the organisation and ethnic, racial and socioeconomic origin and their effects on social mobility.

Throughout the year, videos about DEI were made available on the internal training platform and communicated to all employees. There were also awareness sessions on Unconscious Bias for a total of 160 employees – facilitated by Catarina Marques Rodrigues, journalist and founder of the Gender Calling platform – which allowed for discussion around the most common unconscious biases and the tools to overcome them every day. The trainer and journalist also put on Inclusive Communication sessions. Bi-weekly articles on Diversity, Equity and Inclusion were published on the Group’s internal platform, developed by Guiliana Miranda, a journalist. The articles were based on several themes, such as the concepts of diversity and inclusion, the professional integration of people with disabilities and microaggressions in the workplace.

EMPLOYEES²²



SENIOR MANAGEMENT²²



²² Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

2.4. CARING FOR PEOPLE

FIDELIDADE ASSISTANCE

Fidelidade Assistance is certified by the EFR 1000-2 | Family Responsible Entity standard, having implemented measures that promote diverse, fair and inclusive employability in its range of EFR measures, namely the integration of employees with disabilities and respect for different religions.

FIDELIDADE CAR SERVICE

Fidelidade Car Service's organisational culture is guided by clear and transparent principles of inclusion, diversity and active participation in strategic decisions, regardless of their role or responsibilities in the company. The involvement of people and absolute respect for differences are core concepts of ours in the market and in the life of the company, also resulting in KPIs closely aligned with diversity and inclusion. Examples of these KPIs are the percentage of women in the people structure (36%) and women with framing roles throughout the Fidelidade Car Service (50%) structure.

LA POSITIVA

La Positiva recognises in the significant importance of Diversity, Equity and Inclusion for the company; it develops mechanisms, such as the dissemination of job offers for people with disabilities on the Employment Portal of the Ministry of Employment of Peru, ensuring a 100% inclusive language.

The themes of selecting and hiring new employees, and their development, are developed by Lens DEI, using La Positiva candidate selection assessment tools that ensure objectivity and fair selection. This process extends to internal vacancies and applications. The company adopts a Salary Equity Policy, which it communicates to all employees.

FIDELIDADE MACAU

Fidelidade Macau offers recruitment opportunities focusing on appropriate qualifications and work experience. In accordance with local labour laws, local applicants are given due priority and international applicants are only considered when talent cannot be found on the local market.

FIDELIDADE CHILE

Fidelidade Chile's Diversity and Inclusion Policy reflects the philosophy and governance principles applicable to the entire organisation, in terms of respect and promotion of the principles of non-discrimination, equal opportunities and inclusion as fundamental values in the performance of its activity. Examples of this policy include the organisation of lectures with entities that promote inclusion, as well as the certification of some employees, such as Inclusion Managers. A fundraising and awareness-raising campaign was also carried out for an institution that helps integrate people with disabilities. Recruitment also ensures the inclusion of employees of different nationalities and compliance with the quota of employees with disabilities (1%).



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2.4. CARING FOR PEOPLE

FIDELIDADE ANGOLA

At Fidelidade Angola, the concern with equal opportunities is urgent, mirroring, above all, the guarantee of opportunities for the younger layers. In 2022, a meeting was held with the Directorate of Public Universities to help guide final year students in their first contact with the labour market, providing the opportunity to carry out a paid internship and join the internal staff of Fidelidade Angola.

THE PROSPERITY COMPANY

The diversity policy is particularly relevant for The Prosperity Company, which has more than 14 nationalities and 10 languages spoken in the company. Recruitment is carried out based on qualifications.



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2.5. **INVEST IN SOCIETY**



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2.5. INVEST IN SOCIETY

KEY FIGURES 2022²³

19
INTERNAL VOLUNTEERING
ACTIONS

216
EMPLOYEES INVOLVED
(+49.0% compared to 2021)

1,857
HOURS OF VOLUNTEERING
(+49.8% compared to 2021)

10
CHARITABLE ACTIONS

€21,233
RAISED IN CHARITABLE
ACTIONS

25
WORKSHOPS ONLINE HEALTH
AND PERSONAL APPRECIATION

3,642
PARTICIPANTS

131,999
GOODS DONATED

2,527
EQUIPMENT DONATED
AND OBSOLETE

€122,847
VALUE OF INSURANCE
POLICIES OFFERED

Fidelidade, as an important operator in the Portuguese insurance industry, recognises the importance of investing in the social dimension of Sustainability. Insurance companies, by their nature, contribute positively from the outset to this dimension by enhancing the ability of generations to live with longevity, always in a perspective of equal opportunities. Fidelidade's main mission is therefore to guarantee a resilient Society, prepared to face the risks it encounters.



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²³ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

2.5. INVEST IN SOCIETY

We have identified 3 action axes:

LONGEVITY

SOCIAL INCLUSION

PREVENTIVE HEALTHCARE

Through daily actions and social responsibility initiatives that cover employees and the community, WeCare's commitment is honoured, ensuring continuous support to the Portuguese population and in all markets where we have operations.

The Fidelidade Group's social investment is in its DNA and the actions carried out in 2022 reaffirm this.

WECARE COMMITMENT

WeCare is the centre of the Group's culture and comes naturally, incorporating responsible vision into the existing business. It started as a product aimed at customers, but with the aspect of social responsibility very present and with the mission to go further in the service and support provided. Now aimed at employees, actions such as physical rehabilitation, professional, family and social reintegration and financial sustainability comprise the WeCare commitment. The WeCare Programme, aimed at employees, took its first steps in 2021, by promoting a harmonised understanding of the concept for all its employees.



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2.5. INVEST IN SOCIETY

FIDELIDADE COMMUNITY

The Fidelidade Community Programme marks the identity of Fidelidade's Social Responsibility – a programme that began almost exclusively focused on the employee, but which has since become a project with a much broader mission to strengthen the social sector. In addition to the recognised Fidelidade Community Award, an investment in institutions that work in the field of social inclusion of people with disabilities and elderly people and health prevention, the programme extends through various initiatives that are developed with employees, other group companies, mediators, business partners and stakeholders.



For the Community

FIDELIDADE COMMUNITY AWARD

The Fidelidade Community Award represents the structured financial contribution of the Fidelidade Group to third-sector organisations that work in the field of social inclusion of people with disabilities, ageing and preventive healthcare. These dimensions correspond to the essence of the impacts of insurance activity: protecting people, assets and economic activity in the present and in the future.

This contribution represents only the beginning of a relationship that is intended to last: a true partnership. An example of this is the delivery of salvage from claims (goods in decent condition that gain a new life, such as clothing, footwear or appliances), hospital material and equipment from Hospital da Luz, office supplies and refurbished computer equipment from Fidelidade Group.

The 4th edition, launched in 2021, started a new model of biennial holding. However, due to the pandemic, it was divided into two phases with independent appropriations and regulations: a 1st phase for urgent and/or emerging support (€150,000) and a 2nd phase for support to strengthen the sustainability of Social Organisations, from a social investor perspective with higher amounts (€600,000).



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2.5. INVEST IN SOCIETY

As part of the Award, four training sessions and Training Labs were held on impact assessment, with the participation of 67 organisations.

The new model implemented in this 4th edition included the preparation for the presentation of the intervention proposal, through the mentoring of the evaluation team, composed of Fidelidade employees. The candidates then made a pitch, followed by questions and answers. In 2023, the journey continues with the launch of the 5th edition.

CANDIDATES

162
AGEING

101
SOCIAL INCLUSION
OF PEOPLE WITH
DISABILITIES

65
PREVENTIVE
HEALTHCARE

10
WINNERS

7 entities won awards in the area of Ageing and **3 entities** won awards for Social Inclusion projects for people with disabilities or incapacity.



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2.5. INVEST IN SOCIETY



SUPPORT FOR UKRAINIAN REFUGEES IN PORTUGAL

In March 2022, Fidelidade partnered with the Jesuit Refugee Service to provide immediate humanitarian support to citizens of Ukraine and help the population fleeing due to Russia's armed conflict with this country. Fidelidade's support has enabled JRS to strengthen its responses and provide support to the approximately 1,050 people from Ukraine who have contacted JRS in the last year.

Donations

An internal donation campaign was launched in which Fidelidade matched the amount donated by employees and the company, totalling €17,598.36.

The monetary donation was used to respond to the identified needs, namely with the allocation of monetary grants to the most vulnerable (for 3 months), provision of transport for users, enhancement of the service centre with equipment and human resources to provide social support, interpretation and mental health, but also to cover

consumption expenses (water, electricity and gas), translation services and transportation at the Reception Centre in Vila Nova de Gaia.

Support was also extended to the offer of vouchers for the Fidelidade FidCoins store, reverting €815 to the Portuguese Red Cross.

Health insurance

Fidelidade also provided a health plan for applicants for temporary protection. About 600 people demonstrated a need to access the service (in Lisbon and Porto), and up to 12 December 2022, 137 people requested in-person care at the participating hospitals.

Most of the patients who requested support wanted to follow up health problems of a non-serious nature. Many of the women asked for a gynaecological consultation, which is the cause of the increased waiting time for this specialism (up to 3 weeks).

There were also users with chronic illnesses who were able to continue consultations within the Fidelidade circuit (heart, oncology, dermatology, among others) and users who benefited from surgical interventions, of a non-aesthetic nature. Fidelidade increased the ceiling for these users, considering the need for such interventions and the long waiting period in the SNS.

For users, the possibility of free specialist consultations was a great support, as they were able to overcome bureaucratic issues, namely the level of registration in health centres, which require certificates of residence or other proof of address, to which many do not have access.



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2.5. INVEST IN SOCIETY

CALL CENTRE

The call centre was a support provided by Fidelidade, which allowed it to respond in Ukrainian to the high number of requests for help that JRS received daily. In October, the schedule was revised due to the decrease in the number of calls that is related to the migration flow itself and people's situation stabilising. By the end of the year, close to 400 calls had been made through the call centre line.

Fidelidade in Spain also carried out a campaign to collect donations to support those affected by the crisis in Ukraine.



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2.5. INVEST IN SOCIETY



SECOND EDITION OF THE COMMUNITY GUARANTEE AWARD

Realisation of the second edition that included **5 associations**, three in the area of **Social Inclusion of people with disabilities or permanent disability** and two in **Preventive Healthcare**, in a ceremony presided over by the President of the Republic of Cape Verde, José Maria Neves.



Synergies Inside and Outside the Group

In 2022, **216** employees took part in the Group's Volunteer Programme. Together, they put in **1857 hours** of volunteer work, in a total of **19 actions**. The new year also brought something new – customers and suppliers were able to participate in volunteer actions.

ELDERLY MONITORING	Santa Catarina Parish Social Centre Serve the City Mértola Santa Casa da Misericórdia
MENTORING - EDUCATION	Mother's Help
FINANCIAL LITERACY	Junior Achievement Portugal – Risk and Me
SUPPORT FOR PEOPLE AT RISK OF EXCLUSION	Food Bank Mutual Aid Semear Earth Semear Groceries Déjà Lu Alcáçovas Santa Casa da Misericórdia Santa Catarina Parish Social Centre
SUPPORT FOR ANIMAL INSTITUTIONS	A Cerca
SUPPORT FOR PENSIONERS IN CARE	Delivery of Christmas Hampers



2.5. INVEST IN SOCIETY

Make-A-Wish Mission

The Fidelidade Group once again joined the Make-A-Wish mission at Christmas 2022, having contributed to the fulfilment of 33 wishes of seriously ill children and young people.

OK! teleseguros invested in the community, collaborating with the National Road Safety Authority, Passo Positivo Association and Semear Association. It directly supported the Paralympic athlete Rita Lagartinho.

Donations

The Fidelidade Group donated **131,999** items to various institutions. The donations in kind made in 2022 included a high volume of recovered goods and also of equipment donated directly from the Group's subsidiaries.

Home appliances	16
Books	3,734
Footwear/Clothing/Accessories	4,327
Hospital Furniture	385
Office Furniture	518
Home Furniture	92
IT Material - Donated	648
IT Material - Obsolete	74 pallets
Hospital Material	3 pallets
Other	122,800



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2.5. INVEST IN SOCIETY

CREATING SYNERGIES AROUND THE WORLD

FIDELIDADE ANGOLA

As part of the company's responsibility program, Fidelidade Angola made donations of non-perishable goods, such as toys and clothing to children at the Paediatric Hospitals of Luanda, Lubango, Lobito, Huambo, Cuito, Cabinda and Benguela.

GARANTIA

In 2022, Garantia employees donated their blood, in an initiative promoted by the Happiness and Sustainability Area in partnership with the Agostinho Neto University Hospital, under the motto "Donating Blood is an act of love for others and, together, we can Save lives".

FID CHILE

For the second consecutive year, FID Chile is committed to supporting Teletón, a foundation that supports the recovery and reintegration of people with disabilities. The company carried out an internal awareness campaign, and also collected donations from employees. FID Chile's participation in 2022 was publicised at the national level, through the broadcast on a TV programme and the company's social networks.

FIDELIDADE ÍMPAR

In Mozambique, employees participated in the rubbish collection action on Katembe beach, at the invitation of the European Union Military Contingent and also supported the Blood Bank with donations.



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2.5. INVEST IN SOCIETY



LA POSITIVA

La Positiva's investment in the community was reinforced in 2022 through the company's participation in various social programmes and the creation of synergies with the community. Donations of clothing, school equipment and books were made and employees participated in volunteer actions such as "Renewing Schools" and "Happy Christmas". These campaigns benefited more than 1,600 vulnerable children and adults.

FIDELIDADE MACAU

Fidelidade Macau was actively involved with events and campaigns put on by Caritas Macau.

THE PROSPERITY COMPANY

The company focused on community investment through sponsorships and monetary support to the local community, namely the University of Liechtenstein, Startup Night, and other local associations. This support comprised around CHF 30,000 in 2022.

FIDELIDADE FRANCE

In partnership with the Adicare association, Fidelidade França employees participated in a solidarity race to prevent and combat cardiovascular diseases.



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2.5. INVEST IN SOCIETY



Stimulate Knowledge and Culture

FIDELIDADE CONFERENCES AT CULTURGEST

In October, Fidelidade held a Cycle of Workshops, in partnership with Culturgest, designed to reflect on concrete actions and solutions around the themes of Climate Change and Diversity and Inclusion. The initiative lasted two days and combined interactive workshops and conferences, which reflected Fidelidade's positioning at the social level, under development since 2007, from a perspective of continuous support to society. In this context, the initiative also featured a Social Business Exhibition dedicated to three entities supported and already with close ties with the Group: Semear, Café Joyeux and Déjà Lu.

WORKSHOPS

25 Online Workshops were held, in which 3,642 people took part. The main themes of the workshops in 2022 were, above all, related to Health and Personal Enhancement, addressing topics such as Happiness, Communication, Diet and Healthy Eating, among others.

In 2022, MULTICARE continued to carry out its social programme Por Falar Nisso, dedicated to reflection on health and which disseminates educational videos on the physical, mental and social well-being of all, through the voice of health specialists, personalities and real-life testimonies.



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2.5. INVEST IN SOCIETY

FIDELIDADE ART

2022 was a different year for Fidelidade Art. With the aim of presenting Art as a right for all, emphasising the Group’s strong commitment to Social Responsibility, the exhibition space was given over to the Manicómio project for six months, dedicated to the training and psychosocial and professional reintegration of people with experience of mental illness. The exhibition, which was divided into 3 Acts, attracted media coverage.

The last cycle of exhibitions of the year - Territory - brought a combined exhibition of works and objects that are part of the artist’s own life.

EXHIBITIONS	VISITORS
Chain Reaction Angelo de Sousa	1,497
Trilogy Threshold - Act I	997
Trilogy Threshold - Act II	724
Trilogy Threshold - Act III	913
Small Gallery Various artists	787
Territory Mysterious	1,160

The trilogy threshold, an exhibition in three acts, which featured contemporary art, the most important, more than social responsibility, was the way Fidelidade looked at us, as artists and not people with “mental illness”. There is nothing more powerful than being recognised for our value, without stigmata and with dignity.

Sandro Resende,
Artist and Founder of the Manicómio Project



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2.5. INVEST IN SOCIETY



Between Us

Within the Company, with its employees in mind, Fidelidade seeks to provide the best health, safety and well-being practices at work, also committing to promote diversity, equity and inclusion as a priority in its performance.

NOS PROGRAMME

The NOS Programme, already recognised among the Group's employees, aims to support them in several areas – legal, economic, financial, health, among others – and experienced important developments in 2022.

- 223 employees had their requests answered;
- 8 episodes of the Podcast "Aqui entre Nós" were released, featuring collaborations with specialists in Mental Health and Geriatrics;

- The creation of the Support Platform was proposed for Caregiver Employees to become part of the Employee Hub;
- A network of partners was created within the scope of Support for Caregiver Employees;
- The Psychological Support Network was redefined;
- 5 webinars were held within the scope of the Caregiver Employee Support.

MERIT AWARDS - YOU ROCK

The Fidelidade Group again held a new edition of the Merit Awards, aimed at the children of employees who distinguished themselves in the 9th and 12th years, in the 2021/2022 school year. The cash prizes awarded were €500 and €1,000 respectively.



Promote Visibility and Joint Reflection

THINK BIGGER

The Fidelidade Group places Sustainability at the centre of its activity. You know you have to prepare for the future and think bigger!

Created in 2010, Think Bigger is a vital event for the Group, which addresses the evolution and development of the business, promotes the sharing of knowledge and strengthens relationships with the value chain. Adopting a biennial format, this initiative aims to create a moment of internal reflection between employees, institutional and business partners and even customers, through the sharing of the Group's strategic vision.

In 2022, after the interregnum due to the Covid-19 pandemic, we returned to Think Bigger. We departed from the usual format, with the holding of an event, and built the road to Pensar Maior, within the scope of which several thematic meetings were held throughout the year, culminating in the great Think Bigger event on 17 September. During that journey,



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2.5. INVEST IN SOCIETY

we thought about the changing world and our role in society and shared our strategic vision and the actions we want to develop in the near future. Another novelty of this edition was the extension of the initiative to the public, providing moments of reflection in the community. We launched, in partnership with Cofina, the platform Think about the Future, where customers and the general public could follow this journey and reflect together. Thus, we unite the face-to-face and the digital to Think Bigger for Companies, Health, Life and Savings, Distribution and the Family, and also integrate Internationalisation and Innovation.

We spent months on the road, in different parts of the country, to give life to meetings that brought Fidelidade back together and that featured participation of several internal speakers and also guests who accepted the challenge to Think Bigger. Between March and July we held 5 events, each dedicated to a theme: Companies, we realised that we need to be prepared for constant challenges, focusing on sustainability and innovation. In the field of Health, we assumed our priority to support the

longevity and quality of life of our customers. On the subject of Life and Savings, we wanted to promote the good management of savings, especially in the long term, because we believe that it is an extremely important factor in promoting quality of life. For Distribution, we emphasised the importance of technology in an increasingly fast and dynamic society. In the Family sphere, we shared our vision of responsibility towards our customers. More than 2,000 people attended in person and more than 12,000 watched the livestream.



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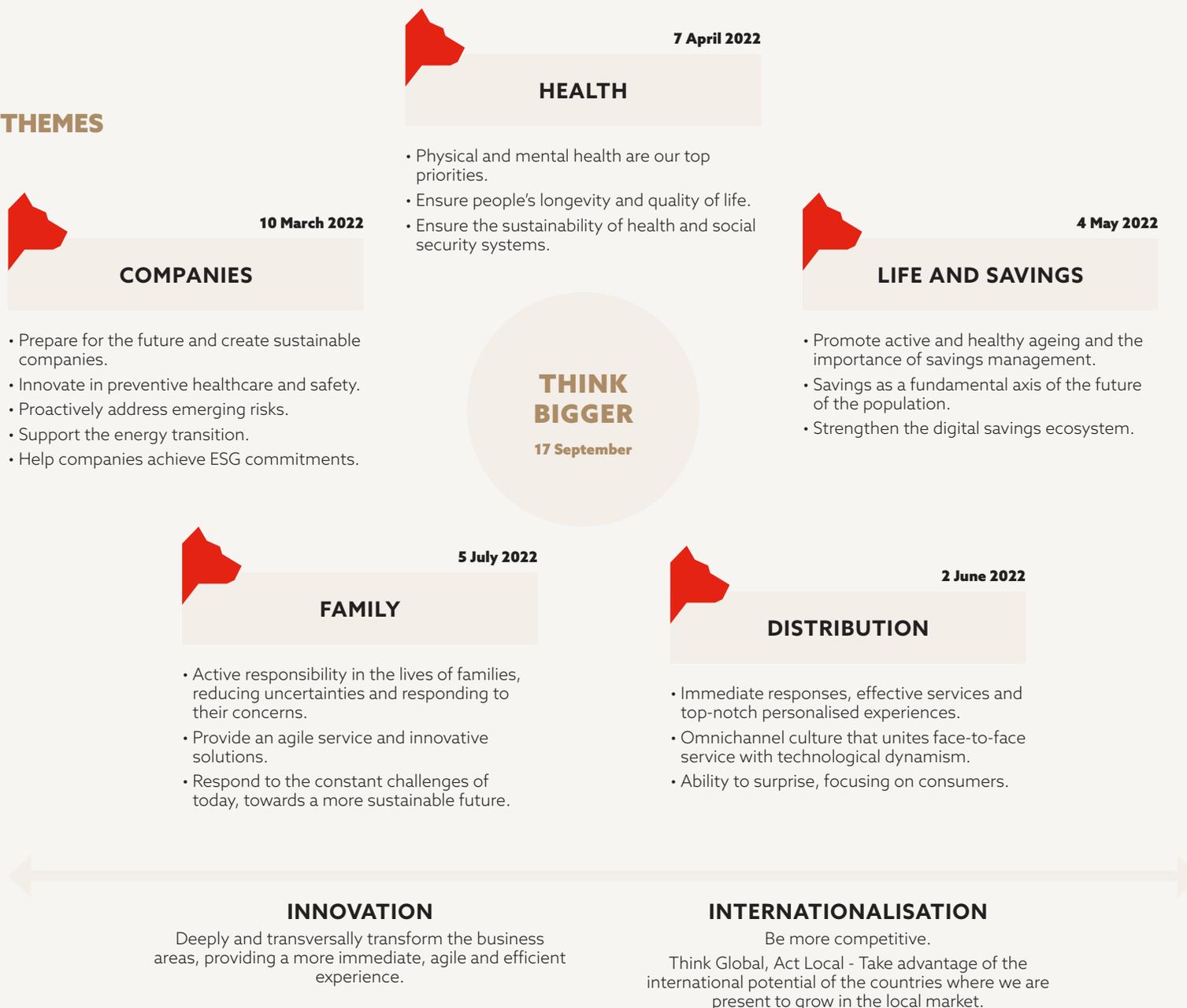
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2.5. INVEST IN SOCIETY

KEY MEETINGS AND THEMES



2.5. INVEST IN SOCIETY

Finally, on September 17, the doors of the Altice Arena were opened to receive 4,000 people in the afternoon and 3,500 who accepted the invitation and stayed for a night of celebration, bringing together employees, customers, business partners, suppliers, shareholders and journalists.

The huge Think Bigger event was held in two sessions: one in the morning, which comprised the five thematic events, addressing the topic of People, aimed only at employees; and the afternoon, which brought together over 1,400 stakeholders to the Group's employees, culminating in a cocktail, dinner and show. A full day, which included the interventions of members of the Board of Directors and the Executive Committee, namely its CEO, Fidelidade's Directorates and affiliated companies, along with CGD and Fosun Group shareholders, through video messages.

In a world in constant change, the Fidelidade Group wants to make a difference among its stakeholders by linking innovation, experience, creativity, technology and people. This is the way we can Think Bigger.

MULTICARE VITALITY RACE

The 2nd Multicare Race took place on 2 October, at 10am, in Parque do Jamor. This year, in addition to the 5 km run and walk, we also had a 10 km run. The registration fee for the race (€5) was donated to the Semear Association and to the work carried out by it in the inclusion of people with disabilities and in the improvement of their quality of life in all dimensions. Also present at the initiative were our Multicare Vitality ambassadors Isabel Silva and Patrícia Mamona, as well as our guest António Raminhos. With the aim of boosting the use of the Multicare Vitality programme and involving customers in this 2nd edition of the Race, the entire eligible Health portfolio was contacted via SMS and email, inviting customers to take part in this initiative.



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2.5. INVEST IN SOCIETY



Partnerships

ACADEMY

“Over the past 5 years, Fidelidade and Nova SBE have been developing several innovative initiatives that have an impact on the communities we serve in Portugal. In areas such as financial literacy or product innovation, this collaboration has demonstrated that university-business partnerships can help transform the world for a more sustainable future for all.”

Daniel Traça,
Ex-Dean at the Nova School of Business
and Economics

Nova School of Business and Economics (Nova SBE)

Since 2018, Fidelidade has had a strong relationship with New University of Lisbon - School of Business and Economics, NOVA SBE.

In 2022, Fidelidade inaugurated a new studio on the Carcavelos campus of Nova SBE - the Fidelidade Creative Studio - an innovative space, equipped with audiovisual technology that aims to improve the experience of bringing academia and the new generations closer to the insurance sector. The Fidelidade Creative Studio presents a disruptive concept in academic life, aiming to promote the sharing of talent in a space designed to support the work of teachers and help students to develop their skills, according to their needs, for a challenging future, in a fully professional studio environment.

2022 also saw the launch of technical-scientific collaboration projects. The “Finance for All - Financial Literacy Programme” project, created in partnership with Fidelidade, Nova SBE Finance Knowledge Centre and Chartered Financial Analysts (“CFA”) Society Portugal, aims to support families to manage their monthly budget in a sustainable way, and so contribute to increasing the level of financial literacy of the Portuguese and support the country's development. The project has already chalked up important achievements, especially the identification of entities in a logic of partnerships with social action institutions in the municipalities of Cascais and Oeiras and, within this public, pilot training was ensured with two training groups, reaching around 100 people.



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2.5. INVEST IN SOCIETY

Instituto Superior Técnico

In 2022, Fidelidade expanded its relationship with Instituto Superior Técnico (“IST”), through the establishment of two collaboration protocols: Collaboration Protocol Network for Technical Partners and ADIST/Fidelidade Collaboration Protocol.

In addition to these collaboration protocols, Fidelidade is the only private partner to support the construction of the new “Technician Innovation Centre powered by Fidelidade”, which will occupy the former Gare do Arco Cego, in Lisbon. The project will be ready in 2023 and aims to position itself as the new centre of innovation and technology in Lisbon. As for collaboration, through the creation of a partner network, the IST wants to get closer to the industry to bring the mutual advantage of technology projects and new products or services, thus accelerating the delivery by companies and creating opportunities for the school, especially with the development of important scientific contributions. With the start of the 2022/2023 academic year, the first Industry Workshop was held, during which Fidelidade officials and IST professors found important topics to be

examined by master’s students, creating projects with concrete themes for work in one year and broader topic projects to be developed over 4-year PhDs.

Portuguese Catholic University - Faculty of Medicine

At the end of 2022, a scientific collaboration protocol was signed between Fidelidade and Portuguese Catholic University - Faculty of Medicine (UCP), which establishes the development of common scientific research and training activities in the areas of health and well-being.

For Fidelidade, this strategic partnership is of the utmost importance, as the UCP is committed to developing an inspiring and innovative medical teaching, closely associated with research, to train health professionals with the ability to generate knowledge, with a high sense of ethics and social responsibility, which contribute to the continuous improvement of health care and increase the well-being of populations. In addition to the partnerships with Fidelidade, Multicare and the Luz Saúde Group also joined the University project, which also includes

the installation and renovation of the Campus where it will operate. Also in this context we helped to secure the renovation of the Main Auditorium - Multicare Auditorium.

Talent Bootcamp

Fidelidade sponsored the Talent Bootcamp programme, whose mission is to bring academia closer to companies and provide university students with a space for growth and learning. We offered 6 vacancies for the Data Science editions of NOVA IMS and Talent Bootcamp Técnico Lisboa to employees’ children.

FINANCIAL LITERACY

In collaboration with TSF, Fidelidade was present in the season’s financial literacy section, which over the course of eight weeks delved into eight different themes, through credibility and expertise in matters of savings and investment.



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2.5. INVEST IN SOCIETY

MENTAL HEALTH LITERACY

In October, we celebrated Multicare's partnership with the Order of Portuguese Psychologists, with a view to promoting mental health literacy as a way of preventing and reducing the associated stigma. On the same day, there was a Talk Mental Health debate with the comedian António Raminhos, Tiago Pereira and moderated by Isabel Silva.

Also on the subject of Mental Health, Multicare teamed up with the comedian António Raminhos, and became the main partner on the comedian's roadshow, a show that toured the country between September and November.

In another context, the Plant a Tree association and Gil Foundation also became partners of the Group, promoting value-added synergies between the Group, partners, customers and society.

IN 2023...

WORLD YOUTH DAY LISBON 2023

Fidelidade will be the insurer for World Youth Day Lisbon 2023, providing third-party liability, accidents at work, volunteering, personal accidents, health, property and motor insurance. An assistance service will also be provided to all volunteers who are preparing the meeting and to pilgrims who are going to the Portuguese capital between 1 and 6 August 2023.



Sponsorship

Media literacy

For the fourth consecutive year, Fidelidade was an official sponsor of PSuperior, an initiative of Jornal Público that aims to promote media literacy among university students. With this support, Fidelidade reinforces its strategy of social sustainability, focusing on the development of a modern, open, plural and democratic society.

Multicare

In 2022, Multicare distributed approximately €300,000 between sponsorships and donations. Among the institutions covered by sponsorships are the Portuguese Catholic University, the Portuguese Association of Hospital Administrators, the Portuguese Association of Private Hospitals and several entities, such as the 21st Bonecada Hospital and the 4th CNS Congress. Donations covered institutions such as Make-a-Wish and the Institute of Molecular Medicine.



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2.6. **PROTECT THE ENVIRONMENT**



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2.6. PROTECT THE ENVIRONMENT

KEY FIGURES 2022²⁴

51,456 GJ
ENERGY CONSUMPTION
WITHIN THE ORGANISATION
(+6% compared to 2021)

27,513 GJ
OF ELECTRICITY
(+11% compared to 2021)

14,533 GJ
OF DIESEL
(-10% compared to 2021)

4,602 GJ
OF PETROL
(+88% compared to 2021)

4,808 GJ
OF NATURAL GAS
(-1% compared to 2021)

4,182 tonnes of CO₂EQ
TOTAL EMISSIONS
(+23% compared to 2021)

1,576 tonnes of CO₂EQ
SCOPE 1 EMISSIONS
(-4% compared to 2021)

1,915 tonnes of CO₂EQ
SCOPE 2 EMISSIONS
(+36% compared to 2021)

690 tonnes of CO₂EQ
SCOPE 3 EMISSIONS
(+91% compared to 2021)

26,047 M³
OF WATER CONSUMED

LA POSITIVA
3,191 GJ
ENERGY CONSUMPTION
WITHIN THE ORGANISATION

158 tonnes of CO₂EQ
TOTAL EMISSIONS

4,297 M³
OF WATER CONSUMED



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²⁴ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

2.6. PROTECT THE ENVIRONMENT

APPROACH TO ENVIRONMENTAL PROTECTION

Climate change and environmental degradation are an existential threat to Europe and the world. To overcome these challenges, in 2019 the European Commission presented the European Green Deal, the roadmap to realign Europe's economy with the net-zero path, build a fairer and more sustainable society and help implement the Paris Agreement, which set the goal of limiting the increase in global average temperature to 1.5°C.

This Pact embodies the European Union's strategy to create a modern, resource-efficient and competitive economy that delivers economic growth while committing to protecting, conserving and strengthening the EU's natural capital and protecting citizens' health and well-being from environmental risks and impacts.

The Fidelidade Group takes on its role in preventing and minimising its environmental impacts by acting not only as an individual economic agent, reducing its emissions, but also influencing change in society in the necessary and pressing ecological transition,

through action with the different stakeholders, aligning investment policies and integrating ESG criteria into the portfolio of products and services.

ACTIVITIES

- Monitor and reduce direct company impacts

BUSINESS

- Assess and integrate climate risks into existing products and investments

SOCIETY

- Collaborate and participate with partner organisations and entities in sectoral reflection and in promoting awareness of society and employees

BY THE END OF 2023, WE COMMIT TO:

- Ensure that 100% of the electricity used in Portugal is 100% renewable.
- Complete the measurement of the carbon footprint in operations, investments and underwriting.
- Create a long-term Environmental Programme, which begins with the calculation of the carbon footprint, followed by the definition of a net-zero strategy and an emissions reduction and compensation plan, and also covers other environmental axes, such as water consumption, waste management and biodiversity. The Environmental Programme will also be embodied in an Environmental Policy of the Fidelidade Group.
- Launch a forestry fund with an investment from Fidelidade of 12 million euros.
- Launch the Centre for Climate Change in conjunction with universities and other Portuguese institutions.



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2.6. PROTECT THE ENVIRONMENT

CLIMATE CHANGE AND EMISSIONS REDUCTION

On 4 April 2022, the Intergovernmental Panel on Climate Change (IPCC) published the third part of the Sixth Assessment Report. This report presents the most advanced and recent knowledge about global warming and climate change. It highlights the responsibility of human beings to increase global warming and the urgency of taking action to drastically cut emissions in order to mitigate climate change. It warns that if enough is not done, we will be close to reaching critical points, which means we will have gone beyond the point where damage can be repaired.

The IPCC 2022 report warned that the world will reach the 1.5°C level in the next two decades, stating that only the most drastic cuts in carbon emissions from now on will help to avoid an environmental disaster.

In 2022, the Fidelidade Group started a gap analysis and roadmap project to contribute to the global goal of decarbonisation, through carbon reduction and assessment of the risk of dependence on fossil fuels, in order to manage activity and resources with more efficiency and circularity and to ensure compliance with all related topics and targets.

The Group is also attentive to the evolution of the prudential treatment of sustainability risks recommended by the European Authority for

Complementary Retirement Insurance (EIOPA), with the Insurance and Pension Funds Supervisory Authority (ASF), which comprises the following main areas:

1. Assets and exposure to transition risks;
2. Underwriting and climate change adaptation risks;
3. Risks and social objectives.

The consequences of climate change make this integration inevitable, as the insurance business faces different levels of risks:

- Physical risks, which directly affect people's portfolios and lives;
- Transition risks, which emerge from the transition to a low-carbon society;
- Emerging financial risks linked to carbon trading.



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2.6. PROTECT THE ENVIRONMENT

PHYSICAL RISKS	Climate Risks	Heatwaves, Rural Fires, Droughts, Strong Winds, Floods and River Floods, Coastal Floods and Overspills, Blizzards, Cold Waves.
TRANSITION RISKS	Political and Legal	Increase in the price of GHG emissions, obligation to report emissions. Existing and future regulation.
	Technological	Replacement of existing products and services with low-carbon options. Wasted investment.
OPPORTUNITIES	Operational	Savings on operating costs (energy efficiency) Increase in production capacity.
	Regulatory	Access to government subsidies Greater transparency, resulting in greater investment opportunities.
	Investment	Increase in responsible investors seeking to invest in companies that consider the risks of climate change in their policies. Effective management of climate risks can be seen as a proxy for good governance.
	Consumers	Access to new and emerging markets. Increased revenue from green products and services. Competitive advantage of adapting business models to reflect changes in consumer preferences.



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2.6. PROTECT THE ENVIRONMENT

Due to the loss and damage caused to customers, insurance is at the forefront of these impacts. Attributing greater importance to the management of climate issues is an inevitable step on which the Fidelidade Group is currently working, outlined in the following ways:



Key steps to consolidate the Group’s approach to climate change. By ensuring the resources and key competencies to address this issue, Fidelidade is strengthening its impact and risk assessment process and thus enabling more informed decision-making, which takes into account all relevant dimensions at all times.

In 2023, the Fidelidade Centre for Climate Change will open. It will function as a coordinator and integrator of actions and initiatives related to climate change and net-zero goals, taking advantage of Fidelidade’s existing structure and partnerships with external competence centres.

2.6. PROTECT THE ENVIRONMENT

Mission

Establish Fidelidade as a leading insurer in understanding climate change, its impact on business and environmental practices related to ESG

Function

The CCC will propose the priorities, the activity plan, the milestones for the net-zero goals and a resilient portfolio to the Executive Committee.

The CCC will monitor the activities and facilitate their execution with proper coordination of those involved

Operating Model

The Centre will function as a coordinator and integrator of actions and initiatives linked to climate change and net-zero goals. It will take advantage of Fidelidade's existing structure and partnerships with external competence centres.

Main units involved

DSU - Sustainability Department, DET - Statistics and Non-Life Technical Studies Department, DGR - Risk Management Department, DRI - Investment and Business Units Department

Value created

Increase the knowledge of the Fidelidade Group and Society on Climate Change
Promote Fidelidade as a leader in sustainability commitments in the sector
Facilitate the fulfilment of net-zero commitments.

“The Centre for Climate Change will make an essential contribution to the Fidelidade Group’s sustainability ambitions, combining the development of studies that model the exposure, both of the insurer and of society in general, to the physical risk arising from climate change and the estimation of greenhouse gas emissions associated with insurance activity, essential for defining net-zero commitments and compatible underwriting strategies.”

Rui Esteves,
Non-Life Statistics and Technical Studies Department



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2.6. PROTECT THE ENVIRONMENT

CALCULATION OF THE CARBON FOOTPRINT AND NET-ZERO COMMITMENT

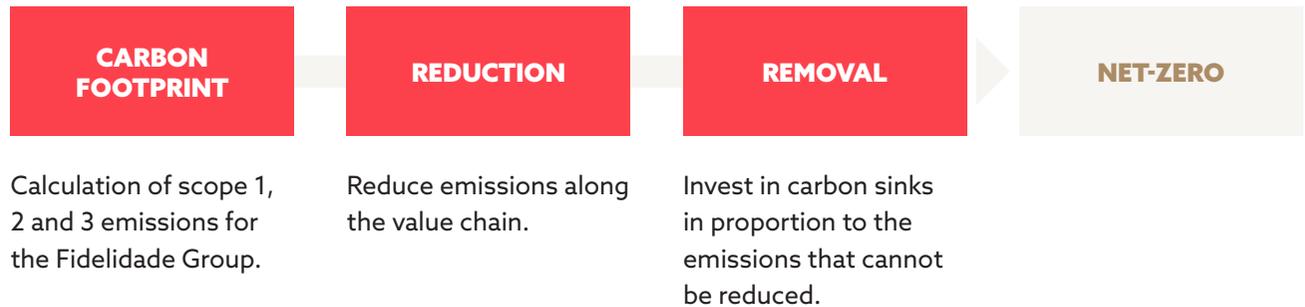
Fidelidade undertakes to reduce greenhouse gas (GHG) emissions significantly related to its direct operations and along the value chain, in order to meet the targets set in the Paris Agreement.

Knowing and calculating GHG emissions in detail is the first step to implementing reduction measures and the starting point for defining a strategic plan towards net-zero. Fidelidade is aware that the most significant part of its carbon footprint comes from its operations as an insurer and investor, which is why it also assumes clear commitments in these dimensions.

In order to achieve the net-zero commitment, Fidelidade intends to invest in the acquisition of renewable energy, which from 2023 should represent **100%** of energy consumption in Portugal, and contribute to the objective of reducing emissions.

One of the relevant milestones on this path will be the construction of Fidelidade's new headquarters that will meet the highest sustainability requirements and decisively reduce the Company's carbon footprint. In addition, Fidelidade will continue to develop efforts to digitise the business, making its processes more efficient while reducing resource

consumption. Work with suppliers and partners in our value chain will continue to reduce our carbon footprint as we drive the change of society as a whole towards a more sustainable world.



2.6. PROTECT THE ENVIRONMENT

Emissions

Direct Emissions - Scope 1

Emissions produced or directly controlled by the organisation²⁵, such as emissions from fuel combustion (company fleet) and consumption of natural gas. In 2022, our scope 1 emissions decreased, albeit slightly, due to the reduction in diesel consumption.

Indirect Emissions - Scope 2

Emissions caused by the production of electricity used by the organisation²⁶ in its operations. At the moment, Grupo Fidelidade is totally dependent on the electricity mix of its electricity supplier. Although suppliers are increasingly investing in renewable energy in 2022, the share of renewable energy in the supplier's electricity mix was significantly lower than in previous years (2020 and 2021), which translated into an increase in emissions generated by this consumption. 2022 was also marked by the return to the office, i.e. to normal functioning, without the restrictions and adaptations implemented during the COVID-19 pandemic.

Nevertheless, Fidelidade is firm in its commitment that by 2023 all electricity consumed in its operations will be 100% from renewable sources.

Indirect Emissions - Scope 3

Emissions related to all stages of the value chain of an organisation's business activities. Considering the activity of the Fidelidade Group, scope 3 emissions are mainly represented by business travel. In 2022, there was a significant increase in emissions in this category, which resulted from the improvement of the organisation's travel monitoring and reporting methodology. Nevertheless, both the distance and the number of trips made in 2021, due to the restrictions imposed by the Covid-19 pandemic, was substantially lower than usual.

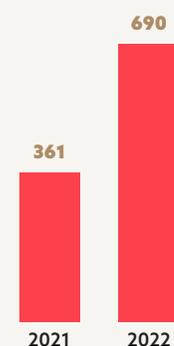
Scope 1
tonnes CO₂e



Scope 2
tonnes CO₂e



Scope 3
tonnes CO₂e



²⁵ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

²⁶ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).



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2.6. PROTECT THE ENVIRONMENT

LA POSITIVA

The calculation of emissions was also addressed in the international field for La Positiva, in relation to scopes 1 and 2. For scope 1 emissions, these relate exclusively to diesel consumption and account for a small proportion of total emissions. Scope 2 is the result of the organisation's electricity consumption, representing almost all of the organisation's total emissions.

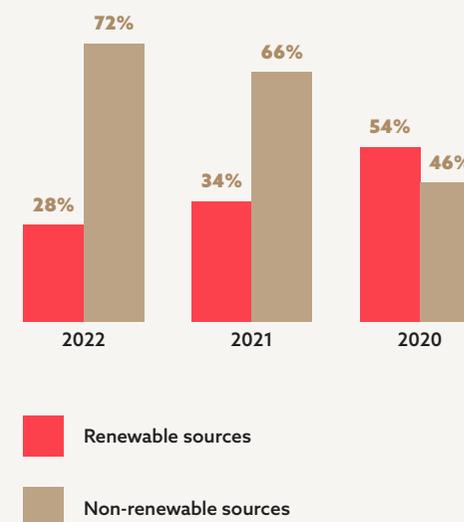
Total energy consumption in the organisation (GJ)	3,190.8
Electricity (GJ)	3,185.9
Diesel (GJ)	4.8
Total Emissions (tCO ₂ eq)	157.9
Scope 1 (tCO ₂ eq)	0.3
Scope 2 (tCO ₂ eq)	157.5

Renewable Energy

For now, the Fidelidade Group is entirely dependent on electricity suppliers to meet its electricity needs and, consequently, scope 2 emissions are dependent on its supplier's electricity mix.

At the end of 2022, renewable energy sources accounted for 28.12% of total electricity consumed, considering the Group's insurance area²⁷ in Portugal.

ENERGY SOURCE



²⁷ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

2.6. PROTECT THE ENVIRONMENT

FIDELIDADE ESPANHA

Fidelidade Espanha, as a result of its commitment to combating climate change, joined the **#PorelClima** Community, a pioneering initiative of people, companies, organisations and government bodies that come together with a common goal: to be protagonists in action against climate change, in accordance with the guidelines established by the Paris Agreement.

In Spain, the calculation of GHG emissions is carried out through the "Carbon footprint recording, offsetting and carbon dioxide absorption projects". This work was recognised with the **Calculo y Reduzco** seal, awarded by the Spanish Office of Climate Change (OECC) of the Ministry for the Ecological Transition and Demographic Challenge. This seal distinguishes companies that assess and calculate their carbon footprint and are on the path to reducing their emissions.

Fidelidade Espanha reports its emissions since 2017 and the seal was awarded for the verified reduction of 22.42% in the average emissions for the year 2018 compared to the period 2017-2019, from a 1+2 scope perspective.



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2.6. PROTECT THE ENVIRONMENT

BUILDING MANAGEMENT

Reducing energy and water consumption and increasing the energy efficiency of buildings are some of the key work objectives for the coming years, with environmental performance being a crucial factor in the construction of new buildings.

An example of this is the application of state-of-the-art sustainable construction in the new Fidelidade headquarters in Lisbon. This will be a new generation, environmentally sustainable building which will show a high level of resilience over time and, while still under construction, has already achieved several energy efficiency certifications: Near Zero Energy Building (NZEB); LEED, Gold level (Gold/Platinum); WELL, Gold (Gold/Platinum) level. The new Headquarters will feature photovoltaic panels for energy production, solar panels for gas heating and geothermal energy to control the building's ambient temperature; and water reuse solutions and installation of efficient reducing devices. This year the excavation and peripheral containment was

completed, together with the work related to the geothermal system. These and the following steps in the work will enable the Group to comply with the Lisbon Green European Capital Commitment, which aims for Lisbon to be a carbon-neutral city by 2050.

Entrecampos Project

The development of the Entrecampos Integrated operation will stand out for its implementation of the best sustainability practices and for optimising the performance of buildings. In order to ensure that these measures are implemented in accordance with the best international standards, in addition to those provided for in the Urban Planning Document, the projects are being oriented and evaluated in accordance with the principles of the LEED certification systems (Leadership in Energy and Environmental Design) and the WELL Building Standard.

Energy efficiency will be proven with the certification of the National System of Energy and Indoor Air Quality Certification; it seeks to obtain Class A, a classification higher than the legal minimum. The adoption of efficient technical lighting systems will considerably influence the energy efficiency of buildings, so they will be considered efficient lighting systems, with intelligent automatic control systems and with low power, thus reducing their energy consumption and also minimising cooling needs.

The Medelan Project

The Medelan Project is yet another example of the Group's commitment to sustainability. The building, located in Milan (Italy), was the subject of a full rehabilitation project, completed in September 2022, and already has **LEED Pre-Certification at Platinum level (Platinum), WELL Certification at Silver level (Silver) and is Wired Score Certified.**

2.6. PROTECT THE ENVIRONMENT

SUCCESSFUL CASE STUDIES

The Urbo Business Centre, an office building with a gross area of approximately 20,000 m², located in Matosinhos, managed by Fidelidade Sociedade Gestora de Investimento Imobiliário, was distinguished with the BREEAM Certification (Building Research Establishment Environmental Assessment Method) with the classification of “Good”, in the “New Build” Offices category. Urbo Business Centre is the first office building in Portugal to obtain a Good rating in the New Build category. The certification that distinguished the Urbo Business Centre evaluated parameters such as Management, Health and Well-being, Energy, Transport, Water, Materials, Waste, Land Use and Ecology, Pollution and Innovation. It should also be noted that the building obtained the maximum score in the “Transport” category.

This project stands out for its bold design and avant-garde architecture, the use of innovative materials and processes, such as the smart energy metering system, a reflection of DST Group’s strong commitment to sustainability innovation and digitalisation.



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2.6. PROTECT THE ENVIRONMENT

RESOURCE MANAGEMENT CIRCULAR ECONOMY

Reduction is our axis of action to substantiate the contribution to a circular economy, adopting the best practices of materials and waste management along the value chain. Measures such as the installation of LED lighting, the adoption of a flexible working model and the reduction of printed documents cut across the Group at the international level.

We even cut down on Christmas Lights!

In line with the energy saving plan and the commitment to sustainability that Fidelidade assumes with the Company, this year the lights on our buildings, which normally adorn the city of Lisbon from mid-November, were only turned on after the beginning of December and for fewer hours than usual, following the same principle adopted by the city.

More Sustainable Events

In the preparation and holding of our events, we intend to convey the commitment to the well-being of people and the planet. At the Think Bigger event, which brought together around 4,000 people, sustainability was central to the ideation and building of the initiative. from environmental protection to support for the local economy.

- Catering features several local producers, and there are always social solidarity institutions associated with our events, to which we donated the uneaten food;
- We reduced the production of materials, especially paper;
- We recycled used water bottles.

At the company's Christmas dinners (commercial network), the gift chosen for the participants was a pine tree to plant.

FIDELIDADE ASSISTANCE

- **Fluorescent lighting fixtures were replaced at Fidelidade Assistance facilities by an LED system and some of the taps in the bathrooms were also replaced by low-consumption taps;**
- **The implementation of the New Working Model, namely in hybrid and remote typologies, allowed a great reduction in water and energy consumption.**



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2.6. PROTECT THE ENVIRONMENT

Scrap Salvage Project

Concerned with the reduction and treatment of waste, the Fidelidade Group designed and developed the Scrap Salvage Project. This project intends to analyse the entire life cycle of salvage arising from property claims, encouraging reuse, whenever possible, of equipment and parts. When reuse of these products is no longer possible, they are sent to the appropriate final destination: recycling. In the case of possible reuse of equipment, these can be donated to social solidarity institutions, with which Fidelidade has established a relationship within the scope of other social projects and community support. This project is also part of the initiatives put on in accordance with the resource-use reduction plan and the commitment to reduce the environmental footprint alongside society.

Waste

The Fidelidade Group manages the impacts of waste production, mainly by minimising its consumption of materials and prioritising their reuse and/or recovery at the end of their life.

Based on the principles of circular economy, Fidelidade has invested in the implementation of measures to reduce waste production, namely the elimination of single-use plastic (for example, replacing all plastic cups with glass, plastic spatulas for coffee with wooden swizzle sticks), and by promoting the acquisition of sustainable and certified materials and products. The management of waste and its impacts also involves the implementation of awareness-raising measures for employees, in order to contribute to this effort, as was the example of the disposal of waste bins at all desks.

These measures allowed for a 63% reduction in total waste generated in national operations in 2022, compared to 2021.

Water

The Fidelidade Group monitors the water consumption of its activity in its buildings on a monthly basis, and seeks to manage the impact of its activity through the control of internal operational processes, the implementation of efficient water consumption measures and employee awareness. Domestic wastewater from activity in the various Fidelidade Group buildings is sent to the public sanitation network, and is subsequently subject to appropriate treatment, monitored by the responsible entities.

Considering that 2021 was also a year impacted by the restrictions of the Covid-19 pandemic, accentuating the period and frequency of the remote work model, less water was consumed than in 2022.



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2.6. PROTECT THE ENVIRONMENT

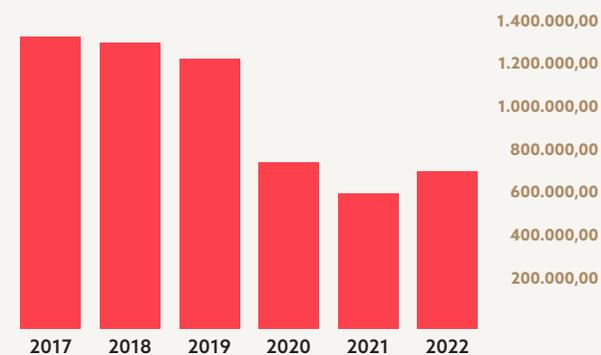
LA POSITIVA

According to the implementation of the electrical project with Inland Energy (LDS), signed in 2020, which resulted in the signing of a contract to change the status of regulated customer MT4 to free customer MT1, for the second consecutive year, it was possible to obtain savings in electricity consumption, which in 2022 meant a total saving of 36.98% in relation to existing conventional tariffs for regulated customers.

In 2022, La Positiva completed the LED lighting installation project nationwide at the company's decentralised offices. By 2023, this facility is expected to contribute to a 20% reduction in electricity consumption.

With the gradual return to face-to-face work in the main offices, LED lights were installed at the end of 2021, which obtained the general results presented here.

ELECTRICITY CONSUMPTION KWH



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2.6. PROTECT THE ENVIRONMENT

FIDELIDADE MOZAMBIQUE

In 2022, Fidelidade Moçambique invested in a new headquarters, where it brought together employees who were in two buildings in Maputo. The new headquarters will feature centralised management of energy, air conditioning and access control, using cutting-edge technology.

The lighting of the new headquarters is based on LEDs, which are controlled through a computer control system that guarantees the lighting is only available during the hours of operation of the company and in the places where employees are working.

Floor air conditioning is centrally managed with state-of-the-art appliances and AC, ensuring low operating consumption and better air quality.

FIDELIDADE MACAU

Fidelidade Macau completely eliminated the use of plastic water bottles, and recycled all existing ones.

It also participated in an external project with the Portuguese School of Macau to reuse these water bottles for the construction of a vertical garden at the school.



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2.6. PROTECT THE ENVIRONMENT

MOBILITY

The greenest fleet

Sustainable mobility started internally with the reduction of our car fleet and then with its replacement by electric, conventional or hybrid vehicles, and the gradual extension of this practice to all participating companies.

Fleet reduction

The Fidelidade Group has reviewed its travel routines in providing customer services and has taken steps to reduce business travel by replacing them with online meetings.

With the implementation of the “Novatronica” fleet management software, it was possible to optimise routes which thus led to more efficient fuel consumption.

In addition, as part of the strategy, in the Group companies with assistance services, the external service-provider network was expanded throughout the country, which allowed us to reduce the distances travelled, resulting in a reduction of resources and a significant decrease in the associated carbon footprint.

Fleet replacement

CARES

The measures taken to reduce the company’s fleet allowed Cares to reduce its fleet by 35 vehicles.

FIDELIDADE

In 2022, Fidelidade acquired 21 hybrid vehicles as part of a total of 38 new vehicles, and it also optimised customer service routes with more providers per location and the reduction of business trips, replaced by digital meetings, which are faster and have less associated footprint.

CARES

In 2022, a proposal was presented with the objective of replacing all vehicles powered by fossil fuels with 100% electric vehicles in 2023.



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2.6. PROTECT THE ENVIRONMENT

ENVIRONMENTAL RESPONSIBILITY AND AWARENESS

An agent in an extensive value chain, Fidelidade reinforces its commitment as a responsible and exemplary entity in its relationship with employees, partners, suppliers and society in general. This attitude is expressed in the participation and collaboration with partner organisations and entities in the sectoral reflection and in raising employee awareness, namely through the participation in executive training programmes in the area of sustainability and society on this topic. And we also promote and finance initiatives and leadership in working groups that promote the awareness of the different economic actors in the theme of sustainability, thus positively influencing the Portuguese Society as a whole.

LA POSITIVA

Above all, it carries out information campaigns for customers and brokers through its communication channels, disseminating figures that impel the need for immediate action, along with examples and advice on environmental protection issues.

In 2022, La Positiva created the “Cyber Savings” Campaign through social networks, with savings tips and how to promote sustainability from home. It also carried out its first voluntary beach cleaning initiative with employees.

TOWARDS COP27 MANIFESTO

Fidelidade, together with other companies, signed the “Towards COP27” manifesto, produced by BCSD Portugal. The document confirms the importance of the United Nations Conference and underlines the importance of implementing 6 priority lines of action, since by 2030 it will be necessary to reduce global greenhouse gas emissions by 45%, compared to 2010 levels, implying an annual reduction by 2030 higher than that which occurred in 2020 due to the lockdown caused by the COVID-19 pandemic.



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2.7. **SUSTAINABLE SUPPLY CHAIN**



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2.7. SUSTAINABLE SUPPLY CHAIN

KEY FIGURES²⁸

M€257
SPENDING WITH
LOCAL SUPPLIERS

94%
PROPORTION OF SPENDING
WITH LOCAL SUPPLIERS

With a vast and global network of suppliers, the Fidelidade Group is committed to developing a business that, in addition to creating value, can contribute to a more sustainable supply chain.

Fidelidade, not merely identifying itself as an individual agent for the subject of sustainability, intends to assume the role as a promoter of behavioural change in society, especially with its suppliers. In addition to an offer of products and services and other business solutions with integration of ESG factors, the Group undertakes to favour suppliers that ensure alignment with the best sustainability practices, and support smaller suppliers with specific training in these topics.

OUR COMMITMENTS:

- Revise the supplier evaluation and selection process with a view to including ESG criteria, by reviewing the Procurement Policy and drawing up a Code of Conduct for partners.



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²⁸ Companies included in the non-financial information report: see subchapter 7.1. Our Indicators (in Portugal).

2.7. SUSTAINABLE SUPPLY CHAIN

SUSTAINABLE SUPPLY CHAIN

Sustainable procurement, as a material topic for the Fidelidade Group, is a strategic axis on its journey towards the integration of sustainability in the business and in the value chain.

As such, measures have been designed and implemented to strengthen its position in this matter:

- Of particular note was the identification of criteria to be implemented for sustainable acquisitions, a joint effort between the Sustainability, Operations and Procurement and Compliance departments.
- When renewing contracts for certain types of services, inclusion in the questionnaire of measurement of issues related to working conditions of employees of supplier companies.

Identification of principles and measures to be implemented (in progress):

- Grouped delivery of equipment, replacing individual packaging;

- Acquisition of equipment with lower energy consumption;
- ESG tool for Investments;
- Request for the use of environmentally friendly products from cleaning service providers;
- Reduction in the number of vehicles powered by fossil fuels and their replacement by plug-in vehicles;
- Absence of plastic-wrapped meals in the Company's cafeterias;
- Replacement of bottled water dispensers with mains-connected dispensers.

With the elaboration of the Sustainable Responsibility Management Policy, which is under development, suppliers will assume an increased responsibility for proper management of the entire scope of sustainability, both social and environmental.

Risk Management

Even at a pre-purchase stage, the identification of potential risks should be considered. Fidelidade Group companies have demonstrated proactivity at this stage of the process.

Fidelidade Espanha includes Sustainability - APS (Procurement and Sustainability Area) in its procurement department.

In 2022, Fidelidade Angola began a project for risk management when contracting suppliers, in which, among other aspects, sustainability criteria will be included. Methodologies and tools are being developed centrally and will be implemented in the near future.

Procurement Practices

In order to prepare the value chain for the judicious establishment of responsible and sustainable procurement practices, key measures have been adopted in the various companies of the Group.



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2.7. SUSTAINABLE SUPPLY CHAIN

In Portugal, Fidelidade Car Service works to maximise the application of “green” parts in the repairs ordered by the Group.

La Positiva does not yet have a specific policy for suppliers; however, it shows concern at the level of purchasing processes by prioritising recycled products. An example is the purchase of paper and toiletries.

La Positiva makes publicly available the Code of Ethics for Third Parties and Crime Prevention Model Policy.

Fidelidade Ímpar, in Mozambique, approved a Procurement Policy that allows the creation of a base of suppliers with greater potential to comply with ESG criteria.

Supplier Assessment

In the process of responsible procurement, it is crucial that suppliers are periodically assessed in order to guarantee their alignment with ESG criteria. The Fidelidade Group, through the Sustainability Department, is finalising the process of acquiring a tool that will facilitate the management of ESG data, namely those relating to the assessment of suppliers. A number of initiatives are also underway in the other relevant companies.

GEP

At GEP, suppliers are assessed in order to verify whether they are in accordance with the requirements or whether a new supplier should be sought in the market. The evaluation has been positive, and so far the same portfolio of suppliers has been maintained.

LA POSITIVA

Audits are carried out on suppliers through questionnaires, in order to evaluate the work carried out and its efficiency.

CARES

In addition to the implementation of a delivery time for the Suppliers File, an Assessment File is also provided.



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2.7. SUSTAINABLE SUPPLY CHAIN

ESG AWARENESS FOR PARTNERS

As a priority theme for Fidelidade, the continuous awareness and promotion of actions aligned with ESG is an important practice to consolidate a sustainable value chain.

THE PROSPERITY COMPANY

The Prosperity Company sends a questionnaire its stakeholders, especially partners, to promote ESG factors.

FIDELIDADE MANAGEMENT COMPANY

As part of the IMOFID Fund's ESG framework development project, a consultation phase was planned with its partners, seeking to identify important sustainability topics for the Fund. This action promoted and stimulated awareness of sustainability-related issues throughout its value chain.

The Fidelidade Group also assumes a set of sustainability commitments of national and international scope, which reinforce its position in this matter. This mirrors the intended future for the Group and also encompasses its value chain.



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2.8. **CREATE VALUE FOR INVESTORS**



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2.8. CREATE VALUE FOR INVESTORS

As a result of a very particular geopolitical and market context, 2022 was a challenging year. Nevertheless, Fidelidade guided its performance by competently executing its commercial strategy, along with portfolio diversification and growth in international markets, and enjoyed fluid communications with shareholders, analysts and investors. Above all, 2022 demonstrated Fidelidade's resilient performance.

Alongside the development in terms of supply and investments, the Group is increasingly focusing on the full integration of Sustainability in all its processes and procedures. Fidelidade recognises the importance of ESG factors in consolidating its business strategy, as a guide to good practices and risk minimisation, especially for its investors.

FITCH RATING

Fidelidade maintained, in 2022, its top-tier A- rating from the Fitch agency, despite the challenging economic context.

SUPPLEMENTARY INSTALMENTS

Settlement, in 2022, of the last tranche of additional shareholder benefits in the amount of €165 million.

Fidelidade – Companhia de Seguros, S.A. is 84.99% owned by the Fosun Group, through Longrun Portugal, SGPS, S.A., 15% by Caixa Geral de Depósitos, S.A. and 0.01% by Fidelidade Employees.



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2.8. CREATE VALUE FOR INVESTORS

COMMUNICATION AND ENGAGEMENT

In order to ensure regular and transparent communication with participants in the capital markets, in 2022 the Fidelidade Group established the Investor Relations Office. This new structure body reports directly to the Executive Committee and aims to ensure and manage communication with investors and bondholders holding Fidelidade's instruments, traded on financial markets. The department is also responsible for involvement with the financial rating agency Fitch, namely in preparing information on financial results and communications on the latest corporate developments. An effort that involves the creation of new communication channels:

Creation of a section dedicated to investor relations on the Fidelidade website

Publication of quarterly reports on the Group's financial results

Preparation of important notes for investors on landmark events

Biannual online management conference with investors

Email inbox dedicated to questions raised by investors

The holding of regular gatherings and meetings with Investors also embodies this approach of continuous communication and involvement that guides the Fidelidade Group's performance.

CREATE SUSTAINABLE VALUE

Seeking to highlight the role of sustainability in the value created for the shareholder and for society, the Group is also committed to incorporating ESG metrics at the level of remuneration, relating remuneration portions to individual and organisational performance, in accordance with the achievement of objectives concrete and quantifiable, based on the long-term sustainability of the company and on the effective management and control of the risks assumed by it, in line with social, environmental and governance criteria.

The Fidelidade Group thus assumes the creation of sustainable value is thus assumed as a strategic priority by mobilising teams, expanding the offer and reinforcing investments around an ESG approach, over a long-term perspective.



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3. GOVERNANCE AND RISK MANAGEMENT



3.1. GOVERNANCE STRUCTURE



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3.1. GOVERNANCE STRUCTURE

SHAREHOLDER AND CORPORATE STRUCTURE

In the context of a constantly evolving market, in which legal and regulatory requirements are increasingly challenging, the definition of a solid governance structure, supported by ethical mechanisms, but also compliance and risk management, is essential to ensure sustained development and create value for all stakeholders.

Fidelidade - Companhia de Seguros, S.A. is the company that heads the Fidelidade Group.

It is owned by the Fosun Group (84.99%), through Longrun Portugal, SGPS, S.A., by Caixa Geral de Depósitos, S.A. (15.00%)



The Fosun Group is one of the largest Chinese private conglomerates with an international presence and is listed (Fosun International Limited) on the Hong Kong stock exchange (stock exchange code: 00656.HK). It has interests in various sectors such as insurance, banking, pharmaceutical industry and tourism.

CGD is a bank owned by the Portuguese State. Founded in 1876, it is currently one of the largest financial institutions in Portugal, with about 4 million customers.

These two reference shareholders, due to their complementarity and ambition, are a guarantee of stability and dynamism of the Fidelidade Group's operations.



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3.1. GOVERNANCE STRUCTURE

CORPORATE BODIES AND CORPORATE GOVERNANCE

The members of the corporate bodies of Fidelidade - Companhia de Seguros, S.A., as of December 31, 2022, are as follows:

BOARD OF DIRECTORS

Chairman

Jorge Manuel Baptista Magalhães Correia

Vice-Chairman

José Manuel Alvarez Quintero

Members

Lingjiang XU

José João Guilherme

António Manuel Marques de Sousa Noronha

Rogério Miguel Antunes Campos Henriques

Wai Lam William MAK

André Simões Cardoso

Tao LI

Hui CHEN

Andrew John Zeissink

Yulong PENG

Juan Ignacio Arsuaga Serrats

Maria João Borges Carioca Rodrigues

Miguel Barroso Abecasis

EXECUTIVE BOARD

Chairman

Rogério Miguel Antunes Campos Henriques

Members

António Manuel Marques de Sousa Noronha

Wai Lam William MAK

André Simões Cardoso

Hui CHEN

Juan Ignacio Arsuaga Serrats

Miguel Barroso Abecasis

SUPERVISORY BOARD

Chairman

Vasco Jorge Valdez Ferreira Matias

Members

João Filipe Gonçalves Pinto

Pedro Antunes de Almeida

Substitute

Anabela de Jesus Nunes Prates

STATUTORY AUDITOR

Ernst & Young Audit & Associados - SROC, S.A., represented by Ricardo Nuno Lopes Pinto, ROC

MESA DA ASSEMBLEIA GERAL

Chairman

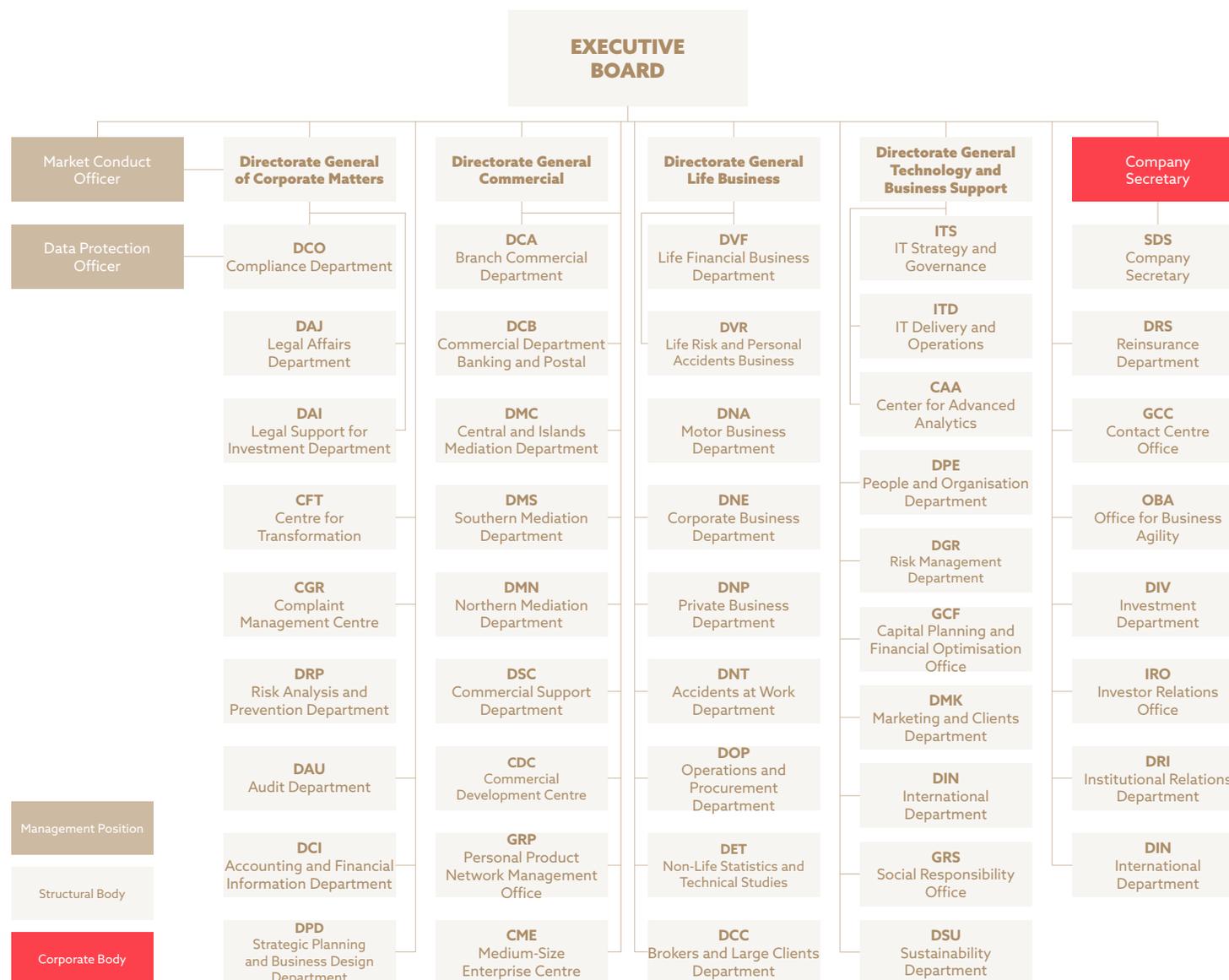
Nuno Azevedo Neves

Secretary

Nuno Ricardo Santos Jorge Pena

3.1. GOVERNANCE STRUCTURE

As a regulated entity, Fidelidade ensures the implementation of strict governance mechanisms, which also substantiate its commitment to a clear and transparent governance model. In this context, Directors are subject to a Fit & Proper process, which assesses, among other components, individual and group competence for the exercise of functions. It is also through this process that the Directors become aware of the conflict of interest rules, and sign a declaration on this matter. The appointment process takes into account the rules contained in the Commercial Companies Code, along with the legal and regulatory rules of the insurance activity.



3.1. GOVERNANCE STRUCTURE

EXECUTIVE BOARD

ROGÉRIO CAMPOS HENRIQUES Chairman of Executive Board (CEO)

Rogério Campos Henriques holds a degree in Economics from Universidade Católica Portuguesa and an MBA from INSEAD. He worked at The Boston Consulting Group (1994-2002) and later at the Portugal Telecom Group (2003-2008), where he was Marketing Director at PT Investimentos Internacionais and at Africatel Holdings BV. He joined Fidelidade in 2008 as head of the Information Systems area and Director of Multicare. Currently, in addition to Member of the Board of Directors, he is Chairman of the Executive Committee of Fidelidade and responsible for the areas of People and Organisation, Information Systems, Marketing, Advanced Analytics and for the Health insurance business line – Multicare.

ANTÓNIO DE SOUSA NORONHA Head of Commercial and Life Business

António de Sousa Noronha has more than 20 years of experience in the insurance industry. He holds a degree in Organisation and Business Management from Universidade Livre de Lisboa, with a postgraduate degree in Management from Universidade Nova de Lisboa. He held various positions in companies such as Chase Manhattan Bank and PWC and was a Member of the Board of Directors of the Investment Fund Totta Group/Iberian Values and the Pension Fund Totta Pensions. He joined Fidelidade in 1997 as head of the commercial department. Currently, in addition to being a Member of the Board of Directors, he is a Member of the Executive Committee with responsibility for the Life business area and commercial areas.

WILLIAM MAK Head of Investment Management

William Mak holds a Master's degree in Professional Accounting from Hong Kong Polytechnic University and has over 25 years of experience in the banking and insurance industries. He was IT Director at Sun Life Financial Ltd. in Hong Kong (2001 to 2003) and was a consultant at New York Life International LLC (2003 to 2005), responsible for project management in the finance, reinsurance and actuarial areas. Between 2005 and 2014, he was Financial Administrator at Ping An Insurance (Group) Company of China, Ltd. and at Ping An Life Company Ltd. He joined Fidelidade in 2014 as a Member of the Board of Directors and the Executive Committee, positions he holds as head of investment management.

ANDRÉ SIMÕES CARDOSO Head of International Operations, Strategy and Business Development

André Cardoso has been a member of Fidelidade's Executive Committee since 2017, where, in addition to Business Planning and Development, he also monitors International Operations. He has been with Fidelidade since 2014, and currently holds management positions in several Fidelidade subsidiaries abroad, including in Africa, Asia and Latin America. Prior to joining Fidelidade, André Cardoso worked at The Boston Consulting Group, a company where he participated and managed projects mainly in the financial area in Portugal, Spain, France, Italy, the United Kingdom and Angola. André Cardoso completed his Master's Degree in Industrial Engineering and Management at Instituto Superior Técnico in 2007, and subsequently completed an MBA at INSEAD in 2012.

3.1. GOVERNANCE STRUCTURE

THOMAS CHEN (HUI CHEN) Head of Risk Management and Accounting

Thomas Chen has about 16 years of professional experience, mainly in the area of banking and insurance. He served as CFO and executive director of Belgian insurer FIDEA until September 2019, when he was appointed advisor to Fidelidade's Board of Directors. Currently, in addition to being a Member of the Board of Directors, he is also a Member of the Executive Committee with responsibility for the accounting and risk management areas.

JUAN ARSUAGA SERRATS Head of Underwriting and Operations, and Non-Life Business

Juan Arsuaga has about 25 years of professional experience in the insurance area, being graduated in Economics and Business Management from the Complutense University of Madrid. In recent years, he has held various positions in Spain and Portugal at Lloyd's, and previously held the position of President and CEO of the Portuguese branch of Willis. Juan Arsuaga joined Fidelidade in July 2020 as a Member of the Board of Directors and Member of the Executive Committee with responsibility for the underwriting, claims and reinsurance areas of several Non-Life business lines, except for healthcare and motor.

MIGUEL ABECASIS Innovation, Actuarial & Motor Business

Miguel Abecasis holds an MBA (Masters in Business Administration), and graduated with honours from Harvard Business School. In recent years, he held the position of Senior Partner and Managing Director, Head of The Boston Consulting Group Portugal. With a degree in Management from Universidade Católica Portuguesa, he is Member of the Board of Directors of Fidelidade. He is in charge of the motor ecosystem (insurance, assistance, car service, etc.), motor technical area, innovation and transformation, direct insurance business (Via Directa) and TPC (The Prosperity Company), a Fidelidade subsidiary that operates in Germany, Switzerland and Liechtenstein.



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3.1. GOVERNANCE STRUCTURE

INTERNATIONAL GOVERNANCE MODEL

At the international level, investment in strengthening the governance model is made through the consolidation of internal teams, their structures and the way they operate. A path that began with changes at central level and in international operations and which is currently in the process of being revised with the aim of further enhancing the performance of teams and strengthening processes.

In general, all companies are greatly homogeneous in respect to regulations and the local context, a coherent representation and appropriate articulation with the Group.

The representation follows specific guidelines, which include the mandatory representation of three Fidelidade members in the local government.

The international model consists of a governance body that operates in two areas: independently and dependently, and reports to the central Board.

Policies and Regulations approved and/or revised in 2022:

- Sustainability Policy
- Provisioning Policy
- Communication of Irregularities Policy
- Fit & Proper Persons Test Policy
- Risk Management Policy
- Investment Policy
- Asset-Liability and Liquidity Risk Management Policy
- Operational Risk Management Policy
- Reinsurance Policy
- Risk and Solvency Self-Assessment Policy
- Deferred Tax Policy
- Policy for the Prevention, Detection and Reporting of Fraud Situations in Insurance
- Compliance Policy
- Internal Audit Policy
- Subcontracting Policy
- Processing Policy
- Complaint Management Policy and Regulations
- Ombudsman's Rules of Procedure
- Product Design Policy
- Insurance-Based Investment Product Conflicts of Interest Policy

- Capital Management Policy
- Employee Compensation Policy
- Corporate Body Compensation Policy
- Internal Irregularities Participation Policy
- Policy and Manual on Preventing Money Laundering and Combating Terrorist Financing

Other Existing Policies and Regulations:

- Code of Conduct
- Dividend Policy

CORPORATE PLANS

- Compliance Plan
- Internal Audit Plan
- Strategic Plan
- Business Continuity Plan

3.1. GOVERNANCE STRUCTURE

In order to ensure the annual revision of the Policies, Fidelidade is implementing procedures and mechanisms that allow this continuity, as well as providing support to the various Companies and Divisions of the Group in terms of policies and other topics related to governance.

The policies and regulations, approved by the Executive Committee and, in specific cases, by the Board of Directors, are disclosed internally and are contained in a specific repository for “Policies and Regulations”, accessible to the Group’s employees, in order to facilitate access to information. Externally, the disclosure of some of the available policies and regulations is ensured through the website www.fidelidade.pt.

Additionally in 2022, the signature of the Commitment to Diversity, Equity and Inclusion stands out, which sets strategic guidelines for the entire Group and outlines concrete goals and commitments.

Remuneration Policies

The total remuneration package of the members of the management body and employees consists of a fixed component, adjusted to individual roles and responsibilities, and a variable component, conditional upon individual and organisational performance, according to the fulfilment of concrete, quantifiable objectives and aligned with the Group’s strategy. Contractual and non-contractual benefits are also made available to employees, and their assignment is made by decision of the company based on internal policies defined by the Fidelidade Group.

In 2023, the Company intends to strengthen its commitment to sustainability with the implementation of a new remuneration model, which will include performance criteria at the environmental, social and governance levels, in line with the best international practices.



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3.1. GOVERNANCE STRUCTURE

APPROACH TO HUMAN RIGHTS

The Fidelidade Group conducts its activity with a healthy respect for Human Rights. A public commitment, made with the United Nations Global Compact, a special initiative of the United Nations Secretary-General dedicated to sustainability and based on Ten Principles, which emanate from the Universal Declaration of Human Rights, the International Labour Organisation Declaration on Principles and Fundamental Rights at Work, the Rio Declaration on the Environment and the United Nations Convention.

By subscribing to these Principles, the Fidelidade Group undertakes, in terms of Human Rights and Labour Practices, to support and respect the protection of human rights and to not commit any human rights abuses; to support freedom of association and the recognition of collective bargaining; to support the abolition of all forms of forced labour, including child labour, and to eliminate discrimination in employment.

Commitments that are integrated into the Fidelidade Group's strategy, processes and operations, also in line with the UN 2030 Agenda and its 17 Sustainable Development Goals and, of course, with all legal obligations in this field.



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3.1. GOVERNANCE STRUCTURE

ANTI-CORRUPTION APPROACH

Also in line with its subscription to the Ten Principles of the United Nations Global Compact, the Group is committed to combating corruption in all its forms, including extortion and bribery.

Anticipating legislation related to the risk of corruption, Fidelidade has been implementing mechanisms that improve the ability to identify and mitigate this risk, such as the creation of reporting channels and the revision of the Code of Conduct. The implementation plan of the transversal corruption prevention programme, which includes the evaluation of the different organic units, will be completed in 2023.

In 2022, the Plan for the Prevention of Corruption and Related Infractions in Public Procurement was published. The document was made available to public entities in the context of tender procedures.

During 2022, the Anti-Money Laundering and Combating the Financing of Terrorism Policy and its manual were also reviewed. The Policy aims to establish the principles that govern the processes of prevention of those activities as well as generate a high level of awareness of all employees in relation to their obligations and responsibilities, personal and professional, in this matter and compliance with the internal procedures established. The Manual for the Prevention of Money Laundering and Combating Terrorist Financing, in turn, constitutes a source of support for commercial areas, cash and treasury, Life Business directions and branches abroad.



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3.1. GOVERNANCE STRUCTURE

SUSTAINABLE GOVERNANCE

In 2022, the Sustainability Department was created in order to substantiate the Fidelidade Group's commitment to position itself at the forefront of sustainability in the insurance sector.

The Group thus undertakes to regularly, clearly and transparently disseminate the sustainability issues, with the new Board to articulate the various efforts in this area, and the Sustainability Committee has already been created with the responsibility of making recommendations and validating or supporting the decisions of its own bodies in all matters related to sustainability, namely in the definition of strategic pillars, monitoring of performance and review of procedures and policies, contemplating the analysis and incorporation of the expectations of stakeholders.

The Committee includes, with voting rights, the Chairman of the Board of Directors of Fidelidade, members of the Executive Committee, namely its Chairman in charge of sustainability, and the head of the Sustainability Department. It also enjoys participation of representatives from different departments for a holistic and transversal approach

to the theme of sustainability. The Committee, which meets at least twice a year, covers all national companies of the Group, seeking to create value through the sharing of best corporate sustainability management practices in the field of ESG and in making strategic decisions in the various areas of the Group. The Sustainability Department reports directly to the Chief Executive Officer, who is a member of Fidelidade's Board of Directors, the Company's highest body. The Group's strategic approach to sustainability, reviewed annually, or whenever significant changes so justify, by the Executive Committee, is reflected not only in the commitments, targets and mechanisms implemented, but also in the due diligence processes defined to identify and manage the impacts of the Group in the environment and society. The Sustainability Department is responsible for all operational execution, namely the exercise of non-financial information reporting, with an extensive team of interlocutors in all companies and Group operations to ensure the permanent monitoring of sustainability issues and their compliance at local level, with the necessary adaptations to their specific features.

Given the growing demands and challenges in the field of sustainability, training and participation in initiatives that contribute to greater technical training of those who, within the Fidelidade Group, work to enhance their positive impacts on ESG factors is fundamental. 2022 demonstrated this continuous commitment to improvement and learning, both through participation in training actions and programmes, and in conferences and initiatives dedicated to sustainability themes.

The Sustainability Department is responsible for integrating the issue into the Group's business model and processes, as well as for monitoring the adequacy and effectiveness of the implementation of the sustainability strategy and ensuring compliance with commitments and objectives.

3.1. GOVERNANCE STRUCTURE

FIDELIDADE MANAGEMENT COMPANY

Fidelidade Management Company stakes out an ESG policy as a recognition of the unequivocal need for sustainability improvements both in society and in the Collective Investment Funds under management. The company assumes responsibility for Sustainability governance through the Board of Directors, the ESG Officer and the Compliance Officer. As a result of this policy, Fidelidade Sociedade Gestora has a macro-objective of systematising, analysing and accommodating sustainability risks in the investment or disinvestment decision matrix in order to clearly assess the risks and negative impacts associated with potential or actual assets, through the definition of metrics, business plans, effective materiality indicators, and procedures, in order to enhance the positive impacts related to the aspects of Governance. 2022 was a year of awareness-raising, transition and adaptation to sustainability factors, reflecting the Fidelidade Group's contributions to the sustainable development goals.

FIDELIDADE PROPERTY

In terms of sustainability governance, Fidelidade Property started in 2022, on a path to consolidate its policies and its structure with the objective of, in the future, being able to identify the risks and opportunities related to ESG (Environment, Social and Governance) in real estate and define and implement the ESG strategy in the Group's real estate management area.



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3.2. ETHICS AND COMPLIANCE



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3.2. ETHICS AND COMPLIANCE

ETHICS AND INTEGRITY

The Fidelidade Group continuously reinforces its commitment to integrity and ethical compliance. The constant review of the Group's policies mirrors the monitoring of regulations, laws and risk exposure, but also the strong investment in solid governance, which increasingly integrates ESG factors.

With principles and values that guide all its activities, the Group works daily to ensure, through the application of its policies, processes and procedures, ethical compliance in decision-making.

Fidelidade and its employees are governed by a Code of Conduct, which reflects the Values that guide the activities of the Fidelidade Group.

The Company's Code of Conduct sets out the Group's various concerns regarding ethical behaviour.

DILIGENCE | LOYALTY | PROTECTION OF RESOURCES | TRUST | TRANSPARENCY | FAIRNESS AND IMPARTIALITY | SECRECY | RESPECTABILITY | PUBLIC STATEMENTS | PRIVILEGED INFORMATION | CONFLICT OF INTERETS | INDIVIDUAL SOLVENCY

In addition, the Group adopts policies that support the practice of an ethical and transparent business, namely the Policy for the Prevention, Detection and Reporting of Insurance Fraud Situations, the Internal Selection and Evaluation Policy, and the Sustainability Policy, among others.

At the value chain level, governance policies are developed and reviewed in order to strengthen the Group's internal system in the face of the applicable legal and regulatory framework and the Group's international growth and expansion, as well as the implementation of the Autonomous Market Conduct Function, which aims to ensure that the Group's insurance companies comply with market conduct rules. In this sense, we adopt good practices with an impact on the relationship with policyholders, insureds, beneficiaries and injured third parties, within the scope of the insurance activity.

With regard to conflicts of interest, the Fit & Proper Policy was enhanced, and the Conflict of Interest Policy related to Insurance-Based Investment Products was revised to include mentions relating to sustainability. The Code of Conduct, transversal to the whole business, reflects its concern with these matters, promoting transparency, justice and impartiality.



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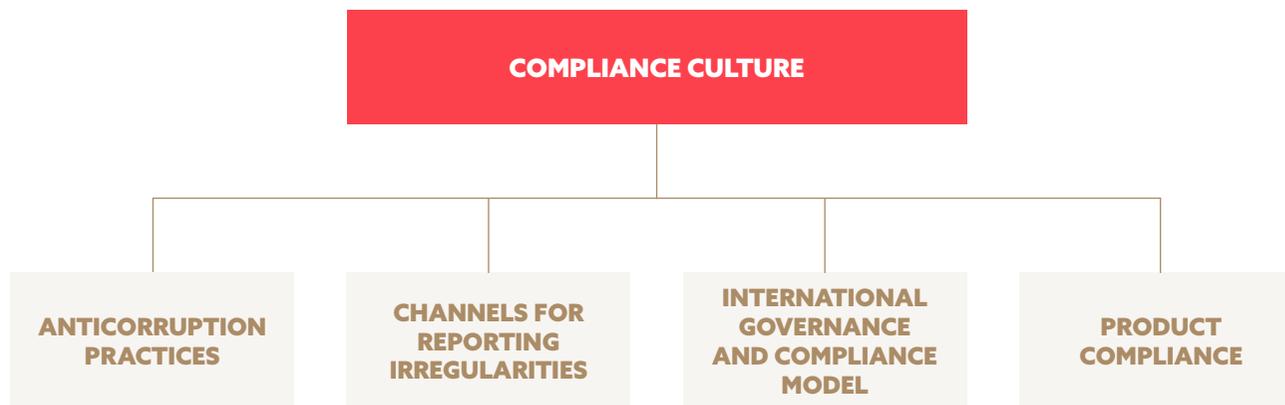
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3.2. ETHICS AND COMPLIANCE

COMPLIANCE CULTURE

Communication and training are essential pillars in building a structured Compliance programme and in shaping and adopting ethical behaviour (Compliance Culture). In 2022, communication/ training initiatives addressed the most critical set of risks for the Fidelidade Group: high exposure and/or impact and compliance with legal or regulatory obligations.



3.2. ETHICS AND COMPLIANCE

Anticorruption Practices

In 2022, the Fidelidade Group developed a compliance programme in competition practices, with the aim of implementing a continuous process of mitigating the risk of anti-competitive practices through:

- employee awareness-raising and training;
- clarification of responsibilities for competition-related matters;
- Encourage the early detection of any potential violations, avoiding penalties.

This programme was developed with the target audience of all employees and, in particular, those who belong to areas that were considered to be high-risk due to their exposure.

Channels for Reporting Irregularities

In June 2022, channels for reporting irregularities and respective whistleblower protection mechanisms were implemented for all Fidelidade Group companies. This project aims to speed up the detection and investigation of illegal or irregular practices by requiring rapid intervention and resolution of the problem. Reporting channels allow receiving and following up on reports made, and policies, processes and procedures have also been developed to ensure aspects such as integrity and protection of whistleblowers' identities.

COMMUNICATION OF IRREGULARITIES POLICY

The definition and implementation of the system for reporting irregularities (whistleblowing) and protecting whistleblowers involved the elaboration of the Fidelidade Group's Policy for Reporting Irregularities, in accordance with the new legal framework for the protection of whistleblowers. The irregularity reporting system allows all stakeholders to conform to the principles of ethics, responsibility, legal compliance and internal rules. It thus strengthens measures for early identification of deviant conduct and critical concerns, mitigation of financial and/or reputational losses, improvement of processes and internal controls, fostering behavioural integrity and identifying opportunities to improve the well-being and performance of employees.



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3.2. ETHICS AND COMPLIANCE

International Governance and Compliance Model

In the context of developing the Group's International Governance Model, a process for monitoring compliance risks in international operations was implemented in 2022, which outlines the need to support them to improve the operating model and achieve higher levels of maturity. Also in the international sphere, the Compliance Department led projects together with the information systems area, aimed at introducing improvements in the control of the risk of money laundering and the implementation of processes for automatic online filtering and monitoring of transactions at Garantia Cape Verde, SIM Mozambique, Fidelidade France and Fidelidade Angola.

Product Compliance

During 2022, the Compliance Department continued to deepen the implementation of its methodology for monitoring the product management lifecycle - Compliance by Design - which seeks to guarantee its intervention in the process of creating/changing products through:

- Assessment of compliance risks at relevant moments in the product's life cycle, focusing on the creation/design phase;
- Training session on the onboarding of new Product Managers, within the scope of the redesign of the respective function.

This programme was developed with the target audience of employees with Marketing and Communication and Product Management functions.



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3.2. ETHICS AND COMPLIANCE

FIDELIDADE MANAGEMENT COMPANY

The company has implemented a Customer Complaint Handling Policy, has adopted a Participant Complaints procedure and is currently finalising its Whistleblowing Policy.

FIDELIDADE MACAU

In 2022, it held Anti-Money Laundering, data privacy and anti-corruption training sessions. At the level of the value chain, it implements a Complaint Management Policy which, headed by a Complaint Officer, aims to manage the complaint investigation and reporting processes.

FIDELIDADE ANGOLA

As part of its internal control systems, the company has a set of mechanisms that allow the reporting of concerns, complaints or suggestions by different stakeholders. In this context, the following stand out for external stakeholders: (i) the Complaints Management Centre, an independent structure reporting to the Board of Directors which ensures the internal management of processes, adequate and timely responses to customers and is a privileged channel for complaints to the Supervisor: (ii) Customer Ombudsman (Customer Ombudsman Regulation), an autonomous, independent function with an advisory nature, which intervenes claim processes for policyholders, insured persons, beneficiaries or injured third parties, which, among other powers, may issue recommendations to Fidelidade Angola. From an internal perspective, Fidelidade Angola has procedures for reporting irregularities duly implemented and communicated.

TENAX

TENAX has implemented a Whistleblowing Policy.



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3.3. **RISK MANAGEMENT**



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3.3. RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Fidelidade Group’s global risk management system includes daily activities that help to maintain its solidity and stability, through a continuous exercise of risk identification, evaluation, management and monitoring.

This risk management model, aligned with the requirements of Solvency II, in force since January 2016, is thus a fundamental instrument in the definition of the Fidelidade Group’s risk profile, enabling, whenever necessary, the adoption of appropriate and immediate measures in the face of material changes.

The Risk and Solvency Self-Assessment Exercise (“ORSA”), which means a qualitative and quantitative assessment of all the risks to which the Company is, or may be, exposed, and a projection of its solvency position in the short to medium term, allows us to relate, in a prospective vision, risk, capital and return, in the context of the established business strategy. At

the same time, it plays a key role in monitoring both the Group’s risk profile and the adequacy of capital to regulatory requirements and internal capital needs.

In its governance system, the Group has policies, processes and procedures appropriate to its business strategy and operations, ensuring prudent management of its activity.

To ensure compliance with these policies, processes and procedures, the Company has established a set of key functions assigned to the following bodies:

RISK MANAGEMENT DEPARTMENT

- Risk Management Function
- Actuarial Function

AUDIT DEPARTMENT

- Audit Function

COMPLIANCE DEPARTMENT

- Compliance Function



3.3. RISK MANAGEMENT

In addition to the key functions, the management of risk management and internal control systems is also ensured by the following Committees:

RISK COMMITTEE

PRODUCTS, LIFE AND NON-LIFE COMMITTEE

SUBSCRIPTION POLICY ACCEPTANCE AND FOLLOW-UP COMMITTEE

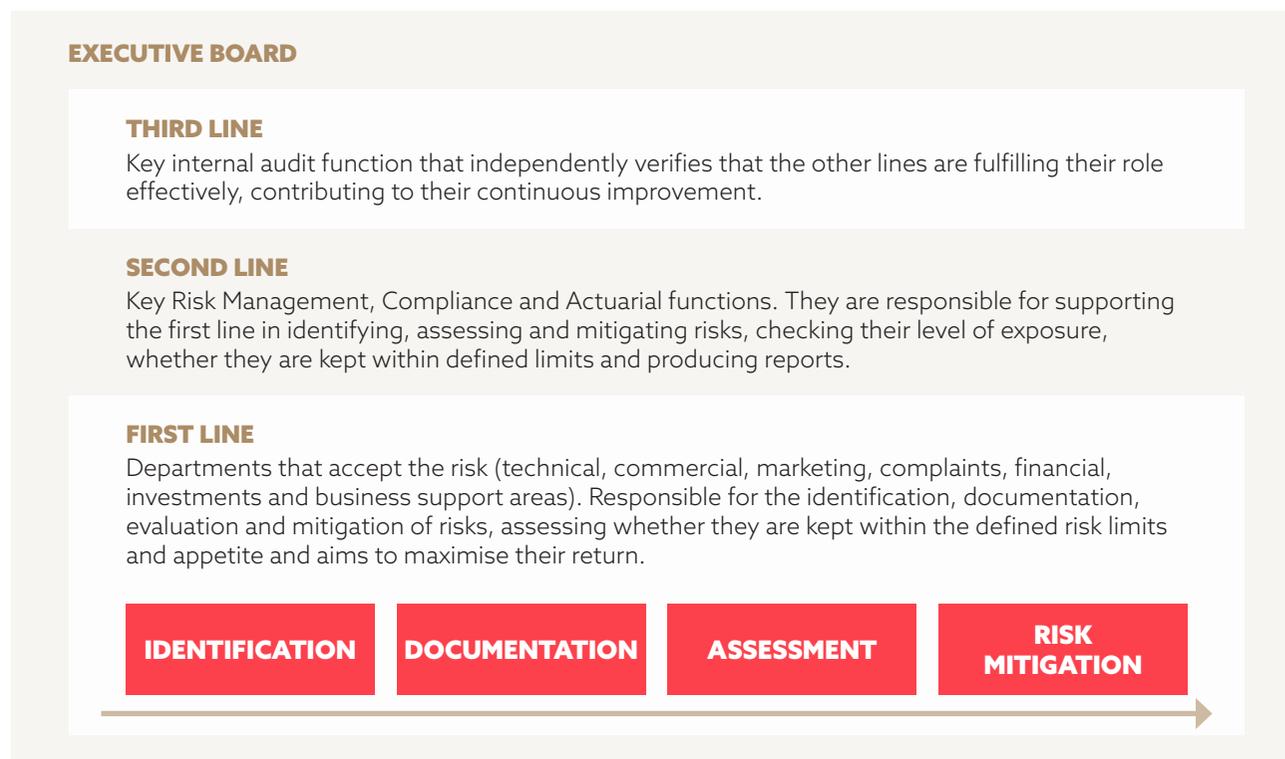
ASSET AND LIABILITY MANAGEMENT COMMITTEE

RISK ASSESSMENT PROCESS

The effectiveness of the Risk Management process is ensured by the Executive Committee, which defines the company's risk appetite and global risk tolerance limits. The model adopted by the Group has three

lines of defence, which aim to appropriately measure, monitor and control risks.

The three lines have the responsibility to report to the Executive Board all matters relevant to risk management.



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3.3. RISK MANAGEMENT

Monitoring and control of the main risks intrinsic to the Group's insurance activity are particularly relevant in the scope of Risk Management.

- **Specific insurance risk**, arising from the adverse change in the value of liabilities related to Life and Non-Life insurance contracts;
- **Market risk**, which reflects the risk of loss as a result of adverse changes in the financial situation of the insurance companies that make up the Group;
- **Credit risk**, associated with potential losses and uncertainty regarding expected returns, due to adverse changes in the financial situation;
- **Operational risk**, which translates into losses resulting from failures or inadequacy of internal procedures of people or systems;
- **Liquidity risk**, which reflects the possibility of not holding assets with sufficient liquidity to meet the cash flow requirements necessary to fulfil obligations to policyholders or creditors;
- **Concentration risk**, which stems from high exposure to certain sources of risk that may occur, such as asset categories, lines of business or customers;
- **Strategic risk**, arising from the potential for current and future impact on income or capital resulting from inappropriate business decisions, improper implementation of decisions or lack of responsiveness to changes in the market;
- **Business continuity risk**, reflecting the potential impacts that threaten the Group's ongoing operations, its resilience and its ability to effectively respond to the value chain.

RISK ASSESSMENT PROCESS | LA POSITIVA

La Positiva, which follows the three-line model, adopts a prioritisation and assessment methodology for critical processes, based on an analysis and selection based on annual importance. Risks are identified and classified according to their criticality and impact and mitigation plans are subsequently proposed according to the cost-benefit analysis, carried out in conjunction with the first line.



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3.3. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT AND HEDGE ACCOUNTING

The Group performs operations with derivative products as part of its activity, with the aim of reducing its exposure to fluctuations in exchange and interest rates.

Derivative financial instruments are recognised at their fair value at the contract date. They are also recognised in off-balance sheet accounts at their notional value.

Subsequently, derivatives are measured at their fair value. Fair value is calculated:

- On the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets);
- On the basis of models which incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Embedded derivatives

Derivatives embedded in non-derivative contracts or contracts based on financial liabilities are separated from the host contract and treated as separate derivatives, if:

- The embedded derivative's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
- A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative;
- The hybrid contract is not measured at fair value with changes recognised in profit or loss.

Hedge accounting

These are derivatives used to hedge the Group's exposure to the risks inherent to its activity, namely hedging of the fair value of foreign currency assets (currency fluctuation risk), which applies within the scope of IAS 39. Derivatives are also used to hedge the Group's exposure to the variability of interest rate cash flows and liquid investments in foreign operations.

At the beginning of all hedging operations, the Group prepares formal documentation, which includes at least the following items:

- Risk management objectives and strategy associated with the performance of the hedging operation, in line with the defined hedging policies;
- Description of the hedged risk(s);



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3.3. RISK MANAGEMENT

- Identification and description of the hedged and hedging financial instruments;
- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in the profit and loss for the year. If the hedge is shown to be effective, the Group also reflects in the period's profit and loss the fair value change of the hedged item attributable to the hedged risk. If the hedging relationship is no longer effective, the accumulated fair value variation on the hedged element is recognised in profit and loss until its maturity.

Hedge derivatives of net investment in a foreign operating unit and cash flow hedge derivatives are recognised at fair value, provided that the hedge is determined to be effective, and the results are

registered in shareholders' equity. Any ineffective portion of the results is recognised in gains and losses for the year.

Positive and negative revaluations of hedge derivatives are recognised in specific assets and liabilities headings respectively.

Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

The Group used hedge accounting to hedge the fair value of equity instruments until 2019. In the light of IFRS 9, the Group no longer uses hedge accounting for this purpose. However, it must maintain the rules for the aforementioned hedging as it has applied IFRS 9 with the overlay approach.



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3.3. RISK MANAGEMENT

SUSTAINABILITY RISK MANAGEMENT

In 2020, the Fidelidade Group redefined its Investment Policy in order to include ESG factors in its investment principles and processes, designing the “ESG Compliant Factor” method to qualitatively assess sustainability risks. A method that minimises risks and improves long-term financial performance, elects investments that can generate social and environmental benefits, helps combat climate change and contributes to the Sustainable Development Goals.

RISK ASSESSMENT AXES IN THE INVESTMENT PRINCIPLES AND PROCESSES OF THE FIDELIDADE GROUP:

- **Purview and composition of the Board of Directors**
- **Stability of Human Resources**
- **Sound and environmentally responsible practices that signal operational excellence and management quality**

ESG Compliant Factor

To substantiate this operating strategy, the Group also uses other criteria to assess the risk of investments that negatively and directly affect sustainability factors, namely investments associated with violations of Human Rights and a clear disregard for environmental impacts; investments belonging to activity sectors whose impacts on the environment are traditionally negative, with the exception of companies that have adopted procedures or processes for effective mitigation of environmental risk; investments that explicitly demonstrate that they do not consider ESG factors in their activity; and, finally, investments that in any way encourage armed conflicts. Furthermore, the Fidelidade Group does not consider investing in companies that prove to go against the OECD Guidelines for Multinational Companies and the United Nations Guiding Principles on Business and Human Rights.

As an institutional investor in listed companies, the Fidelidade Group accompanies its subsidiaries through the monitoring and analysis of information related to strategy, capital structure, risk, corporate governance, financial and non-financial performance

and their social and environmental impact. Taking into account the risk factors of each investee company, the analysis is carried out considering the Group’s risk profile, the expected return on investment and the ESG principles weighted in this investment decision.

In turn, verification of compliance with the ESG principles by the investment portfolio in externally managed funds (Third Party Managed Investments) is carried out by the respective management entities, with the Fidelidade Group previously checking whether they have adequate ESG policies for this purpose. These checks are also carried out on the most liquid funds (ETF3) through the classification performed by the most representative entities in the market, as is the case of Sustainalytics, MSCI and S&P. The process of using ESG policies is quite advanced at an international level, with almost all asset managers used by the Fidelidade Group to present their reports and policies in accordance with ESG factors and PRI - Investment Principles UN responsible.

3.3. RISK MANAGEMENT

APPROACH TO CLIMATE CHANGE

Climate change is expected to have increasingly significant impacts on the insurance industry, materialising in both physical and transition risks. In regulatory terms, including the calculation of capital requirements for insurance companies, the potential risks posed by the phenomenon of climate change have yet to be explicitly quantified.

To close this gap, the European Supervisory Authority (EIOPA – European Insurance and Occupational Pensions Authority) recently issued an opinion on the use of climate change scenarios to be carried out as part of the Self-Assessment of Risks and Solvency (ORSA) exercise carried out by insurance companies from early 2023.

In 2022, within the scope of its ORSA exercise, the company began to incorporate the analysis of the possible impacts of climate change. This analysis initially involved a qualitative assessment of the materiality of the various risks to which the Company may be exposed resulting from climate change – physical risks and transition risks [reputational, legal (litigation), among others] – with a special focus, at this stage, on transition risks and in particular on risks to the Company's asset portfolio.

In the coming exercises, this qualitative analysis will be complemented by a more robust quantitative analysis with the objective of quantifying the potential losses resulting from the impacts of climate change. This analysis will be based on a set of scenarios whose main assumptions will be an increase in average temperatures by 1.5 °C and 2 °C, and which will estimate the potential impacts, both on the Company's assets and liabilities.



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3.3. RISK MANAGEMENT

SPECIALIST RISK ANALYSIS

Within the scope of the activities carried out by SAFEMODE/DAR, a Specialist Risk Analysis (SRA) and the monitoring of the risk of the insured portfolio is ensured, in support of Fidelidade's activity in the property, occupational accidents and environmental liability sectors.

Objectives:

- Careful selection of new customers and adequacy of coverage and premium
- Encourage customer portfolio loyalty by taking preventive risk management and loss reduction actions
- Identification, implementation and monitoring of prevention and protection measures, in order to prevent accidents and their impact on direct and indirect costs in companies and their workers, making them more sustainable

- Consolidate a customer-centred prevention culture: More Prevention, Less Risk and Safer.

To support risk analysis, the Scorerisk platform was designed and implemented. It allows specialist and non-specialist technicians to carry out risk analysis reports and create action plans for their mitigation in a structured and digital way. It should be noted that Scorerisk allows all the collected information to be available in SAS and to be used in analytics models.

At the same time, several initiatives were initiated to share knowledge and support risk analysis in international operations.

For 2023, an even stronger commitment to sustainability is expected, considering the incorporation of specific issues on this matter, as well as including in the action plans any good practices and/or mitigation for the analysed sector of activity, in order to be able to identify risks and opportunities, raise awareness and influence the different players.



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3.3. RISK MANAGEMENT

CYBERSECURITY

For an organisation like Fidelidade, information is one of its most important assets – not just its own, but also that of its customers and partners. The concern is not recent, but has attained a higher strategic priority with the proliferation of threats and attacks by organised structures that, for economic or tactical reasons, endanger the operations and reputation of multiple organisations on a global scale.

Knowing the different types of attacks, developing defence mechanisms, identifying gaps and controlling processes, while promoting the literacy of users, both internal and external, on information security is therefore essential in the current business context.

For Fidelidade, cybersecurity is present in everything it does, in an end-to-end approach, from ideation to implementation with a focus on continuous improvement in operations, business and IT. The development of preparedness mechanisms, such as the implementation of technologies, the testing of

reaction situations or the study of attacks carried out against other organisations, has proven fundamental, and is complemented by the protection of assets within the organisation (buildings, data centres and cloud) and outside of it, in an “anywhere” logic. Concepts such as Zero Trust, based on identity and verification of all traffic flows and access to services and information, were matured, and for Fidelidade, the observation of large volumes of information, the analysis of behaviour models, the correlation of events and the automation of actions, which integrate artificial intelligence in risk detection and management, are areas in which it makes more and more sense to invest, privileging prevention over reaction.

In terms of data protection and security, the Group is governed by the European Union’s General Data Protection Regulation (“GDPR”), which establishes the rules regarding the processing, by a person, a company or an organisation, of personal data relating to persons in the EU. A Personal Data Protection

and Privacy Policy is adopted, published on the websites of the Group companies, which sets out and guides the correct collection, processing and communication of data. Data security is ensured in this same policy, highlighting the mechanisms used for online protection and security.



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3.3. RISK MANAGEMENT

www.nosfidelidade.pt

An integrated cybersecurity solution that results from the partnership between Fidelidade and NOS and articulates a preventive approach, through antivirus protection, information backup and vulnerability diagnosis, with a reactive approach, through a data recovery mechanism, through a diagnostic platform that allows companies to find out their degree of vulnerability and level of exposure to risk for free, and suggests adequate protection methods.

This solution integrates Fidelidade Cyber Safety, an insurance that offers coverage and services to protect businesses against cyber risks, namely: third-party intrusion into computer systems (including extortion guarantee); non-compliance with the personal data custodial duties; Insured's IT liability; violation of the right to honour and personal privacy of a third party, and optional coverage – lost profits.

CYBER RISKS | LA POSITIVA

La Positiva also stresses the importance of information security and combating technological risks. In this sense, it develops several mechanisms and initiatives to strengthen its security in this area:

- Anti-Spam Fortimail solution: All email inboxes protected against cyberattacks.
- PAM/Strong Password Solution: Monitoring and secure access of privileged users to the IT structure.
- EDR Network: Network monitoring and blocking of anomalous patterns.
- BitSight Security Rating: Thanks to the security measures implemented, La Positiva reached 790 points, out of a total of 820, in the BitSight rating.
- CASB – Cloud Access Security Broker solution, which monitors and protects users from computer attacks when browsing the internet, without the need for a VPN connection.

- New generation firewalls: Modernisation of the security perimeter, along with internal firewalls.
- EDR Endpoint: Protection of computers and servers through real-time behaviour analysis.
- Database Firewall: Import monitoring solution for critical databases.



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3.3. RISK MANAGEMENT

SUSTAINABILITY RISKS AND OPPORTUNITIES

OUR APPROACH

	GOVERNANCE	SOCIAL	ENVIRONMENTAL
RISKS	<ul style="list-style-type: none"> • Compliance Unclear definitions of roles and responsibilities for each area of the Organisation can give rise to situations of legal and regulatory non-compliance at the environmental, social and governance levels. • Reputational An inadequate governance model can generate a bad reputation and negatively affect the Organisation's results. • Conflicts of interest Inadequate prevention and mitigation measures in this respect may lead to decisions that are detrimental to the Organisation's interests. • Loss of sensitive information The inappropriate use of data can harm the Organisation and also its stakeholders. • Weak stakeholder engagement Loss of stakeholder confidence, withdrawal of investments and partnerships, inadequate response to customer needs and expectations. 	<ul style="list-style-type: none"> • Inadequate human capital management Can generate dissatisfaction, absenteeism, presentism and a high turnover rate. • Insufficient investment in employee training and development Can lead to loss of talent and decreased competitiveness of the Organisation. • Insufficient attention to the risks associated with the health and well-being of employees May lead to burnout situations, among others. • Widespread inability to attract and retain talent Absence of professionals appropriate to the development model defined for the Organisation, impacting its competitiveness. • Insufficient corporate social responsibility policies and practices Loss of trust from stakeholders and bad reputation in society. 	<ul style="list-style-type: none"> • Climate Change Physical risks – heat waves, rural fires, droughts, strong winds, floods and river floods, coastal flooding and overflows, snowstorms and cold waves – that directly affect people's lives and, consequently, the Organisation. Transition risks, which emerge from the transition to a low-carbon society; E.g.: Compliance with increasingly demanding regulation; replacement of existing products and services with low-carbon options. Financial risks linked to carbon trading and unsuccessful investments in alternative technologies.



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3.3. RISK MANAGEMENT



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	GOVERNANCE	SOCIAL	ENVIRONMENTAL
OPPORTUNITIES	<ul style="list-style-type: none"> Management Improvement Carrying out an integrated and continuous reflection on the sphere of action of each of the Organisation's areas can strengthen the governance system. E.g.: Improvement of internal control systems Conception of preventive action plans, at the level of information security, anti-corruption, among others, and assisted internally by whistleblowing mechanisms and externally by reporting channels. Value Creation The integration of sustainability factors in the strategy and management model of the Organisation increases its potential for value creation and, consequently, its long-term sustainability. Talent attraction and retention A solid governance model in terms of sustainability can be an important attraction and retention factor for professionals who value an Organisation with responsible conduct at the environmental, social and governance levels. Access to new markets Implementing sustainable practices may facilitate access to markets that demand high levels of performance in this regard. Cost reduction Implementing sustainable practices leads to more effective resource management. 	<ul style="list-style-type: none"> Creating a positive, diverse and inclusive organisational culture Leads to a healthy work environment. Implementation of measures that improve employees' quality of life Improve employees' satisfaction and productivity. Implementation of new working models Promotion of a greater reconciliation between professional, family and personal life. Investment in employee training and development Increases their skills and contributes to the Organisation's competitiveness. Responsible approach to the communities in which the Organisation operates Builds positive relationships with stakeholders. Helps society to appreciate the Organisation. Development of corporate social responsibility policies and practices Builds trust among stakeholders and attracts partnerships. 	<ul style="list-style-type: none"> Operational Savings on operating costs (energy efficiency) Regulatory Access to government subsidies Greater transparency and consequently greater investment opportunities. Economic More and more investors are looking for business organisations that take climate change into account in their risk analyses. Access to new markets Increased revenue from green products and services. Competitive advantage, through the adoption of a business model that reflects the situational changes and simultaneously responds to the expectations of current consumers.

3.3. RISK MANAGEMENT

	GOVERNANCE	SOCIAL	ENVIRONMENTAL
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">OUR APPROACH TO MINIMISE NEGATIVE IMPACTS AND DELIVER POSITIVE IMPACTS</p>	<ul style="list-style-type: none"> • Developing and reviewing policies, processes and procedures The definition and implementation of enablers for the business and sustainability strategy, as well as for the operations, enhances a healthy and prudent management of the activity, besides creating positive impact on society. • Systematising, analysing and accommodating sustainability risks in the decision matrix makes it possible to assess the negative impacts associated with operations and potential or actual assets and to enhance the positive impacts related to governance aspects. • Raising awareness and training employees on the importance of reflecting sustainability factors in the Organisation's operations. 	<ul style="list-style-type: none"> • WeCare commitment throughout the entire social sphere of the Group, governed by the premise of "leaving no one behind". • Annual measurement of employee satisfaction, with a view to designing and implementing measures that progressively contribute to its increase. • Conducting surveys to assess psychosocial risks. • Providing social responses and benefits that address employees' concerns and needs. • Implementation of Smart Working, a new work model consisting of four types: New Onsite, Hybrid; Partially Remote and Remote. • Increased training and engagement opportunities, such as team building and corporate events, and development for employees. • Strengthen reskilling and upskilling programmes and support for employees at the end of their careers. • Commitment to the Fidelidade Community Award, increasing the positive impact on society, along with other social support initiatives. • Greater involvement with stakeholders, especially through the "Think Bigger" initiative. 	<ul style="list-style-type: none"> • Assume the role of an agent of change, influencing society within the framework of a fair and ecological transition and acting, for this purpose, along the entire value chain. • As an economic agent, we are translating our ecological concerns into business solutions, in terms of products, services and investments, and contributing to greater literacy in these matters among our stakeholders. • Consider climate change a priority and promote the reduction of emissions in operations, namely in the Group's portfolio and in the value chain. • Development of the carbon footprint project with a gap analysis and roadmap in order to contribute to the overall objective of reducing emissions and assessing dependence on fossil fuels. • Promote efficient use of energy and other resources, along with sustainable mobility. • Support projects that allow the development of sustainable ecosystems which promote biodiversity.



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4. PROPOSED DISTRIBUTION OF PROFITS



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4. PROPOSED DISTRIBUTION OF PROFITS

Fidelidade ended the year 2022 with a net profit of €112,443,016.91, calculated on an individual basis in accordance with the applicable accounting standards.

The Board of Directors, in compliance with the provisions of the Commercial Companies Code, proposes the following distribution:

Legal reserve	€11,244,301.70
Remaining at the disposal of the General Meeting	€101,198,715.21

Lisbon, 23 February 2023



5. SUBSEQUENT EVENTS



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5. SUBSEQUENT EVENTS

There were no confirmed subsequent events.



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6. ABOUT THE REPORT



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6. ABOUT THE REPORT

With a focus on creating sustainable value through an integrated vision of our business, our people and society, the Fidelidade Group prepares the Single Integrated Report in 2022, allowing a holistic view of the Group's various processes. The Report presents non-financial information, in particular that identified as material for stakeholders, including environmental, social and governance ("ESG") topics, as well as financial information.

The Fidelidade Group, within the scope of its reporting of non-financial information, reported in accordance with the GRI Standards in the companies marked with (*).

REPORTING PERIOD

The content of this annual report reflects the performance and results of the Fidelidade Group from 1 January to 31 December 2022.

NON-FINANCIAL INFORMATION REPORT:

PORTUGAL

- Fidelidade – Companhia de Seguros, S.A. (*)
- Multicare – Seguros de Saúde, S.A. (*)
- OK! teleseguros (Via Directa – Companhia de Seguros, S.A.) (*)
- Fidelidade Assistance (Fidelidade Assistência – Companhia de Seguros, S.A.) (*)
- Safemode (EAPS – Empresa de Análise, Prevenção e Segurança, S.A.) (*)
- GEP – Gestão de Peritagens, S.A. (*)
- Fidelidade Car Service (CETRA – Centro Técnico de Reparação Automóvel, S.A.) (*)
- CARES – Assistência e Reparações, S.A. (*)
- Fidelidade Property (Fidelidade Property Europe, S.A.) (*)
- Fidelidade – SGOIC (Sociedade Gestora de Organismos de Investimento Coletivo, S.A.) (*)
- FID I&D, S.A. (*)

INTERNATIONAL

- Fidelidade Angola – Companhia de Seguros, S.A. (*)
- Fidelidade Ímpar (Fidelidade Moçambique – Companhia de Seguros, S.A.) (*)
- Garantia – Companhia de Seguros de Cabo Verde, S.A. (*)
- Alianza Compañía de Seguros y Reaseguros, S.A. (Bolivia) (*)
- Alianza Garantia Seguros y Reaseguros, S.A. (Paraguai) (*)
- Grupo La Positiva (La Positiva Generales Seguros y Reaseguros, S.A., La Positiva Vida Seguros y Reaseguros S.A., La Positiva EPS) (*)
- FID Seguros Generales, S.A. (*)
- Fidelidade Spanish Subsidiary
- Fidelidade French Subsidiary
- Fidelidade Macau (Fidelidade Macau – Companhia de Seguros, S.A. and Fidelidade Macau Vida - Companhia de Seguros, S.A.) (*)
- the prosperity company (*)
- Tenax Capital Limited
- Beijing Representation Office



6. ABOUT THE REPORT

FINANCIAL INFORMATION REPORT:

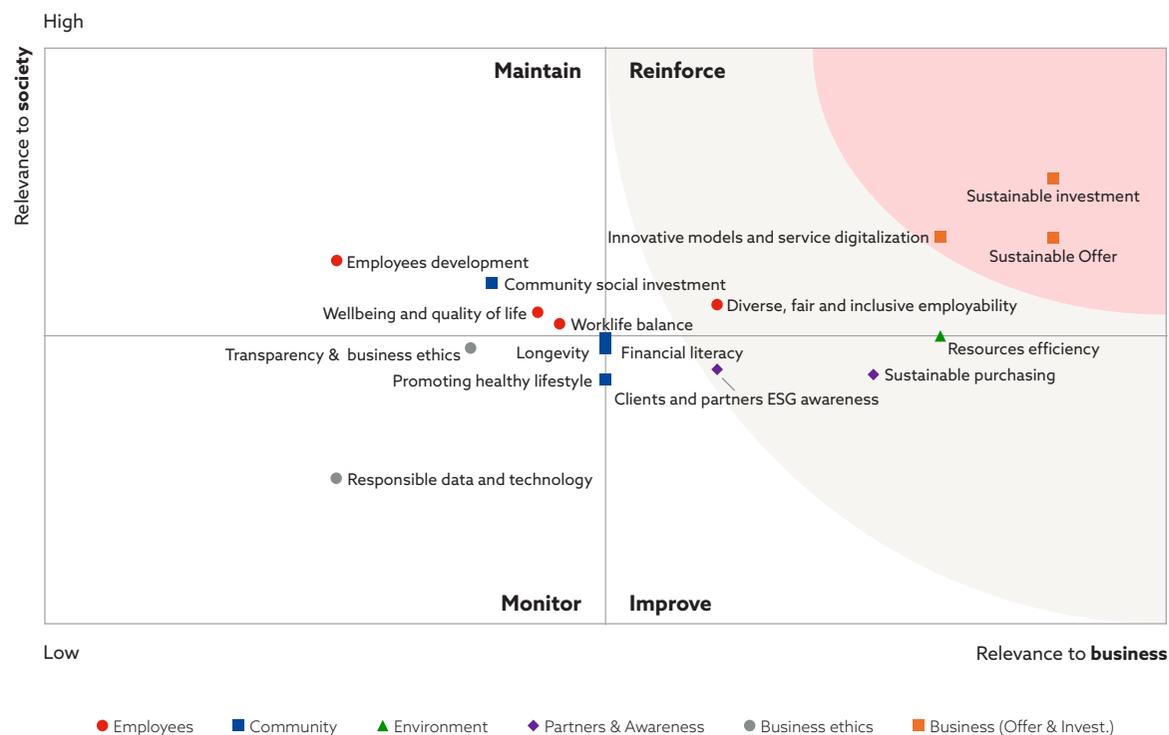
- Alianza Compañía de Seguros y Reaseguros E.M.A. S.A.
- Alianza Garantía Seguros Y Reaseguros S.A.
- Alianza SAFI, S.A.
- Alianza Vida Seguros y Reaseguros S.A.
- Audatex
- Broggi Retail S.R.L
- Cares - Assistência e Reparações, S.A. (Ex-CMA)
- Cetra - Car Remarketing, S.A.
- Cetra - Centro Técnico de Reparação Automóvel, S.A.
- Clínica Fisiátrica das Antas, Lda
- Companhia Portuguesa de Resseguro, S.A.
- EA One Holding, Inc.
- EAPS - Empresa de Análise, Prevenção e Segurança, S.A.
- FCM Beteiligungs GmbH
- FF Investment Luxembourg 1 S. a r.l.
- FID Chile & MT JV SpA
- FID CHILE SEGUROS GENERALES S.A.
- Fid Chile SpA
- FID I (HK) Limited
- FID I&D
- FID III (HK) LIMITED
- FID LatAm SGPS, S.A.
- FID Loans 1 (Ireland) Limited
- FID Loans 2 (Ireland) Limited
- FID Perú, S.A.
- Fid Real Assets SGPS, S.A.
- Fid Real Assets Spain, S.L.
- Fidelidade - Assistência e Serviços, Lda.
- Fidelidade - Companhia de Seguros, S.A.
- Fidelidade - Consultoria e Gestão de Risco, Lda.
- Fidelidade - Property Europe, S.A.
- Fidelidade - Property International, S.A.
- Fidelidade - Serviços de Assistência, S.A. (formerly Cares RH)
- Fidelidade - Sociedade Gestora de Org. de Investimento Imobiliário, S.A.
- Fidelidade Angola - Companhia de Seguros, S.A.
- Fidelidade Assistência - Companhia de Seguros, S.A.
- Fidelidade Macau - Companhia de Seguros, S.A.
- Fidelidade Macau Vida - Companhia de Seguros, S.A.
- FIIA IMOFID
- FIIF Saudeinveste
- FPE (BE) Holding
- FPE (HU) Kft.
- FPE (IT) Societá per Azioni
- FPE (Lux) 1
- FPE (PT) 2 OFFICE B, S.A.
- FPE (PT) 3 RESIDENTIAL, S.A.
- FPE (PT) 4 RET, S.A.
- FPE (PT) 5 PARK, S.A.
- FPE (PT) OFFICE A, S.A.
- FPE (PT), S.A.
- FPE (PT), SGPS, S.A.
- FPE (UK) 1 LIMITED
- FPI (AU) 1 PTY LIMITED
- FPI (LUX) Holding Sarl
- FPI (UK) 1 LIMITED
- FPI (US) 1 LLC
- FSG Saúde FIIF
- Full Assistance S.R.L.
- Fundo Broggi
- Garantia - Companhia de Seguros de Cabo Verde, S.A.
- GEP - Gestão de Peritagens, S.A.
- GEP Cabo Verde Gestão de Peritagens, Limitada
- GEP Moçambique - Gestão de Peritagens, Limitada
- GK Kita Aoyama Support 2
- GK Lisbon
- Godo Kaisha Moana (Project Tryton Y)
- Godo Kaisha Praia (Project Tryton Y)
- Higashi Shinagawa Teo TMK
- Highgrove-Investimentos e Participações, SGPS, S.A.
- La Positiva S.A. - Entidad Prestadora de Salud
- La Positiva Seguros y Reaseguros S.A.
- La Positiva Vida Seguros Y Reaseguros S.A.
- Liechtenstein Life Assurance AG
- Luz Saúde
- Madison 30-31 JV LLC
- Multi Health, S.A.
- Multicare - Seguros de Saúde, S.A.
- prosperity brokershome AG
- prosperity brokershome GmbH
- prosperity Cashtech AG
- prosperity funds SICAV
- prosperity solutions AG
- prosperity solutions GmbH
- Seguradora Internacional Moçambique, SA (SIM)
- SERFUN PORTUGAL, SGPS, S.A.
- TENAX CAPITAL LIMITED
- the prosperity company AG
- Thomas More Square (Lux) Sarl
- Thomas More Square (Lux) Holdings Sarl
- Thomas More Square (Lux) Investments Limited
- TMK Lisbon
- Universal - Assistência e Serviços, Lda.
- Via Directa - Companhia de Seguros, S.A.
- Worldwide Security Corporation S.A.



6. ABOUT THE REPORT

MATERIALITY MATRIX

In 2022, the Fidelidade Group developed its Materiality Matrix with the identification of the most relevant sustainability topics (material topics)²⁹.



²⁹ More details regarding the stakeholder consultation process that supported the development of the materiality matrix can be found in chapter 1.3 Our Strategy.

6. ABOUT THE REPORT

KEY TOPICS

- Sustainable Procurement
- Resource efficiency
- Diverse, Fair and Inclusive Employment
- Sustainable Investment
- Innovative Models and Service Digitalisation
- Sustainable Offer
- ESG awareness for customers and partners

EXTERNAL ASSURANCE

In order to analyse the compliance and reliability of the information provided, this document was subject to verification by an independent external entity – Ernst & Young Audit & Associados, SROC, S.A. – for both the financial and non-financial statements, in the latter for GRI Indicators – for Portugal and La Positiva.

QUESTIONS AND CLARIFICATIONS

Requests for further information, additional clarifications or suggestions about this document can be sent to apoiocliente@fidelidade.pt.



Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da República, 90-6º
1600-206 Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Independent Limited Assurance Report

To the Board of Directors of
Fidelidade - Companhia de Seguros, S.A.

Scope

We have been engaged by Fidelidade - Companhia de Seguros, S.A. ("Fidelidade") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the disclosures identified in the Annex "7.2 GRI Table", which include the sustainability information included in the Integrated Management Report 2022 for the companies identified in section "External Assurance" of the chapter "6. About the Report" (the "Sustainability Information"), for the year ended 31 December 2022.

Criteria applied

Fidelidade prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards (the "Criteria").

Responsibilities of the Management

Fidelidade's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by Fidelidade and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;
- ▶ Conducting analytical review procedures to support the reasonableness of the data;



Fidelidade - Companhia de Seguros, S.A.
Independent Limited Assurance Report
*(Translation from the original Portuguese language.
In case of doubt, the Portuguese version prevails)*
31 December 2022

- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- ▶ Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Quality and Independence

We apply the International Standard on Quality Control 1 and, accordingly, maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 13 March 2023

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

(signed)

Manuel Ladeira de Carvalho Coelho da Mota - ROC nº 1410
Registered with the Portuguese Securities Market Commission under license nr. 20161020

7. ANNEXES RELATING TO THE NON-FINANCIAL INFORMATION REPORT



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7.1. **OUR INDICATORS** **FIDELIDADE GROUP**



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7.1. OUR INDICATORS | FIDELIDADE GROUP

OUR METHODOLOGIES**GRI**
INDICATORS**PORTUGAL SCOPE**

- **Insurance:** Fidelidade – Companhia de Seguros, S.A.; Multicare – Seguros de Saúde, S.A.; OK! teleseguros (Via Directa – Companhia de Seguros, S.A.); Fidelidade Assistance (Fidelidade Assistência – Companhia de Seguros, S.A.)
- **Other sectors:** Safemode (EAPS – Empresa de Análise, Prevenção e Segurança, S.A.), GEP – Gestão de Peritagens, S.A.; Fidelidade Car Service (CETRA – Centro Técnico de Reparação Automóvel, S.A.); CARES – Assistência e Reparações, S.A.; and FID I&D, S.A.
- **Property:** Fidelidade Property (Fidelidade Property Europe, S.A.); Fidelidade – SGOIC (Sociedade Gestora de Organismos de Investimento Coletivo, S.A.)

INTERNATIONAL SCOPE

- **La Positiva**
- **Europe:** The Prosperity Company
- **Africa:** Fidelidade Angola – Companhia de Seguros, S.A.; Fidelidade Ímpar (Fidelidade Moçambique – Companhia de Seguros, S.A.); and Garantia – Companhia de Seguros de Cabo Verde, S.A.
- **Latin America:** Alianza Compañía de Seguros y Reaseguros, S.A. (Bolivia); Alianza Garantia Seguros y Reaseguros, S.A. (Paraguai); e FID Seguros Generales, S.A.
- **Asia:** Fidelidade Macau (Fidelidade Macau – Companhia de Seguros, S.A. and Fidelidade Macau Vida - Companhia de Seguros, S.A.) (*)



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PORTUGAL SCOPE



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7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

2-7 and 2-8	FIDELIDADE					OK! TELESEGUROS					MULTICARE					FIDELIDADE ASSISTANCE				
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22
Total employees	2,489	2,595	2,658	2,727	3%	75	74	70	72	3%	267	259	275	278	1%	178	173	185	192	4%
Men	1.032	1063	1077	1090	1%	25	26	25	24	-4%	77	73	82	79	-4%	77	77	85	87	2%
Women	1457	1532	1581	1637	4%	50	48	45	48	7%	190	186	193	199	3%	101	96	100	105	5%
Job Type																				
Full-time	2,482	2,587	2,650	2,719	3%	74	72	69	72	4%	266	258	273	277	1%	123	121	151	159	5%
Men	1029	1059	1073	1087	3%	225	25	24	24	0%	25	73	82	79	-4%	53	54	69	73	6%
Women	1453	1528	1577	1632	1%	49	47	45	48	7%	47	185	191	198	4%	70	67	82	86	5%
Part-time	7	8	8	8	0%	1	2	1	0	-100%	1	1	2	1	-50%	55	52	34	33	-3%
Men	3	4	4	3	-25%	0	1	1	0	-100%	1	0	0	0	N/A	24	23	16	14	-13%
Women	4	4	4	5	25%	1	1	0	0	N/A	1	1	2	1	-50%	31	29	18	19	6%



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7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

2-7 and 2-8	FIDELIDADE					OK! TELESEGUROS					MULTICARE					FIDELIDADE ASSISTANCE				
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22
Contract Type																				
Permanent staff	2,419	2,586	2,654	2,724	3%	69	72	70	72	3%	252	258	273	277	1%	173	171	182	171	-6%
Men	1009	1060	1074	1089	1%	23	26	25	24	-4%	71	72	82	79	-4%	77	77	85	80	-6%
Women	1410	1526	1580	1635	3%	46	46	45	48	7%	181	186	191	198	4%	94	94	97	91	-6%
Temporary contract	70	9	4	3	-25%	6	2	0	0	N/A	15	1	0	1	N/A	5	2	3	21	600%
Men	23	3	3	1	-67%	2	0	0	0	N/A	6	1	0	0	N/A	0	0	0	7	N/A
Women	47	6	1	2	100%	4	2	0	0	N/A	9	0	0	1	N/A	5	2	3	14	367%
Total non-employee workers																				
Subcontractors	N/R	N/R	N/R	406	N/A	0	0	0	0	N/A	N/R	N/R	13	4	N/A	0	0	0	0	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

2-7 and 2-8	GEP					CAR SERVICE					CARES					SAFEMODE				
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22
Total employees	57	58	56	55	-2%	28	26	25	30	20%	51	53	53	54	2%	47	48	51	55	8%
Men	45	48	46	42	-9%	18	16	16	19	19%	27	24	24	22	-8%	24	23	24	24	0%
Women	12	10	10	13	30%	10	10	9	11	22%	24	29	29	32	10%	23	25	27	31	15%
Job Type																				
Full-time	56	58	56	55	-2%	28	26	25	30	20%	51	53	53	54	2%	46	47	49	53	8%
Men	44	48	46	42	-9%	18	16	16	19	19%	27	24	24	22	-8%	23	22	22	22	22
Women	12	10	10	13	30%	10	10	9	11	22%	24	29	29	32	10%	23	25	27	31	31
Part-time	1	0	0	0	N/A	0	0	0	0	N/A	0	0	0	0	N/A	1	1	2	2	0%
Men	1	0	0	0	N/A	0	0	0	0	N/A	0	0	0	0	N/A	1	1	2	2	0%
Women	0	0	0	0	N/A	0	0	0	0	N/A	0	0	0	0	N/A	0	0	0	0	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

2-7 and 2-8	GEP					CAR SERVICE					CARES					SAFEMODE				
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22
Contract Type																				
Permanent staff	56	58	56	55	-2%	24	24	24	26	8%	51	53	53	54	2%	43	48	51	55	8%
Men	44	48	46	42	-9%	17	16	15	17	13%	27	24	24	22	-8%	22	23	24	24	0%
Women	12	10	10	13	30%	7	8	9	9	0%	24	29	29	32	10%	21	25	27	31	15%
Temporary contract	1	0	0	0	N/A	4	2	1	4	300%	0	0	0	0	N/A	4	0	0	0	N/A
Men	1	0	0	0	N/A	1	0	1	2	100%	0	0	0	0	N/A	2	0	0	0	N/A
Women	0	0	0	0	N/A	3	2	0	2	N/A	0	0	0	0	N/A	2	0	0	0	N/A
Total non-employee workers																				
Subcontractors	0	0	0	0	N/A	0	0	0	0	N/A	0	0	0	0	0	N/R	N/R	N/R	75 ³⁰	N/A

³⁰ Within the scope of the provision of Occupational Medicine services, Safemode needs to use a large number of professionals, some occasionally and others more systematically or continuously.



7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

2-7 and 2-8	FIDELIDADE PROPERTY					FIDELIDADE SGOIC					FID I&D
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2022
Total employees	36	41	45	43	-4%	9	11	11	15	36%	2
Men	19	21	23	22	-4%	2	3	3	6	100%	2
Women	17	20	22	21	-5%	7	8	8	9	13%	0
Job Type											
Full-time	36	41	45	43	-4%	9	11	11	15	36%	2
Men	19	21	23	22	-4%	2	3	3	6	100%	2
Women	17	20	22	21	-5%	7	8	8	9	13%	0
Part-time	0	0	0	0	N/A	0	0	0	0	N/A	0
Men	0	0	0	0	N/A	0	0	0	0	N/A	0
Women	0	0	0	0	N/A	0	0	0	0	N/A	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

2-7 and 2-8	FIDELIDADE PROPERTY					FIDELIDADE SGOIC					FID I&D
	2019	2020	2021	2022	Change 21-22	2019	2020	2021	2022	Change 21-22	2022
Contract Type											
Permanent staff	36	41	45	43	-4%	9	11	11	15	36%	2
Men	19	21	23	22	-4%	2	3	3	6	N/A	2
Women	17	20	22	21	-5%	7	8	8	9	N/A	0
Temporary contract	0	0	0	0	N/A	0	0	0	0	N/A	0
Men	0	0	0	0	N/A	0	0	0	0	N/A	0
Women	0	0	0	0	N/A	0	0	0	0	N/A	0
Total non-employee workers											
Subcontractors	0	0	0	0	N/A	0	0	0	0	N/A	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
2-16	2022	2022	2022	2022	2022
Communication of critical concerns					
Number of critical concerns recorded	N/R	N/R	N/R	0	N/R
Type of critical concerns recorded	N/R	N/R	N/R	N/A	Concern with our customers' degree of satisfaction

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
2-16	2022	2022	2022	2022	2022	2022
Communication of critical concerns						
Number of critical concerns recorded	N/R	N/R	1	N/R	0	N/R
Type of critical concerns recorded	N/R	N/R	Concerns about the impact of its activities on its stakeholders are reflected in the Personal Data Management and Privacy Policy.	N/R	N/A	N/R



7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

ALL PORTUGUESE COMPANIES

2-21	2022
Total annual remuneration ratio	
Ratio of annual total compensation of the organisation's highest paid individual to average annual total compensation of employees	N/R
Ratio of the percentage increase in total annual compensation of the highest paid individual in the organisation to the average percentage increase in total annual compensation of all employees	N/R

ALL PORTUGUESE COMPANIES

2-27	2022
Number of significant cases of violations of laws and regulations	There were no fines or non-monetary sanctions resulting from violations of laws and regulations
Number of significant cases of violations for which a fine was applied	0
Total amount of fines for significant cases of violations	0
Amount of fines for significant cases of violations that were paid during the reporting period (€)	0
Number of fines for significant cases of environmental and ecological violations (€)	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
2-30	2022	2022	2022	2022	2022
Collective Bargaining Agreements					
Number of employees covered by collective bargaining agreements	2648	72	278	192	2
% of employees covered by collective bargaining agreements	97.1%	100%	100%	100%	4%

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
2-30	2022	2022	2022	2022	2022	2022
Collective Bargaining Agreements						
Employees covered by collective bargaining agreements	30	1	6	21	0	N/R
% of employees covered by collective bargaining agreements	100%	2%	11%	49%	0%	N/R



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

201-1	INSURANCE				OTHER SECTORS ³¹				PROPERTY			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Direct economic value generated (revenues)	€2,260,589,379	€2,381,462,145	€2,598,342,649	9%	€39,087,531	€43,870,984	€45,229,330	3%	€5,647,418	€12,088,152	€26,463,836	119%
Direct economic value distributed	€462,801,916	€511,482,385	€558,341,028	9%	€35,521,562	€39,067,360	€41,862,466	7%	€5,937,913	€6,030,074	€7,782,087	29%
Suppliers (FSE)	€136,976,825	€148,393,660	€155,634,645	5%	€29,141,765	€32,312,090	€14,865,560	-54%	€2,178,023	€2,604,242	€2,569,004	-1%
Mediators (commissions)	€142,294,959	€149,783,325	€165,810,821	11%	- €	- €	- €	N/A	N/A	N/A	- €	N/A
Employees (staff costs)	€163,017,751	€176,783,634	€189,132,814	7%	€6,200,870	€6,575,558	€7,012,109	7%	€3,333,557	€2,656,343	€4,820,765	81%
State (taxes)	€16,631,651	€20,990,810	€20,045,906	-5%	€148,434	€148,412	€215,226	45%	€424,833	€769,490	€390,385	-49%
Financial institutions (interest on loans)	€2,024,429	€14,250,383	€24,539,914	72%	€30,493	€31,095	€34,041	9%	N/A	N/A	€0	N/A
Shareholders (dividends)	€0	€0	€0	N/A	€0	€0	€0	N/A	N/A	N/A	€0	N/A
Community (donations, sponsorship)	€1,856,301	€1,280,575	€3,176,929	148%	€0	€205	€750	266%	€1,500	N/A	€1,933	N/A
Economic value retained	€1,797,787,463	€1,869,979,759	€2,040,001,621	9%	€3,565,969	€4,803,623	€23,101,645	381%	- €290,496	€6,058,077	€18,681,750	208%

³¹ Report covering GEP, Car Service, Cares and Safemode.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
201-2	2022	2022	2022	2022	2022
Financial implications and other risks and opportunities for the organisation's activities due to climate change.	N/R	N/R	N/R	Does not produce an analysis of the financial implications and other risks and opportunities for its activities due to climate change.	Climate change, especially storms, presents an opportunity for GEP to increase its service provision.

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
201-2	2022	2022	2022	2022	2022	2022
Financial implications and other risks and opportunities for the organisation's activities due to climate change.	N/R	Climate change has an impact on the organisation in terms of abnormal work flows (resulting from storms or other bad weather), which causes financial costs that are relevant in terms of personnel, due to the need for more people at certain times of the year.	It considers that the impact of climate change on the development of its business is of little relevance.	N/R	N/R	Climate change has an impact on the organisation in terms of abnormal work flows (resulting from storms or other bad weather), which causes financial costs that are relevant in terms of personnel, due to the need for more people at certain times of the year.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

ALL PORTUGUESE COMPANIES

201-3	2022
Coverage of obligations under the organisation's benefit plan and other retirement plans	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
202-1 and 202-2	2022	2022	2022	2022
Ratio between the lowest wage and the local minimum wage for men	N/R	N/R	N/R	N/R
Ratio between the lowest wage and the local minimum wage for women	N/R	N/R	N/R	N/R
Lowest wage for men	N/R	N/R	N/R	N/R
Lowest wage for women	N/R	N/R	N/R	N/R
Minimum wage	N/R	N/R	N/R	N/R
Proportion of top management positions held by individuals from the local community.	N/R	N/R	N/R	N/R
Senior managers recruited locally	N/R	N/R	N/R	N/R
Total number of senior managers	N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
202-1 and 202-2	2022	2022	2022	2022
Ratio between the lowest wage and the local minimum wage for men	N/R	N/R	N/R	N/R
Ratio between the lowest wage and the local minimum wage for women	N/R	N/R	N/R	N/R
Lowest wage for men	N/R	N/R	N/R	N/R
Lowest wage for women	N/R	N/R	N/R	N/R
Minimum wage	N/R	N/R	N/R	N/R
Proportion of top management positions held by individuals from the local community.	N/R	N/R	N/R	N/R
Senior managers recruited locally	N/R	N/R	N/R	N/R
Total number of senior managers	N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
202-1 and 202-2	2022	2022	2022
Ratio between the lowest wage and the local minimum wage for men	N/R	N/R	N/R
Ratio between the lowest wage and the local minimum wage for women	N/R	N/R	N/R
Lowest wage for men	N/R	N/R	N/R
Lowest wage for women	N/R	N/R	N/R
Minimum wage	N/R	N/R	N/R
Proportion of top management positions held by individuals from the local community.	N/R	N/R	N/R
Senior managers recruited locally	N/R	N/R	N/R
Total number of senior managers	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

203-1	INSURANCE			OTHER SECTORS			PROPERTY		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Investments in infrastructure and services offered	€338,289	€358,263	6%	0	0	N/A	0	N/R	N/A
Insurance offer ³²	€237,620	€221,398	-7%	0	0	N/A	0	N/R	N/A
Ex-gratia payments ³³	€97,475	€133,683	37%	0	0	N/A	0	N/R	N/A

³² Figure refers to Fidelidade, OK! teleseguros and Multicare.

³³ Figure refers to Fidelidade and OK! teleseguros.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
203-2	2022	2022	2022	2022	2022
Significant indirect economic impacts	<p>MySavings' Sustainable option and AP1 Mobility are products that, by their nature, are in line with the Principles of Investment and Responsible Use, since they are dedicated to the conscious creation of a positive social and environmental impact.</p>				
	<p>In general, all the products that Fidelidade currently makes available to this group of people, such as Activcare 60+, and some financial products such as PPR Evoluir, whose minimum monthly payment is just €25, will make a real difference with regard to products and services for low-income people. Due to their characteristics, they may fill some need for health care and, moreover, allow more people to have savings.</p>	N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
203-2	2022	2022	2022	2022	2022	2022
Significant indirect economic impacts	Increased cost of energy (electricity and gas) and raw materials (parts and paints). Harmonisation programme for the company's social benefits.					
		N/R	N/R	N/R	N/R	N/R

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
204-1	2022	2022	2022	2022	2022
Proportion of spending with local suppliers	93%	92%	93%	100%	100%
Total spending with suppliers (€)	122,383,512	1,425,253	3,602,822	807,641	49,597
Spending with local suppliers (€)	113665390	1307243	3367316	807,641	49,597
Definition of local	N/R	N/R	N/R	N/R	N/R



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
204-1	2022	2022	2022	2022	2022	2022
Proportion of spending with local suppliers	100%	100%	100%	94%	100%	62%
Total spending with suppliers (€)	406,453	65,953	74,129	146,588,988	7,640	565,239
Spending with local suppliers (€)	406,453	65,953	74,129	137,091,938	7,640	348,145
Definition of local	N/R	N/R	N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
205-1 and 205-2	2022	2022	2022	2022
Assessments of operations for corruption risks	In the internal audits carried out, no situation was identified that amounts to a situation of corruption.	Analyses of this type were not carried out. The project to implement the corruption risk prevention programme includes a line of work dedicated to communication and training within the organisation. Training and awareness-raising actions will take place in 2023.	0	a) Actions of this type were not carried out. b) Risk associated with the Accounting/Finance and Legal Departments, in a risk matrix (DGR) - "Fraudulent or negligent acts by internal persons against the institution."
Communication and training on anti-corruption policies and procedures	No training hours were provided on the organisation's anti-corruption policies and practices. The project to implement the corruption risk prevention programme includes a line of work dedicated to communication and training within the organisation. Training and awareness-raising actions will take place in 2023.	No training hours were provided on the organisation's anti-corruption policies and practices.	0	No training hours were provided on the organisation's anti-corruption policies and practices.
Total number of members of the management body who received communications about the organisation's anti-corruption policies and procedures.	0	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
205-1 and 205-2	2022	2022	2022	2022
Total number of employees who received communications about the organisation's anti-corruption policies and procedures.	0	0	0	0
Total number of suppliers and business partners who received communications about the organisation's anti-corruption policies and procedures.	<p style="text-align: center;">0</p> <p>In 2022, the Plan for the Prevention of Corruption and Related Infractions in Public Procurement was published. The document was made available to public entities in the context of tender procedures.</p>			
Total number of members of the management body who received anti-corruption training	0	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
205-1 and 205-2	2022	2022	2022	2022
Assessments of operations for corruption risks	<p>Annual financial audit + annual quality audit: help detect these cases.</p> <p>Anticipating legislation related to the risk of corruption, Fidelidade has been implementing mechanisms that improve the ability to identify and mitigate this risk. E.g. the creation of reporting channels and the revision of the Code of Conduct.</p>	<p>0%</p> <p>Analyses of this type were not carried out.</p>	<p>Anticipating legislation related to the risk of corruption, mechanisms have been implemented that improve the ability to identify and mitigate this risk. E.g. the creation of reporting channels and the revision of the Code of Conduct.</p>	<p>In 2022, no assessments of operations for corruption risks were carried out. However, the company is committed to combating corruption and attempts at bribery; it scrupulously complies with the rules in force on these matters.</p>
Communication and training on anti-corruption policies and procedures	<p>There were none</p>	<p>0%</p> <p>No training hours were provided on the organisation's anti-corruption policies and practices.</p>	<p>The project to implement the corruption risk prevention programme includes a line of work dedicated to communication and training within the organisation.</p>	<p>In 2022, no training hours were provided on the organisation's anti-corruption policies and practices.</p>
Total number of members of the management body who received communications about the organisation's anti-corruption policies and procedures.	<p>0</p> <p>Communication and training actions planned for 2023.</p>	<p>0</p> <p>Communication and training actions planned for 2023.</p>	<p>0</p> <p>Communication and training actions planned for 2023.</p>	<p>0</p> <p>Communication and training actions planned for 2023.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
205-1 and 205-2	2022	2022	2022	2022
Total number of employees who received communications about the organisation's anti-corruption policies and procedures.	0	0	0	0
Total number of suppliers and business partners who received communications about the organisation's anti-corruption policies and procedures.	<p style="text-align: center;">0</p> <p>In 2022, the Plan for the Prevention of Corruption and Related Infractions in Public Procurement was published. The document was made available to public entities in the context of tender procedures.</p>			
Total number of members of the management body who received anti-corruption training	0	0	0	0



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE PROPERTY	SGOIC	FID I&D
205-1 and 205-2	2022	2022	2022
Assessments of operations for corruption risks	0 Anticipating legislation related to the risk of corruption, Fidelidade has been implementing mechanisms that improve the ability to identify and mitigate this risk. E.g. the creation of reporting channels and the revision of the Code of Conduct.	All entities that have business relations with the Management Company and the Funds managed by it undergo the analysis process, known as "KYC" Know your Customer/Client, in order to scrutinise the origin of the funds and, in this way, Combat Money Laundering and Terrorism Financing (more than 50 companies were analysed in 2022).	They were no indications of corruption. However, compliance measures were taken in order to create additional controls on the activity.
Communication and training on anti-corruption policies and procedures	0	<ol style="list-style-type: none"> All employees receive training in policies and procedures when they join the company and refresher training is provided annually. Training to Combat Money Laundering and Terrorism Financing given to all employees and all Organic Units, including the Management Company's Board of Directors. All partners that have a business relationship with the Management Company need to go through the Know Your Client /Customer process, and they also request it from SGOIC, thus maintaining a transparent relationship. 	0
Total number of members of the management body who received communications about the organisation's anti-corruption policies and procedures.	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE PROPERTY	SGOIC	FID I&D
205-1 and 205-2	2022	2022	2022
Total number of employees who received communications about the organisation's anti-corruption policies and procedures.	0	0	0
Total number of suppliers and business partners who received communications about the organisation's anti-corruption policies and procedures.	0	In 2022, the Plan for the Prevention of Corruption and Related Infractions in Public Procurement was published. The document was made available to public entities in the context of tender procedures.	0
Total number of members of the management body who received anti-corruption training	0	0	0



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
205-3	2022	2022	2022	2022	2022
Confirmed cases of corruption and measures taken	0	0	0	N/A	0

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
205-3	2022	2022	2022	2022	2022	2022
Confirmed cases of corruption and measures taken	0	0	0	N/A	0	0

ALL PORTUGUESE COMPANIES

206-1	2022
Lawsuits for unfair competition, antitrust and monopoly practices.	<p>There were no lawsuits for unfair competition, antitrust and monopoly practices, as well as their results.</p> <p>In 2022, Fidelidade started the compliance programme for anti-competitive practices, which allowed the assessment of risk in the most relevant organic units, as well as the implementation of opportunities for improvement in processes and intensive training sessions for all employees of the evaluated units.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
207-1 to 207-4	2022			
Tax approach	<p>The Executive Committee, as the main decision-making body, approved the Company's tax strategy. The tax strategy is transparent and requires full compliance with tax rules, based on the following assumptions:</p> <ul style="list-style-type: none"> Analyse the evolution of the main accounting aggregates, including the congruence of registered operations as well as the analysis of performance and financial position; <ul style="list-style-type: none"> Develop a proactive management model for tax obligations to ensure compliance with tax rules; Ensure and control tax obligations, namely the tax information reporting system and management of tax litigation; Interpretation and dissemination of the legal and regulatory rules of the activity, of tax incidence, promoting their application in relation to the Taxes and Fees for where they fall due; <ul style="list-style-type: none"> Accompany the Tax Inspections, proceeding with the control and delivery of the requested documentation; Provide the necessary tax support to investment and disinvestment operations, in Portugal or abroad, both in the entry and exit phases, or during the stay in the project, ensuring the identification of tax impacts resulting from the implementation of the defined structure; <ul style="list-style-type: none"> Collaborate with the Group in monitoring situations that, within its scope of action, are likely to have any fiscal impact on the Company's position. <p style="text-align: center;">The Company has a Taxation Department, fully dedicated to complying with the fiscal strategy.</p> <p style="text-align: center;">The Company favours total transparency with its information, providing its parent company with the necessary information to be included in the Country-by-Country Report for subsequent submission to the Tax Authorities.</p>			
Tax risk governance, control and management	<p style="text-align: center;">The Executive Committee and the CFO are responsible for Governance, control and management of tax risk.</p> <p>In order to ensure compliance with the tax strategy, the Company has a report called Tax FootPrint that allows the identification and quantification of all taxes, surcharges and contributions paid. This report, prepared by external contractors, provides relevant information for decision-making and management, enabling comparisons and analyses at different levels of taxes and fees charged/borne by the Company. Tax FootPrint can also help identify potential tax contingencies.</p> <p style="text-align: center;">Corporate income tax returns are reviewed by external contractors with the aim of reducing tax risk.</p> <p style="text-align: center;">Additionally, as the Company is a Large Taxpayer, it is permanently monitored by the Large Taxpayers Unit at the Tax and Customs Authority through periodic tax inspections.</p> <p>On 15 December 2022, the Directive was approved that transposed into European law the operating rules of one of the Pillars of the Base Erosion and Profit Shifting ("BEPS") programme, whose main objective is to combat tax avoidance, embodied in the international reform achieved in October 2021 within the framework of the G20 and the Organisation for Economic Co-operation and Development (OECD) - The so-called Pillar 2. Pillar 2 aims to ensure a minimum level of taxation worldwide of 15%, through one purely internal mechanism and another multilateral one, applicable to all multinational groups. The transposition into the internal legislation of the Member States will have to be carried out by 31 December 2023, with the regulations coming into force for financial years beginning after 31 December 2023. In this context, considering the special complexity of these new rules, as well as the very demanding deadline for transposition and application, the Company is currently analysing the relevant regulations and preparing for timely compliance with the expected legal deadlines.</p>			



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
207-1 to 207-4	2022			
Engaging stakeholders and managing their tax concerns	<p>The Company participates and actively contributes to work meetings with the Large Taxpayers Unit and the Large Taxpayers Forum, where tax issues are discussed and consensus is promoted in the application of tax law and the resolution of operational constraints that hinder the efficient application of tax regulations.</p> <p>Additionally, the Company is also represented on the accounting and tax matters subcommittee at the Portuguese Association of Insurers, in which the best solutions and consensus are sought with a view to complying with the applicable legislation with an impact on the insurance sector.</p>			
Country-by-country report	N/R			



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
207-1 to 207-4	2022			
Tax approach	<p>The Executive Committee, as the main decision-making body, approved the Company's tax strategy. The tax strategy is transparent and requires full compliance with tax rules, based on the following assumptions:</p> <ul style="list-style-type: none"> Analyse the evolution of the main accounting aggregates, including the congruence of registered operations as well as the analysis of performance and financial position; <ul style="list-style-type: none"> Develop a proactive management model for tax obligations to ensure compliance with tax rules; Ensure and control tax obligations, namely the tax information reporting system and management of tax litigation; Interpretation and dissemination of the legal and regulatory rules of the activity, of tax incidence, promoting their application in relation to the Taxes and Fees for where they fall due; <ul style="list-style-type: none"> Accompany the Tax Inspections, proceeding with the control and delivery of the requested documentation; Provide the necessary tax support to investment and disinvestment operations, in Portugal or abroad, both in the entry and exit phases, or during the stay in the project, ensuring the identification of tax impacts resulting from the implementation of the defined structure; <ul style="list-style-type: none"> Collaborate with the Group in monitoring situations that, within its scope of action, are likely to have any fiscal impact on the Company's position. <p style="text-align: center;">The Company has a Taxation Department, fully dedicated to complying with the fiscal strategy.</p> <p>The Company favours total transparency with its information, providing its parent company with the necessary information to be included in the Country-by-Country Report for subsequent submission to the Tax Authorities.</p>			
Tax risk governance, control and management	<p style="text-align: center;">The Executive Committee and the CFO are responsible for Governance, control and management of tax risk.</p> <p>In order to ensure compliance with the tax strategy, the Company has a report called Tax FootPrint that allows the identification and quantification of all taxes, surcharges and contributions paid. This report, prepared by external contractors, provides relevant information for decision-making and management, enabling comparisons and analyses at different levels of taxes and fees charged/borne by the Company. Tax FootPrint can also help identify potential tax contingencies.</p> <p style="text-align: center;">Corporate income tax returns are reviewed by external contractors with the aim of reducing tax risk.</p> <p>Additionally, as the Company is a Large Taxpayer, it is permanently monitored by the Large Taxpayers Unit at the Tax and Customs Authority through periodic tax inspections.</p> <p>On 15 December 2022, the Directive was approved that transposed into European law the operating rules of one of the Pillars of the Base Erosion and Profit Shifting ("BEPS") programme, whose main objective is to combat tax avoidance, embodied in the international reform achieved in October 2021 within the framework of the G20 and the Organisation for Economic Co-operation and Development (OECD) - The so-called Pillar 2. Pillar 2 aims to ensure a minimum level of taxation worldwide of 15%, through one purely internal mechanism and another multilateral one, applicable to all multinational groups. The transposition into the internal legislation of the Member States will have to be carried out by 31 December 2023, with the regulations coming into force for financial years beginning after 31 December 2023. In this context, considering the special complexity of these new rules, as well as the very demanding deadline for transposition and application, the Company is currently analysing the relevant regulations and preparing for timely compliance with the expected legal deadlines.</p>			



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
207-1 to 207-4	2022			
Engaging stakeholders and managing their tax concerns	<p>The Company participates and actively contributes to work meetings with the Large Taxpayers Unit and the Large Taxpayers Forum, where tax issues are discussed and consensus is promoted in the application of tax law and the resolution of operational constraints that hinder the efficient application of tax regulations.</p> <p>Additionally, the Company is also represented on the accounting and tax matters subcommittee at the Portuguese Association of Insurers, in which the best solutions and consensus are sought with a view to complying with the applicable legislation with an impact on the insurance sector.</p>			
Country-by-country report	N/R			



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE PROPERTY	SGOIC	FID I&D
207-1 to 207-4	2022		2022
Tax approach	<p>The Executive Committee, as the main decision-making body, approved the Company's tax strategy. The tax strategy is transparent and requires full compliance with tax rules, based on the following assumptions:</p> <ul style="list-style-type: none"> Analyse the evolution of the main accounting aggregates, including the congruence of registered operations as well as the analysis of performance and financial position; <ul style="list-style-type: none"> Develop a proactive management model for tax obligations to ensure compliance with tax rules; Ensure and control tax obligations, namely the tax information reporting system and management of tax litigation; Interpretation and dissemination of the legal and regulatory rules of the activity, of tax incidence, promoting their application in relation to the Taxes and Fees for where they fall due; <ul style="list-style-type: none"> Accompany the Tax Inspections, proceeding with the control and delivery of the requested documentation; Provide the necessary tax support to investment and disinvestment operations, in Portugal or abroad, both in the entry and exit phases, or during the stay in the project, ensuring the identification of tax impacts resulting from the implementation of the defined structure; <ul style="list-style-type: none"> Collaborate with the Group in monitoring situations that, within its scope of action, are likely to have any fiscal impact on the Company's position. <p>The Company has a Taxation Department, fully dedicated to complying with the fiscal strategy.</p> <p>The Company favours total transparency with its information, providing its parent company with the necessary information to be included in the Country-by-Country Report for subsequent submission to the Tax Authorities.</p>		N/R
Tax risk governance, control and management	<p>The Executive Committee and the CFO are responsible for Governance, control and management of tax risk.</p> <p>In order to ensure compliance with the tax strategy, the Company has a report called Tax FootPrint that allows the identification and quantification of all taxes, surcharges and contributions paid. This report, prepared by external contractors, provides relevant information for decision-making and management, enabling comparisons and analyses at different levels of taxes and fees charged/borne by the Company. Tax FootPrint can also help identify potential tax contingencies.</p> <p>Corporate income tax returns are reviewed by external contractors with the aim of reducing tax risk.</p> <p>Additionally, as the Company is a Large Taxpayer, it is permanently monitored by the Large Taxpayers Unit at the Tax and Customs Authority through periodic tax inspections.</p> <p>On 15 December 2022, the Directive was approved that transposed into European law the operating rules of one of the Pillars of the Base Erosion and Profit Shifting ("BEPS") programme, whose main objective is to combat tax avoidance, embodied in the international reform achieved in October 2021 within the framework of the G20 and the Organisation for Economic Co-operation and Development (OECD) - The so-called Pillar 2. Pillar 2 aims to ensure a minimum level of taxation worldwide of 15%, through one purely internal mechanism and another multilateral one, applicable to all multinational groups. The transposition into the internal legislation of the Member States will have to be carried out by 31 December 2023, with the regulations coming into force for financial years beginning after 31 December 2023. In this context, considering the special complexity of these new rules, as well as the very demanding deadline for transposition and application, the Company is currently analysing the relevant regulations and preparing for timely compliance with the expected legal deadlines.</p>		N/R



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	FIDELIDADE PROPERTY	SGOIC	FID I&D
207-1 to 207-4	2022		2022
Engaging stakeholders and managing their tax concerns	<p>The Company participates and actively contributes to work meetings with the Large Taxpayers Unit and the Large Taxpayers Forum, where tax issues are discussed and consensus is promoted in the application of tax law and the resolution of operational constraints that hinder the efficient application of tax regulations.</p> <p>Additionally, the Company is also represented on the accounting and tax matters subcommittee at the Portuguese Association of Insurers, in which the best solutions and consensus are sought with a view to complying with the applicable legislation with an impact on the insurance sector.</p>		N/R
Country-by-country report		N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

301-1 and 301-2	INSURER ³⁴			OTHER SECTORS ³⁵			PROPERTY ³⁶		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Materials used by weight or volume* (tonnes)	103.9	107.0	3%	0.9	1.3	44%	0.0	0.2	100%
Total printing paper consumption (tonnes)	103.9	107.0	3%	0.9	1.3	44%	0.0	0.2	100%
Paper with FSC certification (consumption of paper for printing with FSC certification) (tonnes)	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A
Recycled materials used (tonnes)	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A

* The materials used in 2022 correspond wholly with paper for printing.

³⁴ Figure refers to Fidelidade and Multicare.

³⁵ Figure refers to Car Service.

³⁶ Figure refers to Fidelidade Property.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

301-1 and 301-2	INSURER			OTHER SECTORS ³⁷			PROPERTY		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Total energy consumption in the organisation	35,788	40,481	13%	11,940	10,219	-14%	639	756	18%
Electricity (GJ)	21,472	23,634	10%	3,241	3,726	15%	170	153	-10%
Diesel (GJ)	9,377	10,543	12%	6,390	3,567	-44%	414	423	2%
Petrol (GJ)	2368	4371	85%	27	51	90%	55	179	225%
Natural Gas (GJ)	2570	1933	-25%	2282	2875	26%	0	0	N/A
Renewable energy consumption	0	0	N/A	0	0	N/A	0	0	N/A

³⁷ Figures refer to GEP, CARES, Car Service and Safemode.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

PORTUGUESE COMPANIES

303-1 and 303-2	2022
Interactions with water as a shared resource	The water consumed in the operations of the Fidelidade Group comes from the public supply network, and complies with all the legal requirements for collection, quality control and distribution that the law requires.
Management of impacts related to water discharge	The Fidelidade Group monitors the water consumption of its activity in its buildings on a monthly basis, and seeks to manage the impact of its activity through the control of internal operational processes, the implementation of efficient water consumption measures and employee awareness. The Fidelidade Group does not identify areas of water stress in its direct operation for this report.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

303-5	INSURER			OTHER SECTORS ³⁸			PROPERTY		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Total water consumption (m3)	12,024	20244	68%	4,425	4,217	-5%	895	1,586	77%

305-1 to 305-3	INSURER			OTHER SECTORS ³⁹			PROPERTY		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Total Emissions (tCO2eq)	2,354	3,429	46%	1,013	692	-32%	46	60	32%
Scope 1 (tCO2eq)	1,006	1,124	12%	599	411	-31%	34	41	19%
Scope 2 (tCO2eq)	1,224	1,645	34%	179	259	45%	9	11	13%
Scope 3 (tCO2eq)	124	659	431%	234	23	-90%	2	8	343%

³⁸ Figures refer to GEP, CARES, Car Service and Safemode.

³⁹ Figures refer to GEP, CARES, Car Service and Safemode.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

PORTUGUESE COMPANIES

306-1 and 306-2	2022
<p>Waste generation and significant impacts related to waste</p>	<p>Waste management and its impact is a concern for the Fidelidade Group in all its activities. The waste produced is mostly a mixture of similar urban waste, paper and cardboard, metals and plastic.</p> <p>The nature of the Fidelidade Group's business requires that communication and legal documentation for customers be on paper, which results in a material use of natural resources. The Fidelidade Group has been implementing processes to reduce paper consumption, sustaining this shift to digital communication and reducing paper consumption in the office.</p> <p>The Group's objective is to minimise the waste produced and continuously improve its approach to the efficient and responsible use of resources, namely the reduction of plastic and paper consumption and the adoption of more efficient waste management measures. Employees were made aware of the global problem of waste pollution.</p>
<p>Management of significant impacts associated with waste</p>	<p>The Fidelidade Group manages the impacts of waste production, mainly by minimising its consumption of materials and prioritising their reuse and/or recovery at the end of their life. Based on the principles of circular economy, Fidelidade has invested in the implementation of measures to reduce waste production, namely the elimination of single-use plastic (for example, replacing all plastic cups with glass, plastic spatulas for coffee with wooden swizzle sticks), and by promoting the acquisition of sustainable and certified materials and products. The management of waste and its impacts also involves the implementation of awareness-raising measures for employees, in order to contribute to this effort.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

306-3 to 306-5 ⁴⁰	INSURER			OTHER SECTORS			PROPERTY		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Total weight of waste produced (tonnes)	139.61	52.25	-63%	4.66	1.28	-73%	N/R	N/R	N/A
Waste not sent to final disposal (tonnes)	139.38	51.49	-63%	4.66	1.28	-73%	N/R	N/R	N/A
Preparation for reuse (tonnes)	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A
Recycled (tonnes)	139.38	51.49	N/A	4.66	1.28	-73%	N/R	N/R	N/A
Other recovery operations (tonnes)	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A
Waste sent to final disposal (tonnes)	0.23	0.76	231%	0	0	N/A	0	0	N/A
Incineration (tonnes)	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A
Landfill	0.23	0.76	231%	N/R	N/R	N/A	N/R	N/R	N/A
Other disposal operations	N/R	N/R	N/A	N/R	N/R	N/A	N/R	N/R	N/A

⁴⁰ Figures refer to Fidelidade, OK! teleseguros, Fidelidade Assistance, GEP, Safemode and Cares.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

ALL PORTUGUESE COMPANIES

308-1	2022
Total number of new suppliers assessed based on environmental criteria	The Fidelidade Group, through the Sustainability Department, is finalising the process of acquiring a tool that will facilitate the management of ESG data, namely those relating to the assessment of suppliers.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Number of new hires	174	207	260	26%	4	8	10	25%	12	25	20	-20%	69	68	69	1%
Number of new hires by age group																
18-29	111	114	141	24%	3	4	5	25%	6	17	9	-47%	41	46	46	0%
30-39	37	55	85	55%	1	4	5	25%	3	4	9	125%	16	17	11	-35%
40-49	23	34	32	-6%	0	0	0	N/A	3	3	2	-33%	9	3	7	133%
50+	3	4	2	-50%	0	0	0	N/A	0	1	0	-100%	3	2	5	150%
Number of new hires by gender																
Male	72	102	101	-1%	2	3	3	0%	3	11	7	-36%	32	36	23	-36%
Female	102	105	159	51%	2	5	7	40%	9	14	13	-7%	37	32	46	44%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
New hire rate by age group																
18-29	4%	4%	5%	21%	4%	6%	7%	22%	2%	6%	3%	-48%	24%	25%	24%	-4%
30-39	1%	2%	3%	51%	1%	6%	7%	22%	1%	1%	3%	123%	9%	9%	6%	-38%
40-49	1%	1%	1%	-8%	0%	0%	0%	N/A	1%	1%	1%	-34%	5%	2%	4%	125%
50+	0%	0%	0%	-51%	0%	0%	0%	N/A	0%	0%	0%	-100%	2%	1%	3%	141%
Rate of new hires by gender																
Male	3%	4%	4%	-3%	3%	4%	4%	-3%	1%	4%	3%	-37%	18%	19%	12%	-38%
Female	4%	4%	6%	48%	3%	7%	10%	36%	3%	5%	5%	-8%	21%	17%	24%	39%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Number of exits	87	152	208	37%	4	5	8	60%	7	13	10	-23%	73	51	55	8%
Number of exits by age group																
18-29	26	55	64	16%	2	2	5	150%	3	9	6	-33%	44	33	36	9%
30-39	18	25	46	84%	1	3	0	-100%	3	2	2	0%	16	12	8	-33%
40-49	5	7	18	157%	0	0	3	N/A	1	2	2	0%	9	6	5	-17%
50+	38	65	80	23%	1	0	0	N/A	0	0	0	N/A	4	0	6	N/A
Number of exits by gender																
Male	47	83	100	20%	2	2	5	150%	5	7	4	-43%	33	27	18	-33%
Female	40	69	108	57%	2	3	3	0%	2	6	6	0%	40	24	37	54%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Rate of exits by age group																
18-29	1%	2%	2%	13%	3%	3%	7%	143%	1%	3%	2%	-34%	25%	18%	19%	5%
30-39	1%	1%	2%	79%	1%	4%	0%	-100%	1%	1%	1%	-1%	9%	6%	4%	-36%
40-49	0%	0%	1%	151%	0%	0%	4%	N/A	0%	1%	1%	-1%	5%	3%	3%	-20%
50+	1%	2%	3%	20%	1%	0%	0%	N/A	0%	0%	0%	N/A	2%	0%	3%	N/A
Rate of exits by gender																
Male	2%	3%	4%	17%	3%	3%	7%	143%	2%	3%	1%	-43%	19%	15%	9%	-36%
Female	2%	3%	4%	53%	3%	4%	4%	-3%	1%	2%	2%	-1%	23%	13%	19%	49%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Turnover rate by age group																
18-29	5%	3%	4%	18%	7%	4%	7%	62%	3%	5%	3%	-43%	49%	21%	21%	0%
30-39	2%	2%	2%	60%	3%	5%	3%	-31%	2%	1%	2%	81%	18%	8%	5%	-37%
40-49	1%	1%	1%	19%	0%	0%	2%	N/A	2%	1%	1%	-21%	10%	2%	3%	28%
50+	2%	1%	2%	16%	1%	0%	0%	N/A	0%	0%	0%	-100%	4%	1%	3%	430%
Turnover rate by gender																
Male	5%	3%	4%	6%	5%	4%	6%	56%	3%	3%	2%	-40%	38%	17%	11%	-37%
Female	5%	3%	5%	50%	5%	6%	7%	22%	4%	4%	3%	-6%	45%	15%	22%	43%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Number of new hires	3	0	5	N/A	1	2	5	150%	5	3	6	100%	2	4	7	75%
Number of new hires by age group																
18-29	0	0	3	N/A	1	1	2	100%	4	2	3	50%	0	1	2	100%
30-39	1	0	2	N/A	0	1	3	200%	0	0	3	N/A	2	3	3	0%
40-49	2	0	0	N/A	0	0	0	N/A	0	1	0	-100%	0	0	1	N/A
50+	0	0	0	N/A	0	0	0	N/A	1	0	0	N/A	0	0	1	N/A
Number of new hires by gender																
Male	3	0	1	N/A	0	2	3	50%	1	1	1	0%	1	2	1	-50%
Female	0	0	4	N/A	1	0	2	N/A	4	2	5	150%	1	2	6	200%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
New hire rate by age group																
18-29	0%	0%	5%	N/A	4%	4%	7%	67%	8%	4%	6%	47%	0%	2%	4%	85%
30-39	2%	0%	4%	N/A	0%	4%	10%	150%	0%	0%	6%	N/A	N/A	6%	5%	-7%
40-49	3%	0%	0%	N/A	0%	0%	0%	N/A	0%	2%	0%	-100%	0%	0%	2%	N/A
50+	0%	0%	0%	N/A	0%	0%	0%	N/A	2%	0%	0%	N/A	0%	0%	2%	N/A
Rate of new hires by gender																
Male	5%	0%	2%	N/A	0%	8%	10%	25%	2%	2%	2%	-2%	2%	4%	2%	-54%
Female	0%	0%	7%	N/A	4%	0%	7%	N/A	8%	4%	9%	145%	2%	4%	11%	178%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Number of exits	1	2	5	150%	3	2	0	-100%	3	2	4	100%	0	2	1	-50%
Number of exits by age group																
18-29	0	0	2	N/A	0	1	0	-100%	1	2	1	-50%	0	0	0	N/A
30-39	0	0	1	N/A	1	0	0	N/A	1	0	0	N/A	0	2	1	-50%
40-49	0	0	0	N/A	1	0	0	N/A	0	0	1	N/A	0	0	0	N/A
50+	1	2	2	0%	1	1	0	-100%	1	0	2	N/A	0	0	0	N/A
Number of exits by gender																
Male	1	0	4	N/A	2	1	0	-100%	3	1	3	200%	0	2	0	-100%
Female	0	2	1	-50%	1	1	0	-100%	0	1	1	0%	0	0	1	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Rate of exits by age group																
18-29	0%	0%	4%	N/A	0%	4%	0%	-100%	2%	4%	2%	-51%	0%	0%	0%	N/A
30-39	0%	0%	2%	N/A	4%	0%	0%	N/A	2%	0%	0%	N/A	0%	4%	2%	-54%
40-49	0%	0%	0%	N/A	4%	0%	0%	N/A	0%	0%	2%	N/A	0%	0%	0%	N/A
50+	2%	4%	4%	2%	4%	4%	0%	-100%	2%	0%	4%	N/A	0%	0%	0%	N/A
Rate of exits by gender																
Male	2%	0%	7%	N/A	8%	4%	0%	-100%	6%	2%	0%	-100%	0%	4%	0%	-100%
Female	0%	4%	2%	-49%	4%	4%	0%	-100%	0%	2%	0%	-100%	0%	0%	2%	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Turnover rate by age group																
18-29	0%	0%	5%	N/A	4%	4%	3%	-17%	9%	4%	4%	-2%	0%	1%	2%	85%
30-39	2%	N/A	N/A	N/A	4%	2%	5%	150%	2%	0%	3%	N/A	4%	5%	4%	-26%
40-49	3%	N/A	N/A	N/A	4%	0%	0%	N/A	0%	1%	1%	-2%	0%	0%	1%	N/A
50+	2%	N/A	N/A	N/A	4%	2%	0%	-100%	4%	0%	2%	N/A	0%	0%	1%	N/A
Turnover rate by gender																
Male	7%	0%	5%	N/A	8%	6%	5%	-17%	8%	2%	1%	-51%	2%	4%	1%	-77%
Female	0%	N/A	N/A	N/A	8%	2%	3%	67%	8%	3%	5%	64%	2%	2%	6%	225%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Number of new hires	6	8	3	-63%	3	1	5	400%	1
Number of new hires by age group									
18-29	4	6	3	-50%	2	1	3	200%	1
30-39	1	1	0	-100%	0	0	2	N/A	0
40-49	1	0	0	N/A	1	0	0	N/A	0
50+	0	1	0	-100%	0	0	0	N/A	0
Number of new hires by gender	6	8	3	-63%	3	1	5	400%	1
Male	3	5	2	-60%	1	1	3	200%	1
Female	3	3	1	-67%	2	0	2	N/A	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
New hire rate by age group									
18-29	10%	13%	7%	-48%	18%	9%	20%	120%	50%
30-39	2%	2%	0%	-100%	0%	0%	13%	N/A	0%
40-49	2%	0%	0%	N/A	9%	0%	0%	N/A	0%
50+	0%	2%	0%	-100%	0%	0%	0%	N/A	0%
Rate of new hires by gender									
Male	7%	11%	5%	-58%	9%	9%	20%	120%	50%
Female	7%	7%	2%	-65%	18%	0%	13%	N/A	0%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Number of exits	2	3	6	100%	1	2	0	-100%	0
Number of exits by age group									
18-29	2	1	3	200%	1	2	0	-100%	0
30-39	0	2	0	-100%	0	0	0	N/A	0
40-49	0	0	0	N/A	0	0	1	N/A	0
50+	0	0	3	N/A	0	0	0	N/A	0
Number of exits by gender									
Male	1	2	4	100%	0	2	0	-100%	0
Female	1	1	2	100%	1	0	1	N/A	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Rate of exits by age group									
18-29	5%	2%	7%	214%	9%	18%	0%	-100%	0%
30-39	0%	4%	0%	-100%	0%	0%	0%	N/A	0%
40-49	0%	0%	0%	N/A	0%	0%	7%	N/A	0%
50+	0%	0%	7%	N/A	0%	0%	0%	N/A	0%
Rate of exits by gender									
Masculino	2%	4%	9%	109%	0%	18%	0%	-100%	0%
Female	2%	2%	5%	109%	9%	0%	7%	N/A	0%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

401-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Turnover rate by age group									
18-29	15%	8%	7%	-10%	27%	14%	10%	-27%	25%
30-39	2%	3%	0%	-100%	0%	0%	7%	N/A	0%
40-49	2%	0%	0%	N/A	9%	0%	3%	N/A	0%
50+	0%	1%	3%	214%	0%	0%	0%	N/A	0%
Turnover rate by gender									
Male	10%	8%	7%	-10%	9%	14%	10%	-27%	25%
Female	10%	4%	3%	-22%	27%	0%	10%	N/A	0%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL COMPANIES	
403-1	2022
Occupational health and safety management system	In terms of safety, there is a management system that is based on the obligations arising from the national legal framework and on good quality practices, which the internal health and safety at work services apply to safety activities in the Fidelidade Group.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

403-1	SAFEMODE	FIDELIDADE ASSISTANCE
	2022	2022
Occupational health and safety management system	<p>The company has been certified in accordance with the normative standard NP ISO 9001:2015 - Quality Management Systems (QMS), since June 2018. The provision of external occupational health and safety services is one of the activities included in the QMS.</p> <p>Safemode is authorised to:</p> <ul style="list-style-type: none"> - The provision of external services in the area of health and safety at work, granted by joint order of the Minister of Labour and Social Solidarity and the Minister of Health of 28 November 2006, - Provision of external occupational medicine services, pursuant to decision 471/2014 of DGS – Directorate-General for Health of 18 August 2014. <p>Safemode is a training entity, certified by DGERT – Directorate-General for Employment and Labour Relations, in the areas of education and training: 861 - protection of people and goods and 862 - safety and hygiene at work.</p>	<p>In terms of safety, there is a management system that is based on the obligations arising from the national legal framework and on good quality practices, which the internal HSW services apply to safety activities in the Fidelidade Group.</p> <p>Fidelidade Assistance has been certified since 2015 by the EFR 100 standard (Responsible Family Entity) promoted by Fundación Más Familia. The objective of this certification is to create a management model that provides answers in terms of responsibility with regard to reconciling personal, family and work life, supporting equal opportunities and quality in employment.</p> <p>Although this system is not a benchmark focused only on health and safety at work, it touches on many points that are reflected in working conditions.</p> <p>Fidelidade Assistance complies with 122 requirements of this standard, which can be categorised in 5 different groups, namely:</p> <ul style="list-style-type: none"> - Quality at work: integration of workers with permanent employment contracts; work gymnastics programme; health insurance for workers and co-payment for family members; meal subsidy payment in the 12 months of the year. - Spatial and temporal flexibility: abandonment of the job due to urgent situation in worker’s family; increase in workload for part-time workers in seasonal periods. - Family support: reserved parking space for pregnant women; maternity incentive and offer of a baby basket; justified and paid absence to accompany the children on the 1st day of school. - Personal and professional development: volunteer scholarship; language and computer training; monthly workshops and pastimes. - Equal opportunities: respect for different religions according to the requests made by workers; facilities made accessible to workers with physical disabilities. - leadership and management styles: code of conduct and professional ethics; anti-mobbing policy.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS



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403-2	ALL COMPANIES 2022
Hazard identification, risk assessment and incident investigation	<p>The activity carried out in the field of health, safety and hygiene at work is aimed at preventing professional risks and promoting people's safety and well-being. Fidelidade identifies hazards and assesses risks, based on which it implements the most appropriate recommendations, which it ranks in order to plan their implementation according to their relevance and urgency.</p> <p>The assessments are carried out by superior occupational safety technicians, who have valid professional aptitude certificates, issued by the act. The "know-how" of these technicians is complemented with specialist training in the field of safety at work, and subject to regular technical and scientific updates. These elements are part of the Fidelidade Group's internal work safety services team.</p> <p>The scope of work covers the risk assessment of workstations and workspaces, including assessments of indoor air quality, thermal environment, lighting and, where applicable, assessment of exposure to microbiological agents and radon gas concentration levels.</p> <p>Risk assessment is carried out in all spaces where Fidelidade employees carry out their professional activities, namely central buildings. Customer agency and mediation areas spread across the mainland and autonomous regions of Madeira and the Azores, occurring every two years, with the aim of eliminating risk at source or minimising it. Priority is given to the implementation of measures that have an impact on collective protection.</p> <p>Following the risk assessments, action plans are drawn up, which define priorities for action, those responsible for implementing the defined recommendations and implementation deadlines, resorting to specialist technicians in certain areas, namely lighting and the HVAC system, whenever necessary. In addition to regular assessments, occasional and follow-up assessments are carried out whenever there are changes in workspaces/equipment/working conditions, as indicated by occupational medicine and/or complaints made by workers.</p> <p>In 2022, the measures adopted to prevent the contagion and spread of the SARS-COV-2 virus were maintained, of which we highlight the most important: updating of the contingency plan based on the evolution of the pandemic/recommendations from the health authorities; adoption of the telework regime when possible for most workers; placement of polycarbonate partitions between workstations; definition of the rotation regime of the mirrored teams when the workers progressively return; signage with rules for circulation and use of shared spaces and equipment in all establishments; provision of collective alcohol gel dispensers for hand disinfection and individual disinfection kits; provision of individual protection masks and antigen self-test kits the implementation of the above-mentioned measures were duly and timely transmitted to workers via email and/or via the intranet with clear involvement of the hierarchies at the service counters polycarbonate partitions were installed between the client and the worker, with the workstations and work equipment being sanitised between each service; appointments were made by prior appointment or on a first-come, first-served basis.</p> <p>Fidelidade analyses all accidents at work that occur on its premises.</p> <p>After receiving and analysing the report of an accident at work, it is investigated through personal and/or telephone contact with the injured person and any witnesses (if any/if deemed necessary). Whenever justified, a visit is made to the site of the accident.</p> <p>Following the analysis of the participation of the testimonies obtained and the analysis of the location/surroundings of the accident reported, the work accident analysis report is prepared, which includes the identification of the dangers, the analysis of the risks that are at the basis of the occurrence and the recommendations aimed at preventing recurrences.</p>

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-3	2022
<p>Participation of workers, consultation and communication to workers regarding health and safety at work</p>	<p>The activity carried out in the field of Health and Safety at Work aims to prevent professional risks and promote the health of all workers, integrating professionals with adequate training, namely doctors who specialise in occupational medicine, senior technicians in occupational safety and professionals of nursing.</p> <p>In this context, the activity incorporates an integrated and sequential involvement of the following aspects:</p> <ol style="list-style-type: none"> 1) Identification of professional risks; 2) Planning and organisation of occupational risk prevention; 3) Elimination of risk factors and accidents; 4) Assessment and control of professional risks; 5) Information, training, consultation and participation of workers and their representatives; <p>6) Carrying out periodic clinical assessments, which go far beyond the legislation in force and ensure the professional's necessary aptitude to perform their functions, complemented by regular visits to the workplace and by continuous interaction between health professionals and safety technicians.</p> <p>This activity means transversal and vertical intervention, ranging from the technical processes to the organisation of work and the conditions in which it is carried out, passing through the hierarchical component of the company and including all levels of it, implying that those responsible at each hierarchical level assume the obligation to include risk prevention in any activity they carry out or have carried out and in all the decisions they adopt.</p> <p>Access to personal information relating to the health of workers is restricted to the occupational physician secured through the clinical profile on the occupational medicine services platform.</p> <p>The clinical information provided by occupational medicine to the occupational safety team and/or to the people and organisation department is always in aggregated and anonymised, guaranteeing the confidentiality of workers, and always with the aim of promoting health in the organisation and worker well-being.</p>



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-4	2022
Occupational health services	<p>For the Organisation/Group, the health and well-being of employees is a “Greater Good”, which it does everything to promote and facilitate. Thus, in terms of Occupational Medicine and as an example, we should mention the following:</p> <ol style="list-style-type: none"> 1) The concern to ensure in workplaces with a larger number of employees that there are Medical Offices, which are attended by a doctor and a nurse as often as possible (Calhariz, Alexandre Herculano, Olaias, Malhoa and Boavista); 2) Scheduling of complementary diagnostic exams of occupational medicine and the oncological check-up of the health insurance; 2) Raising awareness among employees to attend occupational medicine exams, through Be Fidelidade; 3) The articulation between the Occupational Medicine and Accidents at Work doctors, in order to ensure the best monitoring of the employee and return to work in the event of an accident; 4) Providing the Online Medicine at Work Portal - MySafemode, through the Employee Portal, the Health and Safety Prevention Portal and the Well-being Portal; <p>The available features include:</p> <ul style="list-style-type: none"> • Access your Advice Letter; • Consult your Aptitude Sheet; • Consult the detailed history of the medical acts performed within the scope of Occupational Medicine; • Consult your biometric data and other useful information for managing your health; <ul style="list-style-type: none"> • View, or share with your attending physician, the results of clinical analyses, imaging tests or other specialities contained in your exam file; • Monitor the appointment and date of exams and consultations within the scope of Occupational Medicine. <p>As took place in 2021, in 2022 a consultation/survey was carried out among workers, to assess their experience in relation to teleworking and in relation to returning to the premises (Smart Working pilot project).</p> <p>Other questionnaires were also handed out covering the other companies of the Fidelidade Group on topics of vital importance such as:</p> <ul style="list-style-type: none"> - Benefits. Diversity and Inclusion - Great Place to Work. - Well-being.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-5	2022
<p>Training workers in health and safety at work</p>	<p>In 2022, workers were kept informed about the measures to be adopted, taking into account the evolution of the Covid-19 pandemic. Updates to the contingency plan were published on the intranet, and the implemented measures were disclosed, especially those to return workers to face-to-face work, not only through the aforementioned digital platform, but also via email.</p> <p>This year training was provided in e-learning format for all Fidelidade Group workers, entitled "safety and health at work - office & home office". The goal was to update workers' knowledge related to topics such as health and safety at work applied to activities that are carried out daily in our organisation such as: working with equipment equipped with an ergonomic display and manual handling of loads this training also intended to provide workers with useful information on how to adapt the workplace outside the office taking into account good practices in terms of health and safety at work.</p> <p>For the new employees of the Fidelidade Group, a welcoming training entitled "Fidelidade Group - welcoming, prevention and safety" was prepared, which aims to inform workers about the basic safety rules in force, as well as transmit other useful information for life within our organisation.</p> <p>The communication portal for the Fidelidade Group, called "preventive health and safety", was made available. This portal aims to disseminate topics related to worker health and safety, making workers aware of the importance of these topics.</p> <p>The initiatives that aim to respond to the situations identified in the last psychosocial risk assessment carried out, namely through workshops on mental health, reinforcement of referral channels and support of WeCare initiatives, among others, aimed at mitigation of the main risks identified, continue to be implemented.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-6	2022
<p>Worker's health promotion</p>	<p>Workers, in addition to periodic and occasional admission exams, are also regularly invited to participate in various studies that aim to provide an accurate and detailed knowledge of their reality, in terms of physical and mental health and the trends that may be taking place. This helps us to come up with prompt and effective interventions in the prevention of possible dangers and risks and possible health effects.</p> <p>The annual oncological check-up of the health insurance is also promoted, through the articulation of its simultaneous performance with the occupational medicine exams.</p> <p>Vaccination against seasonal flu is also available free of charge to all workers who so wish, through the national network of pharmacies. Simultaneously and in conjunction with the national health plans of the DGS resulting from the periodicals "health portraits" of the Portuguese promoted by this department, targeted initiatives are also put on and specific health problems (diabetes, obesity, smoking, etc.) are covered since, although they do not constitute specific risks of the company's activity, they constitute a general public health problem, and addressing them is essential for promoting the best possible physical and psychological well-being of Fidelidade's working population.</p> <p>Addressing these topics is done through the provision of training and awareness-raising materials aimed at specific subjects and the elaboration and dissemination of content on multiple health situations. It has also gone through multiple support and contact initiatives, such as the Covid-19 service, the Multicare online medicine service and the symptom evaluator, the psychological support programme as part of the Nós program, of social responsibility and health insurance from Multicare.</p> <p>Access to personal information relating to the health of workers is restricted to the occupational physician secured through the clinical profile on the occupational medicine services platform.</p> <p>The clinical information provided by occupational medicine to the occupational safety team and/or to the people and organisation department is always in aggregated and anonymised, guaranteeing the confidentiality of workers, and always with the aim of promoting health in the organisation and worker well-being.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-7	2022	2022	2022	2022
Prevention and mitigation of impacts on health and safety at work directly linked to business relationships	<p>In 2022, in its relations with customers and suppliers, it maintained the criteria that were issued at all times by the DGS with regard to the disease caused by SARS-COV-2, some preventive measures were maintained, in particular the maintenance of alcohol gel dispensers disinfection signage relating to the general rules of hand protection and disinfection rules of respiratory hygiene polycarbonate partitions between workstations and service areas traffic safety signs and specific ones in relation to Covid-19 remained in place until 30 September 2022.</p> <p>In addition to the measures relating to COVID-19, the company maintained all its normal activities related to work safety in close collaboration with occupational medicine. These include technical opinions in the context of changing layouts, audits and inspections of establishments of Fidelidade, as well as all the activity related to the preventive measures to be adopted in situations where there were interventions in the buildings, such as remodelling works, maintenance or others. During 2022, the prevention department formed part of the core support team for the Phoenix project, at Fidelidade's new headquarters, where it took action regarding safety, in particular fire safety, physical security and video surveillance and safety at work.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.); limiting the capacity of public service spaces.</p> <p>These measures include the procedures adopted in 2020 and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; disinfection of workstations between each service and placement of polycarbonate at customer service points; mirror rotation of teams providing customer service for their (own) protection and protection of customers.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.); limiting the capacity of public service spaces.</p> <p>These measures include the procedures adopted in 2020 and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; disinfection of workstations between each service and placement of polycarbonate at customer service points; mirror rotation of teams providing customer service for their (own) protection and protection of customers.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.).</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-7	2022	2022	2022	2022
<p>Prevention and mitigation of impacts on health and safety at work directly linked to business relationships</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.).</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.); limiting the capacity of public service spaces.</p> <p>These measures include the procedures adopted in previous year and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; disinfection of workstations between each service and placement of polycarbonate at customer service points; mirror rotation of teams providing customer service for their (own) protection and protection of customers.</p> <p>In addition to the measures relating to COVID-19, the company maintained all its normal activities related to work safety in close collaboration with occupational medicine. These include technical opinions in the context of changing layouts, audits and inspections of establishments of Fidelidade, as well as all the activity related to the preventive measures to be adopted in situations where there were interventions in the buildings, such as remodelling works, maintenance or others.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.).</p> <p>These measures include the procedures adopted in previous years and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; mirror rotation of teams providing customer service to protect both parties.</p>	<p>The annual oncological check-up of the health insurance is also promoted, through the articulation of its simultaneous performance with the occupational medicine exams.</p>

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-7	2022	2022	2022
Prevention and mitigation of impacts on health and safety at work directly linked to business relationships	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.); limiting the capacity of public service spaces.</p> <p>These measures include the procedures adopted in 2020 and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; observation of health and safety at work rules as defined by the DGS.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.); limiting the capacity of public service spaces.</p> <p>These measures include the procedures adopted in 2020 and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; disinfection of workstations between each service and placement of polycarbonate at customer service points; mirror rotation of teams.</p>	<p>In 2022, the company maintained the commercial relationships it had with customers and suppliers, applying the criteria defined by the DGS and reflected in the internal contingency plan related to the Covid-19 pandemic.</p> <p>In this context, there is a recommendation to favour meetings with customers and suppliers using IT tools (Microsoft Teams), so face-to-face meetings were only authorised/held when the importance for the activity/business so justified or when it was not it is possible to guarantee the desired quality and results through videoconferencing, with social distancing and the mandatory mask use enforced; limiting the capacity of shared spaces (meeting rooms, canteens, auditoriums, etc.).</p> <p>These measures include the procedures adopted and still in force: placement of disinfection gel dispensers; signage regarding the general rules for hand protection and washing; mirror rotation of teams providing customer service to protect both parties.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL COMPANIES	
403-8	2022
Occupational health and safety management system	The Internal Workplace Safety services of the Fidelidade Group ensure that workers who do not belong to the staff of the Fidelidade company but work at Fidelidade facilities benefit from the same conditions of protection in terms of health and safety at work.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Total hours worked	4,011,310	102,298	417,160	301,681
Men	1651881	39296	121902	142429
Women	2359429	63002	295258	159252
Potential hours worked	4,201,266	110,448	440,026	325,248
Men	1703368	40589	125507	147378
Women	2497898	69859	314519	177870
Hours of absenteeism	189,956	8150	22,866	23,567
Men	51487	1293	3605	4949
Women	138469	6857	19261	18618



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Absenteeism rate	4.74%	7.97%	5.48%	7.81%
Men	3.12%	3.29%	2.96%	3.47%
Women	5.87%	10.88%	6.52%	11.69%
Days lost due to accidents at work	210	0	0	0
Men	210	0	0	0
Women	0	0	0	0
Rate of days lost	0.04%	0.00%	0.00%	0.00%
Men	(0.10%)	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%	0.00%
Number of deaths	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Total hours worked	99042	47,115	100,135	89855
Men	78228	34920	40319	39951
Women	20814	12195	59816	49904
Potential hours worked	100,800	51593	104,544	95711
Men	79573	35901	42592	41057
Women	21227	15692	61952	54654
Hours of absenteeism	1,758	4,478	4,409	5856
Men	1345	981	2273	1106
Women	413	3497	2136	4750



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Absenteeism rate	1.78%	9.50%	4.40%	6.52%
Men	1.72%	2.81%	5.64%	2.77%
Women	1.98%	28.68%	3.57%	9.52%
Days lost due to accidents at work	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Rate of days lost	0.00%	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%	0.00%
Number of deaths	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-9	2022	2022	2022
Total hours worked	75446	27,486	2,808
Men	40910	11539	2,808
Women	34536	15,947	0
Potential hours worked	77197	29,040	2,808
Men	42238	11616	2,808
Women	34959	17424	0
Hours of absenteeism	1,751	1,554	0
Men	1328	77	0
Women	423	1477	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

403-9	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
	2022	2022	2022
Absenteeism rate	N/R	5.65%	0.00%
Men	N/R	0.67%	0.00%
Women	N/R	9.26%	0.00%
Days lost due to accidents at work	0	0	0
Men	0	0	0
Women	0	0	0
Rate of days lost	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%
Number of deaths	0	0	0
Men	0	0	0
Women	0	0	0



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-9	2022
Accidents at Work	<p>Fidelidade analyses all accidents at work that occur on its premises or at the worker's workplace when the same is working remotely (telework). After receiving and analysing the report of an accident at work, it is investigated through personal and/or telephone contact with the injured person and any witnesses (if any/if deemed necessary). Whenever justified, a visit is made to the site of the accident.</p> <p>Following the analysis of the participation of the testimonies obtained and the analysis of the location/surroundings of the accident reported, the work accident analysis report is prepared, which includes the identification of the dangers, the analysis of the risks that are at the basis of the occurrence and the recommendations aimed at preventing recurrences.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Accidents at Work	<p>In 2022, a significant part of the accidents at work registered occurred in “in itinere” and were mostly caused by falls due to the poor condition of the floor or the slippery surfaces of roads.</p> <p>Accidents that occurred in the workplace or in the context of teleworking had various causes. The most common were falls caused by a prolonged static position (sitting position), which leads to numbness in the lower limbs and consequent loss of strength.</p> <p>Injured workers were made aware of the need to move (by taking short breaks throughout the working day) and not to remain in the same position for hours at a time.</p>	<p>In 2022, there were no accidents at work at Ok! teleseguros.</p>	<p>In 2022, there was an accident in the context of telework: a minor fall on the stairs.</p>	<p>In 2022, there were 3 accidents at work at Fidelidade Assistance. These were falls, either on public roads or in the workplace.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Accidents at Work	In 2022, there were 2 accidents at work, 2 falls outside the workplace.	In 2022, there were no accidents at work at Car Service.	In 2022, there was 1 accident at work: a fall while travelling.	<p>In 2022, a significant part of the accidents at work registered occurred in "in itinere" and were mostly caused by falls due to the poor condition of the floor or the slippery floor. Accidents that occurred in the workplace or in the context of teleworking had various causes. The most common were falls caused by a prolonged static position (sitting position), which leads to numbness in the lower limbs and consequent loss of strength. Injured workers were made aware of the need to move (by taking short breaks throughout the working day) and not to remain in the same position for hours at a time.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-9	2022	2022	2022
Accidents at Work	In 2022, there was 1 accident at work: a fall during a work trip.	<p>The main hazards identified that pose a risk of accidents at work are:</p> <ul style="list-style-type: none"> - Working with equipment equipped with a display in the seated position, cause musculoskeletal injuries due to incorrect postures (sudden movements) or prolonged postures (numb lower limbs); - Circulation inside the installations, they cause falls both in vertical and horizontal circulation routes. <p>In 2022, there were no accidents at work at SGOIC.</p>	In 2022, there were no accidents at work.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Reported hazards that pose a risk of accidents at work	<p>The main hazards identified that pose a risk of accidents at work are:</p> <ul style="list-style-type: none"> - Working with equipment equipped with a display in the seated position, cause musculoskeletal injuries due to incorrect postures (sudden movements) or prolonged postures (numb lower limbs); - Circulation inside the installations, they cause falls both in vertical and horizontal circulation routes. 	<p>The scope of the work carried out includes the risk assessment of workspaces and the risks to which workers are exposed, in particular:</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, headaches); - Physical risks (lighting, thermal environment and exposure to dust, gases, vapours, non-ionising radiation); - Musculoskeletal risks; - Risks arising from the tasks carried out in the contact centre, in addition to those already described (higher incidence of psychosocial risks, noise from the various conversations that take place in the same space and time and inappropriate use/poor condition of the operators'/communicators' headsets); - Manual handling of loads; - Falls on the same level. 	<p>The scope of the work carried out includes the risk assessment of workspaces and the risks to which workers are exposed, in particular:</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, headaches); - Physical risks (lighting, thermal environment and exposure to dust, gases, vapours, non-ionising radiation); - Musculoskeletal risks; - Risks arising from the tasks carried out in the contact centre, in addition to those already described (higher incidence of psychosocial risks, noise from the various conversations that take place in the same space and time and inappropriate use/poor condition of the operators' headsets/communicators); - Manual handling of loads; - Falls on the same level. 	<p>The scope of the work carried out includes the risk assessment of workspaces and the risks to which workers are exposed, in particular:</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, headaches); - Physical risks (lighting, thermal environment and exposure to dust, gases, vapours, non-ionising radiation); - Musculoskeletal risks; - Risks arising from the tasks carried out in the contact centre, in addition to those already described (higher incidence of psychosocial risks, noise from the various conversations that take place in the same space and time and inappropriate use/poor condition of the operators' headsets/communicators); - Manual handling of loads; - Falls on the same level.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Reported hazards that pose a risk of accidents at work	<p>GEP investigates claims within the scope of motor expertise, technical reconstruction of accidents and property expertise</p> <p>For this reason, the occupational risks to which its workers are exposed are:</p> <ul style="list-style-type: none"> - Risks inherent to the economic activity of GEP's customers (industry, offices, health sector, etc.) during the technical inspections necessary for producing the expert reports; - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, headaches); - Physical risks (lighting, thermal environment and exposure to dust, gases, vapours, non-ionising radiation); <ul style="list-style-type: none"> - Musculoskeletal risks; - Manual handling of loads; - Falls on the same level. - Risks related to road safety. 	<p>The scope of the work carried out includes the risk assessment of workspaces and the risks to which Car Service workers are exposed, in particular:</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, musculoskeletal injuries, etc.); - Physical risks (noise, vibrations, lighting, thermal environment and exposure to dust, gases, vapours, radiation); - Chemical risks (handling substances or compounds that are dangerous to human health and likely to be absorbed through the mucous membranes of the respiratory and dermatological pathways); - Mechanical risks (fall, cut, impact, crushing, perforation, shrapnel, collision); - Electrical risks (shock, electrocution, explosions, burns); - Fire and explosions; - Manual and mechanical handling of loads; - Use and handling of inappropriate tools, in poor condition or without adequate protection; - Ergonomic risks associated with extreme working positions due to the nature of the task. 	<p>The scope of the work carried out includes the risk assessment of workspaces and the risks to which workers are exposed, in particular:</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, musculoskeletal injuries, etc.); - Physical risks (noise, vibrations, lighting, thermal environment and exposure to dust, namely those arising from contact with wood particles); - Chemical risks (derived from the use/application of paints, varnishes, glues, solvents, abrasive, irritating or toxic products); - Manual or mechanical handling of loads; - Inappropriate postures (due to the stances adopted to carry out repairs/restorations); - Fall from a height or at the same level or from a height; <ul style="list-style-type: none"> - Falling objects; - Use of machines without proper protection or in poor working order. 	<p>Risks inherent to the economic activity of the respective customers (in the office industry, health, civil construction, etc.)</p> <ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, headaches); - Physical risks (lighting, thermal environment and exposure to dust, gases, vapours, non-ionising radiation); <ul style="list-style-type: none"> - Musculoskeletal risks; - Manual handling of loads; - Falls on the same level. - Risks related to road safety.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-9	2022	2022	2022
Reported hazards that pose a risk of accidents at work	The main hazards identified that pose a risk of accidents at work are:	The scope of the work carried out includes the risk assessment of workspaces and the risks to which workers are exposed, in particular:	The main hazards identified that pose a risk of accidents at work are:
	<ul style="list-style-type: none"> - Working with equipment equipped with a display in the seated position, cause musculoskeletal injuries due to incorrect postures (sudden movements) or prolonged postures (numb lower limbs); - Circulation inside the installations, they cause falls both in vertical and horizontal circulation routes. 	<ul style="list-style-type: none"> - Risks related to carrying out administrative tasks using computers, screens and other peripherals (visual fatigue, musculoskeletal injuries, etc.); - Physical risks (noise, vibrations, lighting, thermal environment and exposure to dust, namely those arising from contact with wood particles); - Chemical risks (derived from the use/application of paints, varnishes, glues, solvents, abrasive, irritating or toxic products); <ul style="list-style-type: none"> - Manual or mechanical handling of loads; - Inappropriate postures (due to the stances adopted to carry out repairs/restorations); - Fall from a height or at the same level or from a height; <ul style="list-style-type: none"> - Falling objects; - Use of machines without proper protection or in poor working order. 	<ul style="list-style-type: none"> - Working with equipment equipped with a display in the seated position, cause musculoskeletal injuries due to incorrect postures (sudden movements) or prolonged postures (numb lower limbs); - Circulation inside the installations, they cause falls both in vertical and horizontal circulation routes. Professional risks within the Fidelidade Group essentially involve musculoskeletal pathologies resulting from inappropriate postures and psychosocial risks in the workplace. Intervention in order to safeguard the best ergonomic measures in the workplace and also for work at home (telework) involving principally the supply of laptop computers, furniture screens and headphones has prevented the appearance of professional illnesses. Employees are satisfied at Fidelidade due to the near absence of professional illnesses and accidents at work among its workers, whose health problems are restricted to aspects not arising from work activity, but to which the occupational health area is particularly attentive.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Accidents at Work				
Total accidents at work	45	0	1	3
Men	10	0	0	0
Women	35	0	1	3
Rate of accidents at work	2.24%	0.00%	0.48%	0.00%
Men	1.21%	0.00%	0.00%	0.00%
Women	2.97%	0.00%	0.68%	0.00%
Accidents at work with serious consequences	1	0	0	0
Men	1	0	0	0
Women	0	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Rate of accidents at work with serious consequences	0.05%	0.00%	0.00%	0.00%
Men	0.12%	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%	0.00%
Number of deaths resulting from accidents at work	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Subcontractors	0	N/R	N/R	N/R
Men	0	N/R	N/R	N/R
Women	0	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
403-9	2022	2022	2022	2022
Rate of deaths resulting from accidents at work	0.00%	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%	0.00%
Subcontractors	0.00%	N/A	N/A	N/A
Men	0.00%	N/A	N/A	N/A
Women	0.00%	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Accidents at Work				
Total accidents at work	2	0	1	1
Men	1	0	0	1
Women	1	0	1	0
Rate of accidents at work	4.04%	0.00%	2.00%	2.23%
Men	2.56%	0.00%	0.00%	5.01%
Women	9.61%	0.00%	3.34%	0.00%
Accidents at work with serious consequences	0	0	0	0
Men	0	0	N/R	0
Women	0	0	N/R	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Rate of accidents at work with serious consequences	0.00%	0.00%	N/A	0.00%
Men	0.00%	0.00%	N/A	0.00%
Women	0.00%	0.00%	N/A	0.00%
Number of deaths resulting from accidents at work	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Subcontractors	N/R	N/R	N/R	0
Men	N/R	N/R	N/R	0
Women	N/R	N/R	N/R	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
403-9	2022	2022	2022	2022
Rate of deaths resulting from accidents at work	0.00%	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%	0.00%
Subcontractors	N/A	N/A	N/A	N/A
Men	N/A	N/A	N/A	N/A
Women	N/A	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

403-9	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
	2022	2022	2022
Accidents at Work			
Total accidents at work	1	0	0
Men	1	0	0
Women	0	0	0
Rate of accidents at work	2.65%	0.00%	0.00%
Men	4.89%	0.00%	0.00%
Women	0.00%	0.00%	0.00%
Accidents at work with serious consequences	0	0	0
Men	0	0	0
Women	0	0	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-9	2022	2022	2022
Rate of accidents at work with serious consequences	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%
Number of deaths resulting from accidents at work	0	0	0
Men	0	0	0
Women	0	0	0
Subcontractors	N/R	N/R	N/R
Men	N/R	N/R	N/R
Women	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
403-9	2022	2022	2022
Rate of deaths resulting from accidents at work	0.00%	0.00%	0.00%
Men	0.00%	0.00%	0.00%
Women	0.00%	0.00%	0.00%
Subcontractors	N/A	N/A	N/A
Men	N/A	N/A	N/A
Women	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-10	2022
Occupational disease	<p>Professional risks within the Fidelidade Group essentially involve musculoskeletal pathologies resulting from inappropriate postures and psychosocial risks in the workplace. Intervention in order to safeguard the best ergonomic measures in the workplace and also for work at home (telework) involving principally the supply of laptop computers, furniture screens and headphones has prevented the appearance of professional illnesses. Employees are satisfied at Fidelidade due to the near absence of professional illnesses and accidents at work among its workers, whose health problems are restricted to aspects not arising from work activity, but to which the occupational health area is particularly attentive.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

403-10	2022
Number of occupational diseases	0
Men	0
Women	0
Rate of occupational diseases	0%
Men	0%
Women	0%
Number of deaths resulting from occupational diseases	0
Men	0
Women	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Average hours of training per employee	27	31	30	-1%	33	39	23	-41%	24	38	25	-32%	38	22	15	-32%
Hours of training	70851	81773	83059	2%	2409	2701	1641	-39%	6121	10332	7069	-32%	6510	4118	2917	-29%
Men	30927	32121	32239	0%	680	610	556	-9%	1924	2581	2014	-22%	2991	2068	1318	-36%
Women	39924	49653	50820	2%	1729	2091	1086	-48%	4197	7751	5055	-35%	3520	2050	1599	-22%
Average hours of training by gender																
Men	27	31	30	-1%	26	24	23	-5%	26	31	25	-19%	39	24	15	-38%
Women	29	30	29	-1%	36	46	23	-51%	23	40	25	-37%	37	20	15	-26%
Average hours of training by professional category																
Directors	10	2	2	-7%	N/A	8	110	1329%	26	20	97	380%	20	29	14	-52%
Men	10	2	2	-7%	N/A	8	110	1329%	N/A	N/A	N/A	N/A	20	29	14	-52%
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	26	20	97	380%	N/A	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Executives	29	47	24	-49%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Men	25	36	23	-37%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Women	36	61	25	-60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manager/Expert	47	54	54	-1%	55	23	29	28%	39	57	26	-55%	N/A	N/A	N/A	N/A
Men	49	52	50	-4%	47	28	35	25%	34	48	15	-69%	N/A	N/A	N/A	N/A
Women	45	57	59	4%	71	16	21	34%	40	59	28	-53%	N/A	N/A	N/A	N/A
Team Leader	27	31	30	-3%	31	43	16	-63%	24	37	27	-28%	0	6	3	-56%
Men	27	28	28	-1%	16	23	15	-35%	30	31	30	-5%	0	0	2	N/A
Women	26	33	31	-5%	39	54	17	-69%	22	39	25	-35%	0	10	3	-65%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE				OK! TELESEGUROS				MULTICARE				FIDELIDADE ASSISTANCE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Assistant	21	20	24	16%	29	33	38	14%	21	36	18	-49%	N/A	N/A	N/A	N/A
Men	21	19	22	19%	37	23	18	-20%	22	30	17	-43%	N/A	N/A	N/A	N/A
Women	21	21	24	15%	26	38	41	9%	21	38	19	-51%	N/A	N/A	N/A	N/A
Not applicable	308	279	1	-100%	N/R	N/R	0	N/A	N/R	N/R	0	N/A	38	22	N/A	N/A
Male	381	203	1	-99%	N/R	N/R	0	N/A	N/R	N/R	0	N/A	39	24	N/A	N/A
Female	236	430	0	-100%	N/R	N/R	0	N/A	N/R	N/R	0	N/A	37	21	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Average hours of training per employee	5	18	13	-29%	3	18	2	-90%	2	21	5	-75%	6	23	19	-16%
Hours of training	292	987	688	-30%	68	445	52	-88%	103	1093	274	-75%	269	1162	1057	-9%
Men	258	775	309	-60%	45	237	45	-81%	42	339	117	-65%	90	445	369	-17%
Women	34	212	379	79%	23	208	7	-97%	61	754	157	-79%	179	716	688	-4%
Average hours of training by gender	5	18	13	-29%	3	18	2	-90%	2	21	5	-75%	6	23	19	-16%
Men	5	17	7	-56%	3	15	2	-84%	2	14	5	-62%	39	185	154	-17%
Women	3	21	29	38%	2	23	1	-97%	2	26	5	-81%	71	265	222	-16%
Average hours of training by professional category																
Directors	58	64	47	-26%	11	37	14	-63%	11	33	4	-89%	39	575	1164	102%
Men	58	64	47	-26%	11	37	14	-63%	11	33	4	-89%	N/A	N/A	N/A	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39	575	1164	102%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Executives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Men	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manager/Expert	7	33	11	-66%	7	92	0	-100%	N/A	N/A	N/A	N/A	138	519	165	-68%
Men	8	29	10	-64%	7	92	0	-100%	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A
Women	3	50	12	-66%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	138	519	165	-68%
Team Leader	4	14	10	-64%	10	28	0	-100%	N/A	N/A	N/A	N/A	54	208	196	-6%
Men	4	15	6	-75%	11	15	0	-100%	N/A	N/A	N/A	N/A	42	196	175	-11%
Women	3	9	39	-26%	8	54	0	-100%	N/A	N/A	N/A	N/A	68	221	215	-3%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	GEP				CAR SERVICE				CARES				SAFEMODE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Assistant	3	24	24	0%	1	9	1	-89%	N/A	N/A	N/A	N/A	43	184	62	-66%
Men	0	0	N/A	N/A	0	3	1	-65%	N/A	0	N/A	N/A	25	114	04	-97%
Women	3	30	24	-20%	2	19	1	-96%	N/A	N/A	N/A	N/A	54	227	87	-61%
Not applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	20	5	-75%	0	0	0	N/A
Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	13	5	-58%	0	0	0	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	26	5	-81%	0	0	0	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Average hours of training per employee	15	25	35	39%	2	1	1	-8%	21
Hours of training	631	1133	1500	32%	21	14	17	25%	42
Men	419	576	603	5%	5	7	10	51%	42
Women	212	557	896	61%	17	7	7	0%	0
Average hours of training by gender									
Men	20	25	27	10%	2	2	2	-25%	N/A
Women	11	25	43	69%	2	1	1	-11%	N/A
Average hours of training by professional category									
Directors	20	28	8	-73%	0	2	3	93%	N/A
Men	20	28	8	-73%	0	2	3	93%	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Executives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Men	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manager/Expert	9	20	66	235%	N/A	N/A	N/A	N/A	19
Men	0	11	62	479%	N/A	N/A	N/A	N/A	19
Women	18	33	72	117%	N/A	N/A	N/A	N/A	0
Team Leader	6	27	N/A	N/A	N/A	N/A	N/A	N/A	23
Men	6	28	N/A	N/A	N/A	N/A	N/A	N/A	23
Women	6	26	N/A	N/A	N/A	N/A	N/A	N/A	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

404-1	FIDELIDADE PROPERTY				FIDELIDADE SGOIC				FID I&D
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2022
Assistant	36	16	27	67%	N/A	N/A	N/A	N/A	N/A
Men	73	2	1	-69%	N/A	N/A	N/A	N/A	N/A
Women	15	22	36	61%	N/A	N/A	N/A	N/A	N/A
Not applicable	N/A	N/A	N/A	N/A	1.9	0.6	0.5	-22%	N/A
Male	N/A	N/A	N/A	N/A	1.5	0.0	0.1	13%	N/A
Female	N/R	N/R	N/R	N/A	2.1	0.9	0.8	-11%	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
404-2	2022	2022	2022	2022	2022
Programmes to manage skills and continuous learning	Fyouture FIDME	Fyouture FIDME	Fyouture FIDME	Fidelidade Assistance promotes employee training as a way of enhancing their professional development, and they are encouraged to undergo permanent and continuous training throughout their professional lives	Fyouture FIDME

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
404-2	2022	2022	2022	2022	2022	2022
Programmes to manage skills and continuous learning	Executive Coaching Project - Effective Personal Productivity - LMI Leadership Management Internacional	N/R	Fyouture	Executive Coaching Project - Effective Personal Productivity - LMI Leadership Management Internacional	Fyouture FIDME	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
404-2	2022	2022	2022	2022	2022
Percentage of employees receiving regular performance and career development reviews, broken down by gender.					
Men	86.2%	83.3%	84.8%	N/R	97.6%
Women	86.7%	79.2%	87.9%	N/R	76.9%

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
404-2	2022	2022	2022	2022	2022	2022
Percentage of employees receiving regular performance and career development reviews, broken down by gender.						
Men	68.4%	N/R	91.7%	81.8%	N/A	50%
Women	81.8%	N/R	80.6%	90.5%	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Diversity rate in management and among employees												
People with disabilities	3%	3%	8%	0%	0%	N/A	3%	3%	13%	4%	4%	-4%
Age group												
< 30	12%	13%	5%	14%	14%	-3%	13%	12%	-12%	24%	26%	-7%
>= 30 and <40	13%	15%	16%	29%	31%	7%	27%	27%	2%	21%	22%	15%
>= 40 and <50	34%	32%	-6%	49%	46%	-6%	41%	41%	-1%	41%	39%	-2%
>= 50	41%	40%	-2%	9%	10%	13%	19%	21%	8%	13%	14%	0%
Education level												
Primary education	5%	3%	-38%	0%	1%	N/A	2%	2%	-18%	0%	6%	-12%
Secondary Education	33%	32%	-4%	30%	29%	-3%	40%	39%	-3%	0%	69%	3%
Higher Education	62%	65%	5%	70%	69%	-1%	57%	59%	3%	0%	25%	-6%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Directors												
Men	100%	100%	0%	100%	100%	0%	0%	0%	N/A	100%	100%	0%
Women	0%	0%	N/A	0%	0%	N/A	100%	100%	0%	0%	0%	N/A
People with disabilities	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Age group												
< 30	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
>= 30 and <40	17%	14%	-14%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
>= 40 and <50	17%	29%	71%	50%	100%	100%	50%	50%	0%	0%	0%	N/A
>= 50	67%	57%	-14%	0%	0%	N/A	50%	50%	0%	100%	100%	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	N/R	N/A	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Secondary Education	N/R	N/A	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Higher Education	N/R	N/A	N/A	50%	100%	100%	100%	100%	0%	0%	100%	N/A
Executive												
Men	58%	58%	-1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Women	42%	43%	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
People with disabilities	6%	5%	-10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Age group												
< 30	0%	10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 30 and <40	8%	25%	200%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 40 and <50	22%	65%	193%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 50	69%	0%	-100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary Education	14%	13%	-10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Higher Education	86%	88%	2%	N/A	N/A	N/A	0%	0%	N/A	0%	0%	0%
Manager/Expert												
Men	59%	60%	0%	57%	57%	0%	17%	14%	-14%	N/A	40%	N/A
Women	41%	40%	-1%	43%	43%	0%	83%	86%	3%	N/A	60%	N/A
People with disabilities	3%	3%	-10%	0%	0%	N/A	8%	7%	-14%	N/A	0%	N/A
Age group												
< 30	2%	0%	-70%	0%	0%	N/A	0%	0%	N/A	N/A	0%	N/A
>= 30 and <40	5%	9%	72%	43%	29%	-33%	8%	21%	157%	N/A	0%	N/A
>= 40 and <50	33%	31%	-4%	43%	43%	0%	33%	29%	-14%	N/A	40%	N/A
>= 50	61%	60%	-2%	14%	29%	100%	58%	50%	-14%	N/A	60%	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	3%	1%	-46%	0%	0%	N/A	0%	0%	N/A	N/A	0%	N/A
Secondary Education	14%	15%	10%	14%	14%	0%	0%	0%	N/A	N/A	20%	N/A
Higher Education	83%	83%	0%	86%	86%	0%	100%	100%	0%	N/A	80%	N/A
Team Leader/Professional												
Men	42%	40%	-4%	34%	35%	2%	29%	26%	-11%	33%	42%	25%
Women	58%	60%	3%	66%	65%	-1%	71%	74%	5%	67%	58%	-13%
People with disabilities	2%	2%	22%	0%	0%	N/A	3%	2%	-21%	0%	0%	N/A
Age group												
< 30	15%	17%	11%	16%	15%	-3%	15%	15%	-2%	0%	6%	N/A
>= 30 and <40	16%	17%	8%	25%	31%	23%	20%	28%	40%	0%	14%	N/A
>= 40 and <50	35%	32%	-9%	52%	48%	-8%	44%	38%	-12%	33%	61%	83%
>= 50	34%	34%	1%	7%	6%	-15%	22%	19%	-10%	67%	19%	-71%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	2%	1%	-35%	0%	0%	NA	1%	1%	-21%	33%	3%	-92%
Secondary Education	29%	27%	-5%	27%	27%	-1%	36%	35%	-1%	0%	53%	N/A
Higher Education	69%	71%	3%	73%	73%	0%	63%	64%	1%	67%	44%	-33%
Assistant												
Men	31%	31%	1%	32%	15%	-51%	33%	41%	27%	N/A	46%	N/A
Women	69%	69%	-1%	68%	85%	24%	67%	59%	-13%	N/A	54%	N/A
People with disabilities	4%	4%	6%	0%	0%	N/A	1%	3%	248%	N/A	5%	N/A
Age group												
< 30	9%	6%	-37%	16%	15%	-3%	12%	3%	-71%	N/A	31%	N/A
>= 30 and <40	8%	10%	18%	32%	31%	-3%	40%	26%	-35%	N/A	25%	N/A
>= 40 and <50	33%	31%	-6%	42%	38%	-9%	38%	52%	37%	N/A	33%	N/A
>= 50	49%	53%	8%	11%	15%	46%	11%	19%	74%	N/A	11%	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	12%	9%	-28%	0%	8%	N/A	4%	5%	31%	N/A	7%	N/A
Secondary Education	51%	56%	9%	42%	46%	10%	52%	62%	18%	N/A	75%	N/A
Higher Education	37%	36%	-3%	58%	46%	-20%	44%	33%	-25%	N/A	19%	N/A
Not applicable												
Men	67%	67%	0%	N/A	N/A	N/A	N/A	N/A	N/A	46%	N/A	N/A
Women	33%	33%	0%	N/A	N/A	N/A	N/A	N/A	N/A	54%	N/A	N/A
People with disabilities	17%	0%	-100%	N/A	N/A	N/A	N/A	N/A	N/A	4%	N/A	N/A
Age group												
< 30	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28%	N/A	N/A
>= 30 and <40	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20%	N/A	N/A
>= 40 and <50	0%	17%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	40%	N/A	N/A
>= 50	100%	83%	-17%	N/A	N/A	N/A	N/A	N/A	N/A	13%	N/A	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE			OK! TELESEGUROS			MULTICARE			FIDELIDADE ASSISTANCE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	17%	17%	0%	N/A	N/A	N/A	N/A	N/A	N/A	6%	N/A	N/A
Secondary Education	33%	17%	-50%	58%	46%	-20%	N/A	N/A	N/A	68%	N/A	N/A
Higher Education	50%	67%	33%	32%	15%	-51%	N/A	N/A	N/A	26%	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Diversity rate in management and among employees												
People with disabilities	5%	4%	-32%	4%	3%	-17%	0%	2%	N/A	0%	0%	N/A
Age group												
< 30	5%	7%	36%	16%	13%	-17%	11%	13%	15%	8%	5%	-30%
>= 30 and <40	7%	9%	27%	24%	37%	53%	19%	19%	-2%	31%	38%	22%
>= 40 and <50	36%	33%	-8%	20%	17%	-17%	43%	41%	-6%	49%	45%	-7%
>= 50	52%	51%	-2%	40%	33%	-17%	26%	28%	5%	12%	11%	-7%
Education level												
Primary education	16%	9%	-43%	8%	3%	-58%	23%	15%	-35%	4%	2%	-54%
Secondary Education	48%	51%	6%	88%	93%	6%	68%	69%	1%	24%	25%	8%
Higher Education	36%	40%	12%	4%	3%	-17%	9%	17%	77%	73%	73%	0%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Directors												
Men	100%	100%	0%	100%	100%	0%	100%	100%	0%	0%	0%	N/A
Women	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	100%	100%	0%
People with disabilities	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Age group												
< 30	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
>= 30 and <40	0%	0%	N/A	0%	0%	N/A	100%	100%	0%	0%	0%	N/A
>= 40 and <50	0%	0%	N/A	0%	50%	-100%	0%	0%	N/A	0%	0%	N/A
>= 50	100%	100%	0%	100%	50%	100%	0%	0%	N/A	100%	100%	0%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Secondary Education	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
Higher Education	100%	100%	0%	0%	100%	0%	100%	100%	0%	100%	100%	0%
Executive												
Men	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
People with disabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
Age group												
< 30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
>= 30 and <40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
>= 40 and <50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
>= 50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
Secondary Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
Higher Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A
Manager/Expert												
Men	80%	67%	-17%	100%	100%	0%	N/A	100%	N/A	0%	0%	N/A
Women	20%	33%	67%	0%	0%	N/A	N/A	0%	N/A	100%	100%	0%
People with disabilities	20%	17%	-17%	0%	0%	N/A	N/A	0%	N/A	0%	0%	N/A
Age group												
< 30	0%	0%	N/A	0%	0%	N/A	N/A	0%	N/A	0%	0%	N/A
>= 30 and <40	0%	0%	N/A	0%	0%	N/A	N/A	0%	N/A	0%	0%	N/A
>= 40 and <50	40%	33%	-17%	0%	0%	N/A	N/A	0%	N/A	0%	0%	N/A
>= 50	60%	67%	11%	100%	100%	0%	N/A	100%	N/A	100%	100%	0%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	0%	0%	N/A	0%	0%	N/A	N/A	0%	N/A	0%	0%	N/A
Secondary Education	20%	17%	-17%	100%	100%	0%	N/A	100%	N/A	0%	0%	N/A
Higher Education	80%	83%	4%	0%	0%	N/A	N/A	0%	N/A	100%	100%	0%
Team Leader/Professional												
Men	89%	86%	-3%	67%	50%	-25%	N/A	N/A	N/A	51%	48%	-7%
Women	11%	14%	25%	33%	50%	50%	N/A	N/A	N/A	49%	52%	7%
People with disabilities	4%	2%	-48%	0%	0%	N/A	N/A	N/A	N/A	0%	0%	N/A
Age group												
< 30	4%	9%	109%	0%	0%	N/A	N/A	N/A	N/A	7%	7%	-7%
>= 30 and <40	7%	7%	5%	0%	0%	N/A	N/A	N/A	N/A	39%	43%	11%
>= 40 and <50	35%	32%	-9%	33%	25%	-25%	N/A	N/A	N/A	49%	43%	-11%
>= 50	54%	52%	-4%	67%	75%	13%	N/A	N/A	N/A	5%	7%	40%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary education	20%	11%	-42%	0%	0%	N/A	N/A	N/A	N/A	2%	2%	-7%
Secondary Education	46%	52%	15%	100%	100%	0%	N/A	N/A	N/A	20%	18%	-7%
Higher Education	35%	36%	5%	0%	0%	N/A	N/A	N/A	N/A	78%	80%	2%
Assistant												
Men	20%	0%	-100%	62%	64%	3%	N/A	N/A	N/A	38%	30%	-20%
Women	80%	100%	25%	38%	36%	-6%	N/A	N/A	N/A	63%	70%	12%
People with disabilities	0%	0%	N/A	5%	4%	-16%	N/A	N/A	N/A	0%	0%	N/A
Age group												
< 30	20%	0%	-100%	19%	16%	-16%	N/A	N/A	N/A	13%	0%	-100%
>= 30 and <40	20%	40%	100%	29%	44%	54%	N/A	N/A	N/A	0%	20%	N/A
>= 40 and <50	40%	40%	0%	19%	16%	-16%	N/A	N/A	N/A	63%	60%	-4%
>= 50	20%	20%	0%	33%	24%	-28%	N/A	N/A	N/A	25%	20%	-20%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary Education	0%	0%	N/A	10%	4%	-58%	N/A	N/A	N/A	13%	0%	-100%
Secondary Education	100%	80%	-20%	86%	92%	7%	N/A	N/A	N/A	50%	60%	20%
Higher Education	0%	20%	N/A	5%	4%	-16%	N/A	N/A	N/A	38%	40%	7%
Not applicable												
Men	N/A	N/A	N/A	N/A	N/A	N/A	45%	40%	-13%	38%	N/A	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	55%	60%	10%	63%	N/A	N/A
People with disabilities	N/A	N/A	N/A	N/A	N/A	N/A	0%	2%	N/A	0%	N/A	N/A
Age group												
< 30	N/A	N/A	N/A	N/A	N/A	N/A	11%	13%	17%	13%	N/A	N/A
>= 30 and <40	N/A	N/A	N/A	N/A	N/A	N/A	19%	19%	0%	0%	N/A	N/A
>= 40 and <50	N/A	N/A	N/A	N/A	N/A	N/A	43%	42%	-4%	63%	N/A	N/A
>= 50	N/A	N/A	N/A	N/A	N/A	N/A	26%	26%	0%	25%	N/A	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	GEP			CAR SERVICE			CARES			SAFEMODE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Education level												
Primary Education	N/A	N/A	N/A	N/A	N/A	N/A	23%	15%	-33%	13%	N/A	N/A
Secondary Education	N/A	N/A	N/A	N/A	N/A	N/A	68%	68%	0%	50%	N/A	N/A
Higher Education	N/A	N/A	N/A	N/A	N/A	N/A	9%	17%	80%	38%	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Diversity rate in management and among employees							
People with disabilities	0%	2%	0%	0%	0%	N/A	0%
Age group							
< 30	12%	20%	21%	27%	9%	47%	50%
>= 30 and <40	17%	16%	16%	27%	27%	71%	50%
>= 40 and <50	39%	27%	21%	45%	64%	-37%	0%
>= 50	32%	38%	42%	0%	0%	N/A	0%
Education level							
Primary education	0%	4%	2%	0%	0%	N/A	0%
Secondary Education	0%	13%	14%	0%	0%	N/A	0%
Higher Education	0%	82%	84%	0%	100%	0%	100%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Directors							
Men	100%	100%	100%	0%	0%	0%	N/A
Women	0%	0%	0%	0%	0%	0%	N/A
People with disabilities	0%	0%	0%	0%	0%	0%	N/A
Age group							
< 30	0%	0%	0%	0%	0%	50%	N/A
>= 30 and <40	0%	0%	0%	25%	33%	0%	N/A
>= 40 and <50	50%	50%	0%	75%	67%	50%	N/A
>= 50	50%	50%	100%	0%	0%	0%	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	0%	0%	0%	0%	0%	0%	N/A
Secondary Education	0%	0%	0%	100%	100%	0%	N/A
Higher Education	0%	100%	100%	100%	100%	0%	N/A
Executive							
Men	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Women	N/A	N/A	N/A	N/A	N/A	N/A	N/A
People with disabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Age group							
< 30	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 30 and <40	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 40 and <50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
>= 50	N/A	N/A	N/A	N/A	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Higher Education	N/A	N/A	N/A	0%	0%	0%	N/A
Manager/Expert							
Men	50%	60%	60%	N/A	N/A	N/A	100%
Women	50%	40%	40%	N/A	N/A	N/A	0%
People with disabilities	0%	0%	0%	N/A	N/A	N/A	0%
Age group							
< 30	0%	0%	0%	N/A	N/A	N/A	0%
>= 30 and <40	0%	20%	20%	N/A	N/A	N/A	100%
>= 40 and <50	50%	20%	0%	N/A	N/A	N/A	0%
>= 50	50%	60%	80%	N/A	N/A	N/A	0%



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	0%	0%	0%	N/A	N/A	N/A	0%
Secondary Education	0%	0%	0%	N/A	N/A	N/A	0%
Higher Education	0%	100%	100%	N/A	N/A	N/A	100%
Team Leader/Professional							
Men	58%	57%	57%	N/A	N/A	N/A	100%
Women	42%	43%	43%	N/A	N/A	N/A	0%
People with disabilities	0%	0%	0%	N/A	N/A	N/A	0%
Age group							
< 30	19%	30%	30%	N/A	N/A	N/A	100%
>= 30 and <40	27%	20%	20%	N/A	N/A	N/A	0%
>= 40 and <50	38%	27%	23%	N/A	N/A	N/A	0%
>= 50	15%	23%	27%	N/A	N/A	N/A	0%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	0%	0%	0%	N/A	N/A	N/A	0%
Secondary Education	0%	3%	3%	N/A	N/A	N/A	0%
Higher Education	0%	97%	97%	N/A	N/A	N/A	100%
Assistant							
Men	36%	30%	25%	N/A	N/A	N/A	N/A
Women	64%	70%	75%	N/A	N/A	N/A	N/A
People with disabilities	0%	10%	0%	N/A	N/A	N/A	N/A
Age group							
< 30	0%	0%	0%	N/A	N/A	N/A	N/A
>= 30 and <40	0%	0%	0%	N/A	N/A	N/A	N/A
>= 40 and <50	36%	30%	25%	N/A	N/A	N/A	N/A
>= 50	64%	70%	75%	N/A	N/A	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	0%	20%	13%	N/A	N/A	N/A	N/A
Secondary Education	0%	50%	63%	N/A	N/A	N/A	N/A
Higher Education	0%	30%	25%	N/A	N/A	N/A	N/A
Not applicable							
Men	N/A	N/A	N/A	27%	40%	47%	N/A
Women	N/A	N/A	N/A	73%	60%	-18%	N/A
People with disabilities	N/A	N/A	N/A	0%	0%	N/A	N/A
Age group							
< 30	N/A	N/A	N/A	9%	13%	47%	N/A
>= 30 and <40	N/A	N/A	N/A	27%	47%	71%	N/A
>= 40 and <50	N/A	N/A	N/A	64%	40%	-37%	N/A
>= 50	N/A	N/A	N/A	0%	0%	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

405-1	FIDELIDADE PROPERTY			FIDELIDADE SGOIC			FID I&D
	2021	2022	Change 21-22	2021	2022	Change 21-22	2022
Education level							
Primary Education	N/A	N/A	N/A	0%	0%	N/A	N/A
Secondary Education	N/A	N/A	N/A	0%	0%	N/A	N/A
Higher Education	N/A	N/A	N/A	100%	100%	0%	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

405-2	2022
Ratio of basic salary and remuneration of women to that of men	N/R

ALL PORTUGUESE COMPANIES

406-1	2022
Incidents of discrimination and the corrective measures taken.	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE
413-1 to 413-2	2022	2022	2022	2022
Operations with local community engagement programmes, impact assessment and development programmes	<p>External - Support to the Third Sector of the Fidelidade Community:</p> <ul style="list-style-type: none"> > Operations with local community engagement programmes: <p>Fidelidade Group - Fidelidade Community Award: The 4th, launched in 2021, began a new model for biennial realisation. However, due to the pandemic, it was divided into two phases with independent appropriations and regulations: a 1st phase for urgent and/or emerging support (€150,000) and a 2nd phase for support to strengthen the sustainability of Social Organisations, from a social investor perspective with higher amounts (€600,000).</p> <p>This 2nd phase took place during 2022, with the release of funds for the implementation of the 10 winning projects:</p> <ul style="list-style-type: none"> • Inclusion of people with disabilities or incapacity; 111 applications, 7 awarded; • Ageing: 162 applications, 3 awarded; • Preventive healthcare: 65 applications, 0 awarded. <p>Fidelidade Group - Donations: EPIS, for salvage of computer rollout equipment and hospital office equipment (in partnership with Hospital da Luz); Fidelidade Group - Offer of insurance for new equipment and Christmas Hampers; Fidelidade Group - Corporate volunteering; Fidelidade Group - Acquisition of social economy products.</p> <ul style="list-style-type: none"> > Impact assessment <p>Fidelidade Group - Training Labs on Impact Assessment (Programme for the development and training of Social Organisations)</p> <p>Fidelidade Group - NOS: 8 episodes of the Podcast "Aqui entre Nós" featuring collaborations with specialists in Mental Health and Geriatrics; 5 webinars were held within the scope of the Caregiver Employee Support.</p>	There were none	Sponsorship of the Catholic University, Hospital da Bonecada and other institutions with a social role. Donation to IMM, JRS to support refugees from the war in Ukraine, Make-a-Wish and other social entities.	N/R
Operations with potential or negative impacts on local communities	N/A	There were none	N/A	N/R



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	GEP	CAR SERVICE	CARES	SAFEMODE
413-1 to 413-2	2022	2022	2022	2022
Operations with local community engagement programmes, impact assessment and development programmes	There were none	Delivery of 55 Christmas Hampers to the association for distribution to the neediest. Association of the company to social projects promoted by the GRS: Make a Wish, Operation Red Nose, Tenha muita Lata Programme, among others.	N/R	N/R
Operations with potential or negative impacts on local communities	There were none	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
413-1 to 413-2	2022	2022	2022
Operations with local community engagement programmes, impact assessment and development programmes	N/R	There were none	N/R
Operations with potential or negative impacts on local communities	N/R	There were none	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

414-1	2022
New suppliers assessed based on social criteria	The Fidelidade Group, through the Sustainability Department, is finalising the process of acquiring a tool that will facilitate the management of ESG data, namely those relating to the assessment of suppliers.

ALL PORTUGUESE COMPANIES

415-1	2022
Value of contributions to political parties and politicians, broken down by country and recipient/beneficiary	No financial or in-kind contributions were made to political parties, politicians or related institutions.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

ALL PORTUGUESE COMPANIES

417-1 to 417-3	2022
Requirements for the information and labelling of products and services	The products and services are validated by the Compliance Department and the Legal Affairs Department, prior to their market.
Cases of non-compliance related to the information and labelling of products and services	1 ⁴¹
Cases of non-compliance regarding marketing communications	0

⁴¹ Case recorded only at Fidelidade – Companhia de Seguros, S.A.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

418-1	FIDELIDADE		OK! TELESEGUROS		MULTICARE		FIDELIDADE ASSISTANCE	
	2021	2022	2021	2022	2021	2022	2021	2022
Substantiated complaints regarding breach of privacy and loss of customer data.	12	37	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	4	0	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.

418-1	GEP		CAR SERVICE		CARES		SAFEMODE	
	2021	2022	2021	2022	2021	2022	2021	2022
Substantiated complaints regarding breach of privacy and loss of customer data.	There were none	There were none	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

418-1	FIDELIDADE PROPERTY		FIDELIDADE SGOIC		FID I&D
	2021	2022	2021	2022	2022
Substantiated complaints regarding breach of privacy and loss of customer data.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.	There were no complaints regarding breaches of customer privacy.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS1	2022	2022	2022
Operations with local community engagement programmes, impact assessment and development programmes	Sustainability Policy – Fidelidade Group.	<p>OK! teleseguros is governed by the guidelines of the Fidelidade Group, in which it carries out its activities with absolute respect for the law, business ethics, the dignity of citizens and human rights.</p> <p>In this context:</p> <p>We take on business relationships with entities that respect human rights; Our advertising campaigns promote the principle of equality and contribute to an image of cohesion and social inclusion of all ethnic and social groups; We respect the sociocultural aspects of the communities in which we are present and contribute to their sustained development; We are committed to protecting the environment, sponsorship and social support; We seek the development of knowledge and career progression of our employees, with respect for the dignity, diversity and rights of everyone; We promote a good work environment in the most appropriate conditions of safety and health at work, promoting a spirit of cooperation and mutual help among employees.</p>	<p>Post-Covid Check-Ups</p> <p>Free Post-Covid Check-Up at Luz Saúde units, with a defined clinical protocol.</p> <p>We continued this check-up in 2022, which continues to be very useful. The focus on post-Covid consequences continues to be the subject of much debate and scientific investigation, so it is important that we continue to support customers.</p> <p>Provided free to all customers with Preventive Medicine coverage who were not in a grace period and who have had COVID-19. The growing concern about the consequences caused by COVID-19, which have been manifested both in patients with more serious clinical situations and in patients with mild and even asymptomatic symptoms, led us to continue to protect the population affected by the pandemic.</p> <p>Mental Health</p> <p>In 2022, Multicare once more broke new ground and launched a sub-limit that reimburses applications for prevention and treatment of mental health, curated by the Portuguese Psychologists' Association (OPP). Additionally, we published some articles promoting Mental Health, also in partnership with OPP; this will be a partnership that we want to continue in future years and that will have an impact on the literacy level of the Portuguese people. (Multicare website)</p> <p>Online Medicine</p> <p>We continued the telemedicine platform, which in 2022 provided more than 170,000 medical consultations, an increase of more than 20%. APS data show that we are clearly "market leaders" in the use of teleconsultations on insurers' platforms with more than 70% share in 2020 and 2021. In 2022, three new specialities were unveiled (Cardiology, Gastroenterology and Ophthalmology), communication was strengthened in the Online Assistant Physician and the "Get Yourself in Shape" programme was launched with advice from Personal Trainers.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS2	2022	2022	2022
<p>Approach and management: Procedures for assessing environmental and social risks in different business lines</p>	<p>Disclosure of information on the integration of risks in terms of Sustainability.</p>	<p>The risk assessment carried out does not include environmental and social risks</p>	<p>Premium Payment Protection Coverage available in MULTICARE 1 and MULTICARE 2 insurance that guarantees the payment of the insurance premium for a period of up to 6 months, in the event of involuntary unemployment of the Policyholder. This coverage is a unique tool for assessing (and mitigating) social risks.</p> <p>Proactive Retention Multicare has a Loyalty Team that monitors monthly non-payment of insurance policies. Thus, through prior analysis and following the defined criteria, this team contacts policyholders in default of payment in order to understand the reasons for non-payment and present a solution, thus preventing Customers from being left without protection.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS3	2022	2022	2022
<p>Approach and management: Processes for monitoring compliance by customers with the different requirements included in agreements/contracts.</p>			<p>Telesubscription In 2022, we worked on automating the process using artificial intelligence algorithms. We maintained the objective of expanding telesubscription, which is considered more effective than the response to the Individual Health Questionnaire in assessing risk when subscribing to insurance.</p>
	N/R	N/A	<p>Anti-Fraud Office Multicare has a body within its structure, the Anti-Fraud Office, which analyses the use of Multicare Insurance, with a view to detecting abusive situations in the use of insurance, in relation to providers and customers. At the same time, the Anti-Fraud Office has developed automatic fraud prevention mechanisms (e.g. definition of incompatible medical acts, prior authorisation requirement for performing certain medical acts).</p>
			<p>Insurance Premium Payment The Fidelidade Multicare Team carries out the monthly control of policies that default on insurance payments. In these situations, we contact the Policyholders via telephone in order to understand the reason for non-payment of the insurance and to present alternative solutions, thus avoiding the cancellation of the insurance.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS4	2022	2022	2022
<p>Approach and management: Processes to develop employee skills for the implementation of environmental and social policies and procedures, applicable to the lines of business.</p>	N/R	There are no processes for developing skills in these aspects.	Multicare adopts and implements the processes promoted by the Fidelidade Group.



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS5	2022	2022	2022
<p>Approach and management: Interaction with customers/investors/partners regarding social and environmental risks and opportunities.</p>	<p>Sustainability Policy Disclosure of information on the integration of risks in terms of Sustainability.</p>	<p>The risk assessment carried out does not include environmental and social risks.</p>	<p>Communication with Customers Multicare continued to invest in communication with customers, using various means/supports according to the type of information to be transmitted to the customer (SMS, emails, Multicare and Fidelidade websites, newsletters for Customers and Companies). Topics disclosed: - Communication in the context of Covid-19, protective measures in place - Launch of new Online Medicine services: specialty and Get in Shape - Promotion of Multicare Vitality: Multicare Vitality events, benefits and advantages and smartwatch purchase campaign.</p> <p>Teladoc Multicare continued to publicise the Online Medicine service as a means of quick access to medical care and also providing an "online family doctor". There is a growing demand for this line at times, in particular at the peaks of seasonal flu and suchlike.</p> <p>FIDELIDADE ASSISTANCE The pandemic also affected the home doctor service, with a decrease in the number of available doctors due to fear of contagion. In 2022, there was a pick-up in demand, but supply capacity was unable to keep up, with a significant increase in SLAs and complaints.</p> <p>Sponsorship + Donations In 2022, Multicare distributed approximately €300,000 in sponsorships and, some donations - an extraordinarily high amount in 2022, as a result of the sponsorship of the Catholic University. Among the institutions covered by ordinary sponsorships are the Portuguese Association of Hospital Administrators, the Portuguese Association of Private Hospitals and medical and scientific entities, such as the 21st Bonecada Hospital and the 4th CNS Congress. Donations covered institutions such as Make-a-Wish and the IMM.</p>



7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

FS6	FIDELIDADE				OK! TELESEGUROS				MULTICARE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Percentage of specific business lines/segments, in total volume, by region and size												
Life	44.5%	59.7%	52.8%	-12.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Insurance contracts	8.1%	5.6%	6.2%	10.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment contracts	36.4%	54.1%	46.1%	-14.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Life	55.5%	40.3%	47.7%	18.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accidents and Health	23.8%	17.3%	20.9%	21.0%	1.0%	(0.89%)	1.1%	18%	360M	381M	418M	10%
Accidents at Work	7.8%	6.7%	8.2%	21.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Personal accidents	0.9%	0.7%	1.0%	34.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health	10.5%	9.8%	11.8%	19.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire and other damage	7.8%	7.1%	8.3%	16.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

FS6	FIDELIDADE				OK! TELESEGUROS				MULTICARE			
	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22	2020	2021	2022	Change 21-22
Motor	16.7%	13.7%	16.0%	17.1%	82.0%	82.8%	82.5%	-0.4%	N/A	N/A	N/A	N/A
Direct insurance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other coverages	N/A	N/A	N/A	N/A	29.0%	28.7%	29.4%	3%	N/A	N/A	N/A	N/A
Transport	N/R	0.7%	0.8%	20.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Third-party liability	N/A	1.3%	1.5%	15.9%	53.0%	54.2%	53.1%	-2%	N/A	N/A	N/A	N/A
Other	N/A	0.7%	0.8%	20.5%	13.0%	12.8%	12.7%	-1%	N/A	N/A	N/A	N/A
Legal protection	N/A	N/A	N/A	N/A	1.0%	1.1%	1.1%	-2%	N/A	N/A	N/A	N/A
Assistance	N/A	N/A	N/A	N/A	12.0%	11.7%	11.6%	-1%	N/A	N/A	N/A	N/A
Multi-risk home	N/A	N/A	N/A	N/A	3.0%	3.5%	3.8%	9%	N/A	N/A	N/A	N/A
General total	N/A	N/A	N/A	N/A	57M	58M	61M	5%	N/A	N/A	N/A	N/A



7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

FS7 and 8	FIDELIDADE			OK! TELESEGUROS			MULTICARE		
	2021	2022	Change 21-22	2021	2022	Change 21-22	2021	2022	Change 21-22
Volume (monetary) of products and services with social benefit, by line of business	€601,114.55	€106,089.17	-82.35%	N/A	N/A	N/A	Multicare Vital Protection: 2.7% Offer 60+: 9.7%	Multicare Vital Protection: 19% Offer 60+: 49%	N/A
Total Accounting Gross Premiums Written generated by the OK! Gestual product	N/A	N/A	N/A	€8,250,47	€7,486,92	-9.3%	N/A	N/A	N/A
Volume (monetary) of products and services with social benefit, by line of business	N/A	Property Volume premiums electric buses: €21,738,581.4 Liabilities Total invested - My Savings - sustainable option: €12,311.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Environmental Liability Insurance - Company + ENI's Customer Awards	€1,106,562.13	€1,350,004.70	0.22%	N/A	N/A	N/A	N/A	N/A	N/A
Total Accounting Gross Premiums Written generated by the OK! Bike product	N/A	N/A	N/A	€17,370.92	€18,480.07	6.4%	N/A	N/A	N/A
Total Accounting Gross Premiums Written generated by the OK! Electric Vehicles	N/A	N/A	N/A	€575,344.99	€899,967.15	56.4%	N/A	N/A	N/A

7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS9	2022	2022	2022
<p>Approach and management: Scope and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</p>	<p>Fidelidade complies with all the requirements and regulations issued by the regulatory bodies concerned with designing and marketing goods and services. Additionally, it has a Code of Conduct, Principles of Good Governance and other regulations which aim to ensure that the company's interests are aligned with the expectations of its Customers.</p>	<p>N/R</p>	<p>From a proactive risk management standpoint and in the context of quality management system certification (ISO 9001:2015 Standard), Multicare annually identifies risks and opportunities.</p> <p>This identification of strategic risks and opportunities can be translated into corporate objectives, which are assessed annually within the scope of the Internal Quality Audits as well as the External Certification Audit carried out by Bureau Veritas. At the same time, Fidelidade's Risk Management team monitors processes involving financial and reputational risks, ensuring the adequacy of measures to monitor and mitigate these risks.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS11	2022	2022	2022
Percentage of assets subject to environmental and social assessment	N/R	N/A	N/A

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS12	2022	2022	2022
Approach and management: Voting policies on social and environmental aspects applied to actions over which the organisation holds the right to vote or supports in the voting decision.	N/R	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS14	2022	2022	2022
Initiatives to improve access to financial services for vulnerable people.	N/R	N/A	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS15	2022	2022	2022
Approach and management: Design and marketing policies for products and services liabilities	N/R	There is no specific procedure.	<p>Product Design</p> <p>The launch of new health insurance or changes to insurance on the market presupposes a careful analysis of consumer needs, the market context and Multicare's experience.</p> <p>Multicare follows the Group's procedures with regard to the design of new products.</p> <p>Product design comprises 4 steps:</p> <ol style="list-style-type: none"> 1. Product Idea: the idea of new products/coverages can come from any area of Multicare/Fidelidade, the respective sketch being presented by Multicare's Marketing Office in the Fidelidade Products Committee; 2. Product pre-design: after approval by the Product Committee, Multicare defines the main requirements of the product and the preliminary cost and develops a summary sheet for Fidelidade IT's opinion regarding the IT feasibility of the product and a product sheet for presentation to the marketing channels; 3 Concept Test: assessment of adequacy to the identified needs of the target market and estimation of the commercial potential of the product based on market research; 4. Product Approval: presentation of the results of the market research as well as any adjustments to the product/coverage in the Product Committee, followed by the development of the go-to-market. <p>Marketing:</p> <p>For the effective marketing of its products, Multicare has invested in supporting the Commercial Network, including:</p> <ul style="list-style-type: none"> Training actions; Development of sales support materials (product sheets, scripts, among others); Competition benchmarking; Continuous improvement of contractual documents in order to simplify and clarify the language; Availability of sales monitoring information and other strategic indicators. <p>Specifically in terms of training, in addition to active participation in the Commercial Cycles where new launches are published and commercial objectives communicated, throughout the year Multicare carries out a set of training actions aimed at the Commercial Network (Mediation, Branches, Personal Products and Banking Channel).</p> <p>In addition, Multicare provides personalised follow-up on customer visits to provide a detailed explanation of Multicare insurance and identify the most appropriate protection option.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP SECTOR SUPPLEMENT

	FIDELIDADE	OK! TELESEGUROS	MULTICARE
FS16	2022	2022	2022
Approach and management: Initiatives to improve financial literacy, by type of beneficiary.	<p>Creation of the microsite Vida Financeiras.</p> <p>We intend to contribute to improving our customers' financial literacy so that they can make an informed choice between the different solutions.</p>	<p>In this context, OK! teleseguros adheres to all the initiatives put on by the Fidelidade Insurance Group, namely by Fidelidade Community.</p>	<p>256 training actions 128 follow-up meetings 161 visits to Customers.</p>



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

GENERAL PROFILE

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Number of Customer Branches	60	59	N/R	N/A
Number of Mediation areas	39	39	N/R	N/A
Number of mediators	4125	3682	3137	-0.15%
Exclusive mediators	2194	2012	1706	-0.15%
Number of WeCare interventions	497	546	N/R	N/A
Processes for the area of professional reintegration	362	430	N/R	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENHANCE THE GROWTH OF BUSINESS PARTNERS

	FIDELIDADE			
	2020	2021	2022	Change 21-22
TRAINING THE MEDIATORS NETWORK				
Number of participants	5437	3109	5795	86%
Total number of hours	10184	11291	40183	256%
Total number of sessions	529	302	N/R	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

WORKSHOP CERTIFICATION

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Workshop certification				
Total number of workshops	108	109	N/R	N/A
Number of workshops certified 3 stars by Centro Zaragoza	76	77	N/R	N/A
% Number of workshops certified 3 stars by Centro Zaragoza	70%	71%	N/R	N/A
Number of workshops certified 4 stars by Centro Zaragoza	14	14	N/R	N/A
% Number of workshops certified 4 stars by Centro Zaragoza	13%	13%	N/R	N/A
Number of workshops certified 5 stars by Centro Zaragoza	18	18	N/R	N/A
% Number of workshops certified 5 stars by Centro Zaragoza	17%	17%	N/R	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Compliance in Products and Advertising				
Products and services compliance analysis	38	73	(83)	14%
Communication and training on Compliance in the design and marketing of products and services (total number of employees)	N/A	40	12	-70%
Advertising media compliance analysis	176	384	238	-38%
Compliance in Investments and Relations with Third Parties				
Know Your Counterparty (KYC) analysis	N/A	1551	238	-85%
Know Your Customer (KYC) analysis	N/A	0	202	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Privacy and Data Protection				
Operations assessed for data protection risk	N/A	28	22	-21%
Mitigation measures on the identified data protection risk	N/A	172	71	-70%
Data Protection Impact Assessments	N/A	4	1	-75%
Projects for the incorporation of good privacy practices in the design specifications of technologies, services, products or commercial practices (Privacy by Design)	N/A	30	15	-50%
Communication and training on data protection procedures and policies (total number of employees)	N/A	170	96	-44%
Substantiated complaints regarding data privacy, received from external parties and proven by the organisation	N/A	48	28	-42%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Prevention of Money Laundering				
Customer analysis	1323818	22665	1398	-94%
Monitored transactions	22379	16407	12543	-24%
Receipts in cash	4	1	0	-100%
Redemption processing	6677	1219	4589	277%
Waiver processing	408	36	134	272%
Frequent Delivery Processing	12507	1560	7550	384%
Regulatory Communication of Operations	3008	3878	2656	-32%
Communication and training on prevention of money laundering (total number of employees)	N/A	0	49	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
CIMPAS				
Number of arbitrations resolved (Department: DNA*/CONT AUT)	217	246	227	-8%
Number of arbitrations resolved (Department: DNA*/CONT DIV)	3	5	3	-40%
Number of new arbitrations (Department: DNA*/CONT AUT)	279	221	230	4%
Number of new arbitrations (Department: DNA*/CONT DIV)	6	3	3	0%
Average case time (Department: DNA*/CONT AUT)	150	200	164	-18%
Average case time (Department: DNA*/CONT DIV)	263	290	109	-62%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Courts				
Number of cases resolved (Department: DNA*/CONT AUT)	670	675	811	20%
Number of cases resolved (Department: DNA*/CONT DIV)	77	66	60	-9%
Number of new cases (Department: DNA*/CONT AUT)	721	670	694	4%
Number of new cases (Department: DNA*/CONT DIV)	53	38	36	-5%
Average case time (Department: DNA*/CONT AUT)	507	593	566	-5%
Average case time (Department: DNA*/CONT DIV)	982	1029	961	-7%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

ENSURE TRANSPARENT ACTIVITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Specific Indicators (CAUCP + CIMPAS + Courts)				
Legal litigation rate (Department: DNA*/CONT AUT)	0.43%	(0.36%)	N/R	N/A
Legal effectiveness rate (Department: DNA*/CONT AUT)	28.77%	28.56%	29.38%	2.87%
Legal effectiveness rate (Department: DNA*/CONT DIV)	27.31%	31.00%	29.13%	-6.03%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

STRENGTHEN SERVICE QUALITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Complaints				
Total number of complaints closed	4529	4538	5566	23%
Total number of complaints opened	4594	4843	5572	15%
Total number of complaints reopened	408	556	551	-1%
Global average response time	9.37	7.84	9.35	19%
Average response time for the Complaint Management Centre	1.36	0.55	0.51	-7%
Average response time from technical areas and complaints	7.26	6.76	8.41	24%
Number of motor insurance-related complaints	1236	1049	2816	168%
Number of life insurance-related complaints	284	304	283	-7%
Number of illness-related complaints	844	892	989	11%
Number of finance-related complaints	95	107	123	15%



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SPECIFIC INDICATORS

STRUCTURING INVESTMENT IN THE COMMUNITY

	FIDELIDADE			
	2020	2021	2022	Change 21-22
Number of employees involved in volunteering initiatives	92	145	N/R	N/A
Total hours of volunteering	412	1258	N/R	N/A
Support for non-profit organisations	183	167	N/R	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP SPECIFIC INDICATORS

CUSTOMER SATISFACTION SURVEY RESULTS

	FIDELIDADE	OK! TELESEGUROS	MULTICARE	FIDELIDADE ASSISTANCE	GEP
Customer satisfaction survey results	2022	2022	2022	2022	2022
Customer satisfaction index ⁴²	Not available	8.5	8.16	8.75	8.57

	CAR SERVICE	CARES	SAFEMODE	FIDELIDADE PROPERTY	FIDELIDADE SGOIC	FID I&D
Customer satisfaction survey results	2022	2022	2022	2022	2022	2022
Customer satisfaction index	8.02	N/R	3	N/R	SGOIC does not register a customer satisfaction index as it does not directly market the financial products it manages.	N/R

⁴² Satisfaction index is measured on a scale of 0 to 10.



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INTERNATIONAL SCOPE



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7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
2-7 and 2-8	2022	2022	2022	2022	2022
Total employees	1857	700	1350	55	113
Men	804	353	681	23	59
Women	1053	347	669	32	54
Job Type					
Full-time	1857	632	1342	55	75
Men	804	318	676	23	51
Women	1053	314	666	32	24
Part-time	0	14	7	0	37
Men	0	7	4	0	8
Women	0	7	3	0	29



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7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
2-7 and 2-8	2022	2022	2022	2022	2022
Contract Type					
Permanent staff	1535	690	401	55	112
Men	688	349	190	23	59
Women	847	341	211	32	53
Temporary contract	322	10	948	0	1
Men	116	4	490	0	0
Women	206	6	458	0	1
Total non-employee workers					
Subcontractors	80	61	22	0	1



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7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA ⁴³	ASIA	EUROPE
2-16	2022	2022	2022	2022	2022
Communication of critical concerns					
Number of critical concerns recorded	N/A	0 ⁴⁴	0	0	0
Type of critical concerns recorded	N/A	N/R	0	0	N/A

⁴³ Indicator refers to FID Angola and Garantia Cabo Verde.

⁴⁴ Indicator refers to Alianza Bolívia.



7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
2-21	2022	2022	2022	2022	2022
Total annual remuneration ratio					
Ratio of annual total compensation of the organisation's highest paid individual to average annual total compensation of employees	19.49	11.35	N/R	0	2.91
Ratio of the percentage increase in total annual compensation of the highest paid individual in the organisation to the average percentage increase in total annual compensation of all employees (excluding the best paid)	36.00	0.87 ⁴⁵	N/R	N/R	0.00
Percentage increase in total annual compensation of the highest paid individual in the organisation	36%	13%	N/R	N/R	N/A
Percentage increase in total annual compensation of all employees in the organisation (excluding the highest paid individual)	1%	15%	N/R	0	N/A

⁴⁵ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA ⁴⁶	ASIA	EUROPE
2-27	2022	2022	2022	2022	2022
Number of significant cases of violations of laws and regulations	56	0	0	0	0
Number of significant cases of violations for which a fine was applied	56	0	0	0	0
Total amount of fines for significant cases of violations	€363215	0	0	0	0
Amount of fines for significant cases of violations that were paid during the reporting period (€)	€363215	0	0	0	0
Number of fines for significant cases of environmental and ecological violations (€)	N/R	0	0	0	0

⁴⁶ Indicator refers to FID Angola and Garantia Cabo Verde.

7.1. OUR INDICATORS | FIDELIDADE GROUP

GENERAL CONTENT

	LA POSITIVA	LATIN AMERICA	AFRICA ⁴⁷	ASIA	EUROPE
2-30	2022	2022	2022	2022	2022
Collective Bargaining Agreements					
Number of employees covered by collective bargaining agreements	N/A	60 ⁴⁸	0	0	0
% of employees covered by collective bargaining agreements	N/A	25% ⁴⁹	0%	0%	0%

⁴⁷ Indicator refers to FID Angola.

⁴⁸ Indicator refers to Alianza Bolivia.

⁴⁹ Indicator refers to Alianza Bolivia.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁰	AFRICA	ASIA	EUROPE
201-1	2022	2022	2022	2022	2022
Direct economic value generated (revenues)	€29,777,747.20	€7,132,515.16	N/R	€10,730,367.96	€252,199,799.94
Direct economic value distributed	€21,182,910.10	€5,754,811.50	N/R	€9,652,641.28	€171,857,670.37
Suppliers	N/R	€2,630,198.85	N/R	€2,206,872.21	€1,715,400.46
Brokers	N/R	€2,272,453.58	N/R	€3,332,357.09	€76,774,518.02
EMPLOYEES	€53,851,067.70	€699,154.19	N/R	N/A	N/A
State	€67,606,229.00	€148,604.01	N/R	€450,874.60	N/A
Financial institutions (interest on loans)	€936,647.80	€0	N/R	€349,805.99	€1,822,351.72
Shareholders (dividends)	N/R	€0	N/R	€0	€0
Community (donations, sponsorship)	€18,410.00	€4,400.87	N/R	€7,993.81	€29,859.36
Economic value retained	€2,139,530.70	€1,377,703.66	N/R	€1,077,726.68	€80,342,129.57

⁵⁰ Indicator refers to Alianza Paraguai and FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
201-2 and 201-3	2022	2022	2022	2022	2022
Financial implications and other risks and opportunities for the organisation's activities due to climate change.	N/R	N/R	N/R	Claims/Losses arising from severe typhoons, which are covered by a Catastrophe Loss Excess Reinsurance Treaty.	We are less affected by climate change and more affected by economic impacts. Climate protection changes the culture and attitude of our partners. Therefore, we promote projects and invest in companies that have sustainability as a strategic objective. Concrete measures are mainly defined in Investment and People Management.
Coverage of obligations under the organisation's benefit plan and other retirement plans	<ol style="list-style-type: none"> 1. Bonus equivalent to 1.5 salaries per length of service with a maximum of 12 salaries. 2. Additional salaries according to the matrix approved by the management 3 Private health plan coverage. 4. Delivery of laptops and mobile phones to frontline employees. 	N/R	N/R	<p>Employees are entitled to join the company's Pension Fund once they complete the 90-day internship. By adhering to this regime, workers undertake to contribute 5% of the base salary and the Company will contribute monthly with an additional 10% of the worker's base salary.</p> <p>In the event of termination at the initiative of either party, the employee will be entitled to their full contribution during the working period; however, the Employer's contribution will be conditional on the years of service provided to the Company. Around 95% of current employees have joined the company's Pension Fund.</p>	<p>As part of the statutory pension scheme, our employees receive a salary dependent pension plan. In addition, our employees can purchase our pension products with their own employee discount. The obligations are fully covered by external funds. The employer/employee ratio is 2/3 to 1/3, with the employer contributing around 8% and the employee around 4% of the monthly salary.</p>



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

202-1 and 202-2	LA POSITIVA 2022
Ratio between the lowest wage and the local minimum wage for men	1
Ratio between the lowest wage and the local minimum wage for women	1
Lowest wage for men	€255.20
Lowest wage for women	€255.20
Minimum wage	€255.20
Proportion of top management positions held by individuals from the local community.	88.24%
Senior managers recruited locally	15
Total number of senior managers	17



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵¹	AFRICA ⁵²	ASIA	EUROPE
203-1 to 203-2	2022	2022	2022	2022	2022
Investments in infrastructure and services offered					
Insurance offer	N/A	N/R	€4,599.19	0	N/A
Ex-gratia payments	N/A	0	0.00	€4,007.56	N/A
Significant indirect economic impacts	N/A	Digitalisation and increased productivity of a network of 1,000 brokers.	0.00	Fidelidade Macau is part of a global objective with all the company's geographies to improve the conditions of the communities and environment in which it operates.	N/A

⁵¹ Indicator refers to FID Chile.

⁵² Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵³	AFRICA	ASIA	EUROPE
204-1	2022	2022	2022	2022	2022
Proportion of spending with local suppliers	N/R	85%	N/R	80%	20%
Total costs with suppliers	N/R	€15,095.00	N/R	€891.02	€5,866,758.57
Total costs with local suppliers	N/R	€12,830.70	N/R	€715.28	€1,164,515.13
Definition of local suppliers	Peruvians	Chile	N/R	Macao Supplier = Local.	geographic location = around company location, regional supplier located about 50km.

⁵³ Indicator refers to FID Chile.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁴	AFRICA	ASIA	EUROPE
205-1 and 205-2	2022	2022	2022	2022	2022
Assessments of operations for corruption risks					
Total number of operations	0	N/R	N/R	14	0
Total number of operations subject to corruption risk assessments	0	N/R	N/R	0	0
Percentage of operations subject to corruption risk assessments	0%	N/R	N/R	0%	0%
Significant risks related to corruption	0	N/R	N/R	Bribe accepted in the procurement area; bribe offered in the commercial area.	0

⁵⁴ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁴	AFRICA	ASIA	EUROPE
205-1 and 205-2	2022	2022	2022	2022	2022
Communication and training on anti-corruption policies and procedures					
Total number of members of the management body	3	7.00	N/R	4	5
Total number of members of the management body who received communications about the organisation's anti-corruption policies and procedures.	3	7.00	N/R	0	5
% of employees who received communications about the organisation's anti-corruption policies and procedures adopted by the organisation	100%	100%	N/R	0%	100%
% of employees who received communications about the organisation's anti-corruption policies and procedures adopted by the organisation	100%	100%	N/R	0%	100%
% of management body members trained in anti-corruption	100%	N/R	N/R	0%	N/R
% of employees trained in combating corruption	95%	N/R	N/R	98%	100%

⁵⁴ Indicator refers to FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁵	AFRICA	ASIA	EUROPE
205-3	2022	2022	2022	2022	2022
Confirmed cases of corruption and measures taken	0	0	N/R	0	0

	LA POSITIVA	LATIN AMERICA ⁵⁶	AFRICA ⁵⁷	ASIA	EUROPE
206-1	2022	2022	2022	2022	2022
Lawsuits for unfair competition, antitrust and monopoly practices.	N/A	0	0	0	N/R

⁵⁵ Indicator refers to FID Chile.

⁵⁶ Indicator refers to FID Chile.

⁵⁷ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁸	AFRICA	ASIA	EUROPE
207-1 to 207-4	2022	2022	2022	2022	2022
Tax approach	0	N/R	N/R	Macao supplementary tax is simply a multiple of 12% on profit; there is no alternative way to reduce the taxable amount. Regarding the company's strategy, control and commitment, contact management.	NA
Tax risk governance, control and management	0	N/R	N/R	Macao supplementary tax is simply a multiple of 12% on profit; there is no alternative way to reduce the taxable amount. Regarding the company's strategy, control and commitment, contact management.	The Group has a VAT Group in Liechtenstein to harmonise the payment of turnover in Germany. In addition, group members are linked through Cost Plus contracts. There is no tax strategy. These settlements and accounts are audited annually by the auditor.

⁵⁸ Indicator refers to FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ECONOMIC INDICATORS

	LA POSITIVA	LATIN AMERICA ⁵⁹	AFRICA	ASIA	EUROPE
207-1 to 207-4	2022	2022	2022	2022	2022
Engaging stakeholders and managing their tax concerns	0	N/R	N/R	N/R	100
Country-by-country report					
Name of resident entities	La Positiva Seguros	FID Chile Seguros Generales SA	N/R	FIDELIDADE MACAU	TPC AG, LLA AG, PS AG, PBH AG, CT AG.
Main activities of the organisation	Insurer	Non-Life insurer	N/R	Insurer	Insurance activity and provision of financial services.
Revenue from third-party sales (merchants)	€25,305,934.79	0	N/R	0	N/R
Income from intra-group operations with other tax jurisdictions	N/R	0	N/R	€84,046.46	112
Pre-tax profit/loss	€38,176,439.02	€-3,685.72	N/R	€1,440,259.97	N/A
Intangible assets other than cash and cash equivalents	€533,000,436.50	€201,339.57	N/R	€157,693.21	N/A
Corporation tax paid in cash	€3,191,966.07	27%	N/R	€192,184.71	N/A
Reasons for the difference between IRC on profits/losses and the tax payable if the legal rate is applied to profits/losses before tax	€2,625,646.14	27%	N/R	€1,248,075.27	N/A

⁵⁹ Indicator refers to FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁶⁰	AFRICA ⁶¹	ASIA	EUROPE
301-1 and 301-2	2022	2022	2022	2022	2022
Materials used by weight or volume (tonnes)	N/R	49.59	162.43	7.65	N/R
Total printing paper consumption (tonnes)	N/R	49.59	83.08	7.65	N/R
Paper with FSC certification (consumption of paper for printing with FSC certification) (tonnes)	N/R	0.00	2.80	Not accounted	N/R
Recycled materials used (tonnes)	N/R	0.00	76.55	Not accounted	N/R

⁶⁰ Indicator refers to Alianza Bolivia and FID Chile.

⁶¹ Indicator refers to FID Angola and Garantia Cabo Verde.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁶²	AFRICA ⁶³	ASIA	EUROPE
302-1 and 302-2	2022	2022	2022	2022	2022
Total energy consumption in the organisation	3,190.8	4,033.9	1574.7	396.5	N/R
Electricity (GJ)	3,185.9	4,033.9	610.9	396.5	N/R
Diesel (GJ)	4.8	N/R	446.8	Not available	N/R
Petrol (GJ)	0.0	N/R	516.9	Not available	N/R

⁶² Indicator refers to Alianza Bolívia and FID Chile.

⁶³ Indicator refers to Garantia Cabo Verde.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
303-1 to 303-3	2022	2022	2022	2022	2022
Interactions with water as a shared resource	N/R	N/R	N/R	There are no policies, rules or guidelines for any water-related impacts. Water supplied to the offices on both floors from a single source belonging to the building administration. Water is used for standard tasks in 2 en-suite bathrooms and in a utility room on one of the floors.	Use of water in the course of normal office activities.
Management of impacts related to water discharge	N/R	N/R	N/R	There is no minimum standard defined.	Guided by regional regulations.
Priority substances of concern for which there is disposal treatment.	Due to the core of the business, we do not deal with substances of concern as such. Our waste is mostly organic and paper. There is a paper segregation procedure and we mainly try to recycle it.		N/R	N/A	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁶⁴	AFRICA	ASIA	EUROPE
303-5	2022	2022	2022	2022	2022
Total water consumption (m ³)	4297	54842	N/R	1025	N/A

⁶⁴ Indicator refers to Alianza Bolivia and FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

305-1 to 305-3	LA POSITIVA
	2022
Total Emissions (tCO ₂ eq)	157.9
Scope 1	0.3
Scope 2	157.5
Scope 3	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
306-1 and 306-2	2022	2022	2022	2022	2022
Waste generation and significant impacts related to waste	Due to the field of activity and the operation of the offices at 50% capacity, during this year only around 600 kg of waste were generated in our offices.	N/R	N/R	N/R	N/R
Management of significant impacts associated with waste	We do not have a segregation and recycling plan for our waste. However, in 2022 we made an alliance with the Non-Governmental Organisation Ciudad Saludable to donate and recycle some disused materials, such as furniture, paper, etc.	N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

ENVIRONMENTAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁶⁵	AFRICA	ASIA	EUROPE
306-3 to 306-5	2022	2022	2022	2022	2022
Total weight of waste produced (tonnes)	0.6	12.5	N/R	Not available	N/R
Waste not sent to final disposal (tonnes)	0.6	N/R	N/R	Not available	N/R
Waste sent to final disposal (tonnes)	N/R	N/R	N/R	Not available	N/R

	LA POSITIVA	LATIN AMERICA ⁶⁶	AFRICA	ASIA	EUROPE
308-1	2022	2022	2022	2022	2022
Total number of new suppliers assessed based on environmental criteria	0	0	N/R	N/A	N/R

⁶⁵ Indicator refers to Alianza Bolivia.

⁶⁶ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA ⁶⁷	ASIA	EUROPE
401-1	2022	2022	2022	2022	2022
Number of new hires	384	154	46	Not available ⁶⁸	41
Number of new hires by age group					
< 30	243	68	30	Not available	7
>= 30 and <40	116	53	11	Not available	11
>= 40 and <50	23	20	4	Not available	6
50+	2	13	1	Not available	41
Number of new hires by gender					
Male	202	82	20	Not available	25
Female	182	72	26	Not available	41

⁶⁷ Indicator refers to SIM Moçambique.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA ⁶⁹	ASIA	EUROPE
401-1	2022	2022	2022	2022	2022
New hire rate by age group					
< 30	63.2%	9.5%	65.2%	Not available	15.2%
>= 30 and <40	30.2%	7.4%	23.9%	Not available	6.3%
>= 40 and <50	6.0%	2.8%	8.7%	Not available	9.8%
50+	0.6%	1.8%	2.2%	Not available	5.4%
Rate of new hires by gender					
Male	52.6%	11.5%	43.5%	Not available	14.3%
Female	47.4%	10.1%	56.5%	Not available	22.3%
Number of exits	625	133	16	20	20

⁶⁹ Indicator refers to SIM Moçambique.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA ⁶⁹	ASIA	EUROPE
401-1	2022	2022	2022	2022	2022
Number of exits by age group					
< 30	208	36	7	7	7
>= 30 and <40	268	58	6	4	4
>= 40 and <50	101	28	1	6	6
50+	48	11	2	3	3
Number of exits by gender	625	133	16	20	20
Male	240	67	9	8	8
Female	385	66	7	12	12

⁶⁹ Indicator refers to SIM Moçambique.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA ⁷⁰	ASIA	EUROPE
401-1	2022	2022	2022	2022	2022
Rate of exits by age group					
< 30	11.2%	5.0%	43.8%	6.3%	6.3%
>= 30 and <40	14.4%	8.1%	37.5%	3.6%	3.6%
>= 40 and <50	5.4%	3.9%	6.3%	5.4%	5.7%
50+	2.6%	1.5%	12.5%	2.7%	2.7%
Rate of exits by gender					
Male	12.9%	9.3%	56.3%	7.1%	7.1%
Female	20.7%	9.2%	43.8%	10.7%	10.7%

⁷⁰ Indicator refers to SIM Moçambique.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA ⁷⁰	ASIA	EUROPE
401-1	2022	2022	2022	2022	2022
Turnover rate by age group					
< 30	N/A	7.2%	N/A	7.1%	10.7%
>= 30 and <40	N/A	7.7%	50.0%	10.7%	4.9%
>= 40 and <50	N/A	3.3%	33.3%	7.1%	7.6%
50+	N/A	1.6%	16.7%	10.7%	4.0%
Turnover rate by gender					
Male	N/A	10.4%	83.3%	10.7%	10.7%
Female	N/A	9.6%	16.7%	16.5%	16.5%

⁷⁰ Indicator refers to SIM Moçambique.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷¹	AFRICA	ASIA	EUROPE
403-1	2022	2022	2022	2022	2022
Occupational health and safety management system	An Occupational Health and Safety Management System (SGHSW) was implemented considering all the regulatory aspects of the Peruvian legal landscape and the good practices proposed in the experience of related companies and international standards such as OHSAS 18001 or ISO 45001. The scope of the SGSTT covers all the company's employees and all the physical spaces it manages. 100% of employees are represented on the Health and Safety Committee and have received virtual training as part of the ongoing training programme.	We rely on the external assistance of a specialist company in Occupational Health and Safety, which works together with the People Management area to ensure compliance with the health and safety measures required by law in all FID workplaces and for all employees.	N/R	Employee Compensation Insurance is mandatory for all employees. No other legal obligations.	In 2022, first responders were appointed and trained, which is legally required due to the size of the company.

⁷¹ Indicator refers to FID Chile.



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷²	AFRICA	ASIA	EUROPE
403-2	2022	2022	2022	2022	2022
Occupational health and safety management system	<p>a. The IPERC is a participatory process in which all employees participate in identifying hazards in their work. Based on the baseline risk analysis, the standards are determined according to the hierarchy according to the Peruvian standard and the process is implemented or supervised. Maintenance through the responsible areas.</p> <p>i. The IPERC matrices are specific to each position, prepared by competent and specialist personnel in the subject and reviewed and approved by the OHS Committee.</p> <p>ii. The IPERC is used for planning corrective actions through the implementation of controls.</p> <p>B. The Incident Report is a form available on the desktop of all employees through which they can quickly notify any occurrence of OHS.</p> <p>C. The OHS Internal Regulation clearly specifies an employee's power and obligation to interrupt their activities and leave the area when faced with a situation that puts their safety and health at risk until the situation is corrected.</p> <p>D. All accidents, occupational illnesses and incidents are registered, presented to the Committee, investigated and followed up until the root cause of the deviation is corrected. The entire process is procedural and the records are kept. Monthly and annual statistics are generated containing this information.</p>	<p>A risk matrix was defined for each project and is being validated by management. If unconsidered risks are detected, they will be included and actions will be taken to reduce them.</p> <p>We have a Joint Committee made up of employees and representatives of the company's management where health and safety issues reported by employees and/or detected by committee members are dealt with and where action plans are defined.</p> <p>This committee, supported by the company, advises on occupational health and safety issues. We also have employees identified as Emergency Managers who will take the lead and carry out necessary actions in the event of an emergency on the company's premises.</p>	N/R	N/R	N/R

⁷² Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷³	AFRICA	ASIA	EUROPE
403-3 to 403-6	2022	2022	2022	2022	2022
Occupational health services	<p>The HSW service at the company is made up of Occupational Health and Safety disciplines, and is carried out by specialists in the subject (occupational physician, safety engineer and occupational nurse). They are responsible for implementing and managing the company's SGHSW through the implementation of the Annual OHS Work Plan, which contains all the activities to be carried out during the year and that comply with the company's obligations in this regard. The confidential information of each employee is kept only by the person in charge and with the corresponding powers according to the law. The confidentiality of these matters and the preservation mechanisms are periodically verified in the internal and external audit processes and in the risk management reviews.</p>	N/R	N/R	N/A	<p>Sporting contributions Accident insurance paid by the company. Daily sickness benefit insurance</p>
Participation of workers, consultation and communication to workers regarding health and safety at work	<p>SGHSW by nature is participatory and consultative in which all employees without exception participate. The main processes in which the employee participates are the IPERC, election and maintenance of the HSW Committee, review of the organisation's HSW Policy, reports and investigation of incidents and accidents, HSW training system and training exercises in response to subject emergencies and reason.</p> <p>All occupational health and safety issues are covered by the company without the employee paying towards the cost (medical examinations, health campaigns, training programme, accidents at work).</p>	<p>As mentioned, we have a joint committee made up of employees and representatives of the company's management that meets monthly to discuss health and safety issues and is supported by an external consultancy.</p> <p>The committee's definitions are posted on a board in a visible place in the workplace.</p>	N/R	N/A	N/R

⁷³ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷⁴	AFRICA	ASIA	EUROPE
403-3 to 403-6	2022	2022	2022	2022	2022
Training workers in health and safety at work	<p>The HSW training programme consists of 3 types of courses:</p> <ol style="list-style-type: none"> 1. The basic courses are those given to the employee at the beginning of the employment relationship and are introductory lectures for employees, managers, commercial areas and internal suppliers. 2. Annual regulatory courses in which all employees participate and meet the company's regulatory and preventive requirements regarding the main hazards and risks present. 3 Specific courses, attended by specific groups of employees who require different training to be able to carry out their duties (emergency brigades, emergency committees, OHS coordinators) or are exposed to different dangers and risks that others do not face. 	<p>Facilities evacuation exercise. Training in the use of fire extinguishers.</p>	N/R	N/A	N/R
Worker's health promotion	<p>The worker has EPS and is affiliated with the national health system (EsSalud). Health aspects not related to work are not quantified or analysed in terms of their risk, as it goes beyond the scope of the HSW function; however, since we understand that an unhealthy lifestyle is a common cause of a series of diseases and public health problems, an attempt is made to promote initiatives that promote a healthy lifestyle, such as nutritional advice, employee gymnastics workshops, training modules, laughter therapy and identification of those with critical obesity and the implementation of a programme to control it.</p> <p>* Custody and maintenance of confidential information regarding the worker's health, explained in the previous points.</p>	<p>The company provides an extraordinary medical insurance benefit that covers contingencies above the cost covered by their medical insurance. We also have the benefit of psychology and nutrition consultations. Work activities. We keep our employees' personal information strictly confidential.</p>	N/R	N/A	N/R

⁷⁴ Indicator refers to FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
403-7	2022	2022	2022	2022	2022
Prevention and mitigation of impacts on health and safety at work directly linked to commercial relationships	<p>The planning and determination of epidemiological surveillance programmes on health aspects that may be affected by the hazards and risks present in the work environment. The IPERC, the results of occupational medical examinations and historical data on accidents/incidents/illnesses, among others, are taken as a reference for determining the said programmes.</p>				
		N/R	N/R	N/R	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
403-8	2022	2022	2022	2022	2022
Workers covered by an occupational health and safety management system	<p>The company does not carry out a census or control the number of external employees working in its facilities through the HSW area, but through the service area and/or contract administrator. The HSW area, however, for internal services, participates in the verification of the supplier's regulatory requirements from the moment the service is tendered (preparation of an HSW manual for contractors and validation of the HSW requirements in candidate contractors), periodic integration of outsourced workers and verification of the most important SGHSW documentation from the supplier.</p> <p>For temporary outsourced services, verification of the regulatory requirements corresponding to their activity is also carried out, through the review of the Safe Work Analysis (SWA) worksheets, review of the aptitude certificates and documents that prove the fulfilment of the supplier's obligations in HSW matters.</p>	N/R	N/R	N/R	N/A



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷⁵	AFRICA	ASIA	EUROPE
403-8	2022	2022	2022	2022	2022
Total hours worked	5072903	1703625	N/R	0	N/R
Men	2198528	848082	N/R	0	N/R
Women	2874375	855543	N/R	0	N/R
Potential hours worked	N/R	292425	N/R	0	N/R
Men	N/R	166962	N/R	0	N/R
Women	N/R	125463	N/R	0	N/R
Hours of absenteeism	37133	4836	N/R	0	N/R
Men	11460	1447	N/R	0	N/R
Women	25673	3389	N/R	0	N/R

⁷⁵ Indicator refers to Alianza Bolivia and FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷⁶	AFRICA	ASIA	EUROPE
403-8	2022	2022	2022	2022	2022
ABSENTEEISM RATE					
Men	0.5%	0.1%	N/R	0.0%	N/R
Women	0.9%	0.2%	N/R	0.0%	N/R
DAYS LOST DUE TO ACCIDENTS AT WORK	2	3	N/R	0	N/R
Men	0	2	N/R	0	N/R
Women	2	1	N/R	0	N/R
RATE OF DAYS LOST	0.0%	0.0%	N/R	0.0%	N/R
Men	0.0%	0.0%	N/R	0.0%	N/R
Women	0.0%	0.0%	N/R	0%	N/R
NUMBER OF DEATHS	1	1 ⁷⁷	N/R	0	N/R
Men	1	1	N/R	0	N/R
Women	N/R	0	N/R	0	N/R

⁷⁶ Indicator refers to Alianza Bolivia and FID Chile.

⁷⁷ Indicator refers to Alianza Bolivia.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷⁸	AFRICA	ASIA	EUROPE
403-9	2022	2022	2022	2022	2022
Accidents at work	<p>In the company, only one accident at work was registered internally in 2022, which was caused by a substandard condition (unmarked unevenness). The main hazards detected in the company are ergonomic and locative, with the latter standing out as the most likely to cause some type of accident. Hazards are identified through the IPERC, the occurrence report and inspection activities carried out by the Committee and the HSW area. None of the hazards/risks identified and analysed resulted in an accident at work with serious consequences. After an accident or incident, we follow the Incident and Accident Investigation Procedure, in which the area and the HSW Commission participate, obtaining evidence and testimonies of the incident and proceeding with the analysis that leads to the determination of root causes and corrective actions to be implemented. The determination of controls is always planned considering the regulatory hierarchy (elimination, replacement, engineering changes, administrative measures and personal protective equipment). The scope of the process described (investigation of incidents/accidents, their scope and application of corrective measures) is global, covering all employees, suppliers, customers or visitors who are on the company's premises.</p>	N/R	N/R	N/R	N/R

⁷⁸ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁷⁹	AFRICA	ASIA	EUROPE
403-9	2022	2022	2022	2022	2022
Accidents at work					
Total accidents at work	1	0	N/R	0	0
Men	0	0	N/R	0	0
Women	1	0	N/R	0	0
Rate of accidents at work	0.04%	0.00%	N/R	0.00%	0.00%
Men	0.00%	0.00%	N/R	0.00%	0.00%
Women	0.00%	0.00%	N/R	0.00%	0.00%
Accidents at work with serious consequences	0	0	N/R	0	0
Men	0	0	N/R	0	0
Women	0	0	N/R	0	0

⁷⁹ Indicator refers to FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁰	AFRICA	ASIA	EUROPE
403-9	2022	2022	2022	2022	2022
Rate of accidents at work with serious consequences	0.00%	0.00%	N/R	0.00%	0.00%
Men	0.00%	0.00%	N/R	0.00%	0.00%
Women	0.00%	0.00%	N/R	0.00%	0.00%
Number of deaths resulting from accidents at work	0	0	N/R	0	0
Homens	0	0	N/R	0	0
Mulheres	0	0	N/R	0	0
Subcontratados	N/R	N/R	N/R	N/R	0
Homens	N/R	N/R	N/R	N/R	0
Mulheres	N/R	N/R	N/R	N/R	0

⁸⁰ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁰	AFRICA	ASIA	EUROPE
403-9	2022	2022	2022	2022	2022
Rate of deaths resulting from accidents at work	0.00%	0.00%	N/R	0.00%	0.00%
Men	0.00%	0.00%	N/R	0.00%	0.00%
Women	0.00%	0.00%	N/R	0.00%	0.00%
Subcontractors	N/R	N/R	N/R	N/R	N/R
Men	N/R	N/R	N/R	N/R	N/R
Women	N/R	N/R	N/R	N/R	N/R

⁸⁰ Indicator refers to FID Chile.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
403-10	2022	2022	2022	2022	2022
Occupational disease	No case of occupational disease was reported during the period under review	N/R	N/R	No case of occupational disease was reported	0



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸¹	AFRICA	ASIA	EUROPE
404-1	2022	2022	2022	2022	2022
Average hours of training per employee	20.50	11.62	N/R	N/A	N/R
HOURS OF TRAINING	37,580.00	1,927.72	N/R	N/A	N/R
Men	16,633.00	1,227.04	N/R	N/A	N/R
Women	20,947.00	700.68	N/R	N/A	N/R
Average hours of training by gender	20.30	0.0	N/R	N/A	N/R
Men	20.00	13.09	N/R	N/A	N/R
Women	20.50	9.70	N/R	N/A	N/R

⁸¹ Indicator refers to Alianza Bolivia and FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸¹	AFRICA	ASIA	EUROPE
404-1	2022	2022	2022	2022	2022
Average hours of training by professional category					
Directors	N/R	35.81 ⁸²	N/R	N/A	N/R
Men	N/R	13.67	N/R	N/A	N/R
Women	N/R	22.15	N/R	N/A	N/R
Executives	34.42	493.67	N/R	N/A	N/R
Men	34.50	194.67	N/R	N/A	N/R
Women	33.00	299.00	N/R	N/A	N/R

⁸¹ Indicator refers to Alianza Bolivia and FID Chile.

⁸² Indicator refers to Alianza Bolivia.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸³	AFRICA	ASIA	EUROPE
404-1	2022	2022	2022	2022	2022
Manager/Expert	29.30	27.54	N/R	N/A	N/R
Men	27.60	7.62	N/R	N/A	N/R
Women	32.79	19.92	N/R	N/A	N/R
Team Leader/Professional	23.44	21.76	N/R	N/A	N/R
Men	22.65	12.97	N/R	N/A	N/R
Women	24.18	8.79	N/R	N/A	N/R
Administrative	17.18	0.17	N/R	N/A	N/R
Male	17.55	0.17	N/R	N/A	N/R
Female	16.96	0.00	N/R	N/A	N/R

⁸³ Indicator refers to Alianza Bolivia and FID Chile.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA	AFRICA	ASIA	EUROPE
404-3	2022	2022	2022	2022	2022
% of employees receiving regular performance and career development reviews, broken down by gender.	67%	66%	N/R	N/A	100%
Male	71%	70%	N/R	N/A	59
Female	65%	62%	N/R	N/A	53



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁴	AFRICA ⁸⁵	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Diversity rate in management and among employees					
People with disabilities	0%	0%	1%	0%	0%
Age group					
< 30	32%	29%	18%	0%	0%
>= 30 and <40	58%	35%	47%	50%	50%
>= 40 and <50	0%	20%	19%	46%	46%
>= 50	11%	17%	15%	4%	4%
Education level					
Primary Education (complete)	0%	0%	N/R	0%	0%
Professional education	5%	17%	N/R	0%	25%
Secondary/Professional Education	95%	83%	N/R	25%	75%

⁸⁴ Indicator refers to SIM Moçambique and FID Angola.

⁸⁵ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁶	AFRICA ⁸⁷	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Directors					
Men	N/A	43%	100%	100%	100%
Women	N/A	57%	0%	0%	0%
People with disabilities	N/A	0%	0%	0%	0%
Age group					
< 30	N/A	24%	0%	0%	0%
>= 30 and <40	N/A	39%	0%	60%	60%
>= 40 and <50	N/A	29%	20%	40%	40%
>= 50	N/A	8%	80%	0%	0%

⁸⁶ Indicator refers to SIM Moçambique and FID Angola.

⁸⁷ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁶	AFRICA ⁸⁷	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Executive					
Men	95%	100%	0%	100%	100%
Women	5%	0%	0%	0%	0%
People with disabilities	0%	0%	0%	0%	0%
Age group					
< 30	0%	0%	0%	0%	0%
>= 30 and <40	11%	0%	0%	60%	60%
>= 40 and <50	32%	0%	0%	40%	40%
>= 50	58%	50%	0%	0%	0%

⁸⁶ Indicator refers to SIM Moçambique and FID Angola.

⁸⁷ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁸	AFRICA ⁸⁹	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Education level					
Primary Education	0%	0%	0%	0%	0%
Secondary/Professional Education	5%	0%	0%	0%	0%
Higher Education	95%	100%	0%	100%	100%
Manager/Expert					
Men	67%	77%	78%	83%	83%
Women	33%	23%	22%	17%	17%
People with disabilities	0%	0%	0%	0%	0%
< 30	0%	0%	0%	0%	0%
>= 30 and <40	22%	12%	0%	33%	33%
>= 40 and <50	52%	42%	44%	50%	50%
>= 50	26%	46%	56%	17%	17%

⁸⁸ Indicator refers to SIM Moçambique and FID Angola.

⁸⁹ Indicator refers to Garantia Cabo Verde.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁸⁸	AFRICA ⁸⁹	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Education level					
Primary Education	0%	0%	0%	0%	0%
Secondary/Professional Education	2%	4%	11%	50%	50%
Higher Education	98%	96%	89%	50%	50%
Team Leader/Professional					
Men	48%	52%	54%	64%	64%
Women	52%	48%	46%	36%	36%
People with disabilities	N/A	0%	0%	0%	0%

⁸⁸ Indicator refers to SIM Moçambique and FID Angola.

⁸⁹ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁹⁰	AFRICA ⁹¹	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Age group					
< 30	23%	16%	3%	0%	0%
>= 30 and <40	49%	36%	46%	55%	55%
>= 40 and <50	21%	33%	35%	45%	45%
>= 50	7%	16%	16%	0%	0%
Education level					
Primary Education	0%	0%	0%	0%	0%
Secondary/Professional Education	8%	6%	24%	27%	27%
Higher Education	92%	94%	76%	73%	73%

⁹⁰ Indicator refers to SIM Moçambique and FID Angola.

⁹¹ Indicator refers to Garantia Cabo Verde.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁹⁰	AFRICA ⁹¹	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Assistant					
Men	37%	47%	36%	0%	0%
Women	63%	53%	64%	100%	100%
People with disabilities	0%	0%	1%	0%	0%
Age group					
< 30	29%	21%	27%	0%	0%
>= 30 and <40	36%	45%	52%	0%	0%
>= 40 and <50	21%	21%	10%	100%	100%
>= 50	14%	13%	11%	0%	0%

⁹⁰ Indicator refers to SIM Moçambique and FID Angola.

⁹¹ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁹⁰	AFRICA ⁹¹	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Education level					
Primary Education	27%	0%	3%	0%	0%
Secondary/Professional Education	23%	43%	24%	100%	100%
Higher Education	50%	57%	72%	0%	0%
Not applicable					
Men	N/A	67% ⁹²	36%	N/A	N/A
Women	N/A	33%	64%	N/A	N/A
People with disabilities	N/A	0%	1%	N/A	N/A

⁹⁰ Indicator refers to SIM Moçambique and FID Angola.

⁹¹ Indicator refers to Garantia Cabo Verde.

⁹² This figure corresponds to Alianza Paraguai.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁹³	AFRICA ⁹⁴	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Age group					
< 30	N/A	61%	27%	N/A	N/A
>= 30 and <40	N/A	28%	52%	N/A	N/A
>= 40 and <50	N/A	6%	10%	N/A	N/A
>= 50	N/A	6%	11%	N/A	N/A
Education level					
Primary Education	N/A	0%	N/R	N/A	N/A
Secondary/Professional Education	N/A	67%	N/R	N/A	N/A
Higher Education	N/A	33%	N/R	N/A	N/A

⁹³ Indicator refers to SIM Moçambique and FID Angola.

⁹⁴ Indicator refers to Garantia Cabo Verde.

7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

	LA POSITIVA	LATIN AMERICA ⁹³	AFRICA ⁹⁴	ASIA	EUROPE
405-1	2022	2022	2022	2022	2022
Support					
Men	N/A	N/A	36%	N/A	N/A
Women	N/A	N/A	64%	N/A	N/A
People with disabilities	N/A	N/A	1%	N/A	N/A
Age group					
< 30	N/A	N/A	27%	N/A	N/A
>= 30 and <40	N/A	N/A	52%	N/A	N/A
>= 40 and <50	N/A	N/A	10%	N/A	N/A
>= 50	N/A	N/A	11%	N/A	N/A

⁹³ Indicator refers to SIM Moçambique and FID Angola.

⁹⁴ Indicator refers to Garantia Cabo Verde.



7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

LA POSITIVA	
405-2	2022
Ratio of basic salary and remuneration of women to that of men	
Executives	
Ratio to base salary	N/R
Ratio to women's remuneration	N/R
Managers	
Ratio to base salary	N/R
Ratio to women's remuneration	N/R
Team-Leaders	
Ratio to base salary	N/R
Ratio to women's remuneration	N/R
Administrative	
Ratio to base salary	N/R
Ratio to women's remuneration	N/R



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7.1. OUR INDICATORS | FIDELIDADE GROUP

SOCIAL INDICATORS

LA POSITIVA

406-1	2022
Incidents of discrimination and the corrective measures taken	Number of incidents: 0, Preventive measures: Anti-gender discrimination policies, Equal pay policy, Anti-discrimination policy for people with disabilities

LA POSITIVA

414-1	2022
New suppliers assessed based on social criteria	N/A
Number of new suppliers	N/A
Number of new suppliers assessed based on social criteria	N/A



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7.2. GRI TABLE

Declaration of use	The Fidelidade Group reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable sectoral standard	N/A



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2: General Content	ORGANISATIONAL PROFILE					
	2-1	Organisation details	Our Journey			
	2-2	Entities included in the organisation's sustainability report	About the Report			
	2-3	Reporting period, frequency and point of contact	About the Report			
	2-4	Information reformulations	Not applicable			
	2-5	External assurance	About the Report > External Assurance			
	ACTIVITIES AND WORKERS					
	2-6	Activities, value chain and other business relationships	Fidelidade Group > Our Journey Fidelidade Group > Offer and Investments Create Value, Invest in the Future > Sustainable Supply Chain			
	2-7	EMPLOYEES	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			6
	2-8	Workers who are not employees	Our Indicators Fidelidade Group			



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2: General Content	GOVERNANCE					
	2-9	Governance structure and composition	Governance and Risk Management > Governance Structure > Corporate Governance Report			
	2-10	Appointment and selection of the highest governance body	Governance and Risk Management > Governance Structure > Corporate Governance Report			
	2-11	Presidency of the highest governance body	Governance and Risk Management > Governance Structure > Corporate Governance Report			
	2-12	Role of the highest governance body in overseeing the management of sustainability impacts	Governance and Risk Management > Governance Structure			
	2-13	Assignment of responsibility for managing sustainability impacts	Governance and Risk Management > Governance Structure > Governance of Sustainability			
	2-14	Role of the highest governance body in sustainability reporting	Governance and Risk Management > Governance Structure > Governance of Sustainability			
	2-15	Processes and mechanisms for preventing conflicts of interest	Governance and Risk Management > Governance Structure Governance and Risk Management > Ethics and Compliance			10
2-16	Communication of critical concerns	Governance and Risk Management > Ethics and Compliance Our Indicators Fidelidade Group			10	



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES	
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
GRI 2: General Content	2-17	Collective sustainability knowledge and experience of the highest governing body	Governance and Risk Management > Governance Structure Create Value, Invest in the Future > Care for People				
	2-18	Performance assessment (considering ESG aspects) of the highest governing body	Governance and Risk Management > Governance Structure				
	2-19	Remuneration Policies	Governance and Risk Management > Governance Structure Corporate Governance Report				
	2-20	Process for determining remuneration	Corporate Governance Report				
	2-21	Total annual compensation ratio	-	Total annual compensation ratio	At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.		
	STRATEGY, POLICIES AND PRACTICES						
	2-22	Declaration on the sustainable development strategy	Message from the Board of Directors and the Executive Committee				
2-23	Policies	Governance and Risk Management > Governance Structure				2-6 10	



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES	
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
GRI 2: General Content	2-24	Incorporation of policies (communication mechanisms, training, among others)	Governance and Risk Management > Governance Structure				
	2-25	Processes to remedy negative impacts	Governance and Risk Management > Ethics and Compliance				
	2-26	Mechanisms for seeking advice and raising concerns	Governance and Risk Management > Ethics and Compliance				
	2-27	Compliance with laws and regulations (total number of significant cases of violations of laws and regulations)	Our Indicators Fidelidade Group				
	APPROACH TO STAKEHOLDER ENGAGEMENT						
	2-28	Participation in associations	Fidelidade Group > Our Strategy > Sustainability Commitments and Engagement with Initiatives and Entities				
	2-29	Approach to stakeholder engagement	Fidelidade Group > Our Strategy > Stakeholders IDENTIFICATION AND MEANS OF INVOLVEMENT				
	2-30	Collective bargaining agreements	Our Indicators Fidelidade Group				3



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	KEY TOPICS					
	3-1	Process for determining Key Topics	Fidelidade Group > Our Strategy > Strategy, Commitments and Targets > Business and Sustainability About the Report			
	3-2	List of Key Topics	Fidelidade Group > Our Strategy > Strategy, Commitments and Targets About the Report			
	DIVERSE, FAIR AND INCLUSIVE EMPLOYMENT					
	3-3	Management of Key Topics	Create Value, Invest in the Future > Care for People			
	405-1	Diversity in governance bodies and employees	Our Indicators Fidelidade Group			
	405-2	Base salary and remuneration ratio between men and women	-	Base salary and remuneration ratio between men and women	At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.	
406-1	Non-discrimination	Our Indicators Fidelidade Group				



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
ESG AWARENESS FOR CUSTOMERS AND PARTNERS						
	3-3 Management of Key Topics	Create Value, Invest in the Future > Accompany the Customer > ESG Awareness for Clients Create Value, Investing in the Future > Sustainable Supply Chain > ESG Partner Awareness				
SUSTAINABLE PRODUCTS AND SERVICES						
	3-3 Management of Key Topics	Fidelidade Group > Our Business > Offer and Investments > Products and Services				
GRI 3: Key Topics	RESOURCE EFFICIENCY					
	3-3 Management of Key Topics	Create Value, Invest in the Future > Protect the Environment				
	301-1 Raw materials consumption	Our Indicators Fidelidade Group				7 8
	301-2 Recycled materials used	Our Indicators Fidelidade Group				8
	302-1 Energy consumption within the organisation	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group				7 8



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	302-2	Energy consumption outside the organisation	Our Indicators Fidelidade Group			7 8
	303-1	Interactions with water as a shared resource	Our Indicators Fidelidade Group			7 8
	303-2	Management of impacts related to effluents	Our Indicators Fidelidade Group			7 8
	303-5	Water consumption	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			7 8
INNOVATION AND SERVICE DIGITALISATION MODELS						
	3-3	Management of Key Topics	Fidelidade Group > Our Business > Innovation and Digitalisation			
SUSTAINABLE INVESTMENTS						
	3-3	Management of Key Topics	Fidelidade Group > Our Business > Offer and Investments > Investments			



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	SUSTAINABLE PROCUREMENT					
	3-3	Management of Key Topics	Create Value, Invest in the Future > Sustainable Supply Chain			
	204-1	Proportion of spending with local suppliers	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group			
	308-1	New suppliers assessed based on environmental criteria	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group			8
	414-1	New suppliers assessed based on social criteria	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group			



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES	
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
ECONOMIC PERFORMANCE							
GRI 200: Economic Disclosures	201-1	Direct economic value generated and distributed	Fidelidade Group Indicators				
	201-2	Financial implications and other risks and opportunities arising from climate change	Fidelidade Group > Our Business > Market Context CHALLENGES AND OPPORTUNITIES Our Indicators Fidelidade Group				
	201-3	Coverage of obligations under the organisation's benefit plan and other retirement plans	Our Indicators Fidelidade Group				
	MARKET PRESENCE						
	202-1	Ratio between the lowest wage and the local minimum wage, broken down by gender	Our Indicators Fidelidade Group	PORTUGAL Ratio between the lowest wage and the local minimum wage, broken down by gender	PORTUGAL At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.		
202-2	Proportion of members of management bodies hired in the local community	Our Indicators Fidelidade Group	PORTUGAL Proportion of members of management bodies hired in the local community	PORTUGAL At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.			



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 200: Economic Disclosures	INDIRECT ECONOMIC IMPACTS					
	203-1	Investments in infrastructure and service support	Our Indicators Fidelidade Group			
	203-2	Significant indirect economic impacts	Our Indicators Fidelidade Group			
	PROCUREMENT PRACTICES					
	204-1	Proportion of spending with local suppliers	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group			
	ANTI-CORRUPTION MEASURES					
	205-1	Operations assessed for corruption risk	Governance and Risk Management > Governance Structure Our Indicators Fidelidade Group			10
	205-2	Communication and training on anti-corruption policies and procedures	Governance and Risk Management > Governance Structure Our Indicators Fidelidade Group			10
	205-3	Confirmed cases of corruption and measures taken	Our Indicators Fidelidade Group			10



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 200: Economic Disclosures	UNFAIR COMPETITION					
	206-1	Lawsuits for unfair competition, antitrust and monopoly practices.	Our Indicators Fidelidade Group			10
	TAXES					
	207-1	Tax approach	Our Indicators Fidelidade Group			10
	207-2	Tax risk governance, control and management	Our Indicators Fidelidade Group			
207-3	Engaging stakeholders and managing their tax concerns.	Our Indicators Fidelidade Group				
207-4	Report by country	Our Indicators Fidelidade Group	PORTUGAL Report by country	PORTUGAL At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.		



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	KEY TOPICS					
	TOPICS					
	301-1	Raw materials consumption	Our Indicators Fidelidade Group			7 8
	301-2	Recycled materials used	Our Indicators Fidelidade Group			7 8
	ENERGY					
	302-1	Energy consumption within the organisation	Our Indicators Fidelidade Group			7 8
	302-2	Energy consumption outside the organisation	Our Indicators Fidelidade Group			7 8
	WATER AND EFFLUENTS					
	303-1	Interactions with water as a shared resource	Our Indicators Fidelidade Group			7 8
	303-2	Management of impacts related to effluents	Our Indicators Fidelidade Group			7 8
303-5	Water consumption	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			7 8	



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	ISSUES					
	305-1	Direct emissions of GHG (Scope 1)	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8
	305-2	Direct emissions of GHG (Scope 2)	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8
	305-3	Other indirect emissions of GHG (Scope 3)	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8
	WASTE					
	306-1	Waste generation and significant impacts related to waste	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8
306-2	Management of significant impacts related to waste	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8	



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Key Topics	306-3	Waste produced	Create Value, Invest in the Future > Protect the Environment Our Indicators Fidelidade Group			8
	306-4	Waste intended for reuse	Our Indicators Fidelidade Group			8
	306-5	Waste intended for disposal	Our Indicators Fidelidade Group			8
	ENVIRONMENTAL ASSESSMENT OF SUPPLIERS					
	308-1	New suppliers assessed based on environmental criteria	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group			8



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 400: Social Disclosures	EMPLOYMENT					
	401-1	Hiring and employee turnover	Our Indicators Fidelidade Group			6
	OCCUPATIONAL HEALTH AND SAFETY					
	403-1	Occupational health and safety management system	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			
	403-2	Hazard identification, risk assessment and incident investigation	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			
	403-3	Occupational health services	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			
	403-4	Participation of workers, consultation and communication to workers regarding health and safety at work	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			
403-5	Training workers in health and safety at work	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group				



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES	
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
GRI 400: Social Disclosures	403-6	Worker's health promotion	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group			6	
	403-7	Prevention and mitigation of impacts on health and safety at work directly linked to business relationships	Our Indicators Fidelidade Group				
	403-8	Workers covered by an occupational health and safety management system	Our Indicators Fidelidade Group				
	403-9	Accidents at work	Our Indicators Fidelidade Group				
	403-10	Occupational disease	Our Indicators Fidelidade Group				
	TRAINING AND EDUCATION						
	404-1	Average hours of training per employee	Our Indicators Fidelidade Group				6
	404-2	Competency management and continuous learning programmes	Create Value, Invest in the Future > Care for People Our Indicators Fidelidade Group				6



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 400: Social Disclosures	404-3	Percentage of employees receiving regular performance and career development reviews	Our Indicators Fidelidade Group			6
	DIVERSITY AND EQUAL OPPORTUNITIES					
	405-1	Diversity in governance bodies and employees	Our Indicators Fidelidade Group			
	405-2	Base salary and remuneration ratio between men and women	-	Base salary and remuneration ratio between men and women	At the time of publication of the Report, it was not possible to collect information in accordance with the indicator's requirements.	
	NON-DISCRIMINATION					
	406-1	Incidents of discrimination and the corrective measures taken	Our Indicators Fidelidade Group			6
	LOCAL COMMUNITIES					
413-1	Operations with local community involvement, impact assessment and programme development	Create Value, Invest in the Future > Invest in Society Our Indicators Fidelidade Group			1	



7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES	
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
GRI 400: Social Disclosures	413-2	Operations with significant, current and potential negative impacts on local communities	Our Indicators Fidelidade Group			1	
	SOCIAL ASSESSMENT OF SUPPLIERS						
	414-1	New suppliers assessed based on social criteria	Create Value, Invest in the Future > Sustainable Supply Chain Our Indicators Fidelidade Group				
	PUBLIC POLICIES						
	415-1	Political contributions	Our Indicators Fidelidade Group				
	MARKETING AND LABELLING						
	417-1	Requirements for the information and labelling of products and services	Our Indicators Fidelidade Group				
	417-2	Cases of non-compliance related to the information and labelling of products and services	Our Indicators Fidelidade Group				
	417-3	Cases of non-compliance regarding marketing communications	Our Indicators Fidelidade Group				



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7.2. GRI TABLE

GRI	DISCLOSURES	LOCATION	OMISSION			UNGC PRINCIPLES
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
CUSTOMER PRIVACY						
GRI 400: Social Disclosures	418-1	Substantiated complaints regarding breach of privacy and loss of customer data.	Our Indicators Fidelidade Group			

Key:
UNGC – United Nations Global Compact Principles



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7.3. NON-FINANCIAL STATEMENT

COMPLIANCE WITH LEGISLATION AND REGULATIONS

All of the Group's activity is guided by strict compliance with legal, regulatory, ethical, deontological and good practice standards.

In this context, and in compliance with the provisions of Article 508-G (2) of the Commercial Companies Code, we hereby inform you that:

i. Application of environmental standards

The Group is committed to preserving the environment, not only from the perspective of complying with environmental standards, but also promoting environmentally appropriate behaviour.

ii. Application of labour standards

The Group bases its labour relations on criteria of rigour and high ethical standards, always seeking to avoid conflict through enlightening and constructive dialogue with its employees.

iii. Application of standards on corruption prevention

The Group is committed to combating corruption and attempts at bribery; it scrupulously complies with the rules in force on these matters.

iv. Application of standards relating to equality gender equality, non-discrimination and respect for human rights

The Group's activities are guided by respect and the promotion of gender equality, non-discrimination and human rights, and it scrupulously complies with the rules in force in these matters.

DESCRIPTION OF THE BUSINESS MODEL

The elements relating to the business model are described, particularly in the following chapters of this document:

- Chapter 1 – Fidelidade Group | Our Route; Our Business; Our Strategy
- Chapter 2 – Create Value, Invest in the Future | Financial Performance

IMPLEMENTATION OF HUMAN RESOURCES POLICIES

Elements relating to human resources policies are described, particularly in Chapter 2 – Create Value, Invest in the Future | Care for People in this document.

MAIN RISKS AND RESPECTIVE MITIGATION ACTIONS

The Group's policies in the area of risk management are described in Chapter 3 – Governance and Risk Management.



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7.4. TABLE DL 89/2017

Requirement	Response
BUSINESS MODEL	
DL 89/2017 - Article 3 (Referring to Art 508-G (2) of the CSC) - Directive 2014/95/EU- Art. 19a (1)(a)	
Company's business model	Fidelidade Group > Our Journey Fidelidade Group > Our Business Fidelidade Group > Our Strategy Create Value, Invest in the Future > Financial Performance
DIVERSITY IN GOVERNANCE BODIES	
DL 89/2017 - Article 4 (Referring to Article 245(1r and 2) of the CVM) - Directive 2014/95/UE - Art. 20 (1)(g)	
Diversity policy applied by the company in relation to its management and supervisory bodies	Create Value, Invest in the Future > Care for People
ENVIRONMENTAL ISSUES	
DL 89/2017 - Art 3 (Referring to of Art 508(2) of the CSC) - Directive 2014/95/EU- Art. 19a (1) (a-e)	
Specific policies related to environmental issues	Fidelidade Group > Our Strategy Governance and Risk Management > Governance Structure Create Value, Invest in the Future > Protect the Environment
Results of the application of policies	Create Value, Invest in the Future > Protect the Environment Annex > Our Indicators Fidelidade Group



7.4. TABLE DL 89/2017

Requirement	Response
Main associated risks and how these risks are managed	Create Value, Invest in the Future > Protect the Environment Governance and Risk Management > Risk Management
Key performance indicators	Create Value, Invest in the Future > Protect the Environment > Key Figures Annex > Our Indicators Fidelidade Group
SOCIAL AND WORKER-RELATED ISSUES	
DL 89/2017 - Art 3 (Referring to of Art 508(2) of the CSC) - Directive 2014/95/EU- Art. 19a (1) (a-e)	
Specific policies related to social issues and concerning workers	Fidelidade Group > Our Strategy Create Value, Invest in the Future > Care for People Governance and Risk Management > Governance Structure
Results of the application of policies	Create Value, Invest in the Future > Care for People Annex > Our Indicators Fidelidade Group
Main associated risks and how these risks are managed	Create Value, Invest in the Future > Care for People Governance and Risk Management > Risk Management
Key performance indicators	Create Value, Invest in the Future > Care for People > Key Figures Annex > Our Indicators Fidelidade Group



7.4. TABLE DL 89/2017

Requirement	Response
GENERAL EQUALITY AND NON-DISCRIMINATION	
DL 89/2017 - Art 3(2) (Referring to Art 508(2) of the CSC) - Directive 2014/95/EU- Art. 19a (1)(a-e)	
Specific policies related to issues of gender equality and non-discrimination	Fidelidade Group > Our Strategy Create Value, Invest in the Future > Care for People Governance and Risk Management > Governance Structure
Results of the application of policies Main associated risks and how these risks are managed Key performance indicators	Create Value, Invest in the Future > Care for People Annex > Our Indicators Fidelidade Group Governance and Risk Management > Risk Management Create Value, Invest in the Future > Care for People Annex > Our Indicators Fidelidade Group
RESPECT FOR HUMAN RIGHTS	
DL 89/2017 - Art 3(2) (Referring to Art 508(2) of the CSC) - Directive 2014/95/EU- Art. 19a (1)(a-e)	
Specific policies related to respect for Human Rights Results of the application of policies Main associated risks and how these risks are managed	Fidelidade Group > Our Strategy > UN Global Compact Governance and Risk Management > Governance Structure Governance and Risk Management > Risk Management



7.4. TABLE DL 89/2017

Requirement	Response
ANTI-CORRUPTION AND BRIBERY MEASURES	
DL 89/2017 - Art 3(2) (Referring to Art 508(2) of the CSC) - Directive 2014/95/EU- Art. 19a (1)(a-e)	
Specific policies related to combating corruption and bribery attempts Results of the application of policies Main associated risks and how these risks are managed	Fidelidade Group > Our Strategy > UN Global Compact Governance and Risk Management > Governance Structure Governance and Risk Management > Ethics and Compliance Governance and Risk Management > Risk Management Annex > Our Indicators Fidelidade Group



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7.5. IIRC TABLE

INTEGRATED REPORT CONTENT ELEMENTS	TOPICS ADDRESSED	FIDELIDADE GROUP INTEGRATED REPORT 2022
Overview or organisation and external environment	Organisation Structure MISSION AND VALUES Key activities and topics MARKET CONTEXT STAKEHOLDERS	Governance and Risk Management > Governance Structure Fidelidade Group > Our Journey > Act Purposefully Fidelidade Group > Our Business > Market Context CHALLENGES AND OPPORTUNITIES Fidelidade Group > Our Business > Value Creation Model Fidelidade Group > Our Strategy > Stakeholders IDENTIFICATION AND MEANS OF INVOLVEMENT
Governance	Governance Structure Governance Practices and Policies	Governance and Risk Management > Governance Structure Governance and Risk Management > Ethics and Compliance Governance and Risk Management > Risk Management Corporate Governance Report
Business Model	VALUE CREATION MODEL	Fidelidade Group > Our Business > Value Creation Model
Risks and opportunities	CHALLENGES AND OPPORTUNITIES Future Outlook Risk Management	Fidelidade Group > Our Business > Market Context CHALLENGES AND OPPORTUNITIES Create Value, Invest in the Future > Financial Performance > How we see the future Governance and Risk Management > Risk Management



7.5. IIRC TABLE

INTEGRATED REPORT CONTENT ELEMENTS	TOPICS ADDRESSED	FIDELIDADE GROUP INTEGRATED REPORT 2022
Resource strategy and allocation	Strategy	Fidelidade Group > Our Strategy
Performance	Key Financial Performance Indicators and ESG COMMITMENTS AND GOALS VALUE CREATION MODEL Performance in each of the Group's key topics Risks and opportunities	Fidelidade Group > Our Journey > Key Facts 2022 Fidelidade Group > Our Business > Value Creation Model Fidelidade Group > Our Strategy > Strategy, Commitments and Targets Fidelidade Group > Our Business > Offer and Investments Create Value, Invest in the Future > Financial Performance, Accompany the Customer, Care for People, Invest in Society, Protect the Environment, Sustainable Supply Chain Governance and Risk Management Annex > Our Indicators Fidelidade Group
Outlook	Future Outlooks Regulatory Context Risks and opportunities	Fidelidade Group > Our Business > Market Context CHALLENGES AND OPPORTUNITIES Create Value, Invest in the Future > Financial Performance Governance and Risk Management > Risk Management
Presentation basis	Materiality Scope and Limits of the Report	About the Report Fidelidade Group > Our Strategy > Business and Sustainability



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7.6. CRITERIA FOR CALCULATING THE INDICATORS

302-1: ENERGY CONSUMPTION WITHIN THE ORGANISATION.

Direct energy consumption (petrol and diesel) was converted into energy units (GJ) considering the emission factors shown in the table below.

Indirect energy consumption resulting from electricity consumed in the buildings of Fidelidade Group companies, in kWh, was converted into energy units (GJ).

FATORES DE CONVERSÃO POR TIPO DE FONTE ENERGÉTICA

TYPE OF CONSUMPTION	DENSITY (KG/L)	PCI (GJ/TONNE)	SOURCES
Petrol	0.7475	44	APA
Diesel	0.8325	43.07	APA

TYPE OF ENERGY CONSUMPTION	CONVERSION FACTOR	SOURCE:
Electricity	1 kWh - 0.0036 GJ	GRI

305-1, 305-2 and 305-3: DIRECT, INDIRECT AND OTHER GREENHOUSE GAS EMISSIONS BY WEIGHT.

GHG emissions were determined taking into account the methodology defined by the GHG Protocol, which made it possible to consider three emission scopes:

SCOPE 1: Direct emissions resulting from the activity essentially associated with the consumption of liquid fuels in the vehicle fleet;

SCOPE 2: Indirect emissions associated with the production of electricity consumed in central buildings and the branch network.

SCOPE 3: Other indirect emissions related to employee travel by plane and train



7.6. CRITERIA FOR CALCULATING THE INDICATORS

EMISSION FACTOR BY SCOPE

SCOPE	SOURCES	EMISSION FACTOR	SOURCE
SCOPE 1	Petrol	2.21 gCO2/l	ADEME
	Diesel	2.49 gCO2/l	ADEME
SCOPE 2	EDP 2022	243.50 gCO2/l	EDP
	Eletricidade Peru	178.00 gCO2/l	IEA
		56.6 kgCO2e/GJ	APA
SCOPE 3	Train	0.117 kgCO2e/passenger.km	IEA
	Flight - Domestic (<463 km)	0.0847 kgCO2e/passenger.km	ADEME
	Flight - Short Haul (<3,700km)	0.0687 kgCO2e/passenger.km	ADEME
	Flight - Long Haul (>= 3,700 km)	0.0615kgCO2e/passenger.km	ADEME

401-1 RATES OF HIRING, EXITS AND TURNOVER

New hire rate = (No. of entries) / Total staff as of December 31

Exit rate for the year 2022 = (No. of exits) / Total staff on December 31

The turnover rate was calculated using the following formula:

Turnover rate in 2022= [(Number of admissions in the period under analysis) + (Number of exits in the period under analysis)] / Number of employees at the end of the period under analysis.



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8. GLOSSARY



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8. GLOSSARY

Climate change adaptation: The process of adjustment to current and projected climate and its effects (IPCC AR5). Economic activities that contribute to adaptation to climate change are described in Annex I to EU Delegated Act 2021/2139 of June 2021.

Agent: Integral part of the sales team of traditional distribution channels (exclusive and non-exclusive intermediaries and effective collaborators involved in the activities of promotion and distribution of the offer).

Climate Change It concerns global warming due to increased emissions of greenhouse gases resulting from human activity. The phenomenon intensifies extreme natural events with repercussions on natural ecosystems and health. The policies and efforts necessary to limit the increase in global warming and not exceed 1.5oC through the decarbonisation of the economy will lead to radical changes in production and energy systems, requiring the preparation of adaptation strategies and reduction of vulnerability to these changes.

Economic activity aligned with the Taxonomy: Economic activity described in Annexes I and II of EU Commission Delegated Act 2021/2139 of 4 June 2021, adopted pursuant to EU Regulation 2020/852.

Economic activities eligible for taxonomy: Economic activity is eligible if it contributes substantially to at least one of the six environmental objectives underlying the Taxonomy, regardless of whether that activity meets the technical criteria set out in the Delegated Acts.

Assets under Management (AuM): Investment assets under management, which translate into the sum of financial assets and real estate assets.

Employees: All people who collaborate directly with the entity until the end of the reporting period, including management, technicians and specialists, assistants and employees without an undefined category, designated as "Not Applicable".

Investment in training: Direct costs associated with training and formal learning, except for "on-the-job" training.

Mindset Agile: Agile is an approach to project management that helps teams create and deliver value to their customers faster and without fewer barriers by completing small increments at a time.

Climate change mitigation: Human intervention to reduce the sources or promote the reduction of greenhouse gases (IPCC AR5). Economic activities that contribute to adaptation to climate change are described in Annex I of the Commission to EU Delegated Act 2021/2139 of June 2021.

Net-zero: Existing emissions are reduced very significantly and everything else is removed by carbon retention methods (be they natural – e.g. forests, or technological – e.g. Biochar or Direct Air Capture).



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8. GLOSSARY

Carbon Neutral: Carbon neutrality happens when the emissions existing in a given dimension are fully compensated with carbon credits or emissions captured by methods that retain carbon (be they natural – e.g. forests, or technological – e.g. Biochar or Direct Air Capture).

Sustainable Development Goals (SDGs): 17 goals reflected in the 2030 Agenda for Sustainable Development, published by the United Nations.

Gross premiums written Gross premiums written on insurance contracts plus amounts received under operations considered for accounting purposes as investment contracts.

Critical concerns: Critical concerns include concerns about the organisation's potential and actual negative impacts on stakeholders raised through grievance mechanisms and other processes. They also include concerns identified through other mechanisms about the organisation's conduct in its operations and in its business relationships.

Technical Provisions Sum of technical provisions and financial liabilities of the deposit component of insurance contracts and operations considered for accounting purposes as investment contracts



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FIDELIDADE
SEGUROS DESDE 1808

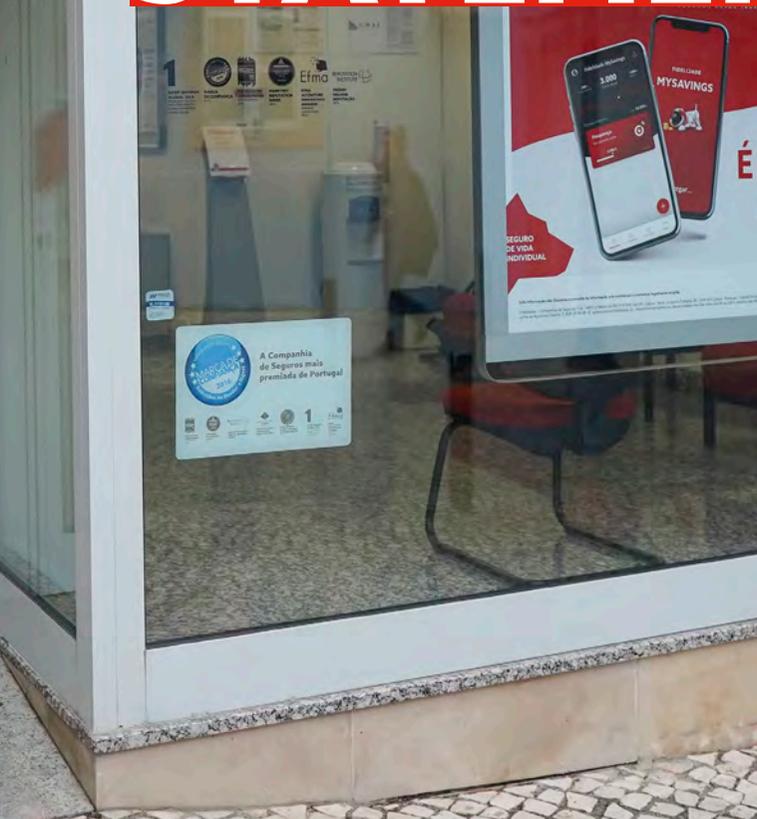
ANNUAL REPORT 2022

FIDELIDADE

CONSOLIDATED

FINANCIAL

STATEMENTS



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

ASSETS	Notes	2022		2021	
		Gross amount	Impairment, depreciation/ amortisation and adjustments		Net amount
Cash and cash equivalents and sight deposits	4 and 12	637.429.549	-	637.429.549	951.254.577
Investments in associates and joint ventures	5 and 12	9.169.287	-	9.169.287	30.083.777
Financial assets at fair value through profit or loss	6, 7 and 12	4.837.261.487	-	4.837.261.487	3.974.691.687
Hedge derivatives	7 and 12	18.319.872	-	18.319.872	2.674.924
Financial assets at fair value through other comprehensive income	8 and 12	7.595.090.860	-	7.595.090.860	9.201.180.447
Financial assets at amortised cost	9 and 12	1.000.653.706	-	1.000.653.706	1.229.466.917
Properties		3.142.653.742	(198.900.720)	2.943.753.022	2.710.590.630
Properties for own use	10 and 12	695.822.550	(198.900.720)	496.921.830	533.021.515
Investment properties	11 and 12	2.446.831.192	-	2.446.831.192	2.177.569.116
Other tangible assets	12 and 13	457.948.191	(316.203.168)	141.745.023	130.111.417
Inventories	14	16.722.554	(1.125.726)	15.596.828	19.763.287
Goodwill	15	470.864.223	-	470.864.223	466.324.069
Other intangible assets	16	393.989.526	(114.139.422)	279.850.104	154.557.401
Technical provisions on reinsurance ceded		652.783.888	-	652.783.888	566.319.476
Provision for unearned premiums	17	193.609.797	-	193.609.797	154.678.607
Mathematical provision for life insurance	17	31.759.937	-	31.759.937	28.944.344
Claims provision	17	392.445.884	-	392.445.884	360.151.533
Profit sharing provision	17	9.721	-	9.721	-
Other technical provisions	17	34.958.549	-	34.958.549	22.544.992
Assets for post-employment and long-term benefits	36	25.375.258	-	25.375.258	12.319.459
Other debtors for insurance operations and other operations		1.053.243.918	(68.130.818)	985.113.100	560.762.121
Accounts receivable for direct insurance operations	18	634.422.505	(26.190.679)	608.231.826	366.579.010
Accounts receivable for other reinsurance operations	18	153.338.743	(10.731.606)	142.607.137	85.100.900
Accounts receivable for other operations	18	265.482.670	(31.208.534)	234.274.136	109.082.211
Tax assets		502.611.032	-	502.611.032	228.488.134
Recoverable tax assets	19	71.512	-	71.512	78.834
Deferred tax assets	19	502.539.520	-	502.539.520	228.409.300
Accruals and deferrals	20	94.271.155	-	94.271.155	104.690.371
Non-current assets held for sale	21	39.283.044	-	39.283.044	7.105.976
TOTAL ASSETS		20.947.671.292	(698.499.855)	20.249.171.437	20.350.384.670

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2022	2021
LIABILITIES			
Technical provisions		5.960.525.930	5.935.387.447
Provision for unearned premiums	22	644.698.611	561.140.686
Mathematical provision for life insurance	22	2.629.722.639	2.766.184.105
Claims provision		2.501.384.195	2.396.282.094
Life	22	254.179.633	229.211.004
Workers' compensation	22	1.182.498.047	1.137.118.438
Others	22	1.064.706.515	1.029.952.652
Provision for profit sharing	22	26.411.583	63.739.590
Provision for interest rate commitments	22	16.561.158	17.780.388
Provision for portfolio stabilisation	22	24.110.995	25.803.587
Equalisation provision	22	35.645.359	33.356.809
Provision for unexpired risks	22	46.203.478	47.888.226
Other technical provisions		35.787.913	23.211.963
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	23	8.511.734.412	8.118.826.028
Financial liabilities at fair value through profit or loss	24	154.516.306	299.670.115
Other financial liabilities		1.197.897.883	1.201.941.421
Hedge Derivatives	7 and 24	4.949.949	23.581.767
Subordinated debt	24	502.164.558	501.053.722
Deposits received from reinsurers	24	54.602.705	81.278.509
Loans	24	489.450.376	398.049.531
Others	24	146.730.295	197.977.892
Liabilities for post-employment and other long-term benefits	36	6.418.060	356.106
Other creditors for insurance operations and other operations		855.138.637	542.155.693
Accounts payable for direct insurance operations	25	232.083.131	154.355.659
Accounts payable for other reinsurance operations	25	487.447.614	209.140.933
Accounts payable for other operations	25	135.607.891	178.659.100
Tax liabilities		285.058.160	191.108.640
Tax payable liabilities	19	50.617.994	64.570.952
Deferred tax liabilities	19	234.440.166	126.537.688
Accruals and deferrals	26	278.073.488	276.254.807
Other provisions	27	127.884.011	161.943.454
Liabilities from a group for disposal classified as held for sale	21	15.824.973	3.760.697
TOTAL LIABILITIES		17.393.071.860	16.731.404.406

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 2021

(continuation)

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2022	2021
SHAREHOLDERS' EQUITY			
Paid-in Capital	28	509.263.524	509.263.524
(Treasury shares)	28	(148.960)	(148.960)
Other Capital Instruments	28	-	164.977.301
Revaluation reserves		(802.127.758)	969.482
From adjustments in fair value of debt instruments at fair value through other comprehensive income		(742.682.819)	49.818.709
Revaluation of properties for own use	29	1.021.944	246.234
Adjustments in fair value of hedging instruments in cash flow hedging	29	1.191.259	(3.368.509)
Adjustments in fair value of hedging instruments in a hedge of a net investment in a foreign currency	29	30.649.973	8.150.557
Exchange differences	29	(96.184.762)	(80.296.940)
From adjustments in fair value of equity instruments at fair value through other comprehensive income	29	(5.914.898)	(708.614)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	29	9.791.546	27.128.045
Deferred tax reserve	29	205.164.495	(24.478.978)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	29	(801.983)	(1.394.347)
Overlay Approach adjustment	6 and 29	13.883.569	63.670.722
Other reserves	29	1.857.420.651	1.737.829.722
Retained earnings	29	550.469.239	333.783.475
Net income for the year	29	220.474.579	270.241.578
TOTAL SHAREHOLDERS' EQUITY		2.553.597.356	3.054.713.519
Non-controlling interests	30	302.502.221	564.266.745
TOTAL SHAREHOLDERS' EQUITY AND NON-CONTROLLING INTERESTS		2.856.099.577	3.618.980.264
TOTAL LIABILITIES, NON-CONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		20.249.171.437	20.350.384.670

Lisbon, 23 February 2023

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

CONSOLIDATED INCOME STATEMENT

FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2022			Total	2021
		Technical - life	Technical - non-life	Non-technical		
Earned premiums, net of reinsurance		490.155.479	2.014.535.550	-	2.504.691.029	2.217.705.269
Gross premiums written	31	619.675.020	2.626.149.456	-	3.245.824.476	2.815.719.884
Reinsurance ceded premiums	31	(127.072.078)	(573.518.479)	-	(700.590.557)	(567.886.600)
Provision for unearned premiums (change)	22 and 31	43.903	(77.788.128)	-	(77.744.224)	(78.678.530)
Provision for unearned premiums, reinsurers' share (change)	17 and 31	(2.491.366)	39.692.701	-	37.201.335	48.550.515
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	32	114.415.652	-	-	114.415.652	411.046
Claims costs, net of reinsurance		(644.658.610)	(1.323.964.712)	-	(1.968.623.321)	(1.728.949.103)
Amounts paid		(643.582.797)	(1.283.067.471)	-	(1.926.650.268)	(1.560.401.692)
Gross amounts	33 and 34	(734.073.022)	(1.496.151.195)	-	(2.230.224.217)	(1.811.193.339)
Reinsurers' share	33	90.490.224	213.083.724	-	303.573.948	250.791.647
Claims Provision (change)		(1.075.812)	(40.897.241)	-	(41.973.053)	(168.547.411)
Gross amount	33	(11.249.003)	(43.251.028)	-	(54.500.031)	(294.853.107)
Reinsurers' share	33	10.173.191	2.353.787	-	12.526.977	126.305.696
Other technical provisions, net of reinsurance	33	2.911.822	(272.046)	-	2.639.777	(889.692)
Mathematical provision for life insurance, net of reinsurance		295.380.581	-	-	295.380.581	135.017.992
Gross amount	22 and 33	292.676.064	-	-	292.676.064	129.003.225
Reinsurers' share	33	2.704.517	-	-	2.704.517	6.014.766
Profit sharing, net of reinsurance	17, 22 and 33	10.888	(5.247.483)	-	(5.236.595)	(14.460.206)
Net operating costs and expenses		(310.972.601)	(585.134.026)	-	(896.106.626)	(685.310.102)
Acquisition expenses	34	(267.601.849)	(508.494.046)	-	(776.095.895)	(589.675.220)
Deferred cost acquisition (change)	22	13.375	15.965.954	-	15.979.329	5.143.747
Administrative expenses	34	(52.339.592)	(165.145.096)	-	(217.484.688)	(170.494.670)
Commissions and reinsurance profit sharing	34	8.955.466	72.539.163	-	81.494.628	69.716.040
Costs and expenses by type		-	-	0	0	(0)
Financial income		272.873.659	128.613.282	33.087.355	434.574.295	384.693.702
From Interest on financial assets not recognised at fair value through profit or loss	37	186.103.269	54.749.307	5.911.777	246.764.353	222.466.042
Others	37	86.770.389	73.863.974	27.175.578	187.809.942	162.227.660
Financial expenses		(35.062.313)	(27.032.758)	(59.303.445)	(121.398.516)	(119.545.241)
Others	34 and 38	(35.062.313)	(27.032.758)	(59.303.445)	(121.398.516)	(119.545.241)
Net income on financial assets and liabilities not recognised at fair value through profit or loss		(11.228.021)	(2.496.638)	(1.075.056)	(14.799.715)	(10.871.065)
Financial assets at fair value through other comprehensive income	39	1.363.319	(2.446.402)	(1.012.004)	(2.095.086)	12.342.475
Financial assets at amortised cost	39	264.599	(50.236)	(63.249)	151.113	(97.195)
Financial liabilities at amortised cost	23 and 39	(12.855.939)	-	-	(12.855.939)	(22.333.626)
Others	39	-	-	198	198	(782.718)
Net income on financial assets and liabilities recognised at fair value through profit or loss		(156.588.273)	(95.471.899)	(32.987.125)	(285.047.297)	(213.096.230)

CONSOLIDATED INCOME STATEMENT

FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

(continuation)

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2022			Total	2021
		Technical - life	Technical - non-life	Non-technical		
Net income on financial assets and liabilities at fair value through profit or loss	40	(156.588.273)	(95.471.899)	(32.987.125)	(285.047.297)	(213.096.230)
Exchange differences	41	25.041.212	46.338.823	(2.653.725)	68.726.310	257.393.130
Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations	42	24.818.950	33.297.282	(1.821.921)	56.294.311	62.848.571
Impairment losses (net of reversals)		(559.329)	674.597	5.103.862	5.219.130	11.368.136
Financial assets at fair value through other comprehensive income	43	182.606	(2.207.151)	(290.249)	(2.314.794)	15.034.997
Financial assets at amortised cost	43	(27.902)	(1.068.786)	(244)	(1.096.932)	1.237.903
Others	43	(714.033)	3.950.533	5.394.356	8.630.856	(4.904.764)
Overlay Approach adjustment	40	43.535.203	4.222.984	2.992.469	50.750.657	64.008.158
Other technical income/expenses, net of reinsurance	44	457.420	9.234	-	466.654	11.065.902
Other income/expenses	45	-	-	53.835.189	53.835.189	30.157.448
Negative goodwill immediately recognised in profit or loss	15	-	-	42.972.526	42.972.526	-
Gains and losses of associates and joint ventures (equity method)	46	-	-	896.249	896.249	1.553.199
Gains and losses from non-current assets (or groups for disposal) classified as held for sale	21	-	-	(1.441.931)	(1.441.931)	3.890.250
NET INCOME BEFORE TAX AND NON-CONTROLLING INTERESTS		110.531.719	188.072.190	39.604.448	338.208.357	406.991.164
Current income tax - current taxes	47	-	-	(63.775.144)	(63.775.144)	(142.838.047)
Current income tax - deferred taxes	47	-	-	(7.324.844)	(7.324.844)	39.627.362
NET INCOME AFTER TAX AND BEFORE NON-CONTROLLING INTERESTS		110.531.719	188.072.190	(31.495.540)	267.108.369	303.780.479
Non-controlling interests	30	-	-	(46.633.790)	(46.633.790)	(33.538.901)
NET INCOME FOR THE YEAR		110.531.719	188.072.190	(78.129.330)	220.474.579	270.241.578

Lisbon, 23 February 2023

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2022 AND 2021 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	Paid-in capital and other capital instruments	Revaluation reserves	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Legal reserve	Other reserves		Retained earnings	Net income for the year	Sub-total	Non-controlling interests	Total
							Share premiums	Other reserves					
Balance at 31 December 2020	824.091.865	178.908.923	(89.851.506)	-	129.818.788	239.127.300	382.666.154	954.999.210	268.915.135	222.328.672	3.111.004.541	460.451.651	3.571.456.192
Appropriation of net income	-	-	-	-	-	25.780.120	-	134.600.130	61.948.421	(222.328.672)	-	-	-
Redemption of capital supplementary contributions	(150.000.000)	-	-	-	-	-	-	-	-	-	(150.000.000)	-	(150.000.000)
Net gains from adjustments in fair value													
of debt instruments at fair value through other comprehensive income	-	(222.253.611)	33.247.090	-	-	-	-	-	-	-	(189.006.521)	-	(189.006.521)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(22.527.968)	2.014.441	-	-	-	-	-	-	-	(20.513.527)	-	(20.513.527)
Overlay Approach adjustment	-	-	17.334.692	-	(63.236.586)	-	-	-	-	-	(45.901.894)	-	(45.901.894)
Net gains from adjustments in fair value													
of equity instruments at fair value through other comprehensive income	-	2.702.170	63.390	-	-	-	-	-	-	-	2.765.560	-	2.765.560
Net gains through adjustments in fair value													
of hedging instruments in cash flow hedging	-	(3.456.716)	(59.898)	-	-	-	-	-	-	-	(3.516.614)	-	(3.516.614)
Net gains through adjustments in fair value													
of hedging instruments in hedging	-	(55.726.980)	12.756.995	-	-	-	-	-	-	-	(42.969.985)	-	(42.969.985)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	427.822	(1.394.347)	-	-	-	-	-	-	(966.525)	-	(966.525)
Exchange differences	-	67.303.939	(1.311.395)	-	-	-	-	-	-	-	65.992.544	-	65.992.544
Revaluation of properties for own use	-	(212.618)	859.371	-	-	-	-	-	-	-	646.754	-	646.754
Actuarial gains and losses	-	-	146.553	-	-	-	-	6.322.498	-	-	6.469.051	-	6.469.051
Recognition of non-controlling interests	-	56.232.343	(106.534)	-	(2.911.479)	(2.461.596)	-	(1.502.828)	2.919.919	-	52.169.823	103.815.095	155.984.917
Share of other comprehensive income of associates	-	-	-	-	-	-	-	(1.701.266)	-	-	(1.701.266)	-	(1.701.266)
Net income for the year	-	-	-	-	-	-	-	-	-	270.241.578	270.241.578	-	270.241.578

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2022 AND 2021 FINANCIAL YEARS

(continuation)

(amounts in euros)

	Paid-in capital and other capital instruments	Revaluation reserves	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Legal reserve	Other reserves		Retained earnings	Net income for the year	Sub-total	Non-controlling interests	Total
							Share premiums	Other reserves					
Balance at 31 December 2021	674.091.865	969.482	(24.478.978)	(1.394.347)	63.670.722	262.445.824	382.666.154	1.092.717.744	333.783.475	270.241.578	3.054.713.519	564.266.745	3.618.980.264
Appropriation of net income	-	-	(412.888)	1.394.347	-	32.898.533	-	22.303.288	214.058.298	(270.241.578)	-	-	-
Redemption of capital supplementary contributions	(164.977.301)	-	-	-	-	-	-	-	-	-	(164.977.301)	-	(164.977.301)
Net gains from adjustments in fair value of debt instruments at fair value through other comprehensive income	-	(832.557.564)	218.033.148	-	-	-	-	-	-	-	(614.524.416)	-	(614.524.416)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	-	(16.903.856)	6.020.916	-	-	-	-	-	-	-	(10.882.939)	-	(10.882.939)
Overlay Approach adjustment	-	-	12.348.005	-	(50.595.789)	-	-	-	-	-	(38.247.784)	-	(38.247.784)
Net gains from adjustments in fair value of equity instruments at fair value through other comprehensive income	-	(4.772.938)	(98.471)	-	-	-	-	-	-	-	(4.871.409)	-	(4.871.409)
Net gains through adjustments in fair value of hedging instruments in cash flow hedging	-	8.219.168	(1.194.354)	-	-	-	-	-	-	-	7.024.815	-	7.024.815
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency	-	22.499.417	(5.235.789)	-	-	-	-	-	-	-	17.263.628	-	17.263.628
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	-	-	168.417	(801.983)	-	-	-	-	-	-	(633.567)	-	(633.567)
Exchange differences	-	(5.202.754)	1.748.861	-	-	-	-	-	-	-	(3.453.893)	-	(3.453.893)
Revaluation of properties for own use	-	1.198.373	(76.449)	-	-	-	-	-	-	-	1.121.924	-	1.121.924
Actuarial gains and losses	-	-	(2.222.356)	-	-	-	-	21.318.040	-	-	19.095.685	-	19.095.685
Recognition of non-controlling interests	-	24.422.914	564.432	-	808.636	(1.378.368)	-	42.871.824	2.736.865	-	70.026.303	(261.764.525)	(191.738.220)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	587.854	-	-	587.854	-	587.854
Others	-	-	-	-	-	36.713	-	953.045	(109.400)	-	880.358	-	880.358
Net income for the year	-	-	-	-	-	-	-	-	-	220.474.579	220.474.579	-	220.474.579
Balance at 31 December 2022	509.114.564	(802.127.758)	205.164.495	(801.983)	13.883.569	294.002.702	382.666.154	1.180.751.795	550.469.239	220.474.579	2.553.597.355	302.502.221	2.856.099.577

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

	2022	2021
NET INCOME FOR THE YEAR	220.474.579	270.241.578
Items that may be reclassified subsequently to gains and losses		
Change in fair value of debt instruments at fair value through other comprehensive income		
Gross amount		
Appreciation	(838.914.700)	(243.080.170)
Impairment	(20.540.386)	(7.960.016)
Disposal	2.027.301	10.896.923
Life insurance contracts with profit sharing	24.870.220	17.889.652
Deferred tax	189.350.273	30.732.228
Current tax - Life insurance contracts with profit sharing	28.682.875	2.514.862
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income		
Gross amount	(18.594.701)	(23.578.911)
Life insurance contracts with profit sharing	1.690.845	1.050.943
Deferred tax	6.020.916	2.014.441
Overlay Approach adjustment		
Gross amount	(50.761.225)	(64.192.930)
Life insurance contracts with profit sharing	165.436	956.344
Deferred tax	12.348.005	17.334.692
Net gains through adjustments in fair value of hedging instruments in cash flow hedging		
Gross amount	8.219.168	(3.456.716)
Deferred tax	(1.194.354)	(59.898)
Net gains through adjustments in fair value of hedging instruments in hedging of net investments in a foreign currency		
Gross amount	22.499.417	(55.726.980)
Deferred tax	(5.235.789)	12.756.995
Change in potential gains due to exchange differences		
Gross amount	(5.202.754)	67.303.939
Deferred tax	1.748.861	(1.311.395)
Items that may not be reclassified subsequently to gains and losses		
Change in fair value of equity instruments at fair value through other comprehensive income		
Gross amount	(5.027.591)	2.822.458
Life insurance contracts with profit sharing	254.653	(120.289)
Deferred tax	(98.471)	63.390
Gains and losses from disposal of equity instruments at fair value through other comprehensive income		
Gross amount	(801.983)	(1.394.347)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

(continuation)

(amounts in euros)

	2022	2021
Current tax	168.417	427.822
Change in potential gains on properties for own use		
Gross amount	1.198.373	(212.618)
Deferred tax	(76.449)	859.371
Share of other comprehensive income of associates	587.854	(1.701.266)
Actuarial deviations		
Post-employment benefits	14.342.644	5.862.380
Health benefits	6.975.396	460.118
Current tax	(25.106)	291.490
Deferred tax	(2.197.250)	(144.937)
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	(627.520.104)	(228.702.423)
Attributable to Non-controlling interests	25.771.870	53.894.487
Attributable to Owners of the Company	(601.748.233)	(174.807.936)
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	(381.273.654)	95.433.642

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE 2022 AND 2021 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	2022	2021
1. Cash flows generated by operating activities		
Net income for the year	220.474.580	270.241.578
Adjustments for:		
Properties for own use amortisation	11.634.226	13.120.416
Tangible assets amortisation	16.647.681	15.684.217
Right of use assets depreciation	34.825.806	31.955.293
Intangible assets amortisation	13.114.535	8.760.469
Share of net profit in associates and joint ventures with equity method	(4.301.488)	779.484
Negative goodwill recognised in income	(42.972.526)	-
Impairment losses (net of reversal)	(5.219.130)	(11.368.136)
Overlay approach gains/losses	(50.750.657)	(64.008.158)
Income from investment assets/liabilities	(274.217.749)	(492.047.909)
Lease interest payments	4.458.815	2.451.218
Interest paid	38.939.474	22.173.372
Interest received	(22.703)	(35.827)
Short-term leasing payment	202.698	202.698
Income tax - current tax	63.775.144	143.597.225
Income tax - deferred tax	7.324.844	(40.386.540)
Non-controlling interests	46.633.790	33.538.901
Changes:		
Change in provision for unearned premiums	83.505.967	71.131.475
Change in mathematical provision for life insurance	(136.922.700)	(123.275.340)
Change in claims provision	105.102.101	303.501.386
Change in provision for insurance and reinsurance contracts	(86.464.411)	(183.321.179)
Change in other technical provisions	(19.913.887)	2.163.506
Change in other non technical provisions	(38.505.949)	41.498.213
Change in accruals and deferrals assets/liabilities	10.573.795	(14.356.292)
Change in financial liabilities on investment contracts	(224.236.083)	(241.295.838)
Change in other financial liabilities	(26.966.253)	44.858.087
Change in other debtors for insurance and other operations	(158.290.339)	232.150.567
Change in other creditors for insurance and other operations	175.176.618	(182.451.899)
Change in inventories	4.006.117	2.372.696
Net cash from operating activities before tax	(232.387.684)	(112.366.318)
Payment/receipt of taxes	(157.563.310)	(83.628.397)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE 2022 AND 2021 FINANCIAL YEARS

(continuation)

(amounts in euros)

	2022	2021
Net cash from operating activities	(389.950.994)	(195.994.715)
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	(310.760.537)	(46.568.058)
Change in financial assets at fair value through profit or loss	(384.455.027)	(905.874.603)
Change in financial assets at fair value through other comprehensive income	1.031.165.343	549.321.746
Change in financial assets at amortised cost	230.418.862	334.221.182
Investment properties acquisition	(71.399.198)	(232.774.244)
Properties for own use acquisition	(16.240.416)	(46.624.803)
Other tangible assets acquisition	(22.534.350)	(30.446.111)
Other intangible assets acquisition	(43.691.348)	(27.919.200)
Receipts from disposal or repayment of investment properties	54.084.619	37.029.090
Receipts from disposal or repayment of properties for own use	(28.854.275)	94.652.814
Receipts from disposal or repayment of other tangible assets	743.780	237.437
Change in other assets/liabilities classified as held for sale	(20.112.793)	826.078
Change in other assets	(1.441.931)	3.078.643
Dividends received	63.108.934	63.205.764
Change in hedging derivative instruments	8.114.839	(45.808.579)
Change in derivatives held for trading	(233.009.717)	156.782.053
Change in financial liabilities at fair value through profit or loss	(72.330.960)	(33.496.077)
Change in exchange differences from foreign statements conversion	(9.073.697)	67.355.890
Income from demand deposits	10.651.391	6.035.738
Net cash from investing activities	184.383.519	(56.765.241)
3. Cash flows generated by financing activities		
Increase/amortisation of loans obtained	108.171.600	(21.160.609)
Debt issued	1.110.836	501.053.722
Interest paid	(38.939.474)	(22.173.372)
Interest received	22.703	35.827
Lease payments (Note 24)	(34.825.806)	(31.955.293)
Interest lease payments (Note 24)	(4.458.815)	(2.451.218)
Shor-term leasing payment	(202.698)	(202.698)
Distribution of dividends to minority shareholders	(3.792.204)	(4.405.932)
Supplementary contributions	(164.977.301)	(150.200.000)
Net cash from financing activities	(137.891.159)	268.540.427
4. Increase/decrease net of cash and equivalents	(343.458.635)	15.780.471
Cash and equivalents at start of the year	951.254.577	936.872.479
Entry/exit of the consolidation perimeter	29.633.606	(1.398.373)
5. Cash and equivalents at end of the year	637.429.549	951.254.577

NOTES TO THE CONSOLIDATED FINANCIAL ACCOUNTS



1. INTRODUCTORY NOTE

Fidelidade - Companhia de Seguros, S.A. ("Fidelidade" or "Company"), headquartered in Lisbon, Portugal, at Largo do Calhariz No. 30, is a public limited liability company, resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. into Companhia de Seguros Fidelidade-Mundial, S.A., according to the deed made on 31 May 2012, which produced accounting effects with reference to 1 January 2012. The operation was authorised by the Portuguese insurance regulatory body ("Autoridade de Supervisão de Seguros e Fundos de Pensões" or "ASF") through a resolution of its Board of Directors of 23 February 2012. Since 15 May 2014, with the initial acquisition of Fidelidade's share capital, Fidelidade Group via Longrun Portugal, SGPS, S.A. ("Longrun"), became part of Fosun International Holdings Ltd.

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

To perform its activity, Fidelidade has a nationwide branch network, agent centres and client branches. Abroad, the Company has subsidiaries in Angola, Cape Verde, Macao, Mozambique, Peru, Bolivia, Paraguay, Chile and Liechtenstein and branches in Spain, France and Luxembourg.

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

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

This report presents consolidated financial information resulting from the consolidation of Fidelidade and its subsidiaries. It has been prepared from the financial statements of each of the companies in the Group, on 31 December 2022.

Fidelidade's financial statements as of 31 December 2022 were approved by the Board of Directors on 23 February 2023. On the date of issuance of the financial statements, approval by the General Meeting was pending.

2. ACCOUNTING POLICIES

2.1. Basis of preparation and principles of consolidation

2.1.1. Basis of preparation

The consolidated financial statements as of 31 December 2022 were prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by Standard No. 3/2018-R, of 29 March, of the ASF, and the remaining regulatory standards issued by the ASF.

The regulations enshrined in the PCES generally correspond to the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July, transposed into national law by Decree-Law No. 35/2005 of 17 February, as amended by Law No. 53-A/2006 of 29 December and by Decree-Law No. 237/2008 of 15 December, except for the application of IFRS 4 – “Insurance contracts”, for which only the principles of classification of the type of insurance contract were adopted.

In 2022 the Group adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2022. These standards are listed in Note 2.22. In accordance with the transitional provisions of those standards and interpretations, comparative figures are provided for the required new disclosures.

The basis for the preparation of the financial statements from the accounting books and records was the accrual method, consistency of presentation, materiality and aggregation and the assumption of a going concern.

The accounting policies used by the Group in the preparation of its financial statements, referring to 31 December 2022, are consistent with those used in the preparation of the financial statements as of 31 December 2021.

The amounts of the financial statements are expressed in Euros. The totals in the financial statements and in the tables of notes to the financial statements may not correspond to the sum of the instalments due to rounding. The values 0 and (0) indicate positive or negative amounts rounded to zero, while the dash (-) indicates zero.

The financial statements were prepared using the historical cost principle, with the exception of assets and liabilities at their fair value, namely investments relating to life contracts where the investment risk is borne by the policyholder, derivative financial instruments, financial assets and liabilities at fair value through profit or loss, financial assets and liabilities at fair value through other comprehensive income, and investment properties. The remaining assets, namely financial assets at amortised cost and financial liabilities, and non-financial assets and liabilities, are recognised at amortised cost or historical cost.

The preparation of the financial statements requires the Fidelidade Group to make judgements and estimates and use assumptions which affect the application of the accounting policies and the amounts of the income, costs, assets and liabilities. Changes in such assumptions, or their differences from reality, may have impacts on current estimates and judgments. The areas involving a higher level of judgment or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are analysed in Note 2.20.

2.1.2. Consolidation principles

The consolidated financial statements presented reflect the assets, liabilities, income and costs of the Group, as well as the results attributable to the Group related to financial interests in associates.

The accounting policies have been consistently applied by all Group companies for the periods covered by these consolidated financial statements.

On 1 January 2010, the Group began to apply IFRS 3 - "Business Combinations" (revised) for the accounting recognition of business combinations. Changes in accounting policies arising from the application of IFRS 3 (revised) are applied prospectively.

The consolidation of the accounts of the subsidiaries which are part of the Group was made using the full consolidation method. Significant transactions and balances between the companies subject to the consolidation were eliminated. In addition, where applicable, consolidation adjustments are made to ensure consistency in the application of the Group's accounting principles.

The amount corresponding to third party shares in subsidiaries is presented under the heading "Non - controlling interests", within equity.

The consolidated profit results from the aggregation of the net results of Fidelidade - Companhia de Seguros, S.A. and the subsidiaries, after harmonisation of their accounting policies, in proportion to their effective participation, after consolidation adjustments, namely the elimination of dividends received, reinsurance operations and capital gains and losses generated in transactions between companies included in the scope of consolidation.

The consolidated financial statements include the accounts of Fidelidade - Companhia de Seguros, S.A. and those of the entities controlled directly and indirectly by the Group (Note 3).

2.2. Investments in subsidiaries

Subsidiaries are classified as companies over whom the Group exercises effective control. Control is normally assumed when the Group has the power to exercise a majority of the voting rights. Control may still exist when the Group holds, directly or indirectly, the power to manage the financial and operational policy of a given company in order to obtain benefits from its activities, even if the percentage it holds on its equity is less than 50%.

The subsidiary companies are fully consolidated from the time when the Group assumes control over their activities and consolidation ceases when the Group no longer has such control.

Where the accumulated losses of a subsidiary attributable to non-controlling interests exceed the non-controlling interest in the equity of that subsidiary, the accumulated losses are attributed to minority shareholders in the proportions held, which may imply recognition of non-controlling interests that are negative.

In a step acquisition which results in the acquisition of control, the revaluation of any previously acquired interest is recognised in the Income Statement when goodwill is calculated. When there is a partial sale, the result of which is the loss of control over a subsidiary, any remaining share is revalued at market price on the date of the sale and the gains or loss resulting from this revaluation is recognised in the Income Statement.

2.3. Business combination and goodwill

Acquisitions of subsidiaries are recognised according to the purchase method. The acquisition cost corresponds to the aggregate fair value of the assets delivered and liabilities incurred or assumed in exchange for obtaining control over the acquired entity, together with costs incurred that are directly attributable to the operation. On the acquisition date, which corresponds to when the Group obtained control of the subsidiary, the assets, liabilities and identifiable contingent liabilities which meet the requirements for recognition set out in IFRS 3 – “Business combinations” are recognised at their respective fair values.

Goodwill is initially measured at cost, which corresponds to the positive difference, on the acquisition date, between the acquisition cost of a subsidiary and/or associate and the effective percentage acquired by the Group, at fair value, of its identifiable assets, liabilities and contingent liabilities. Goodwill is recognised as an asset and is not amortised, and it is subject to impairment tests.

The Group has the possibility to account for non-controlling interests at fair value or for the proportionate share of the value of the net identifiable assets acquired, which implies that the total value of goodwill can be accounted for in the financial statements, including the portion attributable to non-controlling interests, against non-controlling interests, if the first option is chosen. The Group is recognising non-controlling interests by the proportionate share of the net identifiable assets acquired.

If it is confirmed that the portion corresponding to the percentage of the participation acquired by the Group in the identifiable assets, liabilities and contingent liabilities of a subsidiary exceeds the acquisition cost, the excess is recognised as income in the profit and loss account for the year.

The Group conducts impairment tests on the goodwill recognised on the balance sheet at least once a year, in line with the requirements of IAS 36 – “Impairment of assets”. For this purpose, goodwill is allocated to cash flow generating units and its recoverable value is assessed on the basis of future cash flow projections, updated on the basis of discount rates which the Group deems appropriate. Impairment losses associated with goodwill are recognised in the Income Statement for the year and may not be reversed.

If goodwill has been allocated to a cash-generating unit and the entity divests an activity of that unit, the goodwill associated with the divested operating unit shall be:

- (a) included in the carrying amount of the operation when determining the gain or loss on disposal; and
- (b) measured on the basis of the relative values of the divested business and the portion of the cash-generating unit retained, unless the entity can demonstrate that some other method better reflects the goodwill associated with the divested business.

2.4. Investments in associates and joint ventures

“Associates” are those in which the Group has the power to exercise significant influence over its financial and operational policies, although it does not have control. Significant influence is presumed to exist whenever the Group holding in an invested company directly or indirectly comprises between 20% and 50% of the capital or voting rights. The Group may also exert significant influence on an investee through participation in the management of the associate or in the composition of the Boards of Directors with executive powers.

There are also situations in which the Group exercises, together with other entities, control over the activity of the Company in which it holds the interest (the so-called joint ventures), where it exercises, under IFRS 11 – “Joint Arrangements”, a shared control of voting rights and equivalent decision.

These investments are recorded using the equity method, from the moment the significant influence begins, ceasing to be so when it ceases. According to this method, the interests are initially valued at the respective acquisition cost, which is subsequently adjusted based on the Group’s effective percentage of changes in equity (including results) of the associates.

If there are divergences with a material impact, adjustments are made to the equity of the associates used for the application of the equity method, in order to reflect the application of the Group’s accounting principles.

Goodwill, which corresponds to the positive difference between the acquisition cost of an associate and the effective percentage acquired by the Group, at fair value, of its assets, liabilities and contingent liabilities, continues to be reflected in the value of the investment, to which annual impairment tests are applied.

Unrealised income on transactions with associates is eliminated in proportion to the Group’s effective percentage share of the entities in question.

When the amount of accumulated losses incurred by an associate or joint venture and attributable to the Group equals or exceeds the book value of the interest and any other medium- and long-term interests in that associate, the equity method is discontinued. If the Group has a legal or constructive obligation to recognise such losses or make payments on behalf of the associate or joint venture, a provision will be recognised.

2.5. Conversion of foreign currency balances and transactions

Foreign currency transactions are recognised on the basis of the exchange rates in force on the date they were performed.

At each balance sheet date, monetary assets and liabilities in a foreign currency are converted to the functional currency based on the exchange rate in force. Non-monetary assets which are recognised at fair value are converted based on the exchange rate in force on the date of their latest valuation. Non-monetary assets recorded at historical cost, including tangible and intangible assets, remain recorded at the original exchange rate.

Exchange rate differences calculated on exchange rate conversion are recognised in the Income Statement, except those resulting from non-monetary financial instruments recognised at fair value through other comprehensive income.

The individual accounts of each entity in the Group included in the consolidation are prepared according to the currency used in the economic area in which that entity operates – the so-called “functional currency”. In the consolidated accounts, the Income Statement and financial position of the entity are converted into Euros, the Group’s functional currency, as follows:

- Assets and liabilities of each balance sheet presented are converted at the closing exchange rate;
- Income and expenses of each Income Statement are converted at the average exchange rate for the period;

- All resulting exchange differences are recognised in the “Exchange differences revaluation reserve”;
- The Equity of foreign subsidiaries is translated at the historical exchange rate of the time of its recognition in accordance with IAS 21 – “The effects of changes in foreign exchange rates”.

2.6. Financial instruments

a) Adoption of IFRS 9 – “Financial instruments”

IFRS 9 replaced IAS 39 – “Financial Instruments: Recognition and Measurement” for annual periods after 1 January 2018. In order to ensure consistency in the insurance industry between the application of IFRS 9 and IFRS 17 – “Insurance Contracts”, the IASB issued an amendment to IFRS 4 with effect from 1 January 2018 which allowed insurance companies to defer the application of IFRS 9 for periods after 1 January 2023, thus aligning the effective dates of IFRS 9 and IFRS 17.

In addition, insurers adopting IFRS 9 are also permitted to apply the overlay approach to designated financial assets. On 1 January 2020, the Group applied IFRS 9 retrospectively, with the overlay approach option.

b) Financial assets

Classification, initial recognition and subsequent measurement

Financial assets are recognised at the trade date at fair value. At the time of their initial recognition, financial assets are classified into one of the following categories:

- Financial assets at amortised cost;

- Financial assets at fair value through other comprehensive income; or
- Financial assets at fair value through profit or loss.

The classification made depends on the following aspects, except when the option to measure the financial instrument at its fair value through profit or loss is applied:

- The entity’s business model for managing the financial asset;
- The financial asset’s contractual cash flow characteristics.

Business Model Assessment

The Group assessed the business model within which the financial instruments are held at portfolio level, since this approach best reflects how the assets are managed and how information is reported to the management bodies.

Assessment as to whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset at its initial recognition. “Interest” is defined as the consideration for the time value of money, the credit risk associated with the amount outstanding over a given period, and other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as a profit margin.

When assessing financial instruments in which the contractual cash flows are solely payments of principal and interest, the Group considered the instrument's original contractual terms. This assessment included an analysis of the existence of situations in which the contractual terms may change the timing or amount of contractual cash flows so that they do not meet the SPPI condition. During the assessment process, the Group takes into consideration:

- Contingent events that may change the timing or amount of cash flows;
- Characteristics resulting in leverage;
- Prepayment and maturity extension clauses;
- Characteristics that can modify the compensation for the time value of money.

Additionally, prepayment feature is consistent with the SPPI criterion if:

- The financial asset was acquired or originated at a premium or discount to the contractual par value;
- Prepayment substantially represents the nominal amount of the contract plus accrued but unpaid contract interest (may include reasonable compensation for prepayment);
- The fair value of the prepayment feature is insignificant at initial recognition.

The classification of financial assets follows the following scheme:

Contractual cash flows	Business model	Classification of financial assets
Contractual cash flows correspond solely to the payment of principal and interest (SPPI)	Collect contractual cash flows	Financial assets at amortised cost
Others (non-SPPI)	Collect contractual cash flows and sell	Financial assets at fair value through other comprehensive income
	Derivatives and other financial instruments used to hedge risks	Hedge derivatives or Financial Assets at fair value through profit or loss
	Acquired for sale in the near term	Financial assets at fair value through profit or loss
	Group of identified financial instruments that are managed together and for which there is a pattern of short-term profit-taking	
	Others	

On initial recognition, the Group may choose to irrevocably classify investments in equity instruments as financial assets at fair value through other comprehensive income when these meet the definition of equity instruments in IAS 32 and are not held for trading. The classification is determined instrument by instrument.

i. Financial assets at amortised cost

Classification

A financial asset is classified in the category of "Financial assets at amortised cost" if it cumulatively meets the following conditions:

- The financial asset is held within a business model with the main objective of holding assets to collect the contractual cash flows;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initial recognition and subsequent measurement

Financial assets at amortised cost are initially recognised at their fair value, plus transaction costs, and are subsequently measured at amortised cost. In addition, they are subject, from their initial recognition, to calculation of impairment losses for expected credit losses, which are registered as a charge to the heading "Impairment losses on financial assets at amortised cost" in the Income Statement.

Interest on financial assets at amortised cost is recognised under the heading "Interest on financial assets not recognised at fair value through profit or loss", calculated according to the effective interest rate method. Gains and losses derecognition are recorded under the heading "Net income on financial assets and liabilities at amortised cost".

ii. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of "Financial assets at fair value through other comprehensive income" (FVOCI) if it meets all of the following conditions:

- The financial asset is held within a business model the objective of which is both collecting contractual cash flows and selling that financial asset;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These instruments are mainly composed of debt instruments.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are registered as a charge to other comprehensive incomes and, on their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific Income Statement heading called "Net income from financial assets and liabilities at fair value through other comprehensive income".

Debt instruments at fair value through other comprehensive income are also subject, from their initial recognition, to calculation of impairment losses for expected credit losses. The estimated impairment losses are recognised in the Income Statement, under the heading "Impairment losses on financial assets at fair value through other comprehensive income", as a charge to other comprehensive income, and do not reduce the carrying amount of the financial asset on the balance sheet.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised under the heading of “Interest on financial assets not recognised at fair value through profit or loss” based on the effective interest rate method.

Equity instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognised in income when the right to receive them is attributed.

iii. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category of “Financial assets at fair value through profit or loss” (FVPL) if the business model defined by the Group for its management or the characteristics of its contractual cash flows do not meet the conditions described above to be measured at amortised cost or FVOCI.

Additionally, even if a financial asset meets the requirements to be measured at amortised cost or FVOCI, the Group may irrevocably designate it, at initial recognition, as measured at fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on it on different bases.

The Group classified as “Financial assets at fair value through profit or loss” the following types of assets:

- Financial assets classified under this item are acquired for the purpose of sale in the short term; at the time of initial recognition they are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit taking; or they fall within the definition of a derivative (except in the case of a derivative classified as hedging);
- Debt instruments the contractual cash flows of which are not solely payments of principal and interest (SPPI) on the principal amount outstanding;
- Financial assets that the Group has opted to designate at fair value through profit or loss to eliminate an accounting mismatch;
- Financial assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that have not been designated at fair value through other comprehensive income.

Initial recognition and subsequent measurement

Considering that the transactions carried out by the Group in the normal course of its activity are under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, with the costs or income associated with the transactions recognised in profit or loss at the initial moment. Subsequent changes in the fair value of these financial assets are recognised in the Income Statement.

The periodisation of interest and premium/discount (when applicable) is recognised in the item "Other income" based on the effective interest rate of each transaction, as well as the periodisation of interest on derivatives associated with financial instruments classified in this category. Dividends are recognised in income when the right to receive them is attributed.

Derivatives for trading with a positive fair value are included under the heading "Financial assets at fair value through profit or loss", and derivatives for trading with a negative fair value are included under the heading "Financial liabilities at fair value through profit or loss".

iv. Overlay approach

An insurer may elect to apply the overlay approach described in paragraph 35B of IFRS 4, only when it first applies IFRS 9.

In line with this approach, the Group must reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Group had applied IAS 39 to the designated financial assets. Consequently, the reclassified amount is equal to the difference between:

- The amount reported in profit or loss for the designated financial assets, applying IFRS 9;
- The amount that would have been reported in gains or losses for the designated financial assets if the insurer had applied IAS 39.

A financial asset is eligible for designation for the overlay approach if, and only if, the following criteria are met:

- It is measured at fair value through profit or loss applying IFRS 9 but would not have been measured at fair value through profit or loss in its entirety applying IAS 39;
- It is not held in respect of an activity that is not linked to contracts covered by IFRS 4.

The Group meets the overlay approach requirements for financial instruments which, according to the IAS 39 classification requirements, were considered available-for-sale investments and according to the IFRS 9 classification requirements were reclassified to financial assets recognised at fair value through profit or loss. Financial assets in account are equity instruments and debt instruments that do not fulfil the contractual cash flow characteristics of the SPPI (solely payments of principal and interest) test.

The Group applies the overlay approach to a designated financial asset until that financial asset is derecognised or ceases to be held in respect of an activity that is not linked to contracts covered by IFRS 4.

v. Assets sold with repurchase agreement (repos)

Assets sold with a repurchase agreement (repos) for a fixed price or for a price that is equal to the sale price plus interest inherent to the maturity of the operation are not derecognised on the balance sheet. The corresponding liability is accounted for in Other Financial Liabilities. The difference between the sale amount and the repurchase amount is treated as interest and is deferred during the life of the agreement, using the effective interest rate method.

vi. Fair value

Financial assets recognised in the categories “Financial assets at fair value through profit or loss” and “Financial assets at fair value through other comprehensive income” are measured at fair value.

A financial instrument’s fair value corresponds to the price that would be received for an asset if it was sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets is determined based on the closing quotation on the balance sheet date, in the case of instruments traded in active markets.

In the case of currency futures, these are valued based on the same time stamp of the respective covered instruments.

For debt instruments not traded in active markets (including unlisted or low-liquidity securities) valuation methods and techniques are used, which include:

- Prices (bid prices) published by financial information services, namely Bloomberg and Reuters, including market prices available for recent transactions;
- Indicative quotations (bid prices) obtained from financial institutions that function as market-makers;
- Internal valuation models that take into account the market data which would be used to define a price for the financial instrument, reflecting the market interest rates and volatility, and the liquidity and credit risk associated with the instrument.

The remaining unlisted equity instruments are valued based on price to book value and internal discount models of future cash flows.

vii. Derecognition of financial assets

These assets are derecognised when the Group’s contractual rights to receive cash flows from them have expired or when the Group has transferred substantially all the risks and rewards associated with holding the assets.

The Group considers that it has retained or not retained control of the transferred financial assets if, and only if, the transferee has the capacity to sell the asset in its entirety to an unrelated third party and is able to exercise that capacity unilaterally and without the need to impose additional restrictions on the transfer.

viii. Transfers between categories of financial assets

Financial assets are reclassified to other categories only if the business model for managing them is changed. In this case, all affected financial assets are reclassified.

Reclassification is applied prospectively from the reclassification date, and no previously recognised gains or losses (including those related with impairment) or interest are restated.

Investments in equity instruments measured at fair value through other comprehensive income and financial instruments designated at fair value through profit or loss may not be reclassified.

c) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form. Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance transactions and other liabilities. These financial liabilities are initially recorded at fair value less transaction costs, and subsequently at amortised cost based on the effective interest rate method. The Group derecognises financial liabilities when they are cancelled or extinguished.

Financial liabilities are recorded on the contracting date at their fair value, less costs directly attributable to the transaction. Financial liabilities are classified into the following categories:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments with negative revaluation. These liabilities are recorded at fair value, and gains or losses resulting from their subsequent valuation are recorded under the heading of "Net income on financial assets and liabilities recognised at fair value through profit or loss".

Other financial liabilities

This category includes subordinated liabilities, deposits received from reinsurers, amounts received in repurchase transactions and liabilities incurred to pay for services or purchase assets, recorded under "Other creditors for insurance operations and other operations".

These financial liabilities are recognised at amortised cost, and any applicable interest is recognised in line with the effective interest rate method.

d) Derivatives and hedge accounting

The Group performs operations with derivative products as part of its activity, with the aim of reducing its exposure to fluctuations in exchange and interest rates.

Derivative financial instruments are measured at fair value through profit or loss on the date of their contracting. They are also recognised in off-balance sheet accounts at their notional value.

Subsequently, derivatives are measured at their fair value. Fair value is calculated:

- On the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets);
- On the basis of models which incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Embedded derivatives

Derivatives embedded in non-derivative contracts or in financial liability host contracts shall be separated and treated as stand-alone derivatives where:

- The embedded derivative's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;

- A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative; and
- The hybrid contract is not measured at fair value with changes recognised in profit or loss.

Hedge accounting

The Group invests in derivatives with the objective of hedging its exposure to risks inherent in its activity, namely hedging the fair value of foreign currency assets (currency fluctuation risk), which it applies within the scope of IAS 39. Derivatives are also used to hedge the Group's exposure to variability in interest rate cash flows and net investments in foreign operations.

At the beginning of all hedging operations, the Group prepares formal documentation, which includes the following minimum items:

- Risk management objectives and strategy associated with carrying out the hedging operation, in accordance with the defined hedging policies;
- Description of the hedged risk(s);
- Identification and description of hedged and hedging financial instruments;
- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in the profit or loss for the year. If the hedge is shown to be effective, the Group also reflects in the period's profit or loss the fair value change of the hedged item attributable to the hedged risk. If the hedging relationship is no longer effective, the accumulated fair value variation on the hedged element is recognised in profit or loss until its maturity.

Hedge derivatives of a net investment in a foreign operation and cash flow hedge derivatives are recognised at fair value, provided that the hedge is determined to be effective, and the results are registered in shareholders' equity. Any ineffective portion of the results is recognised in gains and losses for the year.

Positive and negative revaluations of hedging derivatives are recorded in assets and liabilities, respectively, in specific headings.

Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

The Group used hedge accounting to hedge the fair value of equity instruments until 2019. In light of IFRS 9, the Group no longer has hedge accounting for this purpose, however, it has to maintain the rules of such hedge for having applied IFRS 9 with an overlay approach.

Derivatives at fair value through profit or loss

It includes all derivatives that are not associated with effective hedging relationships, namely:

- Derivatives used to hedge risk in assets and liabilities at fair value through profit or loss, rendering the use of hedge accounting unnecessary;

- Derivatives used to hedge risks which do not meet the criteria defined for use of hedge accounting under IFRS 9, in particular due to the difficulty in specifically identifying the hedged items, in macro or portfolio hedges, or because the results of the effectiveness assessment demonstrate that the hedge is not effective;
- Derivatives contracted for the purpose of trading.

Derivatives at fair value through profit or loss are recorded at fair value, and the results of the revaluation are calculated daily and recognised in gains and losses for the year, under the heading of "Net income on financial assets and liabilities recognised at fair value through profit or loss", with the exception of the portion related to accrued and settled interest, which is reflected in "Other income". Positive and negative revaluations are recorded under the heading "Financial assets at fair value through profit or loss" and "Other financial liabilities", respectively.

e) Impairment losses

Financial instruments subject to recognition of impairment losses

The Group recognises impairment losses for expected credit losses in financial instruments recognised under the following accounting headings:

- Financial assets at amortised cost - Impairment losses on financial assets at amortised cost reduce the balance sheet value of those financial assets as a charge to the heading "Impairment losses of financial assets at amortised cost".

- Debt instruments at fair value through other comprehensive income
 - Impairment losses on debt instruments at fair value through other comprehensive income are recognised in the Income Statement, under the heading "Impairment losses on financial assets at fair value through other comprehensive income" as a charge to other comprehensive income (they do not reduce the balance sheet value of those financial assets).

Impairment losses are based on the difference between contractual cash flows and all cash flows that the Group expects to receive, discounted at the original effective interest rate.

General Approach

The expected credit loss allowance is calculated taking into account, at the time of assessment, the risk exposure (monetary value of the loan), probability of default (PD), loss given default (LGD) and the relevant discount factor. It is a risk assessment that takes into account an estimate of the probability and time value of the future cash flows being assessed.

This assessment is complemented by an assessment of whether or not the credit rating has been downgraded from the moment of initial recognition. A significant decrease in the credit rating means that the assessment will no longer be made considering an annual period, but will be made considering the remaining lifetime of the loan. Loans with no deterioration in rating are therefore considered in stage 1, loans with deterioration in rating are considered in stage 2, and stage 3 comprises loans with objective evidence of default.

In general terms, a significant decrease in rating since initial recognition is equivalent to a decrease of at least 2 notches from the time the initial rating is at BBB, although this decision will always be based on a case-by-case analysis of the factors leading to the rating downgrade.

The provisions for expected credit losses are recognised in two stages. For credit exposures for which there has been no significant increase in risk since initial recognition, the provision for expected credit losses quantitatively reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

In the case of other credit exposures for which there has been a significant increase in risk since initial recognition, a provision for credit losses over the remaining life of the exposure is required, regardless of the time of default, which is qualified as lifetime expected credit losses.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. When conducting the assessment, the Group compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition and considers all reasonable and supportable information available without undue cost or effort.

The Group uses for the credit assessment the ratings of at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA) applying the criterion of the second best rating, limited, in general terms, to the rating of the issue or, if not available or not applicable, to the rating of the issuer or alternatively to the rating of the corresponding financial group. Ultimately, in a situation where this information is not available, the Group seeks to measure, through a scoring methodology, an internal rating based on an analysis of the available financial statements.

The Group considers a financial asset to be in default when it has been due for 90 days, and it is unlikely that the Group will receive the outstanding contractual amounts in full. The book value of a financial asset in this stage, Stage 3, is reduced so as only to reflect the recovery value since there is no reasonable expectation of recovering the contractual cash flows.

Classification of financial instruments by stages

	Change in credit risk since initial recognition		
	Stage 1	Stage 2	Stage 3
Classification criteria	Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired
Impairment losses	12-month expected credit losses	Lifetime expected credit losses	Default

Debt instruments at fair value through other comprehensive income and financial assets at amortised cost are subject to a reduction of the recoverable amount under the general approach and are classified in the following stages for measuring the provisions for expected credit losses:

- **Estágio 1:** Financial instruments for which there has not been a significant increase in credit risk since initial recognition and for which the provision for losses is measured at an amount equal to a 12-month expected credit loss;
- **Stage 2:** Financial instruments for which credit risk has increased significantly since initial recognition, but which are not financial assets with a reduction in the recoverable amount and for which the provision for losses is valued at an amount equal to the lifetime credit loss;
- **Stage 3:** Financial assets with a reduction in the recoverable amount at the reporting date (but that were not purchased or originated with a reduction in the recoverable amount) and that are impaired (assets in default).

Simplified Approach

The Group assesses the expected credit losses associated with the item "Other Debtors for Insurance Operations and Other Operations", based on reasonable and sustainable information that is available and that is likely to affect credit risk. The assessment depends on the nature of the asset, and for premiums pending collection an analysis of the uncollectibility of premiums is carried out and for intermediaries, reinsurers and other debtors an analysis based on the business and past experience of losses.

Impairment in IAS 39

For financial assets eligible for the application of the overlay approach, the Group has yet to assess the impairment in accordance with IAS 39. These assets correspond to available for sale assets under IAS 39 that, in IFRS 9, correspond to financial assets at fair value through profit or loss.

In accordance with IAS 39, available-for-sale assets are recognised at fair value and changes in fair value are reflected in other comprehensive income.

Whenever there is objective evidence of impairment, the accumulated capital losses that have been recognised in reserves are transferred to costs for the year in the form of impairment losses, recorded under the heading "Impairment losses (net of reversals)".

In addition to the signs of impairment mentioned above, the following specific signs with regard to equity instruments are also considered:

- i) Significant changes with an adverse impact on the technological, market, economic or legal environment in which the issuer operates which indicate that the cost of the investment will not be fully recovered;

- ii) A significant or prolonged decline in market value below cost price.

At each reference date of the financial statements, an analysis of the existence of impairment losses on these assets is carried out by the Group, considering for this purpose the nature and specific and individual characteristics of the assets under evaluation.

In addition to the results of this analysis, the following events are considered as indicative of objective evidence of impairment in equity instruments:

- Existence of potential capital losses greater than 50%, compared to the respective acquisition value;
- Situations in which the fair value of the financial instrument remains below its acquisition cost over a period of more than 12 months.

In addition, the existence of potential capital losses greater than 30% is considered as an indicator of potential impairment. For this criterion, the recognition of impairment is judgmental based on a case-by-case analysis.

Impairment losses on equity instruments cannot be reversed, so any potential capital gains arising after the recognition of impairment losses are reflected in "Revaluation reserves for adjustments in the fair value of financial assets". If there are later additional capital losses, these are reflected in profit or loss for the year under the heading "Impairment losses (net of reversals) of others".

Impairment losses on debt instruments can be reversed through profit or loss for the year, if in a subsequent period the fair value of that asset increases, provided this increase is objectively related to an event that occurred after the recognition of the impairment loss.

2.7. Non-current assets held for sale and groups of assets and liabilities for disposal

IFRS 5 – “Non-current assets held for sale and discontinued operations” applies to single assets and to groups of assets for disposal, by sale or another means, in aggregate form in a single transaction, and all liabilities directly associated with those assets which are subsequently transferred in the transaction (entitled “groups of assets and liabilities for disposal”).

Non-current assets, or groups of assets and liabilities for disposal are classified as held for sale whenever their carrying amount is expected to be recovered through a sale transaction rather than through continuing use, and are recognised at the lower of its carrying amount and fair value less costs to sell. For an asset (or group of assets and liabilities) to be classified in this heading, the following requirements must be met:

- The probability of the sale occurring is high;
- The asset is available for immediate sale in its present condition;
- The sale should be expected to occur within one year of the asset being classified under this heading.

The fair value of these assets is determined on the basis of experts’ assessments.

If the amount recognised on the balance sheet is higher than the fair value less costs to sell, impairment losses are recognised in “Gains and losses from non-current assets (or groups for disposal) classified as held for sale”.

2.8. Investment properties

These are properties held by the Group to earn income through rental and/or capital appreciation.

Investment properties are initially recognised at cost, including directly related measurement costs. They are not amortised and are recognised at fair value, determined on the basis of experts’ assessments. Changes in the fair value and realised capital gains and losses are reflected in the Income Statement, in “Net income on the sale non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations”.

Investment properties are assessed each year to ensure that their balance sheet value does not differ significantly from their fair value. The Group has established a maximum reference period of 2 years between evaluations carried out by independent experts.

2.9. Properties for own use

Properties for own use are initially recognised at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes the purchase cost and any costs directly attributable to the activities required to place the assets in the location and condition necessary to operate as intended.

The costs of repair, maintenance and other expenses associated with the use of these assets are recognised as expenses for the year, except for expenses on items where capitalisation criteria are met and which are depreciated throughout their useful life.

Depreciation is calculated using the straight line method, at rates corresponding to the estimated useful life of the properties for own use and is recognised in expenses for the year. The land is not subject to depreciation, given that it does not have a defined useful life. The Group periodically assesses the adequacy of the estimated useful life of its assets.

Periodically, analyses are carried out in order to identify evidence of impairment in properties for own use. An impairment loss is recognised in "Impairment losses (net of reversals) of others" in the Income Statement for the year whenever the net book value of these assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income Statement for the year, if an increase in that asset's recoverable value subsequently occurs.

The gain (or loss) arising from the sale or write-off of a property for own use is determined based on the difference between the amount received in the transaction and the net book value of that asset and is recognised in the Income Statement in the year when the write-off or sale occurs.

In addition, buildings under construction are recognised at cost less any impairment losses and are not subject to depreciation. The costs of these properties include the direct construction cost and the costs inherent to the loan obtained for the construction of these properties. Real estate under construction is reclassified to firm real estate when it is available for use.

2.10. Other tangible assets

These are recognised at acquisition cost, less depreciation and accumulated impairment losses. Costs of repair, maintenance and other expenses associated with their use are recognised as costs for the year.

Depreciation is calculated systematically throughout the estimated useful life of the asset, which corresponds to the period during which it is expected that the asset will be available for use, which is:

	Years of useful life
Furniture and materials	2 - 12
Machinery and tools	4 - 10
IT equipment	4
Interior installations	8 - 10
Transport material	4
Safety equipment	4 - 10

Depreciation is recognised in expenses for the year. The Group periodically assesses the adequacy of the estimated useful life of its tangible assets.

Analyses are periodically undertaken to identify evidence of impairment on other tangible assets. An impairment loss is recognised in "Impairment losses (net of reversals) of others" in the Income Statement for the year whenever the net book value of these tangible assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income Statement for the year, if an increase in the asset's recoverable value subsequently occurs.

2.11. Inventories

Inventories are valued at the lower of acquisition cost and net realisable value.

The cost of inventories includes all purchase costs, conversion costs and other costs incurred to place inventories at their location and in their current condition, being the average cost, the costing method applied.

The net realisable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs to conclude the sale.

Whenever the net realisable value is lower than the acquisition cost, the value of the inventories is reduced, by recognising an impairment loss, recorded under the heading "Impairment losses (net of reversals) of others" in the Income Statement. These losses may be reversed whenever the factors giving rise to the impairment cease to exist.

2.12. Leases

Lessee

On the commencement date of the lease, the lessee recognises a liability for the obligation to make payments to the lessor and an asset representing the right-of-use of the underlying asset for the lease term. Lessees will be required to separately recognise interest on the lease liability and depreciation on the right-of-use asset.

At the date of the standard's entry into force the lessee shall measure the lease liability at the present value of the lease payments not paid on that date. The discount rate of the payments will be determined as the interest rate implicit in the lease contract, that is, the rate that causes the present value of the lease payments and the unguaranteed residual value to equal the fair value of the underlying asset plus the direct costs of the lessor. If the rate implicit in the lease cannot be readily determined then the incremental borrowing rate will be used, that is, a discount rate that can be obtained to borrow, with the same maturity and a similar guarantee, the funds necessary to acquire the underlying asset.

After that date, the lessee shall measure the liability:

- i) By increasing the carrying amount to reflect interest on the lease liability;
- ii) By reducing the carrying amount to reflect the lease payments made;
- iii) By remeasuring the carrying amount to reflect any reassessment or lease modifications.

The standard sets out two recognition exemptions for lessees - leases of low value assets (for example, laptops) and short-term leases, i.e. leases with a lease term of 12 months or less.

The Group has chosen to use the exemptions applicable to the standard on lease agreements for which the terms of the lease expire within 12 months from the date of initial application (with the exception of leases relating to property leases), and on lease agreements for which the underlying asset is of low value. The Group has leases of certain office equipment (e.g. personal computers) deemed to be of low value. The Group also chose the option of separating leases from non-lease components (service) and considering only the lease component in the application of this standard.

For all lease contracts covered by the exemptions, lease payments associated with those contracts are recognised as expenses.

Lessor

Leases continue to be classified as finance leases or operating leases, not implying significant changes compared to what was previously defined. Assets under finance leases are recorded in the financial position as "Accounts receivable for other operations", and this is reimbursed by means of the capital amortisations set out in the contracts' financial plans. Interest included in rents is recorded as "Other income/expenses".

2.13. Intangible assets

This heading includes the costs of acquisition, development or preparation for use of the software used in the development of the Group's activities.

Intangible assets are recognised at acquisition cost, less amortisation and accumulated impairment losses.

Amortisation is recognised systematically throughout the estimated useful life of the assets, which normally corresponds to a period of 3 to 6 years, except the IT structural projects that may extend to a period of 10 years.

Software maintenance expenses are accounted for as a cost for the year in which they are incurred.

2.14. Income tax

The companies in the Group with their head office in Portugal are subject to taxation of Corporate Income Tax (CIT) and the companies with their head offices abroad are also subject to the same type of tax (Corporate Income Tax), pursuant to the legislation in force in those countries. To the CIT and the Municipal Tax, whose aggregate rate in the years 2021 and 2022 is 22.5%, is added the respective State Tax, which corresponds to the application of an additional rate of 3% on the part of taxable profit greater than 1,500,000 Euros and less than 7,500,000 Euros, 5% on the part of profit greater than 7,500,000 euros and less than 35,000,000 Euros and 9% on the part of taxable profit that exceeds this amount.

The accounts of the Group's branches are integrated into the accounts of the head office for tax purposes. Besides being subject to CIT, the income of the branches is also further subject to local taxes in the countries/territories where these are established. The local taxes of the various branches are deductible from the CIT of the head office pursuant to Article 91 of the CIT Code and to Double Taxation Agreements.

The companies of the Group based in Portugal are taxed in the CIT under the Special Taxation Regime for Corporate Groups (STRCG), in accordance with article 69 of the CIT Code. Under these taxation rules, Longrun (the controlling company) presents a single tax declaration in which the results of the subsidiaries making up the SRTCG are consolidated. The amount receivable or payable from CIT related to the various companies of the Group headquartered in Portugal is recorded in the balance sheet as an amount receivable or payable to Longrun. The tax corresponding to the various companies of the Group is reflected in the Income Statement and/or in Equity.

Total income tax recognised in the Income Statement includes current and deferred taxes.

Current tax is calculated on the basis of the taxable profit for the year, which is different from accounting income because of adjustments to taxable income resulting from expenses or income which are not considered for fiscal purposes, or which will only be considered in other accounting periods.

Deferred tax represents tax recoverable/payable in future periods resulting from temporary deductible or taxable differences between the book value of assets and liabilities and their tax basis, used to determine taxable income.

Deferred tax liabilities are normally recognised for all temporary taxable differences, whereas deferred tax assets are only recognised to the extent that it is probable that sufficient future taxable income will be generated, allowing the use of the corresponding temporary deductible tax differences or tax losses carried forward. In addition, deferred tax assets are not recognised where their recoverability may be questionable due to other situations, including issues regarding the interpretation of the tax legislation in force.

The main situations that cause temporary differences at the Group level correspond to (i) accounting capital gains or losses, (ii) corrections of previous years, (iii) impairments and (iv) reportable tax losses.

Deferred taxes are calculated at the tax rates expected to be in force on the date of reversal of the temporary differences, which correspond to the tax rules that have been enacted, or substantially enacted, at the balance sheet date.

Income tax (current or deferred) is recognised in the Income Statement for the year, except for cases in which the originating transactions have been recognised in other shareholders' equity headings (for example, in the case of changes in fair value of financial assets at fair value through other comprehensive income). In these situations, the corresponding tax is also reflected by equity consideration, not affecting the Income Statement for the year.

2.15. Provisions, contingent liabilities and contingent assets

Provisions are made when there is a present obligation (legal or constructive) resulting from past events for which future expenditure of resources is probable, and this can be reliably determined. The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability at the balance sheet date.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

"Other provisions" are for legal, fiscal and other contingencies resulting from the Group's activity.

Contingent assets are not recognised in the financial statements but are disclosed in the notes to the accounts when an influx of future economic benefits is likely.

2.16. Employee benefits

Liabilities for employee benefits are recognised in line with the principles established in IAS 19 – “Employee Benefits”. The main benefits granted by the Group correspond to retirement and survival pensions and health benefits.

Defined benefit plan - Liabilities with pensions and health charges

In accordance with the Instrument for Collective Labour Regulation (“ICLR”) then in force for the insurance sector, the Group undertook to provide cash benefits to complement the reforms granted by Social Security to its employees admitted to the sector until 22 June 1995, the date of publication of the ICLR. The amount of these benefits varied according to the employee’s remuneration, the contributory career, the history of remuneration with impact on Social Security and also, in case of disability, the seniority in the insurance activity.

In addition, the former Império Bonança is also committed to providing medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The Company bears almost the entire burden of such benefits.

Defined benefit plans are financed through closed-end pension funds. These funds include liabilities with retirement supplements, and liabilities relating to early retirement and pre-retirement. These plans make up the classification requirements of defined benefit plans, since they meet the criteria for determining the amount of pension an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and remuneration at the date of retirement.

Liabilities recognised on the balance sheet relating to defined benefit plans correspond to the difference between the current value of liabilities and the fair value of the pension fund assets. The total amount of liabilities is determined annually by specialised actuaries using the Projected Unit Credit Method and actuarial assumptions considered appropriate (Note 36). The discount rate used to update the liabilities reflects market interest rates on prime corporate bonds, denominated in the currency in which the liabilities are paid and with similar maturity periods to the average periods for settlement of liabilities.

Gains and losses resulting from differences between the actuarial and financial assumptions used and the amounts actually verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions, are recognised directly in an equity item.

The cost in the year for retirement and survivors’ pensions, which includes the cost of current services, the cost of past services, the cost of payments and the net interest on the defined benefit liability (asset), is reflected at net value in the heading of “Employee Costs”. The expense for the year with health charges is reflected in the item “Other Provisions” (Note 36).

The impact of retiring employees before the normal retirement age defined in the actuarial study is directly reflected in “Employee Costs”.

Defined contribution plan

Under the new collective employment agreements for the insurance activity, published on 15 January 2012, 29 January 2016 and 8 February 2019, all workers in active employment, with indefinite employment contracts, covered by these ICLR, are entitled to a retirement plan ("IRP"), a defined contribution plan that replaces the retirement pension system provided for in the previous ICLR.

These plans, besides guaranteeing capital, meet the requirements for classification as defined contribution plans, since the amount of post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a benefit plan, together with investment returns arising from the contributions.

The Group's contributions to the defined contribution plan are made in accordance with the provisions of the new Collective Employment Agreement, published on 8 February 2019 ("CEA 2019"), and are recorded as an expense for the year to which they relate under the heading "Employee Costs".

Other long-term benefits

Under the CEA 2019, and as provided for in its Clauses 32 to 34 and 65 to 68, new long-term benefits are established, called Career Benefits.

Short-term benefits

Short-term benefits, including performance bonuses paid to employees for the performance of the different business units and their contribution to the company's results, are recognised in "Employee Costs" in the period to which they relate, on an accrual basis.

2.17. Insurance contracts and investment contracts

a) Classification of contracts

Transactions associated with insurance and reinsurance contracts issued and with reinsurance contracts held by the Group are recognised in accordance with ASF regulations. Under the transition to the new PCES, the classification principles for contracts established by IFRS 4, were incorporated into these regulations according to which contracts without a significant insurance risk are considered to be investment contracts and recognised in line with IFRS 9 requirements.

In addition, as provided for in IFRS 4, investment contracts with profit sharing with discretionary component continue to be classified as insurance contracts, thus continuing to be valued in accordance with ASF standards.

Calculation of contracts associated with insurance contracts is covered by specific regulations issued by the ASF.

An insurance or investment contract is considered to include a discretionary profit-sharing component when the respective contractual conditions provide for, in addition to the contract's guaranteed component, the allocation of additional benefits to the insured with the following characteristics:

- It is probable that they will constitute a significant part of the total benefits to be allocated within the scope of the contract;
- The amount or time of their allocation is contractually at the issuer's discretion; and
- They are dependent on the performance of a given group of contracts, on realised or unrealised income on certain assets held by the contract issuer, or on the profit of the entity responsible for issuing the contract.

Potential capital gains, net of capital losses, resulting from the revaluation of assets allocated to insurance with profit sharing and expected to be allocated to insured persons are reflected in the provision for profit sharing.

b) Recognition of income and costs

Premiums for non-life insurance and reinsurance contracts, life insurance contracts and investment contracts with a discretionary profit-sharing component are recognised when due in the heading "Earned premiums, net of reinsurance" in the Income Statement.

Premiums written on non-life insurance and reinsurance contracts and the associated acquisition costs are recognised as income and cost over the corresponding risk periods, through the use of the provision for unearned premiums.

Insured persons' liabilities relating to life insurance contracts and to investment contracts with a discretionary profit-sharing component are recognised via the life insurance mathematical provision, and their cost is recognised at the same time as recognition of the income associated with the premiums written.

c) Provision for unearned premiums and deferred acquisition costs

The provision for unearned premiums corresponds to the value of written premiums of insurance and reinsurance contracts attributable to subsequent years, that is, the part corresponding to the period from the balance sheet closing date until the end of the period to which the premium relates. It is calculated for each contract using the pro rata temporis method on the respective gross premiums written.

Expenses incurred in the acquisition of non-life insurance contracts, including mediation fees and other expenses charged to the acquisition function, are deferred over the period to which they relate and are recognised as a deduction from the value of the technical provisions of insurance contracts and reflected in the item provisions for unearned premiums.

d) Claims provision

Records the estimated amount of compensation payable for claims that have already occurred, including claims incurred but not reported (IBNR), and the administrative costs to be incurred with the future settlement of claims that are currently in the process of being managed and IBNR claims. Except for mathematical provisions and whole life assistance for workers' compensation, the claims provision set up by the Group is not discounted.

Claims provision for workers' compensation

The provision for workers' compensation claims includes the mathematical provision, the provision for expenses with temporary assistance and the provision for expenses with lifetime assistance.

The purpose of the mathematical provision for workers' compensation is to record the liability relating to:

- Approved pensions - pensions payable in respect of claims the amounts of which are already approved by the Labour Court;
- Defined pensions - estimate of pension liabilities related to claims that have already occurred but are pending a final agreement or judgment;

- Presumed pensions – estimate of pension liabilities related to claims that have already occurred but whose respective clinical processes are not completed at the date of the financial statements or pensions related to claims that have already incurred but not yet reported.

The hypotheses and technical bases used in the calculation of the approved and defined mathematical provisions for workers' compensation are as follows:

	2022		2021	
	Mandatorily redeemable	Non-redeemable	Mandatorily redeemable	Non-redeemable
Mortality table	TD 88/90	INE 2010_2012 by gender	TD 88/90	INE 2010_2012 by gender
Discount rate	5.25%	3.24%	5.25%	2.70%
Management costs	2.40%	3%	2.40%	3%

The mathematical provision for presumed pensions for workers' compensation claims incurred in the tax year is based on an estimate of the number of claims for permanent disability (PD's) and death and the average mathematical provision, representing the expected cost of each of those pensions after approval and including the risk of future revision. For claims incurred in previous years, the variation of this provision corresponds to the difference between the amount paid of pensions and deductions deducted from the estimated technical interest and the variation of the provision for approved and defined pensions.

According to current legislation, the liability inherent in the annual increase in pensions is assumed by the Workers' Compensation Fund (FAT). The Group pays the pensions in full and is subsequently reimbursed for the part corresponding to FAT's liability. The management of this fund is the responsibility of ASF, and its revenues consist of contributions made by insurance companies and workers' compensation insurance policyholders. For this purpose, a provision is made for future contributions to the FAT relating to pension liabilities already existing at the balance sheet date.

The provision for expenses with temporary assistance aims to record the liability related to non-lifetime expenses of victims of workers' compensation. Using monthly development matrices, the number of claims incurred in the year is estimated, which is multiplied by the estimated average cost of temporary assistance expenses for claims incurred in 2022, which results from actuarial projections, based on matrices of payment cadences and participation of claims, in order to obtain the expense for the year for this type of expense. For claims from previous years, the change in the provision corresponds to the amounts paid for temporary assistance expenses recorded in the accounts.

The provision for lifetime assistance (LA) expenses relates to expenses of a lifetime nature and is comprised of:

- Provision for declared lifetime assistance - refers to expenses of a lifetime nature, with injured pension beneficiaries, whose date of service occurs 730 days after the date of occurrence of the claim;
- Provision for presumed lifetime assistance - lifetime expenses related to claims that have already occurred but do not yet present expenses.

This provision is calculated on the following technical bases:

	2022	2021
Mortality table	INE 2010_2012 by gender	INE 2010_2012 by gender
Discount rate	3.24%	2.70%
Rate of inflation	2%	2%
Management costs	2%	2%

The provision for presumed lifetime assistance is calculated using a methodology similar to that described for the mathematical provision for presumed pensions.

Claims provision for motor insurance

The opening of a motor insurance claim automatically generates the recognition of an initial average provision for each sub-claim, which affects the unit at risk and the insurance element in question. The automatic provision also varies with the severity of the bodily harm, if any. This provision may be revised, when the claims manager confirms it is inadequate, with adjustments being made in accordance with the information gathered (specialised technical reports) during the life of the claim, i.e. a specific analysis of the provision is carried out.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Provision for Multi-risk Home Insurance and Multi-risk Business Insurance claims

In the case of Multi-risk Home Insurance and Multi-risk Business Insurance an initial provision is generated at the time of the opening of the claim, depending on the coverages and types of assets affected. The value of these provisions is adjusted when the claim manager receives more detailed information on the compensable damages, namely through expert reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Claims provision for other types of insurance

The claims provision for other types of insurance is calculated on a case-by-case basis by the claims manager and revised whenever updated information is obtained from specialised technical reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Analysis of sufficiency of the claims provisions

The sufficiency of the provisions for the various types of insurance is assessed/validated by actuarial studies performed throughout the year.

The analyses performed include direct liabilities to the insured (whether or not the claims have been reported) as well as future payments, notably contributions to FAT.

The estimates made are mainly based on payment triangles and claims costs, which use both deterministic and stochastic models.

e) Mathematical provision for life insurance

It corresponds to the estimated actuarial value of the insurance Company's commitments, including profit sharing already distributed and after deduction of the actuarial value of future premiums, calculated for each policy according to actuarial methods and according to the respective technical bases.

In the case of life insurance contracts in which the investment risk is borne by the policyholder, this heading only includes any additional technical provisions which may be set up to cover mortality risks, administrative expenses or other expenditure (e.g. guaranteed payments at maturity date or guaranteed surrender values).

f) Provision for profit sharing

The profit-sharing provision includes amounts payable to policyholders or contract beneficiaries, in the form of a profit-sharing scheme, whether already allocated or yet to be allocated, provided that such amounts have not yet been distributed.

Provision for profit sharing to be allocated

This provision includes balances arising from net realised capital gains attributable to insured persons that were carried over from the previous accounting regulations applicable to insurance companies until 2007, which were recorded in the so-called Fund for Future Appropriations. It also reflects the net amount of the subsequent potential capital gains and losses (fair value

adjustments) relating to investments linked to life insurance contracts with a profit-sharing component, in the portion estimated for the policyholder or contract beneficiary, provided that the balances by portfolio are not negative.

This provision is established as a counterpart of the item "Profit sharing to be allocated", of the Income Statement or directly as a counterpart of the revaluation reserves due to adjustments in the fair value of financial assets at fair value through other comprehensive income allocated to life insurance with profit sharing, depending on the classification of the assets.

Throughout the duration of the contracts of each type or set of types, the balance of the provision for profit sharing to be allocated corresponding to this is used in full.

The use of the provision for profit sharing to be allocated is by portfolio, according to the following order of priorities:

- The balances of the net capital gains to be allocated to the insured persons which transited from the former "Fund for Future Appropriations" are used in the first place to cover the losses arising each year in the technical accounts of the respective life insurance products with a profit-sharing component, which were reflected as losses for the Group, and are recognised in its profit or loss up to the limit of the losses they seek to compensate. The Group has been using this procedure since 2011;
- The amounts corresponding to the insured persons' sharing of the potential capital losses of the related portfolios are reflected in this provision until the corresponding positive balance is reached. Thus, amounts arising from the former Fund for Future Appropriations which are still available after the use referred to in the item above are used to offset potential capital losses of the respective portfolios;

- If the balance of the provision for profit sharing to be allocated after previous movements is positive and there are losses to be recovered, calculated in previous years in the technical accounts of the respective products and which have been recognised in the Group's results due to the fact that the income from the affected portfolios was not sufficient to cover the charges arising from the guaranteed technical rates, this positive balance is recognised in the Group's results until the occurrence of said losses to be recovered. This movement can be reversed, which will also have an impact on the Income Statement, once the balance arising from the potential capital gains/losses is no longer positive.

Provision for allocated profit sharing

This provision includes the amounts intended for policyholders or beneficiaries of insurance contracts, in the form of a profit-sharing scheme, which have not yet been distributed but which have already been allocated.

For the majority of the products, this provision is calculated on the basis of the income from the related assets, including the capital gains and losses due to impairment recorded in the period, less any negative balances from previous tax years, in cases where this deduction is provided for in the contract.

g) Provision for interest rate commitments

The provision for interest rate commitments is set up for all insurance and operations in the "Life" line of business where there is an interest rate guarantee, whenever the effective profitability rate of the applications which represent the mathematical provisions of certain insurance contracts is lower than the technical interest rate used to determine the mathematical provisions of those contracts.

h) Provision for portfolio stabilising

The provision for portfolio stabilising is set up for group insurance contracts, which are renewable annually, and which guarantee as their main cover the risk of death, with the aim of responding to any increase in the risk inherent in the increasing average age of the insured group, whenever the latter are charged according to a single rate, which, by contractual agreement, must be maintained for a given period.

i) Equalisation provision

The equalisation provision is intended to cover exceptionally high claims in those lines of business where, by their nature, it is expected to have greater fluctuations. This provision is set up for credit insurance, surety bond insurance, crop insurance, seismic risk and accepted reinsurance — atomic risk, in accordance with that established by the ASF standards.

j) Provision for unexpired risks

It is calculated for all non-life insurance and is intended to cover situations where the premiums attributable to subsequent years relating to contracts in force at the date of the financial statements are not sufficient to pay the compensation and expenses attributable to the respective technical lines of business. This provision is calculated on the basis of the ratios for claims, operating costs, ceding and income, in accordance with ASF definitions.

In the motor insurance line of business in 2021, as a result of the COVID-19 pandemic, the provision for unexpired risks considered for the calculation of the loss ratio, the amount of indemnities obtained by the average of the loss ratios for the years 2017, 2018 and 2019. The ratio used reflects the best expectation for the future risk period. The quantitative impact of this change is disclosed in Note 22.

k) Technical provisions for reinsurance ceded

They are determined by applying the criteria described above for direct insurance, taking into account the transfer percentages as well as the other provisions of the existing treaties.

l) Liabilities to subscribers of Unit-linked products

Liabilities associated with investment contracts issued by the Group in which the risk is borne by the policyholder (Unit-linked products) are recognised at fair value, determined on the basis of the fair value of the assets included in the investment portfolio linked to each of the products, less the corresponding management costs, and are recognised in "Financial liabilities on insurance contracts and operations considered for accounting purposes as investment contracts".

Investment portfolios allocated to Unit-linked products are composed of financial assets, including fixed income securities, variable income securities, derivative instruments and deposits with credit institutions, which are recognised at fair value, with the corresponding unrealised gains and losses recognised in the Income Statement.

For insurance and unit capitalisation operations with capital and income guarantee at the end of the contract, provisions are created by the maximum between the value resulting from the product of the value of the reference unit by the number of units existing and the guaranteed capital and income at the end of the contract discounted until the date of calculation at the guaranteed rate.

m) Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts in accordance with IFRS 4, and which do not include profit sharing with discretionary component, are valued in accordance with the requirements of IFRS 9 and recorded under "Financial liabilities of insurance contracts and operations considered for accounting purposes as investment contracts".

n) Impairment of debtor balances related with insurance and reinsurance contracts

With reference to each date of presentation of financial statements, the Group assesses the existence of evidence of impairment at the level of assets arising from insurance and reinsurance contracts, namely accounts receivable from insured persons, brokers, reinsurers and reinsureds and technical provisions for reinsurance ceded.

If impairment losses are identified, the balance sheet value of the respective assets is reduced in the Income Statement for the year, with the cost being recognised in "Impairment losses (net of reversals)".

2.18. Revenue

Revenues or income are recognised whenever it is probable that economic benefits will flow to the Group and can be reliably assessed.

(i) Fees from financial instruments

The fees related to financial instruments, such as fees charged or paid on contracting of operations, are included in the amortised cost and recognised in the Income Statement throughout the operation, by the effective interest rate method.

(ii) Provision of hospital segment services

Revenue is recognised whenever it is probable that the Group will obtain economic benefits that can be reliably estimated, being measured by the fair value of the instalments received or receivable, net of discounts given and any taxes. The revenue associated with the transaction is recognised with reference to its stage of completion as at the reporting date.

Revenue from activities carried out in the private healthcare segment is recognised based on the services rendered during that period, valued at the prices of those services as set out in a defined price list, regardless of the actual invoice date.

In the case of activities carried out in the public healthcare segment (under the PPP), revenue is recognised in accordance with the services provided valued by the contractual prices agreed with the contracting public entity. Under the agreement, invoicing is monthly for an amount equivalent to 1/12 of 90% of the annual amount agreed for each year. There is an adjustment invoice for services actually provided, during the first six months of the following year. The difference between the amounts invoiced and the actual production is recorded under "Other payables" or "Other receivables" on an accrual basis.

Revenue from senior residences is recognised based on lifetime rights-of-use (ROUs). This recognition is carried out according to the characteristics of each type of contract:

- In lifetime ROUs with no conveyance rights, or with the right to only one conveyance, the value of the agreement is initially recognised as deferred income. Once the member moves into the club, the revenue is recognised for a period that takes into account the age of the member (or of the assignor, if allowed) on the entry date, and the average life expectancy taken from the GRF95 actuarial tables;
- In lifetime ROUs with unlimited conveyance rights, the agreement value is immediately recognised as income and an accrued expense for the unit's portion of the total cost of the buildings is recorded as a cost of sales. The accrued expense is later recognised as revenue in the same period as the depreciation of the corresponding property, plant and equipment.

(iii) Fees for other services provided

Fees for services provided are normally recognised as earnings throughout the period of service provision or on a one-off basis if they relate to payment for the performance of single acts.

(iv) Sale of goods

Revenue from the sale of goods is recognised in the consolidated Income Statement when the significant risks and rewards of ownership of the assets are transferred to the buyer and the amount of the revenue can be measured reliably. Revenue is recognised net of taxes and discounts.

2.19. Cash and cash equivalents and sight deposits

For the purposes of the Cash Flow Statement, the item “Cash and cash equivalents and sight deposits” includes the amounts recorded in the balance sheet with a maturity of less than three months from the date of acquisition, readily convertible into cash and with reduced risk of change in value and cash and deposits with credit institutions, which are not associated with an investment nature.

2.20. Critical accounting estimates and most relevant judgements in the application of accounting policies

When applying the accounting principles described above, the Boards of Directors of Fidelidade and the Group companies are required to make estimates. The estimates with the greatest impact on the Group’s consolidated financial statements include those presented below.

Determination of impairment losses on financial assets

Impairment losses on financial assets are determined according to the methodology defined in Note 2.4. e). As regards the definition of the internal rating, a scoring methodology based on financial indicators intended to assess the solvency capacity of the issuer’s financial commitments is used.

The internal rating assessment consists of analysing a variety of quantitative and qualitative factors to assess a company’s creditworthiness, including its competitive advantage, scale and diversification, operational efficiency and profitability. These factors are assessed to determine the likelihood that a company will be able to meet its financial obligations. The main factors considered are as follows:

- **Competitive advantage.** The Group considers a company’s strategic position and customer attractiveness. This includes factors such as its overall strategy, the uniqueness and quality of its products or services, its market share and any barriers to entry that exist in that industry. In addition, the company’s technological advantage or vulnerability to technological substitution is also considered.
- **Scale, scope and diversification.** The concentration or diversification of a company’s business activities is analysed. This includes factors such as product diversification and geographic diversification, which is combined with quantitative factors such as the size of the market in which it operates and its revenues.
- **Operational efficiency.** The Group assesses the quality and flexibility of a company’s asset base and its ability to manage its cost base. This includes factors such as cost structure, manufacturing processes and working capital management.
- **Profitability.** Various quantitative metrics such as projections or the volatility of profitability over time are combined.

This assessment results in a concrete assessment, a preliminary internal rating, which may also be adjusted in both directions with other qualitative factors, such as the composition of the management team and its governance or the influence of a majority shareholder, a group or the State.

For repack issues, and to the extent that we can look into the underlying assets, we use the average rating of the issues considered in the vehicle. Accordingly, the determination of impairment takes into account the conclusions of the specific evaluation conducted by the Company on the basis of knowledge regarding the situation of the issuers of the financial instruments in question.

The Group considers that impairment determined on the basis of this methodology adequately reflects the risk associated with its portfolio of financial assets, taking into account the rules defined by IFRS 9.

Note 43 presents a sensitivity analysis for the calculation of Expected Credit Losses, with the respective impact if the internal rating is not considered, that is, if these obligations are considered “not rated”.

Impairment of goodwill

As stated in Note 2.3., at least once a year the Group performs analyses of impairment of the goodwill recognised in the balance sheet. These analyses are conducted on the basis of estimates of future cash flows to be generated for each unit, discounted at appropriate rates.

The projections made incorporate a broad set of assumptions regarding the evolution of the future activity of the units under analysis, which may or may not occur in the future. However, these assumptions reflect the Group’s best estimate on the balance sheet date.

To determine the future cash flows of each entity, when using the discounted cash flows method under Goodwill test, the calculation is based on the business model approved by the management of each entity, for a period of 5 years. Cash flows are then discounted at a discount rate that adequately reflects the risk of each business and the market in which the company operates, ranging between 6.3% and 18.1% for December 2022.

For periods after the business model, cash flows are based on a perpetuity that reflects the long-term growth rates expected for each entity based on expected growth rates of inflation, ranging between 1.5% and 3.5% for December 2022.

Below is additional information regarding discount rates and perpetual growth rates by geography:

Region	Sector	Discount rate	Perpetual growth rate
Europe	Insurance, Healthcare and Asset Management	6.3% - 9.0%	1.5% - 2.0%
Africa	Insurance	14.6% - 18.1%	2.0%
Latin America	Insurance	13.0% - 13.5%	3.5%

In order to assess the sensitivity of the recoverable amount to the main assumptions identified, sensitivity tests were carried out, mainly at the discount rate and at the perpetual growth rate. A 0.5 percentage point increase in the discount rate and a 0.5 percentage point decrease in the perpetual growth rate do not result in a potential deterioration of Goodwill.

Valuation of Investment Properties

As referred to in Note 2.8, Investment Properties are valued at each balance sheet date in order to ensure that their balance sheet value does not differ significantly from their fair value. The Group has established a maximum reference period of 2 years between evaluations carried out by qualified expert evaluators.

Investment properties are valued to obtain an estimate of their presumed transaction price, which is normally the market value (fair value). In other words, for the price for which the property can be sold, on the assessment date, by a private contract between an independent seller and buyer. It is understood that the asset is the object of a public offer on the market, that its conditions allow a regular and orderly sale, and that there is a normal period for negotiating the sale, taking into account the nature of the asset. If there are any rental agreements, the assessment of the estimated transaction price takes the rental value into consideration.

The evaluation techniques normally used are:

- a. Market Approach: consists of the valuation of the property by comparison, that is, according to transactions and/or effective proposals for acquisition in relation to properties that have identical physical and functional characteristics, and whose location is within the same area of the real estate market;
- b. Cost Approach: consists of applying the principle that a buyer will not pay more for one asset than the cost to obtain another of equal utility, either by purchase or by 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, making deductions for deterioration and all other relevant forms of obsolescence;

- c. Income Approach: considers the information related to the income and operating expenses of the property under valuation, determining the value through a capitalisation process. In this method, taking into account the principle of replacement of the asset, it is assumed that at a given rate of return required by the market, the flow of revenue generated by the property will lead to the achievement of its most probable value. Thus, the estimate of the value of the property results from the conversion of the income generated by it (usually net revenue) through the application of a given capitalisation rate or discount rate, or even both, which reflect a measure of the expected return on investment.

The main inputs and valuation techniques used in the main projects/assets of the real estate portfolio can be summarised as follows:

Portugal 2022

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Entrecampos	Portugal	Income Method	<ul style="list-style-type: none"> Capitalisation rate Discount rate Estimated rental value Estimated value of sale Construction cost 	<ul style="list-style-type: none"> Capitalisation rate: 5.0%-7.5% Discount rate: 5.0%-6.5% Estimated rental value (storage): 12 euros/sq.ft./month Estimated rental value (services): 22 euros/sq.ft./month Estimated rental value (retail): 16-21 euros/sq.ft./month Estimated rental value (parking): 150-270 euros/unit/month Estimated value of sale (housing): 6,500 euros/sq.ft. (housing) Construction cost (storage): 550 euros/sq.ft. Construction cost (services): 1,200 euros/sq.ft. Construction cost (retail): 650-750 euros/sq.ft. Construction cost (parking): 400-500 euros/sq.ft. Construction cost (housing): 1,500 euros/sq.ft.
New Headquarters	Portugal	Income Method	<ul style="list-style-type: none"> Capitalisation rate Discount rate Estimated rental value Construction cost 	<ul style="list-style-type: none"> Capitalisation rate: 5.0%-7.0% Discount rate: 6.0% Estimated rental value (services): 22 euros/sq.ft./month Estimated rental value (parking): 150-270 euros/unit/month Construction cost (services): 1,200-1,500 euros/sq.ft. Construction cost (parking): 450-500 euros/sq.ft.
VDA Extension	Portugal	Income Method	<ul style="list-style-type: none"> Capitalisation rate Discount rate Estimated rental value Construction cost 	<ul style="list-style-type: none"> Capitalisation rate: 5.0%-5.75% Discount rate: 4.75% Estimated rental value (services): 21.3 euros/sq.ft./month Estimated rental value (retail): 24.5 euros/sq.ft./month Construction cost (services): 700 euros/sq.ft. Construction cost (retail): 400 euros/sq.ft.

Portugal 2021

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Entrecampos	Portugal	Residual Value Method - Discounted Cash Flows	Capitalisation rate Discount rate Estimated rental value Construction cost	Capitalisation rate: 5.0% Discount rate: 12.35% Estimated rental value: 16-19.5 euros/sq.ft./month Construction cost: 1,250 euros/sq.ft. of Gross Construction Area
New Headquarters	Portugal	Residual Value Method - Discounted Cash Flows	Capitalisation rate Discount rate Estimated rental value Construction cost	Capitalisation rate: 5.25% Discount rate: 12.35% Estimated rental value: 16 euros/sq.ft./month Construction cost: 1,250 euros/sq.ft. of Gross Construction Area
VDA Extension	Portugal	Market Comparative Method (Buildings) Income Method (Leased area)	Market value/sq.ft. Capitalisation rate Discount rate Estimated rental value (retail):	Market value/sq.ft.: - Offices: 3,000 euros - Residential: 2,900 euros Capitalisation rate: 6.0% Discount rate: 7.5% Estimated rental value (retail): 27.5 euros/sq.ft.

Europe 2022

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Smithson Plaza	United Kingdom	Income Method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 4.70% Capitalisation rate: 4.99% Estimated rental value: 46.52-200 pounds/sq.ft./month
Medelan ⁽²⁾	Italy	Income Method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 10.75% Capitalisation rate: 4.10% Estimated rental value (office): 626 euros/sq.ft./month Estimated rental value (retail): 1,091 euros/sq.ft./month
Pegasus Park	Belgium	Income Method	Capitalisation rate Estimated rental value Estimated land value	Capitalisation rate: 7.25%-11.00% Estimated rental value (office): 110-125 euros/sq.ft./year Estimated rental value (file): 55-62.5 euros/sq.ft./year Estimated rental value (indoor parking) 1,150-1,250 euros/unit/year Estimated rental value (outdoor parking) 850-950 euros/unit/year Estimated land value: 150 euros/sq.ft.
BC140	Hungary	Income Method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 7.75%-9.25% Capitalisation rate: 7.75%-9.25% Estimated rental value (offices): 12-13 euros/sq.ft./month Estimated rental value (retail): 3.3-13.5 euros/sq.ft./month Estimated rental value (file): 8 euros/sq.ft./month Estimated rental value (Parking): 95 euros/unit/month
Moretown	United Kingdom	Income Method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 6.12% Capitalisation rate: 6.56% Estimated Rental Value: 45-55 pounds/sq.ft./month

Europe 2021

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Smithson Plaza	United Kingdom	Income Method	Reversionary Yield Equivalent Yield Average rental income/sq.ft./year	Reversionary Yield: 5.1% Equivalent Yield: 4.7% Average rent/sq.ft./year 113.96 pounds
Medelan	Italy	Income Method	Discount rate Capitalisation rate Estimated rental value Construction cost	Discount rate: 7.50% Capitalisation rate: 4.50% Estimated rental value (offices): 522 euros/sq.ft. Estimated rental value (retail): 1,047 euros/sq.ft.; Construction cost: 1,898 euros/sq.ft. of Gross Construction Area
Pegasus Park	Belgium	Income Method	Capitalisation rate Discount rate Estimated rental value	Capitalisation rate: 6.75% Discount rate: 8.75% Estimated rental value: 135-140 euros /sq.ft.
BC140	Hungary	Income Method	Capitalisation rate Estimated Rental Value	Capitalisation rate: 7.75-8.75% Estimated rental value (offices): 12 13.5 euros/sq.ft./month Estimated rental value (retail): 13.5 euros/sq.ft./month Estimated rental value (archive): 8 euros/sq.ft./month Estimated rental value (parking): 95 euros/unit/month
Moretown	United Kingdom	Income Method	Discount rate Capitalisation rate Estimated rental value	Discount rate: 5.79% Capitalisation rate: 6.29% Estimated rental value (average): 42.3 pounds/sq.ft./year

Rest of the World 2022

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Logistics Portfolio	Japan	Income Method	Capitalisation rate Discount rate Estimated rental value	Discount rate: 3.40%-4.50% Capitalisation rate: 3.80%-4.90% Estimated rental value (logistics): 2,600-7,470 yen/tsubo/month
Rendina	United States of America	Comparative Method and Income Method	Internal Rate of Return Capitalisation rate Estimated rental value	Internal Rate of Return: 6.75%-9.00% Capitalisation rate: 6.25%-8.25% Estimated Rental Value: 14.0-35.0 dollars/sq.ft./month

⁽¹⁾ Homogenised terminology for the purpose of disclosure in the financial statements;

⁽²⁾ June 2022 Assessment.

Rest of the World 2021

Assets	Geography	Assessment Method	Main assumptions ⁽¹⁾	Considered values
Logistics Portfolio	Japan	Income Method	Capitalisation rate Discount rate Estimated rental value	Capitalisation rate: 4.6% Discount rate: 4.2% Estimated rental value (average): 4,676 yen/tsubo/month

The Group considers that the valuations obtained based on these methods correspond to the best estimate of the fair value of these assets at the balance sheet date.

Sensitivity analyses were carried out considering reasonable variations of the main assumptions noted above, assuming all other constant variables,

identifying the impact on the fair value of the properties. The variations assumed in this sensitivity analysis also take into account the current economic situation.

At 31 December 2022, the quantitative sensitivity analysis of the main investment properties is presented below:

	Evaluation	Increase in ERV ⁽¹⁾ 10%	Increase in income per year 1 pp	Increase in the rate of long-term vacancies 1 pp	Increase in discount rate 0.25 pp	Increased cost of construction 100 euros/sq.ft	Increase in construction period 6 months
Moretown (GBP)	305,675,000	341,972,769	n.a.	n.a.	289,411,736	n.a.	n.a.
BC140* (EUR)	23,700,000	26,200,000	n.a.	n.a.	22,800,000	n.a.	n.a.
Rendina (USD)	118,600,000	n.a.	n.a.	n.a.	116,336,952	n.a.	n.a.
Logistics (JPY)	14,664,000,000	16,082,000,000	16,013,000,000	14,527,000,000	13,831,000,000	n.a.	n.a.
Pegasus (EUR)	126,320,000	136,350,000	n.a.	n.a.	123,010,000	n.a.	n.a.
Smithson Plaza (GBP)	152,809,513	167,324,460	n.a.	n.a.	144,428,072	n.a.	n.a.
Medelan (EUR)	574,220,000	Not available	Not available	Not available	Not available	Not available	Not available
Entrecampos - Parcel A (EUR)	106,278,600	123,589,100	105,976,600	105,312,900	103,878,300	99,749,000	104,917,200
Entrecampos - Parcel B1 (EUR)	112,448,400	130,560,100	112,084,500	111,446,900	109,959,300	105,597,700	107,309,200
Entrecampos - Parcel B2 (EUR)	84,916,700	87,828,900	84,871,000	84,643,800	83,561,200	79,462,400	83,826,300
Entrecampos - Parcel B3 (EUR)	6,273,400	6,686,700	6,636,300	6,507,100	6,145,000	5,221,300	6,178,900
New Headquarters - Parcel C (EUR)	59,955,100	71,783,100	59,762,500	59,285,000	58,289,900	54,946,200	59,519,700
VDA Largo Conde Barão (EUR)	6,288,000	7,027,000	n.a.	n.a.	6,258,000	6,085,000	6,079,000

* valuations in euros

⁽¹⁾ Estimated Rental Value: The current rent which can be reasonably expected to lease a space in a property at, given the current market conditions (source: INREV).

As set out in IFRS 13, valuations of properties maximise the use of observable market data. However, since most valuations also consider unobservable data, the fair value of the Group's properties is classified in level 3 of the fair value hierarchy defined by IFRS 13.

Determination of income tax

The companies in the Group determine income tax (both current and deferred) based on the rules defined by the tax framework in force. However, in some situations the tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the amounts recognised result from the best understanding of the responsible bodies of Fidelidade – Companhia de Seguros, S.A. and of the companies in the Group with regard to the correct presentation of their operations, which may, however, be questioned by the Tax Authorities. Additional detail on tax assets and liabilities is disclosed in Note 19.

Provisions and contingent liabilities

As mentioned in Note 2.15, provisions are made when there is a present obligation (legal or constructive) resulting from past events for which future expenditure of resources is probable, and this can be reliably determined.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

The decision regarding the recognition of provisions and their measurement takes into account the assessment made by the Group regarding the risks and uncertainties associated with the ongoing processes and the expectation of materialising the expenditure of resources, with reference to the best information available at the closing date of the financial statements.

Employee benefits

As noted in Note 2.16, the Group's liabilities for post-employment benefits and other long-term benefits granted to its employees are determined based on actuarial assessments. These assessments incorporate, in particular, financial and actuarial assumptions on mortality, disability, wage and pensions growth, assets return and discount rates, among others, detailed in Note 36. The assumptions adopted correspond to the best estimate of the Group and its actuaries regarding the future behaviour of the respective variables.

Determination of liabilities on insurance and reinsurance contracts

The Group's liabilities for insurance and reinsurance contracts are determined based on the methodologies and assumptions described in Note 2.17. The calculation of the claims provision reflects a quantified estimate of the impact of future events on the Group's insurance companies' accounts, based on actuarial assumptions, claims history and other accepted methods in the sector.

Given the nature of the insurance activity, the determination of claims provision and other liabilities for insurance and reinsurance contracts is highly subjective, and the actual amounts to be disbursed in the future may be significantly different from the estimates made. Note 50 discloses additional information on assumptions in risk assessment and sensitivity analyses.

The Group considers, however, that the liabilities on insurance and reinsurance contracts recognised in the consolidated financial statements adequately reflect the best estimates at the balance sheet date of the amounts to be disbursed by the Group.

2.21. Subsequent events

Events occurring after the balance sheet date that provide additional information about the conditions existing at the balance sheet date are reflected in the financial statements.

Events occurring after the balance sheet date that provide additional information about conditions that existed after the balance sheet date are included in the notes to the accounts, if considered material.

2.22. Adoption of standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), as endorsed by the European Union

2.22.1. Adopted Standards (New or Revised)

During the course of 2022, the Group adopted in the preparation of its financial statements the standards and interpretations issued by the IASB and IFRIC, respectively, provided that they are endorsed by the European Union, with application in financial period beginning on or after 1 January 2022. The relevant changes for the Group were as follows:

Standard / Interpretation	Issue Date	EU Regulations	Applicable in the fiscal years started on or after
IFRS 3 - Business Combinations (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 3 - Business Combinations: References to the Conceptual Structure (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 9 - Financial Instruments (Annual improvements of the IFRS standards - 2018-2020)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment : Amounts received before the intended use (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - costs of fulfilling a contract (Amendment)	14-05-2020	2021/1080	01-01-2022

2.22.2. Standards, Interpretations, Amendments and Revisions That Will Take Effect in Future Exercises

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have been, until the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Issue Date	EU Regulations	Applicable in the fiscal years started on or after
IFRS 17 - Insurance Contracts	18-05-2017	2021/2036	01-01-2023
IFRS 17 - Insurance Contracts (Amendment)	25-06-2020	2021/2036	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	12-02-2021	2022/357	01-01-2023
IAS 8 - Accounting policies, Changes in the Accounting Estimates and Errors: Definitions of accounting estimates (Amendment)	12-02-2021	2022/357	01-01-2023
IAS 12 - Income Taxes: Deferred Taxes relating to the Assets and Liabilities resulting from a Single Transaction (Amendment)	07-05-2021	2022/1392	01-01-2023
IFRS 17 - Insurance Contracts: Initial Submission of the IFRS 17 and IFRS 9 - Comparative Information (Amendment)	09-12-2021	2022/1491	01-01-2023

The International Financial Reporting Standard 17

The Group presents the main accounting policies to be applied in the Group's financial statements as of the entry into force of IFRS 17. This standard deals with the classification, recognition, measurement, submission and disclosure of liabilities with insurance and reinsurance contracts, replacing IFRS 4. IFRS 17 results in significant changes in the submission of the financial statements of insurance undertakings, with material impacts on the data, systems and processes used for the preparation of financial reporting. It shall enter into force on 1 January 2023, with a transition date of 1 January 2022.

At this date, it is not possible to reasonably determine the expected impact of the application of IFRS 17 on the Group's financial statements.

a) Measurement models

The standard allows the use of three different measurement methods (GMM – General measurement model; PAA – Premium allocation approach and VFA – Variable fee approach), depending on the characteristics of the insurance contract. The analysis of the eligibility of insurance contracts for each measurement model was carried out at the transition date.

By product typology, the models adopted for the measurement of insurance and reinsurance contracts of the Group are:

Segment	Type of product	Measurement model
Life insurance	Income	GMM
	Capitalisation	
	Risks ⁽¹⁾	
	Risks ⁽²⁾	PAA
	Reinsurance	
	Unit-Linked with risks ⁽³⁾	VFA
Non-Life insurance	Reinsurance	PAA
	Direct Insurance	

⁽¹⁾ With a contractual limit exceeding one year;

⁽²⁾ With contractual limit less than or equal to one year;

⁽³⁾ Applicable only to International Entities of the Fidelidade Group.

b) Discount rate

In order to adjust estimates of future cash flows to reflect the time value of cash and associated financial risks, the Group has chosen to apply three methodologies based on cash flow characteristics in accordance with the guidance set out in the Standard.

Given that IFRS 17 is not prescriptive in relation to the method of determining discount rates, but establishes a set of general principles to consider, the Group has adopted the following approaches: (i) bottom-up approach or top-down approach for groups of contracts whose cash flows do not vary based on the underlying financial instruments; (ii) stochastic approach for groups of contracts whose cash flows vary partially based on the underlying financial instruments; (iii) based on the return of the portfolio of assets for groups of contracts whose cash flows vary entirely based on the underlying financial instruments.

By product typology, the approaches for determining the discount rates applied are:

Segment	Type of product	Approach
Life insurance	Income	Top-down
	Risk	Bottom-up
	Capitalisation with guaranteed rate	Stochastic approach
	Unit-Linked with risk	Return on assets
Non-Life insurance	Reinsurance	Bottom-up
	Direct Insurance	
	Workers' Compensation	Top-down

The discount curve through the top-down approach in the Group is obtained from the yield of a reference portfolio – composed of corporate bonds – with cash flows similar to those of the respective portfolio of insurance contracts, deducted from the risks that insurance contracts are not exposed. As the reference portfolios used by the Group are composed solely of corporate bonds, only credit risk needs to be quantified and excluded. Credit risk is quantified through Credit Default Swap (CDS) constituting the reference portfolios.

The discount curve through the bottom-up approach is obtained from the sum between a risk-free discount curve and a curve that quantifies the illiquidity premium. IFRS 17 does not indicate any restrictions on the risk-free curve to be used, and the Group chose to use EIOPA's risk-free discount curve calculation methodologies, thus ensuring convergence with the Solvency criteria. With regard to the calculation of the illiquidity premium, it is obtained whenever there is market information based on mortgage bonds, and applying an illiquidity adjustment based on the level of expected illiquidity of insurance contracts, which is currently considered to be 50%.

The discount curve taking into account the return on assets is obtained through the expected return of each portfolio of assets underlying each group of life contracts in which the investment risk is borne by the policyholder, based on projections by asset typology.

The stochastic approach takes into account the return of the underlying assets and the guaranteed rate of each of the products, for which different scenarios of future growth are created in which it is estimated that the probability of the return of the assets is higher than the guaranteed rate. The final discount curve is a weighted average between the return on assets and the bottom-up discount curve.

For the points of the discount curves for which there is no market information that is considered adequate by the Solvency criteria, the extrapolation criterion provided for by those criteria shall be used.

Discount curves are determined with annual observations for which the continuous capitalisation method is applied to discount estimated cash flows for insurance contracts.

c) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk shall reflect the non-financial risk arising from insurance contracts, including uncertainty about the amount and timing of cash flows

The risk adjustment for non-financial risk of the Life insurance is calculated using the Cost of Capital (CoC) methodology.

The risk adjustment for non-financial risk of the Non-Life segments consists of the application of value at risk (VaR).

For the Workers' Compensation line of business, given that there are simultaneously cash flows modelled with Life and Non-Life insurance techniques, the risk adjustment for non-financial risk will be calculated as described above, respectively CoC and VaR.

Changes in the risk adjustment for non-financial risk are presented in their entirety in the results of insurance services.

d) Margin of contractual services

The Contract Service Margin (CSM) represents the expected future profit of the groups of insurance contracts, which will be recognised as income during the coverage period of the contracts, according to a transfer pattern consistent with the level of service provided in each reporting period.

Below is a summary table of CSM's release standards, applicable to the Group's portfolio by product typology:

Segment	Type of product	CSM release standard
Life insurance	Income	Total amount of income expected to be paid in the future
	Risk	Maximum between the expected mathematical provisions and the amount insured per policy, on each future date
	Capitalisation	
Non-Life insurance	All	Not applicable (measurement model is the PAA)

In the case of groups of insurance contracts measured by the PAA, the income for the period corresponds to the amount of expected premium income allocated to the period, based on the passage of time.

e) Transition approaches

IFRS 17 allows the use of three different transition approaches – Full Retrospective Approach (FRA), Modified Retrospective Approach (MRA) and Fair Value Approach (FVA), depending on the availability and retrieval of historical information.

The Group chose to apply the retrospective method in situations where it is possible to recover all historical information, namely the products measured by PAA. For the other products, considering the impracticality of recovering historical information, the fair value method was applied. The transition was calculated with reference to 31 December 2021.

f) Selection of accounting policy for insurance financial income and expenses

The Group chose to break down the income and financial expenses of insurance for the period between the Income Statement and Other Comprehensive Income, including in Other Comprehensive Income the differences in cash flows updated with the current discount curves at the reference date and the discount curves determined at the date of initial recognition of each group of contracts, for groups of insurance contracts without direct participation characteristics, where changes in assumptions regarding financial risks do not have a substantial effect on the amounts paid to policyholders.

g) Annual cohort exemption

Regulation No. 2021/2036, published on 23 November 2021, which adopts IFRS 17 for the European Union provides for the optional exemption from the application of the requirement of annual cohorts for mutualised products on an intergenerational basis and with cash flow compensation. The Group has chosen not to adhere to this exemption.

Minimum worldwide level of taxation for multinational groups and large national groups

On 12 December 2022, the EU published a Directive on ensuring a global minimum level of taxation for multinational groups and large national groups in the Union, under BEPS 2.0 Pillar 2 Base Erosion and Profit Shifting, which provides for an effective minimum rate of 15% for multinational groups with revenues above 750 million euros, with the main objective of each subsidiary paying its share of taxes, preventing competition in corporate tax rates.

To this end, two mechanisms are foreseen:

- Income Inclusion Rule (hereinafter "IIR"): for jurisdictions in which the group does not reach the minimum effective rate of 15%, this tax differential due will be required at the level of any entity located in the tax-deficit jurisdictions;
- Undertaxed Profit Rule (hereinafter "UTPR"): if there are no group entities to which the tax differential can be charged, it will be due by the other group entities, based on the number of employees and the value of their tangible assets.

The Directive should be transposed by Member States into their national law by 31 December 2023, with the IIR rule applying to tax periods beginning on or after 1 January 2024 and the UTPR rule applying to tax years beginning on or after 1 January 2025.

In view of the above, considering the turnover of the Fosun Group and the transposition of the directive into Portuguese domestic law (which is expected to occur by the end of the 2023 financial year), globally, during 2023, the Group will quantify and qualify the impacts of this new global minimum taxation regulation

2.22.3. Standards, Interpretations, Amendments and Revisions Not Yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have not been endorsed by the European Union until the date of approval of these financial statements:

Standard / Interpretation	Issue Date	Applicable in the fiscal years started on or after
IAS 1 - Presentation of Financial Statements: classification of current and non-current liabilities (Amendment)	23-01-2020	01-01-2024
IAS 1 - Presentation of Financial Statements: classification of current and non-current liabilities - Deferral of effective date (Amendment)	15-07-2020	01-01-2024
IAS 1 - Presentation of Financial Statements: Non-current liabilities with Covenants (Amendment)	31-10-2022	01-01-2024
IFRS 16 - Leases: Lease Liabilities in a sale transaction with a repurchase agreement (Amendment)	31-10-2022	01-01-2024

These standards have not been endorsed by the European Union and, as such, have not been applied by the Group for the year ended 31 December 2022, and it is not possible at this time to assess the impact on the financial statements.

3. GROUP COMPANIES AND TRANSACTIONS OCCURRED IN THE YEAR

The structure of the Group at the level of subsidiary companies, by sectors of activity, as of 31 December 2022 and 2021, can be summarised as follows:

Sector of activity/Entity	Country	Effective share %	
		2022	2021
Insurer			
Fidelidade - Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Multicare - Seguros de Saúde, S.A.	Portugal	100.00%	100.00%
Fidelidade Assistência - Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Via Directa - Companhia de Seguros, S.A.	Portugal	100.00%	100.00%
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	100.00%
Fidelidade Angola - Companhia de Seguros, S.A.	Angola	70.03%	70.03%
Garantia - Companhia de Seguros de Cabo Verde, S.A.	Cape Verde	55.89%	55.89%
Fidelidade Macau - Companhia de Seguros, S.A.	Macao	100.00%	100.00%
Fidelidade Macau Vida - Companhia de Seguros, S.A.	Macao	100.00%	100.00%
La Positiva Seguros Y Reaseguros S.A.A.	Peru	93.93%	91.50%
La Positiva Vida Seguros y Reaseguros S.A.	Peru	55.98%	54.69%
Alianza Vida Seguros y Reaseguros S.A.	Bolivia	47.13%	46.54%
Alianza Compañía de Seguros y Reaseguros E.M.A S.A.	Bolivia	56.00%	55.43%
Alianza Garantía Seguros Y Reaseguros S.A.	Paraguay	28.42%	27.99%
La Positiva S.A. Entidad Prestadora de Salud	Peru	68.51%	66.84%
Fid Chile Seguros Generales S.A.	Chile	99.28%	99.28%

(continuation)

Sector of activity/Entity	Country	Effective share %	
		2022	2021
Seguradora Internacional de Moçambique, S.A.	Mozambique	70.00%	70.00%
Liechtenstein Life Assurance AG	Liechtenstein	70.00%	0.00%
Real Estate			
Fidelidade - Property Europe, S.A.	Portugal	100.00%	100.00%
Fidelidade - Property International, S.A.	Portugal	100.00%	100.00%
Fundo de Investimento Imobiliário Aberto IMOFID	Portugal	49.73%	48.39%
FPI (UK) 1 LIMITED	United Kingdom	100.00%	100.00%
FPE (IT) Società per Azioni	Italy	95.76%	95.76%
FPE (Lux) Holding S.à r.l.	Luxembourg	100.00%	100.00%
Thomas More Square (Lux) Holdings S.à r.l.	Luxembourg	99.30%	99.30%
Thomas More Square (Lux) S.à r.l.	Luxembourg	99.70%	100.00%
Broggi Fund	Italy	95.76%	100.00%
Broggi Retail S.r.l.	Italy	95.76%	100.00%
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	100.00%
FPE (BE) Holding S.A.	Belgium	100.00%	100.00%
FPE (PT), S.A.	Portugal	100.00%	100.00%
IBERFID - Fundo de Investimento Imobiliário Fechado	Portugal	100.00%	100.00%
FPE (HU) Kft.	Hungary	100.00%	100.00%
FPE (UK) 1 LIMITED	United Kingdom	100.00%	100.00%
FPE (Lux) 1	Luxembourg	100.00%	100.00%

(continuation)

Sector of activity/Entity	Country	Effective share %	
		2022	2021
FPE (PT), SGPS, S.A.	Portugal	100.00%	100.00%
FPE (PT) OFFICE A, S.A.	Portugal	100.00%	100.00%
FPE (PT) 2 OFFICE B, S.A.	Portugal	100.00%	100.00%
FPE (PT) 3 RESIDENTIAL, S.A.	Portugal	100.00%	100.00%
FPE (PT) 4 RET, S.A.	Portugal	100.00%	100.00%
FPE (PT) 5 PARK, S.A.	Portugal	100.00%	100.00%
GK Lisbon	Japan	100.00%	100.00%
TMK Lisbon	Japan	97.00%	97.00%
EA One Holding, Inc.	USA	57.00%	44.16%
Healthcare			
Luz Saúde, S.A.	Portugal	99.86%	50.85%
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	100.00%	100.00%
Multi Health, S.A.	Portugal	100.00%	0.00%
Other sectors			
Cetra - Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	100.00%
E.A.P.S. Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	100.00%
GEP - Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100.00%
Fidelidade - Serviços de Assistência, S.A.	Portugal	100.00%	100.00%
Cares - Assistência e Reparações, S.A.	Portugal	100.00%	100.00%
FCM Beteiligungs GmbH	Germany	0.00%	100.00%

(continuation)

Sector of activity/Entity	Country	Effective share %	
		2022	2021
FID III (HK) LIMITED	Hong Kong	100.00%	100.00%
Fidelidade - Consultoria e Gestão de Risco, Lda.	Mozambique	0.00%	100.00%
GEP Moçambique – Gestão de Peritagens, Limitada	Mozambique	100.00%	100.00%
FID Loans 1 (Ireland) Limited	Ireland	100.00%	100.00%
Universal - Assistência e Serviços, Lda.	Angola	56.02%	80.00%
FID LatAm SGPS, S.A.	Portugal	100.00%	100.00%
GEP Cabo Verde Gestão de Peritagens, Lda.	Cape Verde	88.97%	100.00%
FID Perú, S.A.	Peru	100.00%	100.00%
FID Chile, SpA.	Chile	100.00%	100.00%
FID Chile & MT JV SpA	Chile	99.28%	99.28%
Alianza SAFI, S.A.	Bolivia	26.70%	26.40%
Full Assistance S.r.l.	Bolivia	52.45%	51.88%
Worldwide Security Corporation S.A.	Bolivia	53.21%	51.15%
FID I&D, S.A.	Portugal	100.00%	100.00%
Tenax Capital Limited	United Kingdom	80.00%	75.00%
Cetra - Car Remarketing, S.A.	Portugal	51.00%	51.00%

(continuation)

Sector of activity/Entity	Country	Effective share %	
		2022	2021
the prosperity company AG	Liechtenstein	70.00%	0.00%
prosperity brokershome AG	Liechtenstein	70.00%	0.00%
prosperity solutions AG	Liechtenstein	70.00%	0.00%
prosperity solutions GmbH	Germany	70.00%	0.00%
prosperity cashtech AG	Liechtenstein	70.00%	0.00%
prosperity funds SICAV	Liechtenstein	70.00%	0.00%
prosperity brokershome GmbH	Germany	70.00%	0.00%
Fid Real Assets, SGPS, S.A.	Portugal	100.00%	0.00%
Fid Real Assets Spain, S.L.	Spain	100.00%	0.00%

The main movements in the Group's subsidiaries during 2022 were as follows:

On 6 January 2022, the company Fidelidade - Consultoria e Gestão de Risco, Lda. was liquidated.

On 27 January 2022, the Group acquired 70,000 shares of the prosperity company AG ("TPC"), for the amount of 27,513,859 euros, now holding a 70% stake in the TPC Group, which is made up of the companies: liechtenstein life assurance AG; prosperity brokershome AG; prosperity solutions AG; prosperity solutions GmbH; prosperity cashtech AG; prosperity funds SICAV; prosperity brokershome GmbH.

In March, the Group acquired a further 12.84% of EA One Holding, Inc. for the amount of 5,691,792 euros, and now holds a 57% stake in the company's share capital (Note 5). This transaction does not classify as a Business Combination as defined in IFRS 3, so it was recorded as an Asset Acquisition. As such, the difference between the value of the net assets acquired, which amounted to 6,383,346 euros on the acquisition date, and the acquisition value was recorded under "Investment Properties".

In March 2022, the Group increased the share capital of Worldwide Security Corporation S.A. to 53.21%.

On 7 April 2022, the company Multi Health, S.A. was incorporated, with a share capital of 50,000 euros, 100% owned by the Group.

On 1 June 2022, the company fid Real Assets, SGPS, S.A. was incorporated, with a share capital of 50,000 euros, 100% owned by the Group.

On 30 September 2022, Fidelidade acquired from Fosun International Limited ("FIL") 46,815,704 shares of Luz Saúde, S.A., representing 49% of its share capital, for the amount of 280,000,000.00 Euros, now holding a 99.86% stake. The payment of this amount was made by partial compensation against the amount of 278,910,000 Euros as principal and overdue interest, owed by FIL to Fidelidade under the terms of the Xingtao Bond which was thus extinguished, with the remainder being paid in cash.

In August 2022, the company Prosperity Brokershome GmbH was incorporated, with a share capital of 48,197 Euros, 70% owned by the Group.

On 2 August 2022, the company Fid Real Assets Spain, S.L., was incorporated, with a share capital of 10,000 Euros, 100% owned by the Group.

In October 2022, the Group acquired 15,000 shares of Tenax Capital Limited, for the amount of 402,439 Euros, now holding an 80% stake.

In October 2022, the Takeover Bid (OPA) took place, culminating in the acquisition of 42.93% of La Positiva Seguros Y Reaseguros S.A. by FID Peru S.A. in the amount of 103,123,066 Euros. Given this operation, the amount of the put option that was accounted for under the item "Financial liability of the put option" was cancelled, presenting a zero balance on 31 December 2022, pursuant to Note 24. This acquisition resulted in a 2.43% increase in the actual stake.

In December 2022, FCM Beteiligungs GmbH was liquidated.

On 30 December 2022, the name of FSG Saúde – Fundo de Investimento de Imobiliário Fechado changed to IBERFID – Fundo de Investimento Imobiliário Fechado.

4. CASH AND CASH EQUIVALENTS AND SIGHT DEPOSITS

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Cash		
Headquarters	1,863,202	1,910,845
Delegations	-	91,857
	1,863,202	2,002,702
Sight deposits		
Domestic currency	483,873,184	612,299,650
Foreign currency	151,693,163	336,952,225
	635,566,347	949,251,875
	637,429,549	951,254,577

5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

Operation sector/Entity	Country	2022		2021	
		Effective share %	Balance Sheet Value	Effective share %	Balance Sheet Value
Associates					
Real Estate					
EA One Holding, Inc. (a)	USA	57.00%	-	44.16%	21,687,510
			-		21,687,510
Healthcare					
Genomed – Diagnósticos de Medicina, S.A.	Portugal	0.00%	-	37.50%	239,143
			-		239,143
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas deAcidentes, S.A. (b)	Portugal	34.78%	1,269,376	34.78%	1,456,253
HL - Sociedade Gestora do Edifício, S.A.	Portugal	10.00%	611,797	10.00%	611,797
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	1,077,068	49.00%	61,597
Transacciones Especiales S.A.	Peru	0.00%	-	44.48%	606,910
Constellation, S.A.	Mozambique	20.00%	5,686,304	20.00%	5,358,212
Beiranave, S.A.	Mozambique	22.48%	66,168	22.84%	62,354
BLUE ADCO - Consultoria e Assessoria em Investimentos Turísticos, S.A.	Portugal	20.00%	9,998	0.00%	-
BLUE OPCO – Exploração e Gestão de Ativos Turísticos, S.A.	Portugal	20.00%	448,578	0.00%	-
			9,169,287		8,157,123
			9,169,287		30,083,777

(a) In March 2022 it joined the Group as a subsidiary.

(b) Values from March 2022 and March 2021, respectively (accounting period from March 2021 to March 2022 and March 2020 to March 2021).

The main movements in the Group's associates and joint ventures during 2022 were as follows:

In March 2022, the Group acquired a further 12.84% of the company EA One Holding, Inc. to hold a 57% stake in the company's share capital, and the company became part of the Group as a subsidiary (Note 3).

In October 2022, the associate Transacciones Especiales S.A. was sold.

In 2022 the Group sold the associate Genomed - Diagnósticos de Medicina Molecular, S.A.

In 2022, the companies BLUE ADCO - Consultoria e Assessoria em Investimentos Turísticos, S.A. and BLUE OPCO – Exploração e Gestão de Ativos Turísticos, S.A. joined the Group, through the constitution of the company Fid Real Assets Spain, S.L. Sociedad Unipersonal, by Fid Real Assets, SGPS, S.A.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Investments related to Unit-linked contracts	2,981,339,956	1,578,537,795
Debt instruments		
From public debt		
From foreign issuers	97,840	120,629
From other issuers		
From foreign issuers	230,640,466	424,831,777
	230,738,306	424,952,406
Equity instruments		
From residents	96,540,206	99,745,854
From non-residents	354,550,526	475,064,020
	451,090,732	574,809,874

(continuation)

(amounts in euros)

	2022	2021
Other financial instruments		
Investment units		
From residents	144,885,806	145,217,298
From non-residents	633,563,233	864,326,501
	778,449,039	1,009,543,799
Credit and other receivables	295,928,605	372,278,538
Derivative instruments with positive fair value		
Interest rate swaps	40,030	33,949
Currency futures	66,318,443	4,077,500
Interest rate futures	5,693,596	1,983,568
Exchange forwards	8,709,318	3,678,123
Other derivatives	18,953,462	4,796,135
	99,714,849	14,569,275
	4,837,261,487	3,974,691,687

Investments related to Unit-linked contracts correspond to assets managed by the Group's insurers whose risk is borne by the policyholder. Accordingly, the assets are recognised at fair value, and the liability to the insured is recognised in the "Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts" accounting heading.

At 31 December 2022 and 2021, the item includes fixed income securities with embedded derivatives in the amounts of 230,640,466 Euros and 424,831,777 Euros, respectively. These securities are recognised at their fair value, which is

assessed on the basis of the prices indicated by the respective issuing bodies for the whole amount of the instrument, in line with the market conditions in operation at the reference date of the financial statements.

At 31 December 2022 and 2021, the Group recognised losses on the valuation of these investments in the amount of (6,723,049) Euros and (2,046,821) Euros, respectively.

At 31 December 2022 and 2021, the investments related to Unit-linked contracts were as follows:

(amounts in euros)

	2022	2021
Debt instruments		
From public debt		
From domestic issuers	40,287,731	13,611,387
From foreign issuers	72,458,690	8,830,740
From other public issuers		
From domestic issuers	3,904,584	5,405,273
From foreign issuers	774,608	-
From international financial bodies	19,427,581	292,580
From other issuers		
From domestic issuers	183,438,937	177,164,362
From foreign issuers	809,073,888	399,587,168

(continuation)

(amounts in euros)

	2022	2021
From Group companies	24,301,100	24,203,104
	1,153,667,119	629,094,614
Equity instruments		
From residents	422,500	497,500
From non-residents	124,576,173	134,789,654
	124,998,673	135,287,154
Other financial instruments		
Investment units		
From residents	127,898,647	126,387,897
From non-residents	1,458,855,889	544,169,130
Others		
From residents	6,261,757	23,544,695
	1,593,016,293	694,101,722
Transactions to be settled	(4,612,102)	(2,311,647)
Other deposits	872,055	239,650
Derivative instruments with positive fair value		
Interest rate swaps	84,812	71,927
Interest rate futures	1,467,530	89,220

(continuation)

(amounts in euros)

	2022	2021
Exchange forwards	1,821,190	-
Other derivatives	110,024,386	121,965,155
	113,397,918	122,126,302
	2,981,339,956	1,578,537,795
Other assets		
Properties	47,043,796	39,216,079
Sight deposits	106,372,674	142,516,087
Term deposits	1,058,363	-
	154,474,833	181,732,166
	3,135,814,789	1,760,269,961

At 31 December 2022 and 2021, the total assets eligible for application of the overlay approach are as follows:

(amounts in euros)

	2022	2021
Equity instruments		
From residents	91,390,917	99,142,694
From non-residents	330,751,612	469,009,511
	422,142,529	568,152,205
Other financial instruments		
Investment units		
From residents	47,097,286	136,199,286
From non-residents	473,727,946	863,848,733
	520,825,232	1,000,048,019
	942,967,761	1,568,200,224

At 31 December 2022 and 2021, the total adjustment for the overlay approach is as follows:

(amounts in euros)

	2022	2021
Equity instruments		
From residents	(1,730,419)	(6,349,648)
From non-residents	(5,136,520)	(18,617,046)
	(6,866,939)	(24,966,694)
Other financial instruments		
Investment units		
From residents	(8,401,591)	(18,142,906)
From non-residents	2,002,437	(20,917,718)
	(6,399,154)	(39,060,624)
	(13,266,093)	(64,027,318)

During the 2022 period, the conditions for the applicability of the overlay approach to assets allocated to portfolios of fixed-rate contracts were no longer verified. The amount that would have been reclassified between profit or loss and other comprehensive income in the period had the overlay approach not been withdrawn would have been (28,135,628) Euros. The amount reclassified in the period from accumulated other comprehensive income to profit or loss for financial assets whose designation has been withdrawn corresponds to 41,538,376 Euros.

7. DERIVATIVES

The Group performs operations with derivative products as part of its activity, essentially with the aim of reducing its exposure to currency fluctuations and interest rates.

At 31 December 2022 and 2021, these operations were valued in line with the criteria in Note 2.6.d). On these dates, the notional amount and the book value had the following breakdown:

The Group monitors the risks of its derivative activities through procedures for approving transactions, defining exposure limits by product and counterparty, and monitoring the evolution of their results.

(amounts in euros)

	2022							
	Notional Amount			Book Value				
	Derivatives at fair value through profit or loss	Hedge derivatives	Total	Derivatives at fair value through profit or loss		Hedge derivatives		Total
Assets (Note 6)				Liabilities (Note 24)	Liabilities	Liabilities		
Fair value hedge								
Interest rate swaps	668,155	-	668,155	124,842	-	-	-	124,842
Currency swaps	833,807,114	-	833,807,114	-	(20,401,155)	-	-	(20,401,155)
Currency futures	1,706,625,000	-	1,706,625,000	66,318,443	(1,081,769)	-	-	65,236,674
Interest rate futures	170,100,000	-	170,100,000	7,161,126	(73,963)	-	-	7,087,163
Exchange forwards	322,186,986	-	322,186,986	10,530,508	(3,681,183)	-	-	6,849,325
	3,033,387,255	-	3,033,387,255	84,134,919	(25,238,071)	-	-	58,896,848
Cash flow hedge								
Interest rate swaps	-	80,000,000	80,000,000	-	-	4,327,249	-	4,327,249
Currency swaps	-	151,263,799	151,263,799	-	-	-	(4,154,865)	(4,154,865)
	-	231,263,799	231,263,799	-	-	4,327,249	(4,154,865)	172,385

(continuation)

(amounts in euros)

	2022							
	Notional Amount			Derivatives at fair value through profit or loss		Book Value		
	Derivatives at fair value through profit or loss	Hedge derivatives	Total	Assets (Note 6)	Liabilities (Note 24)	Liabilities	Liabilities	Total
Hedge of a net investment in a foreign operation								
Currency futures	-	35,250,000	35,250,000	-	-	530,104	-	530,104
Exchange forwards	-	571,063,656	571,063,656	-	-	13,462,519	(795,084)	12,667,434
	-	606,313,656	606,313,656	-	-	13,992,622	(795,084)	13,197,538
Other Derivatives	1,369,284	-	1,369,284	128,977,848	(129,278,235)			(300,387)
	3,034,756,539	837,577,455	3,872,333,994	213,112,767	(154,516,306)	18,319,872	(4,949,949)	71,966,384

(amounts in euros)

	2021							
	Notional Amount			Derivatives at fair value through profit or loss		Book Value		
	Derivatives at fair value through profit or loss	Hedge derivatives	Total	Assets ⁽¹⁾ (Note 6)	Liabilities (Note 24)	Liabilities	Liabilities	Total
Fair value hedge								
Interest rate swaps	668,155	-	668,155	105,876	-	-	-	105,876
Currency swaps	833,807,114	-	833,807,114	-	(69,373,031)	-	-	(69,373,031)
Currency futures	2,155,750,000	-	2,155,750,000	4,077,500	(93,074,788)	-	-	(88,997,288)
Interest rate futures	188,700,000	-	188,700,000	2,072,788	(222,491)	-	-	1,850,297
Exchange forwards	139,623,921	-	139,623,921	3,678,123	(7,245,343)	-	-	(3,567,220)
	3,318,549,189	-	3,318,549,189	9,934,286	(169,915,652)	-	-	(159,981,366)

(continuation)

(amounts in euros)

	2021							
	Notional Amount			Derivatives at fair value through profit or loss		Book Value		
	Derivatives at fair value through profit or loss	Hedge derivatives	Total	Assets ⁽¹⁾	Liabilities	Hedge derivatives		Total
				(Note 6)	(Note 24)	Liabilities	Liabilities	
Cash flow hedge								
Interest rate swaps	-	80,000,000	80,000,000	-	-	-	(2,466,069)	(2,466,069)
Currency swaps	-	154,189,503	154,189,503	-	-	-	(8,319,064)	(8,319,064)
	-	234,189,503	234,189,503	-	-	-	(10,785,132)	(10,785,132)
Hedge of a net investment in a foreign operation								
Currency futures	-	24,125,000	24,125,000	-	-	55,327	(353,152)	(297,825)
Exchange forwards	-	678,453,306	678,453,306	-	-	2,619,597	(12,443,483)	(9,823,886)
	-	702,578,306	702,578,306	-	-	2,674,924	(12,796,635)	(10,121,711)
Other Derivatives	1,277,838	-	1,277,838	126,761,290	(129,754,462)			(2,993,172)
	3,319,827,027	936,767,809	4,256,594,836	136,695,577	(299,670,115)	2,674,924	(23,581,767)	(183,881,381)

⁽¹⁾ The book value of derivatives incorporates the values included in the Unit-linked portfolios.

Interest rate swaps contracted by the Group and classified as derivatives at fair value through profit or loss are mainly intended to cover liabilities with life investment contracts, which, with the exception of Unit-linked contracts, are valued at amortised cost (Note 24).

Interest rate swaps contracted by the Group and classified as hedge derivatives are intended to hedge the interest rate variation risk of the borrowings. The hedged risk is the variable reference rate to which the Group's financing agreements are associated.

The currency swaps contracted by the Group and classified as cash flow hedge derivatives, are intended to hedge the risk of PEN/USD foreign exchange fluctuation referring to dollar debt securities.

To mitigate the risk of exchange fluctuations of financial instruments, EUR/USD and EUR/GBP futures listed on the Chicago Mercantile Exchange (CME) and over-the-counter forwards were contracted, in order to ensure the exchange rate alignment of the currency of the assets with the currency of the liabilities. With regard to strategic long-term positions in bonds denominated in GBP, the Group contracted currency swaps to hedge the foreign exchange risk, in which such hedging includes the payment of coupons throughout the life of the bond and payment of the nominal value in GBP at maturity.

The Company contracts interest rate futures under corporate bond management mandates to hedge interest rate risk on securities denominated in EUR and USD. Additionally, interest rate futures in EUR are contracted to hedge Unit-linked portfolios in order to reduce the duration of these portfolios.

The other derivatives include a put option and a call option on all Fidelidade Moçambique - Companhia de Seguros S.A. shares held by Banco Internacional de Moçambique, S.A. at the date of exercise of the option, deducted from a whole number of shares closer to that representing 9.9% of the share capital of the company in question. The call option may be exercised by Fidelidade in the period from 1 January 2026 to 31 December 2026 and the Put Option may be exercised by Banco Internacional de Moçambique, S.A. in the period from 1 January 2027 to 31 December 2027. This item also includes total return swaps for Unit-linked products. These products are also linked to a financial reinsurance contract whose counterparty is Munich RE.

The amounts under the heading "Derivatives at fair value through profit or loss" include derivatives that are classified as "Hedge derivatives" under IAS 39:

(amounts in euros)

	2022			
	Notional Amount	Book Value		Total
		Assets	Liabilities	
Fair value hedge				
Currency futures	269,125,000	10,700,736	(739,763)	9,960,973
	269,125,000	10,700,736	(739,763)	9,960,973

(amounts in euros)

	2021			
	Notional Amount	Book Value		Total
		Assets	Liabilities	
Fair value hedge				
Currency futures	347,875,000	727,655	(12,572,648)	(11,844,992)
Exchange forwards	1,510,567	-	(86,742)	(86,742)
	349,385,567	727,655	(12,659,390)	(11,931,735)

In 2022 and 2021, the following profit or loss was generated in relation to fair value hedge accounting under IAS 39:

(amounts in euros)

	2022			2021		
	Profit	Loss	Net profit	Profit	Loss	Net profit
Derivatives	10,456,452	(26,123,120)	(15,666,668)	2,372,870	(30,287,731)	(27,914,861)
Fair value hedge	16,946,757	(5,733,438)	11,213,319	31,176,947	(505,065)	30,671,882
	27,403,209	(31,856,558)	(4,453,349)	33,549,817	(30,792,796)	2,757,021

The Group manages hedge accounting based on its portfolio-by-portfolio exposure. During the years 2022 and 2021, the Group met the criteria necessary for the application of hedge accounting in accordance with the methodology described in Note 2.6.

In the years 2022 and 2021, the following movements in the Revaluation Reserve related to hedge accounting were generated:

(amounts in euros)

	2022		2021	
	Cash flow hedge (Note 29)	Hedge of a net investment in a foreign operation (Note 29)	Cash flow hedge (Note 29)	Hedge of a net investment in a foreign operation (Nota 29)
Interest rate swaps	5,687,398	-	(6,202,023)	-
Currency swaps	2,531,771	-		
Currency futures	-	1,262,547	-	(49,854,833)
Exchange forwards	-	21,236,869	-	58,005,390
	8,219,169	22,499,416	(6,202,023)	8,150,557

The distribution of the Group's derivative financial instrument operations at 31 December 2022 and 2021, by period to maturity, was as follows:

(amounts in euros)

	2022						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	668,155	-	-	-	668,155
Currency swaps	-	-	-	833,807,114	-	-	833,807,114
Currency futures	1,206,625,000	500,000,000	-	-	-	-	1,706,625,000
Interest rate futures	121,000,000	49,100,000	-	-	-	-	170,100,000
Exchange forwards	230,448,029	77,168,165	14,570,792	-	-	-	322,186,986
	1,558,073,029	626,268,165	15,238,947	833,807,114	-	-	3,033,387,255
Cash flow hedge							
Interest rate swaps	-	-	-	80,000,000	-	-	80,000,000
Currency swaps	13,188,132	-	1,821,387	59,248,670	77,005,611	-	151,263,799
	13,188,132	-	1,821,387	139,248,670	77,005,611	-	231,263,799
Hedge of a net investment in a foreign operation							
Currency futures	35,250,000	-	-	-	-	-	35,250,000
Exchange forwards	285,322,226	285,741,429	-	-	-	-	571,063,656
	320,572,226	285,741,429	-	-	-	-	606,313,656
Other Derivatives						1,369,284	1,369,284
	1,891,833,388	912,009,594	17,060,334	973,055,783	77,005,611	1,369,284	3,872,333,994

(amounts in euros)

	2021						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	-	668,155	-	-	668,155
Currency swaps	-	-	-	829,422,688	4,384,426	-	833,807,114
Currency futures	1,979,000,000	176,750,000	-	-	-	-	2,155,750,000
Interest rate futures	188,700,000	-	-	-	-	-	188,700,000
Exchange forwards	86,213,141	1,270,740	52,140,040	-	-	-	139,623,921
	2,253,913,141	178,020,740	52,140,040	830,090,843	4,384,426	-	3,318,549,189
Cash flow hedge							
Interest rate swaps	-	-	-	80,000,000	-	-	80,000,000
Currency swaps	-	-	6,708,000	80,377,881	67,103,622	-	154,189,503
	-	-	6,708,000	160,377,881	67,103,622	-	234,189,503
Hedge of a net investment in a foreign operation							
Currency futures	24,125,000	-	-	-	-	-	24,125,000
Exchange forwards	678,453,306	-	-	-	-	-	678,453,306
	702,578,306	-	-	-	-	-	702,578,306
Other Derivatives	-	-	-	-	-	1,277,838	1,277,838
	2,956,491,447	178,020,740	58,848,040	990,468,724	71,488,048	1,277,838	4,256,594,836

The distribution of the Group's derivative financial operations at 31 December 2022 and 2021, by counterparty type, was as follows:

(amounts in euros)

	2022		2021	
	Notional Amount	Book Value	Notional Amount	Book Value
Interest rate swaps				
Financial Institutions				
Caixa Geral Depósitos Group	668,155	124,842	668,155	105,876
Other Institutions	80,000,000	4,327,249	80,000,000	(2,466,069)
	80,668,155	4,452,091	80,668,155	(2,360,193)
Currency swaps				
Financial Institutions				
Other Institutions	985,070,913	(24,556,020)	987,996,616	(77,692,094)
	985,070,913	(24,556,020)	987,996,616	(77,692,094)
Currency futures				
On the Chicago				
Mercantile Exchange	1,741,875,000	65,766,778	2,179,875,000	(89,295,113)
	1,741,875,000	65,766,778	2,179,875,000	(89,295,113)
Interest Rate Futures				
Financial Institutions				
Other Institutions	170,100,000	7,087,163	188,700,000	1,850,297
	170,100,000	7,087,163	188,700,000	1,850,297

(continuation)

(amounts in euros)

	2022		2021	
	Notional Amount	Book Value	Notional Amount	Book Value
Exchange forwards				
Financial Institutions				
Other Institutions	893,250,642	19,516,759	818,077,227	(13,391,106)
	893,250,642	19,516,759	818,077,227	(13,391,106)
Other Derivatives				
Financial Institutions				
Munich RE	1,369,284	(179,366)	1,277,838	(714,117)
Banco Internacional de Moçambique SA.	-	(121,021)	-	(2,279,055)
	1,369,284	(300,387)	1,277,838	(2,993,172)
	3,872,333,994	71,966,384	4,256,594,836	(183,881,381)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	Nominal value	Amortised cost	Expected credit losses (Note 43)	2022		Interest receivable	Balance Sheet value
				Exchange Valuation	Fair value reserve (Note 29)		
Debt instruments							
From public debt							
From domestic issuers	329,740,907	346,732,252	-	-	(17,182,749)	4,469,958	334,019,461
From foreign issuers	5,406,878,093	2,117,468,674	-	9,870,041	(223,515,862)	32,254,876	1,936,077,729
From other public issuers							
From domestic issuers	52,807,500	52,931,891	-	-	(5,183,325)	240,895	47,989,461
From foreign issuers	84,900,000	88,958,145	-	-	(14,592,030)	602,119	74,968,234
From international financial bodies	11,567,000	12,069,450	(862,234)	-	(311,587)	97,550	10,993,179
From other issuers							
From domestic issuers	162,850,000	165,084,153	(49,979,822)	-	(2,817,873)	2,528,351	114,814,809
From foreign issuers	8,853,176,649	5,405,175,692	(28,246,045)	108,556,142	(523,726,087)	44,785,345	5,006,545,047
From group companies	43,300,000	43,318,576	-	-	(7,465,877)	1,020,321	36,873,020
	14,945,220,149	8,231,738,833	(79,088,101)	118,426,183	(794,795,390)	85,999,415	7,562,280,940

(continuation)

(amounts in euros)

	2022						
	Nominal value	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Fair value reserve (Note 29)	Interest receivable	Balance Sheet value
Equity instruments							
Recognised at fair value							
From non-residents	-	895,638	-	-	985,202	-	1,880,840
	-	895,638	-	-	985,202	-	1,880,840
Other instruments							
Investment units							
From residents	-	36,859,250	-	-	(6,466,670)	536,500	30,929,080
	-	36,859,250	-	-	(6,466,670)	536,500	30,929,080
	14,945,220,149	8,269,493,721	(79,088,101)	118,426,183	(800,276,858)	86,535,915	7,595,090,860

(amounts in euros)

	2021						
	Nominal value	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Fair value reserve (Note 29)	Interest receivable	Balance Sheet value
Debt instruments							
From public debt							
From domestic issuers	722,017,756	753,448,026	-	-	31,962,355	8,328,918	793,739,299
From foreign issuers	3,921,194,956	2,209,355,843	-	4,203,448	2,160,546	31,185,490	2,246,905,327
From other public issuers							
From domestic issuers	88,000,000	88,686,203	-	-	1,409,566	280,557	90,376,326
From foreign issuers	84,400,000	89,240,660	-	-	171,248	601,280	90,013,188
From international financial bodies	2,067,000	2,051,928	-	-	40,858	16,401	2,109,187
From other issuers							
From domestic issuers	172,575,000	174,996,122	(49,979,822)	-	3,784,671	2,474,425	131,275,396
From foreign issuers	7,815,365,979	5,339,913,588	(7,963,048)	97,283,520	27,546,859	40,643,713	5,497,424,632
From group companies	305,300,000	305,294,077	-	-	(4,443,709)	2,742,728	303,593,096
	13,110,920,691	8,962,986,447	(57,942,870)	101,486,968	62,632,394	86,273,512	9,155,436,451
Other instruments							
Investment units							
From residents	-	45,661,373	-	-	(453,877)	536,500	45,743,996
	-	45,661,373	-	-	(453,877)	536,500	45,743,996
	13,110,920,691	9,008,647,820	(57,942,870)	101,486,968	62,178,517	86,810,012	9,201,180,447

9. FINANCIAL ASSETS AT AMORTISED COST

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022							
	Nominal amount	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Debt instruments								
From public debt								
From domestic issuers	229,950,000	247,806,165	(1)	-	3,414,896	251,221,060	229,704,939	(21,516,121)
From foreign issuers	288,937,435	305,906,483	(1,339,470)	596,614	1,711,847	306,875,474	289,199,354	(17,676,120)
From other issuers								
From foreign issuers	232,547	2,108,978	(636,989)	-	131,484	1,603,473	1,603,473	-
	519,119,982	555,821,626	(1,976,460)	596,614	5,258,227	559,700,007	520,507,766	(39,192,241)
Other Loans								
Deposits in ceding companies	-	961,985	-	3,237	-	965,222	965,222	-
Loans	1,500,000	1,858,149	-	-	21,472	1,879,621	1,879,621	-
Policy loans	-	1,279,747	(10,597)	-	223,611	1,492,761	1,492,761	-
	1,500,000	4,099,881	(10,597)	3,237	245,083	4,337,604	4,337,604	-

(continuation)

(amounts in euros)

	2022							
	Nominal amount	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Financial investments								
in credit institutions								
Term deposits	2	349,120,631	-	2,216,974	5,780,520	357,118,125	357,118,125	-
Mandatory deposits	-	420,277	-	-	-	420,277	420,277	-
Other deposits	-	78,906,411	-	(1,712,858)	-	77,193,553	77,193,553	-
Repos	-	1,863,548	-	-	-	1,863,548	1,863,548	-
	2	430,310,867	-	504,116	5,780,520	436,595,503	436,595,503	-
Others	-	20,592	-	-	-	20,592	20,592	-
	520,619,984	990,252,966	(1,987,057)	1,103,967	11,283,830	1,000,653,706	961,461,465	(39,192,241)

(amounts in euros)

	2021							
	Nominal amount	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Debt instruments								
From public debt								
From domestic issuers	304,950,000	336,059,552	(1,848)	-	7,118,355	343,176,059	354,095,577	10,919,518
From foreign issuers	491,982,841	497,643,581	(293,007)	-	2,668,887	500,019,461	508,532,569	8,513,108
From other issuers								
From foreign issuers	308,522	2,777,078	(609,447)	-	131,032	2,298,663	2,298,663	-
	797,241,363	836,480,211	(904,302)	-	9,918,274	845,494,183	864,926,809	19,432,626

(continuation)

(amounts in euros)

	2021							
	Nominal amount	Amortised cost	Expected credit losses (Note 43)	Exchange Valuation	Interest receivable	Balance sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Other Loans								
Deposits in ceding companies	-	943,161	-	4,648	-	947,809	947,809	-
Loans	-	575,026	(375,155)	-	97,699	297,570	297,570	-
Policy loans	-	978,317	(10,597)	-	233,878	1,201,598	1,201,598	-
	-	2,496,504	(385,752)	4,648	331,577	2,446,977	2,446,977	-
Financial investments								
in credit institutions								
Term deposits	25,618,442	275,758,923	-	1,593,577	12,687,940	290,040,440	290,040,440	-
Mandatory deposits	-	308,392	-	-	-	308,392	308,392	-
Other deposits	-	87,425,561	-	1,284,671	-	88,710,232	88,710,232	-
Repos	-	2,448,676	-	-	-	2,448,676	2,448,676	-
	25,618,442	365,941,552	-	2,878,248	12,687,940	381,507,740	381,507,740	-
Others	-	18,017	-	-	-	18,017	18,017	-
	822,859,805	1,204,936,284	(1,290,054)	2,882,896	22,937,791	1,229,466,917	1,248,899,543	19,432,626

⁽¹⁾ Corresponds to the market value calculated in accordance with the methodology described in Note 2.6.

10. PROPERTIES FOR OWN USE

In 2022 and 2021, the “Properties for own use” heading saw the following movements:

(amounts in euros)

	Property Rights	For own use Right-of-Use	Total
Balances at 31 December 2020			
Gross Amount	583,565,554	96,716,438	680,281,992
Accumulated depreciation and impairment	(122,359,957)	(28,897,873)	(151,257,831)
	461,205,597	67,818,565	529,024,161
Entry/exit of the perimeter	2,872,845	128,276	3,001,121
Additions			
Acquisitions made in the period	31,298,109	15,326,694	46,624,803
By subsequent expenditure	4,213,589	-	4,213,589
Additions/reversals of impairment in the year (Note 43)	(4,473,338)	89,321	(4,384,017)
Amortisations in the year	(13,120,416)	(15,078,083)	(28,198,500)
Exchange differences	2,355,458	(125,423)	2,230,035
Transfers to non-current assets held for sale	(6,546,678)	-	(6,546,678)
Transfers	3,991,309	-	3,991,309
Disposals and write-offs (net)	(1,704,460)	(14,961,590)	(16,666,050)
Other movements	(1,531,873)	1,263,611	(268,261)

(continuation)

(amounts in euros)

	Property Rights	For own use Right-of-Use	Total
Balances at 31 December 2021			
Gross Amount	620,356,476	90,826,082	711,182,558
Accumulated depreciation and impairment	(141,796,333)	(36,364,710)	(178,161,043)
	478,560,143	54,461,372	533,021,515
Entry/exit of the perimeter	-	1,335,099	1,335,099
Additions			
Acquisitions made in the period	11,066,484	23,079,100	34,145,584
By subsequent expenditure	5,173,932	-	5,173,932
Additions/reversals of impairment in the year (Note 43)	(2,524,994)	-	(2,524,994)
Amortisations in the year	(11,634,226)	(16,657,690)	(28,291,916)
Exchange differences	2,219,288	681,444	2,900,732
Transfers	5,048,836	-	5,048,836
Disposals and write-offs (net)	(60,448,400)	(23,562)	(60,471,962)
Other movements	4,434,645	2,150,359	6,585,004
Balances at 31 December 2022			
Gross Amount	581,274,337	114,548,213	695,822,550
Accumulated depreciation and impairment	(149,378,629)	(49,522,091)	(198,900,720)
	431,895,708	65,026,122	496,921,830

In 2022 the perimeter entries relate to the acquisition of Liechtenstein Life Assurance AG and The Prosperity Company AG; and in 2021 the perimeter entries relate to the acquisition of Seguradora Internacional de Moçambique, S.A. and Clínica Fisiátrica das Antas, Lda.

In 2022 and 2021, if the Group had chosen to value the properties for own use of property rights by the fair value model, its balance sheet value would be 518,332,999 Euros and 550,527,249 Euros, respectively.

Properties for own use are valued at cost and subject to impairment tests in line with the option set out in IAS 16, as described in Note 2.9. Own-use buildings are depreciated throughout their useful life.

11. INVESTMENT PROPERTIES

In the years 2022 and 2021, the movement occurred under the heading "Investment properties" was as follows:

(amounts in euros)

	Investment properties		Total
	Property Rights	Right-of-Use	
Balances at 31 December 2020			
Gross Amount	1,951,201,901	-	1,951,201,901
	1,951,201,901	-	1,951,201,901
Entry/exit of the perimeter	(123,858,472)	-	(123,858,472)
Additions			
Acquisitions made in the period	219,358,469	20,812,552	240,171,021
By subsequent expenditure	54,848,043	-	54,848,043
Revaluation			
As a credit to the income statement (Note 42)	57,311,656	-	57,311,656
As a charge to shareholders' equity	220,677	-	220,677
Exchange differences	38,694,689	-	38,694,689
Transfers	(3,991,309)	-	(3,991,309)
Disposals and write-offs (net)	(37,029,090)	-	(37,029,090)

(continuation)

(amounts in euros)

	Investment properties		Total
	Property Rights	Right-of-Use	
Balances at 31 December 2021			
Gross Amount	2,156,756,564	20,812,552	2,177,569,116
	2,156,756,564	20,812,552	2,177,569,116
Entry/exit of the perimeter	111,551,839	1,553,206	113,105,046
Additions			
Acquisitions made in the period	123,957,837	-	123,957,837
By subsequent expenditure	51,072,982	-	51,072,982
Revaluation			
As a credit to the income statement (Note 42)	47,449,566	-	47,449,566
As a charge to shareholders' equity	44,448	-	44,448
Exchange differences	(13,474,415)	-	(13,474,415)
Transfers	(5,048,835)	-	(5,048,835)
Disposals and write-offs (net)	(54,084,619)	-	(54,084,619)
Other movements	(270,900)	6,510,968	6,240,068
Balances at 31 December 2022			
Gross Amount	2,417,954,465	28,876,727	2,446,831,192
	2,417,954,465	28,876,727	2,446,831,192

In 2022, the net disposals and write-offs of Investment Properties, in the amount of 54,084,619 Euros, relate essentially to the sale of the property located at Avenida 5 de Outubro and Alcabala Inm Oquendo 1492. In 2021, the net disposals and write-offs of Income Properties, in the amount of 37,029,090 Euros, essentially relate to the sale of the Property located at Rua Ivens 14 and Rua Capelo 1 to 9 in Lisbon.

During 2022, the entry item in the perimeter concerns the acquisition of EA ONE Holding, Inc. S.A. in the amount of 113,105,046 Euros. During 2021, the entries in the perimeter heading concerns the acquisition of Seguradora Internacional de Moçambique, S.A. in the amount of 27,680,907 Euros. The exits in the perimeter heading in 2021 refers to the exit of the fund Saude Investe for the amount of 151,539,379 Euros.

Investment properties are also recognised at fair value, in line with the treatment provided for in IAS 40 and mentioned in Note 2.8 and Note 2.20.

12. ALLOCATION OF INVESTMENTS AND OTHER ASSETS

At 31 December 2022 and 2021, the allocation of investments and other assets following a prudential approach in insurance contracts or insurance contracts and other transactions classified for accounting purposes as investment contracts can be summarised as follows:

(amounts in euros)

	2022					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance and operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight deposits (Note 4)	66,731,378	15,198,905	165,597,134	13,218,069	376,684,064	637,429,549
Investments in associates and joint ventures (Note 5)	-	-	-	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss (Note 6)	114,447,204	52,108,410	3,582,690,194	976,016,126	111,999,553	4,837,261,487
Derivatives (Note 7)	-	-	-	-	18,319,872	18,319,872
Financial assets at fair value through other comprehensive income (Note 8)	1,516,717,207	932,020,846	3,823,798,498	1,104,029,344	218,524,966	7,595,090,860
Financial assets at amortised cost (Note 9)	68,269,858	4,299,243	555,198,770	56,722,774	316,163,061	1,000,653,706
Properties (Notes 10 and 11)	763,574	59,205,288	972,350,562	997,703,031	913,730,567	2,943,753,022
Other tangible assets (Note 13)	-	-	-	-	141,745,023	141,745,023
	1,766,929,220	1,062,832,692	9,099,635,157	3,147,689,343	2,106,336,394	17,183,422,806

(amounts in euros)

	2021					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance and operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight deposits (Note 4)	46,420,390	21,417,971	307,368,179	78,313,045	497,734,992	951,254,577
Investments in associates and joint ventures (Note 5)	-	-	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss (Note 6)	203,245,663	39,036,191	2,780,191,359	878,319,601	73,898,873	3,974,691,687
Derivatives (Note 7)	-	-	-	-	2,674,924	2,674,924
Financial assets at fair value through other comprehensive income (Note 8)	1,746,700,477	947,433,888	5,286,181,592	1,052,310,595	168,553,894	9,201,180,447
Financial assets at amortised cost (Note 9)	157,774,083	3,125,529	843,218,795	57,678,674	167,669,837	1,229,466,917
Properties (Notes 10 and 11)	699,363	59,286,977	1,164,443,223	693,296,542	792,864,525	2,710,590,630
Other tangible assets (Note 13)	-	-	-	-	130,111,417	130,111,417
	2,154,839,977	1,070,300,556	10,381,403,149	2,759,918,457	1,863,592,239	18,230,054,377

13. OTHER TANGIBLE ASSETS

In the years 2022 and 2021, the movement in the heading of other tangible assets was as follows:

(amounts in euros)

	2022														
	Opening balances		Transfer to ANCDVUD		Additions	Entry into the consolidation perimeter		Transfers and Adjustments	Depreciation for the year (Note 34)	Exchange-rate differences	Disposals and write-offs (net)	Other transactions	Closing balances		
	Gross amount	Accumulated depreciation and impairment	Gross amount	Accumulated depreciation and impairment		Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net value
Equipment															
Administrative equipment	28,555,259	(25,834,515)	(631,495)	548,299	709,362	577,618	(425,257)	90,030	(1,070,976)	199,388	(36,512)	-	29,250,160	(26,568,960)	2,681,200
Machines and tools	11,089,577	(9,749,086)	-	-	232,755	-	-	14,863	(786,340)	42,349	(1,201)	-	11,364,930	(10,522,012)	842,918
IT equipment	31,860,069	(26,862,691)	(3,369,333)	3,115,939	5,379,953	501,767	(384,536)	1,589,924	(3,982,787)	330,317	(67,465)	-	35,040,825	(26,929,668)	8,111,157
Indoor facilities	35,334,574	(25,169,276)	-	-	892,025	39,376	(20,344)	(9,385)	(1,626,426)	247,919	(520,672)	-	32,256,745	(23,088,954)	9,167,791
Transport equipment	4,411,257	(1,808,827)	(58,981)	58,050	868,868	-	-	76,199	(1,092,895)	292,646	(59,043)	-	5,461,876	(2,774,600)	2,687,276
Hospital equipment	155,338,395	(145,849,170)	(16,198,922)	15,113,414	7,448,690	-	-	1,262,590	(5,849,405)	5,360	-	-	146,470,363	(135,199,411)	11,270,952
Equipment Insurance	1,561,514	(1,436,550)	-	-	6,312	9,218	(7,939)	(2,215)	(44,492)	1,264	-	-	1,568,728	(1,481,616)	87,112
Other equipment	37,407,929	(21,955,775)	(4,327,661)	4,088,343	3,220,675	-	-	70,253	(1,927,986)	140,082	(58,888)	-	36,251,266	(19,594,293)	16,656,973
Artistic heritage 2,105,995	-	-	-	6,659	-	-	-	-	4,281	-	-	2,116,936	-	2,116,936	-
Other tangible assets	5,376,864	(4,229,523)	-	-	256,007	-	-	30,587	(266,374)	-	-	-	5,632,871	(4,465,309)	1,167,561
Tangible assets in progress	17,743,037	-	-	-	2,209,930	-	-	(114,841)	-	8,658	-	-	19,846,784	-	19,846,784
Advances on tangible assets advances	2,770,843	-	-	-	33,473	-	-	(1,494,508)	-	-	-	-	1,309,807	-	1,309,807
	333,555,314	(262,895,412)	(24,586,391)	22,924,045	21,264,707	1,127,980	(838,077)	1,513,498	(16,647,681)	1,272,265	(743,780)	-	326,571,291	(250,624,824)	75,946,467
Leased Assets															
Administrative equipment															
Machinery and tools	244,300	(139,665)	-	-	190,764	-	-	-	(54,349)	-	-	-	431,240	(190,191)	241,050
IT equipment	6,563,356	(5,703,864)	-	-	2,631,697	-	-	-	(1,065,780)	37,461	-	-	9,325,705	(6,862,834)	2,462,871
Transport equipment	12,336,867	(7,136,686)	-	-	2,303,401	-	-	-	(2,461,255)	9,595	0	(617,165)	13,320,769	(8,886,012)	4,434,757
Hospital equipment	96,217,680	(43,106,001)	-	-	19,416,792	-	-	-	(14,231,023)	-	-	217,496	108,054,445	(49,539,502)	58,514,943
Other equipment	244,742	(69,213)	-	-	-	-	-	-	(30,593)	-	-	-	244,742	(99,806)	144,936
	115,606,946	(56,155,429)	-	-	24,542,654	-	-	-	(17,843,000)	47,056	0	(399,669)	131,376,901	(65,578,344)	65,798,557
	449,162,259	(319,050,842)	(24,586,391)	22,924,045	45,807,361	1,127,980	(838,077)	1,513,498	(34,490,681)	1,319,322	(743,780)	(399,669)	457,948,191	(316,203,168)	141,745,023

(amounts in euros)

	2021														
	Opening balances		Transfer to ANCDVUD		Additions	Entry into the consolidation perimeter		Transfers and Adjustments	Depreciation for the year (Note 34)	Exchange-rate differences	Disposals and write-offs (net)	Other transactions	Closing balances		
	Gross amount	Accumulated depreciation and impairment	Gross amount	Accumulated depreciation and impairment		Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net value
Equipment															
Administrative equipment	29,072,081	(26,129,365)	-	-	616,063	115,760	(48,040)	120,381	(992,292)	55,203	(89,049)	-	28,555,259	(25,834,515)	2,720,743
Machines and tools	10,792,417	(8,990,815)	-	-	239,889	6,305	-	11,000	(743,177)	24,919	(48)	-	11,089,577	(9,749,086)	1,340,491
IT equipment	32,857,906	(27,231,869)	-	-	2,681,713	185,151	-	557,217	(4,044,111)	(569)	(8,061)	-	31,860,069	(26,862,691)	4,997,378
Indoor facilities	30,411,082	(23,621,520)	-	-	1,719,746	141,392	-	2,932,691	(1,445,904)	28,051	(239)	-	35,334,574	(25,169,276)	10,165,298
Transport equipment	2,930,104	(1,628,317)	-	-	1,434,034	562,582	(38,000)	(39,646)	(576,382)	36,107	(78,052)	-	4,411,257	(1,808,827)	2,602,430
Hospital equipment	149,606,871	(141,716,259)	-	-	5,665,398	73,421	(70,384)	1,582,829	(5,652,652)	-	-	-	155,338,395	(145,849,170)	9,489,225
Equipment Insurance	2,177,157	(2,040,629)	-	-	44,979	-	-	-	(56,645)	102	-	-	1,561,514	(1,436,550)	124,964
Other equipment	38,939,451	(19,460,931)	(76,250)	-	2,876,665	161,040	(89,732)	(4,932,063)	(1,928,761)	24,724	(61,988)	-	37,407,929	(21,955,775)	15,452,155
Artistic heritage	2,083,924	-	-	-	16,802	268	-	-	-	5,002	-	-	2,105,995	-	2,105,995
Other tangible assets	5,053,373	(3,949,549)	-	-	323,491	-	-	(35,678)	(244,295)	-	-	-	5,376,864	(4,229,523)	1,147,341
Tangible assets in progress	3,483,527	-	-	-	13,016,674	-	-	1,242,836	-	-	-	-	17,743,037	-	17,743,037
Advances on tangible assets advances	2,770,843	-	-	-	-	-	-	-	-	-	-	-	2,770,843	-	2,770,843
	310,178,736	(254,769,254)	(76,250)	-	28,635,454	1,245,919	(246,156)	1,439,567	(15,684,217)	173,539	(237,437)	-	333,555,314	(262,895,412)	70,659,901
Leased Assets															
Administrative equipment	175,707	(95,126)	-	-	68,593	-	-	-	(44,539)	-	-	-	244,300	(139,665)	104,635
Machinery and tools	6,439	(6,439)	-	-	803	-	-	-	(803)	-	-	-	(0)	0	-
IT equipment	6,746,468	(4,322,228)	-	-	690,483	-	-	-	(2,350,198)	(20,124)	0	115,092	6,563,356	(5,703,864)	859,493
Transport equipment	9,951,809	(5,484,225)	-	-	3,300,317	-	-	-	(2,787,218)	(2,009)	(25)	221,531	12,336,867	(7,136,686)	5,200,181
Hospital equipment	78,606,688	(31,494,110)	-	-	17,610,992	-	-	-	(11,663,859)	-	-	51,967	96,217,680	(43,106,001)	53,111,678
Other equipment	244,742	(38,620)	-	-	-	-	-	-	(30,593)	-	-	-	244,742	(69,213)	175,529
	95,731,853	(41,440,748)	-	-	21,671,188	-	-	-	(16,877,210)	(22,132)	(25)	388,590	115,606,946	(56,155,429)	59,451,516
	405,910,589	(296,210,002)	(76,250)	-	50,306,642	1,245,919	(246,156)	1,439,567	(32,561,428)	151,407	(237,462)	388,590	449,162,259	(319,050,842)	130,111,417

In 2022, the perimeter entries relate to the acquisition of Prosperity Solutions AG, Prosperity Brokershome AG, The Prosperity Company AG and Liechtenstein Life Assurance AG. In 2021, the perimeter entries relate to the acquisition of Seguradora Internacional de Moçambique, S.A. and Clínica Fisiátrica das Antas, Lda.

At 31 December 2022 and 2021, the heading "Tangible assets" includes fully amortised assets, but which are still in use, in the amounts of 252,183,605 Euros and 235,352,384 Euros.

14. INVENTORIES

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Hospital goods	16,217,148	19,855,795
Goods	243,997	254,914
Products and work in progress	214,551	164,456
Salvage	35,856	350,898
Other inventories	11,002	37,223
	16,722,554	20,663,287
Impairment of goods (Note 43)	(1,125,726)	(900,000)
	15,596,828	19,763,287

The heading "Hospital goods" essentially relates to pharmaceuticals and medical consumables used within the scope of the operations of the Luz Saúde Group's medical units.

15. GOODWILL

The goodwill recorded by the Group on 31 December 2022 and 2021 was as follows:

(amounts in euros)

	2022			2021		
	Gross Amount	Impairment Loss (Note 43)	Net Value	Gross Amount	Impairment Loss (Note 43)	Net Value
Goodwill recognised in Goodwill						
Fidelidade Assistência - Companhia de Seguros, S.A.	1,663,226	-	1,663,226	1,663,226	-	1,663,226
Multicare - Seguros de Saúde, S.A.	2,281,095	-	2,281,095	2,281,095	-	2,281,095
Cetra - Centro Técnico de Reparação Automóvel, S.A.	8,665	-	8,665	8,665	-	8,665
Fidelidade Angola - Companhia de Seguros, S.A.	2,198,779	-	2,198,779	2,198,779	-	2,198,779
Garantia - Companhia de Seguros de Cabo Verde, S.A.	342,311	-	342,311	342,311	-	342,311
Luz Saúde, S.A.	359,254,032	-	359,254,032	359,254,032	-	359,254,032
Hospital da Luz Guimarães, S.A.	14,665,075	-	14,665,075	14,665,075	-	14,665,075
S.C.H. - Soc. Clínica Hospitalar S.A.	3,126,025	-	3,126,025	3,126,025	-	3,126,025
C.C.H. - Capital Criativo Care Investments S.A.	8,720,683	-	8,720,683	8,720,683	-	8,720,683
Capital Criativo Capital Health Care Investments II, S.A.	26,683,569	-	26,683,569	26,683,569	-	26,683,569
La Positiva Seguros Y Reaseguros S.A.	40,838,438	-	40,838,438	36,700,849	-	36,700,849
Tenax Capital Limited	4,433,235	-	4,433,235	4,433,235	-	4,433,235
Clínica Fisiátrica das Antas, Lda	246,080	-	246,080	246,080	-	246,080
Seguradora Internacional de Moçambique, S.A.	6,403,011	-	6,403,011	6,000,446	-	6,000,446
	470,864,223	-	470,864,223	466,324,069	-	466,324,069

(continuation)

(amounts in euros)

	2022			2021		
	Gross Amount	Impairment Loss (Note 43)	Net Value	Gross Amount	Impairment Loss (Note 43)	Net Value
Negative goodwill recognised in results						
the prosperity company AG	(42,972,526)	-	(42,972,526)	-	-	-
	(42,972,526)	-	(42,972,526)	-	-	-
	427,891,696	-	427,891,696	466,324,069	-	466,324,069

In the years 2022 and 2021 this heading presented the following movement:

(amounts in euros)

Goodwill (Net Value) as of 31 December 2020	461,388,973
Disposal of Hospital do Mar - Hospital da Luz Guimarães, S.A. - Adjustment	(16)
Liquidation of Godo Kaisha Moana	(710,601)
Goodwill La Positiva Seguros y Reaseguros S.A. - Exchange Valuation	(600,813)
Acquisition of 100% of Clínica Fisiátrica das Antas, Lda	246,080
Acquisition of 70% of Seguradora Internacional de Moçambique, S.A.	6,000,446
Goodwill (Net Value) as of 31 December 2021	466,324,069
Goodwill La Positiva Seguros y Reaseguros S.A. - Exchange Valuation	4,137,589
Acquisition of 70% of Seguradora Internacional de Moçambique, S.A. - Adjustment	402,565
Goodwill (Net Value) as of 31 December 2022	470,864,223

Goodwill acquired in a business combination represents a payment made by an acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

The Group conducts impairment tests on the goodwill recognised on the balance sheet at least once a year, in line with the requirements of IAS 36 – “Impairment of assets”. For this purpose, goodwill is allocated to cash flow generating units and its recoverable value is assessed on the basis of future cash flow projections, updated on the basis of discount rates which the Group deems appropriate. Impairment losses associated with goodwill are recognised in the Income Statement for the year and may not be reversed.

The recoverable amount is determined as the asset’s value in use or its fair value less selling costs, whichever is higher.

The impairment tests incorporate current available information, including macro-economic conditions, the situation of financial markets and others. All tests concluded that the recoverable amount of the asset exceeds the respective carrying amount, and therefore, there is no recognition of impairment losses.

Following the acquisition of the new companies during 2022, the Group assessed the fair value of the assets acquired and liabilities assumed in line with IFRS 3 – “Business Combinations”. No significant differences were identified between the accounting values of the assets and liabilities and their fair values. The breakdown of the net assets and negative goodwill established as part of the transactions taking place in 2022 is as follows:

(amounts in euros)

	2022 the prosperity company AG
Fair Value of Assets and Liabilities	
Assets acquired	912,002,165
Liabilities acquired	811,307,329
Total Net Assets	100,694,836
% Assets held	70,486,385
Acquisition price	27,513,859
Negative goodwill recognised in results	(42,972,526)

Negative goodwill, recognised under the heading “Negative goodwill immediately recognised in profit or loss” in the Income Statement, originates from the accounting of the value of the acquired business (Value in force), which amounted to 88,282,284 Euros.

16. OTHER INTANGIBLE ASSETS

In the years 2022 and 2021, the movement in the heading other intangible assets was as follows:

(amounts in euros)

	2022											
	Opening balances			Additions	Transfers and adjustments	Transfers to ANCDV	Amortisation in the year (Note 34)	Exchange differences	Disposals and write-offs (net)	Closing balances		
	Gross amount	Accumulated depreciation and impairment	Entry into the consolidation perimeter							Gross amount	Accumulated depreciation and impairment	Net value
Automatic data processing systems (software)	129,687,898	(97,632,434)	6,392,603	7,461,242	12,325,700	(1,283)	(10,116,040)	732,213	(981,568)	158,585,228	(110,716,897)	47,868.330
Other Intangible assets	79,595,994	(363,964)	88,378,679	173,284	4,550,060	-	(2,998,494)	12,095,292	-	184,853,377	(3,422,525)	181,430,852
Brand	79,182,090	-	96,395	-	-	-	-	7,429,580	-	86,708,064	-	86,708,064
Value-in-Force	-	-	88,282,284	-	-	-	(2,931,886)	4,665,484	-	93,007,347	(2,991,464)	90,015,883
Other assets	413,905	(363,964)	-	173,284	4,550,060	-	(66,609)	228	-	5,137,965	(431,061)	4,706,904
Intangible assets in progress	43,269,906	-	-	22,593,220	(15,865,346)	-	-	697,692	(144,551)	50,550,921	-	50,550.921
	252,553,798	(97,996,398)	94,771,282	30,227,747	1,010,414	(1,283)	(13,114,535)	13,525,197	(1,126,118)	393,989,526	(114,139,422)	279,850,104

	2021									
	Opening balances		Entry into the consolidation perimeter	Additions	Transfers and adjustments	Depreciation for the year (Note 34)	Exchange differences	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net value
Automatic data processing										
systems (software)	107,450,567	(93,586,698)	192,130	6,999,191	19,947,125	(8,757,584)	(188,379)	129,687,898	(97,632,434)	32,055,464
Other Intangible assets	73,115,293	(111,585)	5,468,155	248,837	(249,123)	(2,885)	763,338	79,595,994	(363,964)	79,232,030
Brand	72,950,905	-	5,468,155	-	-	-	763,029	79,182,090	-	79,182,090
Other assets	164,388	(111,585)	-	248,837	(249,123)	(2,885)	309	413,905	(363,964)	49,940
Intangible assets in progress	42,863,922	-	86,918	20,706,717	(20,324,588)	-	(63,063)	43,269,906	-	43,269,906
	223,429,782	(93,698,283)	5,747,203	27,954,745	(626,586)	(8,760,469)	511,896	252,553,798	(97,996,398)	154,557,401

At 31 December 2022 and 2021, the values recognised in “Intangible assets in progress” refer to costs incurred with the development of new IT applications (software).

In the years 2022 and 2021, the Group directly recognised in the Income Statement external expenses related to research, development and maintenance of automatic data processing systems, in the amounts of 42,159,069 Euros and 38,574,813 Euros, respectively.

The value in force (VIF) is recognised as an intangible asset and is amortised on a straight-line basis by the average duration of the portfolio in force at the date of purchase, which corresponds to 342 months. The average duration of the portfolio was determined on the basis of the expected premium deliveries for the purchased policies. The VIF corresponds to the estimated current value of the future cash flows of the contracts in force at the acquisition date.

17. TECHNICAL PROVISIONS REINSURANCE CEDED

At 31 December 2022 and 2021, technical provisions for reinsurance ceded were composed as follows:

(amounts in euros)

	2022			2021		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	539,567	193,070,230	193,609,797	2,847,100	151,831,507	154,678,607
Mathematical provision	31,759,937	-	31,759,937	28,944,344	-	28,944,344
Claims provision						
Reported claims	47,857,797	264,656,728	312,514,524	42,342,907	263,185,629	305,528,536
Claims incurred but not reported (IBNR)	41,348,097	38,583,262	79,931,359	28,997,124	25,625,874	54,622,997
	89,205,894	303,239,990	392,445,884	71,340,031	288,811,502	360,151,533
Provision for profit sharing	-	9,721	9,721	-	-	-
Other technical provisions	-	34,958,549	34,958,549	-	22,544,992	22,544,992
	121,505,397	531,278,490	652,783,888	103,131,475	463,188,002	566,319,476

The Other technical provisions originated in the French Branch, in the accounting of PSNEM (Provision pour Sinistres Non Encore Manifestés), a mandatory provision for products related to civil liability related to construction. In the years 2022 and 2021, the sharp increase in the provision is essentially due to the adjustment of the previous year's PSNEM.

At 31 December 2022 and 2021, the provision for unearned premiums on reinsurance ceded was composed as follows:

(amounts in euros)

	Deferred premiums	2022 Deferred costs	Net	Deferred premiums	2021 Deferred costs	Net
Life insurance	542,830	(3,263)	539,567	2,851,602	(4,502)	2,847,100
Non-life insurance						
Personal accidents and passengers	12,196,589	(6,225,769)	5,970,820	7,641,332	(3,540,497)	4,100,835
Health	2,923,574	(329,972)	2,593,602	942,384	7,595	949,979
Fire and other damage	112,305,967	(11,465,563)	100,840,404	93,296,595	(9,265,656)	84,030,940
Motor	22,521,295	(881,558)	21,639,737	13,691,303	(991,816)	12,699,487
Marine, aviation and transport	10,191,413	(541,392)	9,650,021	8,071,887	(408,269)	7,663,619
Third party liability	40,900,216	(5,873,890)	35,026,326	29,268,175	(3,549,503)	25,718,672
Credit and suretyship	7,726,953	(666,545)	7,060,408	7,765,595	(438,963)	7,326,632
Legal protection	599	(117)	481	599	(117)	481
Assistance	69,573	(12,698)	56,875	46,103	(12,632)	33,471
Others	14,247,440	(4,015,884)	10,231,556	13,150,345	(3,842,955)	9,307,390
	223,083,619	(30,013,389)	193,070,230	173,874,318	(22,042,811)	151,831,507
	223,626,448	(30,016,652)	193,609,797	176,725,920	(22,047,313)	154,678,607

The movement in provisions for unearned premiums on reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021	Liabilities originated in the year	Exchange differences	Balance 31/12/2022
Provision for unearned premiums								
Life insurance	1,059,284	-	1,665,009	127,308	2,851,602	(2,491,366)	182,594	542,830
Non-life insurance								
Personal accidents and passengers	4,534,549	21,709	3,017,258	67,816	7,641,332	4,511,997	43,259	12,196,589
Health	4,629,615	-	(443,323)	(3,243,908)	942,384	1,994,546	(13,357)	2,923,574
Fire and other damage	70,554,419	790,172	22,520,884	(568,880)	93,296,595	13,894,445	5,114,926	112,305,967
Motor	10,071,644	33,776	3,376,240	209,642	13,691,303	8,088,091	741,902	22,521,295
Marine, aviation and transport	4,376,336	147,818	3,588,085	(40,352)	8,071,887	1,570,640	548,886	10,191,413
Third party liability	15,425,549	205,158	13,144,334	493,134	29,268,175	9,905,297	1,726,744	40,900,216
Credit and suretyship	7,952,911	-	(626,358)	439,041	7,765,595	(988,702)	950,060	7,726,953
Legal protection	599	-	-	-	599	(836)	836	599
Assistance	44,641	1,333	195	(66)	46,103	(1,764)	25,234	69,573
Others	10,999,726	97,628	2,308,189	(255,198)	13,150,345	718,986	378,109	14,247,440
	128,589,989	1,297,595	46,885,506	(2,898,772)	173,874,318	39,692,701	9,516,599	223,083,619
	129,649,273	1,297,595	48,550,515	(2,771,463)	176,725,920	37,201,335	9,699,193	223,626,448

(continuation)

(amounts in euros)

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021	Liabilities originated in the year	Exchange differences	Balance 31/12/2022
Deferred acquisition costs								
Life insurance	(3,270)	-	(1,232)	-	(4,502)	1,239	-	(3,263)
Non-life insurance								
Personal accidents and passengers	(1,912,629)	-	(1,549,961)	(77,907)	(3,540,497)	(2,701,171)	15,899	(6,225,769)
Health	-	-	6,570	1,025	7,595	(338,954)	1,387	(329,972)
Fire and other damage	(6,465,977)	(140,323)	(1,305,719)	(1,353,636)	(9,265,656)	(962,301)	(1,237,606)	(11,465,563)
Motor	(83,332)	-	(3,974)	(904,510)	(991,816)	(2,802)	113,059	(881,558)
Marine, aviation and transport	(67,993)	(21,799)	(39,626)	(278,851)	(408,269)	(12,277)	(120,846)	(541,392)
Third party liability	(1,641,321)	(8,614)	(1,279,827)	(619,741)	(3,549,503)	(2,063,148)	(261,239)	(5,873,890)
Credit and suretyship collateral	62,365	-	(2)	(501,325)	(438,963)	291	(227,874)	(666,545)
Legal protection	(117)	-	-	-	(117)	-	-	(117)
Assistance	(13,505)	2	871	-	(12,632)	-	(66)	(12,698)
Others	(2,622,846)	-	(1,289,338)	69,229	(3,842,955)	(112,828)	(60,101)	(4,015,884)
	(12,745,355)	(170,735)	(5,461,005)	(3,665,716)	(22,042,811)	(6,193,190)	(1,777,388)	(30,013,389)
	(12,748,625)	(170,735)	(5,462,237)	(3,665,716)	(22,047,313)	(6,191,951)	(1,777,388)	(30,016,652)
	116,900,648	1,126,860	43,088,279	(6,437,180)	154,678,607	31,009,384	7,921,806	193,609,797

Information on the claims provision for reinsurance ceded, at 31 December 2022 and 2021, is set out below:

(amounts in euros)

	2022			2021		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	47,857,797	41,348,097	89,205,894	42,342,907	28,997,124	71,340,031
Non-life insurance						
Workers' compensation	2,431,226	1,921,732	4,352,958	2,393,627	1,295,585	3,689,212
Personal accidents and passengers	25,722,346	956,134	26,678,480	19,590,789	852,347	20,443,136
Health	874,472	155,057	1,029,530	938,351	320,518	1,258,869
Fire and other damage	151,091,226	22,276,819	173,368,045	140,352,454	12,752,364	153,104,818
Motor	26,297,884	3,957,170	30,255,054	23,203,865	6,229,022	29,432,886
Marine, aviation and transport	9,020,233	1,470,666	10,490,899	8,926,478	124,004	9,050,482
Third party liability	38,759,607	6,804,630	45,564,238	40,580,034	4,387,633	44,967,666
Credit and suretyship	1,269,947	6,259	1,276,206	19,630,302	(191)	19,630,111
Assistance	26,828	65,254	92,083	39	7,478	7,517
Others	9,162,957	969,541	10,132,498	7,569,690	(342,885)	7,226,804
	264,656,728	38,583,262	303,239,990	263,185,629	25,625,874	288,811,502
	312,514,524	79,931,359	392,445,884	305,528,536	54,622,997	360,151,533

The movement occurred in the claims provision for reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2021	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2022
Life insurance	40,354,188	132,411	120,221,838	(89,972,555)	604,149	71,340,031	163,101,881	152,928,690)	7,692,672	89,205,894
Non-life insurance										
Workers' compensation	4,577,955	426,092	(143,671)	(1,213,213)	42,050	3,689,212	2,109,958	(2,150,166)	703,953	4,352,958
Personal accidents and passengers	18,883,650	45,302	4,758,993	(3,250,795)	5,986	20,443,136	8,673,048	(2,549,520)	111,816	26,678,480
Health	1,110,593	-	31,367,722	(31,158,151)	(61,295)	1,258,869	11,649,352	(11,898,498)	19,806	1,029,530
Fire and other damage	90,215,547	7,956,378	120,661,010	(65,716,345)	(11,772)	153,104,818	135,281,199	(121,331,340)	6,313,368	173,368,045
Motor	18,999,143	84,111	51,643,113	(40,744,505)	(548,975)	29,432,886	47,062,906	(47,662,828)	1,422,090	30,255,054
Marine, aviation and transport	7,537,801	2,176,534	8,375,937	(8,881,491)	(158,299)	9,050,482	10,989,042	(8,655,580)	(893,045)	10,490,899
Third party liability	30,207,438	60,498	27,946,633	(13,221,804)	(25,099)	44,967,666	16,448,261	(17,587,046)	1,735,356	45,564,238
Credit and suretyship	1,126,208	-	20,765,383	(2,633,549)	372,069	19,630,111	1,679,498	(22,394,689)	2,361,287	1,276,206
Assistance	6,154	1,370	(3,607)	2,799	801	7,517	88,728	(13,642)	9,479	92,083
Others	9,705,116	59,520	14,977,628	(17,475,675)	(39,785)	7,226,804	15,021,903	(12,406,799)	290,591	10,132,498
	182,369,605	10,809,805	280,349,141	(184,292,728)	(424,321)	288,811,502	249,003,896	246,650,109)	12,074,701	303,239,990
	222,723,793	10,942,216	400,570,978	(274,265,283)	179,828	360,151,533	412,105,776	(399,578,799)	19,767,373	392,445,884

Liabilities originated in the year and the claims paid are not deducted from the reinsurers' portion of the processed reimbursements.

Information on the mathematical provision and claims provision for profit-sharing in reinsurance ceded, at 31 December 2022 and 2021, is set out below:

(amounts in euros)

	2022			Total provision for profit sharing
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	
Life insurance				
Insurance contracts				
Life individual risk	23,347,053	(2,823)	23,344,231	-
Life group risk	8,415,707	-	8,415,707	-
	31,762,760	(2,823)	31,759,937	-
Non-life insurance				
Assistance	-	-	-	9,721
	-	-	-	9,721
	31,762,760	(2,823)	31,759,937	9,721

(amounts in euros)

	2021			
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Total provision for profit sharing
Life insurance				
Insurance contracts				
Life individual risk	19,684,249	(4,896)	19,679,354	-
Life group risk	9,264,991	-	9,264,991	-
	28,949,240	(4,896)	28,944,344	-
Non-life insurance				
Assistance	-	-	-	-
	-	-	-	-
	28,949,240	(4,896)	28,944,344	-

The movement in the mathematical provision and in the provision for profit sharing from reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	2022					
	Opening balance	Liabilities originated in the year and interest allocated	Change in deferred acquisition costs	Profit/loss shared	Exchange differences	Closing balance
Mathematical provision						
Life insurance						
Insurance contracts						
Life individual risk	19,679,354	3,556,353	2,398	-	106,126	23,344,231
Life group risk	9,264,991	(851,836)	-	-	2,552	8,415,707
	28,944,344	2,704,517	2,398	-	108,678	31,759,937
Provision for profit sharing						
Non-life insurance						
Assistance	-	-	-	9,721	-	9,721

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	2021 Change in deferred acquisition costs	Profit/loss shared	Exchange differences	Closing balance
Mathematical provision							
Life insurance							
Insurance contracts							
Life individual risk	13,425,759	-	6,124,367	5,186	-	124,043	19,679,354
Life group risk	9,346,549	27,508	(109,600)	-	-	533	9,264,991
	22,772,308	27,508	6,014,766	5,186	-	124,576	28,944,344
Provision for profit sharing							
Non-life insurance							
Assistance	87,712	-	11,229	-	(98,941)	-	-

18. OTHER DEBTORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accounts receivable for direct insurance operations		
Premiums pending collection	512,173,370	282,112,071
Brokers	68,481,666	61,929,518
Claims reimbursements	27,470,663	26,808,098
Co-insurers	21,677,204	22,895,338
Workers' Compensation Fund	2,070,478	2,167,786
Institute of Financing of Agriculture and Fisheries I.P. (IFAP)	413,761	49,972
Others	2,135,363	999,311
	634,422,505	396,962,094
(Adjustments to premiums pending collection - Note 43)	(20,323,342)	(25,064,316)
(Adjustments for doubtful debts - Note 43)	(5,620,112)	(5,318,768)
(IFAP Adjustments - Note 43)	(247,225)	-
	(26,190,679)	(30,383,084)
	608,231,826	366,579,010

	2022	2021
Accounts receivable for other reinsurance operations		
Reinsurers' current accounts	147,735,077	91,544,785
Reinsureds' current accounts	5,603,666	2,528,183
	153,338,743	94,072,967
(Adjustments for doubtful debts - Note 43)	(10,731,606)	(8,972,067)
	142,607,137	85,100,900
Accounts receivable for other operations		
Aggregate tax	80,039,592	5,568,314
Clients - current accounts	76,859,577	100,599,549
Transactions to be settled	42,468,447	-
Advance to suppliers	18,131,753	2,379,254
Internal adjustment accounts	10,770,848	4,223,556
Rental properties	6,245,798	2,753,923
Debtors - item held under custody	2,533,745	1,713,389
Funding Institute of Agriculture and Fisheries I.P. (IFAP)	1,691,447	1,464,985
Employees	403,059	1,288,292
Others	26,338,403	29,019,842
	265,482,670	149,011,104

	2022	2021
(Adjustments for doubtful debts - Note 43)	(31,208,534)	(39,928,893)
Of which:		
Customers	(16,177,926)	(20,467,719)
	234,274,136	109,082,211
	985,113,100	560,762,121

In 2022 and 2021, the amount under the heading "Clients – current accounts" includes the amounts of 70,220,194 Euros and 95,034,746 Euros, respectively, corresponding to the hospital sector.

In 2022, the sharp increase in the heading "Premiums pending collection" is essentially due to the entry into the perimeter of the Liechtenstein Life Assurance AG Company.

The balances receivable from IFAP correspond essentially to bonuses and compensation for excess claims related to harvest insurance campaigns in 2022.

At 31 December 2022 and 2021, the balance of the heading "Aggregate tax" corresponds to the amount of tax receivable by Longrun resulting from the application of the Special Corporate Group Taxation Regime (RETGS). The heading "Transactions to be settled" records transactions related to the sale of properties carried out in the last days of December, whose financial settlement takes place in the following year.

19. TAX ASSETS AND LIABILITIES

The balances for tax assets and liabilities at 31 December 2022 and 2021 were as follows:

(amounts in euros)

	2022	2021
Current tax assets		
Others	71,512	78,834
	71,512	78,834
Current tax liabilities		
Income tax payable	(2,585,605)	(4,568,724)
Others		
Stamp duty	(5,535,982)	(10,267,357)
Value-added tax	(7,896,527)	(14,197,114)
Motor insurance guarantee fund	(2,322,498)	(2,359,975)
Workers' compensation fund	(4,559,925)	(4,518,974)
National civil protection authority tax	(2,563,548)	(2,653,183)
Insurance and pension funds supervisory authority tax	(2,820,731)	(2,853,829)
National medical emergency institute tax	(3,356,168)	(3,216,898)

(continuation)

(amounts in euros)

	2022	2021
Social security	(7,008,570)	(7,621,193)
Withholdings	(7,131,400)	(7,551,897)
Others	(4,837,039)	(4,761,808)
	(50,617,994)	(64,570,952)
Deferred tax assets	502,539,520	228,409,300
Deferred tax liabilities	(234,440,166)	(126,537,688)
	268,099,354	101,871,612
	217,552,872	37,379,494

At 31 December 2022 and 2021, the balances relating to current income tax assets and liabilities break down as follows:

(amounts in euros)

	2022	2021
Income tax estimate recognised as a charge to the Income Statement	(57,945,301)	(115,417,462)
Income tax estimate recognised as a charge to other comprehensive income	28,851,291	3,760,776
Withholding tax	2,908,115	2,145,007
Payments on account	83,723,801	15,822,944
Income tax on branches	(186,994)	(745,495)
Tax liabilities	(21,989,959)	(12,201,057)
Income tax from previous years	25,072,860	10,201,860
Others	12,540,447	91,864,703
	72,974,260	(4,568,724)

At 31 December 2022 and 2021, the heading “Income tax estimate recognised as a charge to the Income Statement” corresponds to the amount of the estimate of CIT.

In 2022 and 2021, income tax recorded against reserves results from the variation of the fair value reserve of financial assets at fair value through other comprehensive income allocated to life insurance products with profit sharing,

from the variation of actuarial deviations related to post-employment benefits granted to employees, as well as from the realised capital gains and losses on variable income securities with fair value variation by reserves.

Movement under the deferred taxes heading during the years 2022 and 2021 were as follows:

(amounts in euros)

	Opening balances	Entry perimeter	2022 Change in			Closing balances
			Equity	Income statement	Other	
Assets						
Devaluation of debt instruments measured						
at fair value through other comprehensive income	13,348,276	-	159,733,116	-	8,689	173,090,081
Devaluation of fair value of debt instruments measured						
at fair value through profit or loss	9,374,028	-	-	100,933,667	(4,651,689)	105,656,006
Expected credit losses	-	-	6,020,916	(6,020,916)	-	-
Properties						
Own use	8,058,629	-	5,241,713	(481,323)	(558,182)	12,260,837
Investment properties	21,391,974	-	(228,272)	(10,067,346)	84,570	11,180,926
Provisions for impairment temporarily not allowed for tax purposes	137,719,159	-	(2,197,250)	2,119,791	(4,525,599)	133,116,101
Employee benefits	7,883,921	-	-	680,773	2,368	8,567,062
Tax losses carried forward	10,638,914	-	-	10,218,736	(3,172,575)	17,685,075
Others	19,994,399	12,554,870	982,810	11,534,672	(4,083,319)	40,983,432
	228,409,300	12,554,870	169,553,033	108,918,055	(16,895,737)	502,539,520

(continuation)

(amounts in euros)

	Opening balances	Entry perimeter	2022 Change in		Other	Closing balances
			Equity	Income statement		
Liabilities						
Valuation of debt instruments measured						
at fair value through other comprehensive income	(29,060,577)	-	28,319,116	-	-	(741,461)
Valuation of fair value of debt instruments measured						
at fair value through profit or loss	(39,344,809)	-	-	(84,252,301)	14,956,041	(108,641,069)
Properties						
Own use	(7,549,385)	-	(2,911,585)	1,894,083	(1,439,564)	(10,006,451)
Investment properties	(15,642,786)	(5,522,710)	320,589	(26,412,794)	(473,928)	(47,731,629)
Others	(34,940,131)	(22,436,922)	-	(7,471,886)	(2,470,617)	(67,319,556)
	(126,537,688)	(27,959,632)	25,728,120	(116,242,898)	10,571,932	(234,440,166)
	101,871,612	(15,404,762)	195,289,842	(7,324,844)	(6,332,494)	268,099,354

(amounts in euros)

	Opening balances	Entry perimeter	2021 Change in			Closing balances
			Equity	Income statement	Other	
Assets						
Devaluation of debt instruments measured						
at fair value through other comprehensive income	5,860,508	-	7,851,373	-	(363,605)	13,348,276
Devaluation of fair value of debt instruments measured						
at fair value through profit or loss	3,814,894	-	-	304,740	5,254,394	9,374,028
Properties						
Own use	9,324,051	-	1,409,700	(1,235,233)	(1,439,889)	8,058,629
Investment properties	22,904,281	-	(737,117)	(599,761)	(175,429)	21,391,974
Provisions and impairment temporarily not accepted for tax purposes	130,694,295	-	(130,060)	8,466,534	(1,311,610)	137,719,159
Employee benefits	10,705,619	-	(839,887)	(1,988,755)	6,944	7,883,921
Tax losses carried forward	9,568,978	-	-	(3,015,247)	4,085,183	10,638,914
Others	13,037,333	516,616	(91,539)	10,854,691	(4,322,703)	19,994,399
	205,909,959	516,616	7,462,470	12,786,969	1,733,285	228,409,300

(continuation)

(amounts in euros)

	Opening balances	Entry perimeter	2021 Change in		Other	Closing balances
			Equity	Income statement		
Liabilities						
Valuation of debt instruments measured						
at fair value through other comprehensive income	(53,435,065)	-	23,051,205	1,660,529	(337,246)	(29,060,577)
Valuation of fair value of debt instruments measured						
at fair value through profit or loss	(50,865,940)	-	-	(2,756,020)	14,277,151	(39,344,809)
Properties						
Own use	(9,632,484)	(246,666)	74,579	859,455	1,395,731	(7,549,385)
Investment properties	(45,503,762)	-	181,300	28,219,825	1,459,851	(15,642,786)
Others	(26,486,869)	(7,311,211)	-	(1 143 396)	1,345	(34,940,131)
	(185,924,120)	(7,557,877)	23,307,084	26,840,393	16,796,832	(126,537,688)
	19,985,839	(7,041,261)	30,769,554	39,627,362	18,530,118	101,871,612

In 2022, deferred taxes are measured at the rate of 31.5%, except, when applicable in the component of tax losses, which are measured at the rate of 21%.

20. ACCRUALS AND DEFERRALS (ASSETS)

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accrued income		
Services provided and not billed by Luz Saúde	35,563,831	49,142,606
Volume discount of Luz Saúde providers	8,700,000	-
Estimate of profit commissions	4,260,391	4,565,000
Others	6,513,339	18,598,358
Deferred expenses		
Software licences	7,524,985	5,627,144
Maintenance and repairs	5,494,194	704,763
Rents and leases	1,385,686	757,661
Advertising	1,368,417	943,576
Insurance	970,739	1,644,348
Specialist work	721,168	18,358
Portuguese Insurers Association subscriptions	379,058	339,027
Commissions on the issue of financial products	360,860	2,455,794
Others	21,028,487	19,893,736
	94,271,155	104,690,371

The heading "Deferred expenses – Commissions on the issue of financial products" corresponds to commission charges made by Caixa Geral de Depósitos, S.A. on the commercialisation of capitalisation products recognised as financial liabilities, which are deferred during the lifetime of the contracts.

The item "Deferred expenses – Others" includes 3,400,000 euros related to the partnership project between Luz Saúde, S.A. and the Catholic University of Portugal.

21. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At 31 December 2022 and 2021, the non-current held for sale assets, liabilities, and gains and losses headings were composed as follows:

(amounts in euros)

	2022	2021
Non-current assets held for sale		
Properties for own use	7,956,531	6,546,678
Tangible assets	6,876,274	76,250
Inventory	24,450,240	483,048
	39,283,044	7,105,976
Liabilities of a group for sale classified as held for sale		
Other liabilities	15,824,973	3,760,697
	15,824,973	3,760,697

	2022	2021
Gains and losses on non-current assets classified as held for sale		
Gains		
Gains realised	-	3,890,250
	-	3,890,250
Loss		
Other costs	(1,441,931)	-
	(1,441,931)	-
	(1,441,931)	3,890,250

As of 31 December 2022, the balance of this heading refers to the Management Company of the Hospital de Loures and the unit of Casas da Cidade Carnaxide (previously known as Clube de Repouso Casa dos Leões) located in Carnaxide, Lisbon.

As of 31 December 2021, the balance of this heading refers to the unit of Casas da Cidade Carnaxide (previously known as Clube de Repouso Casa dos Leões) located in Carnaxide, Lisbon.

22. TECHNICAL PROVISIONS

On 31 December 2022 and 2021, the technical provisions for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	2022			2021		
	Life	Non-Life	Total	Life	Non-Life	Total
Provision for unearned premiums	6,385,851	638,312,760	644,698,611	6,179,070	554,961,616	561,140,686
Mathematical provision for life insurance	2,629,722,639	-	2,629,722,639	2,766,184,105	-	2,766,184,105
Claims provision						
Reported claims	156,704,626	2,103,084,429	2,259,789,055	152,471,046	2,047,525,868	2,199,996,914
Claims incurred but not reported (IBNR)	97,475,007	144,120,133	241,595,140	76,739,958	119,545,222	196,285,180
	254,179,633	2,247,204,562	2,501,384,195	229,211,004	2,167,071,090	2,396,282,094
Provision for profit sharing	26,354,207	57,377	26,411,583	63,265,165	474,425	63,739,590
Provision for interest rate commitments	16,561,158	-	16,561,158	17,780,388	-	17,780,388
Provision for portfolio stabilisation	24,110,995	-	24,110,995	25,803,587	-	25,803,587
Equalisation provision	-	35,645,359	35,645,359	-	33,356,809	33,356,809
Provision for unexpired risks	-	46,203,478	46,203,478	-	47,888,226	47,888,226
Other technical provisions	-	35,787,913	35,787,913	-	23,211,963	23,211,963
	2,957,314,482	3,003,211,448	5,960,525,930	3,108,423,319	2,826,964,127	5,935,387,447

The Other technical provisions originated in the French Branch, in the accounting of PSNEM (Provision pour Sinistres Non Encore Manifestés), a mandatory provision for products related to civil liability related to construction. In the years 2022 and 2021, the sharp increase in the provision is essentially due to the adjustment of the previous year's PSNEM.

As at 31 December 2022 and 2021, the provisions for unearned premiums on direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Deferred premiums	2022 Deferred costs	Net	Deferred premiums	2021 Deferred costs	Net
Life insurance	6,390,832	(4,980)	6,385,851	6,190,063	(10,993)	6,179,070
Non-life insurance						
Workers' compensation	23,852,626	(4,136,930)	19,715,695	20,268,015	(3,859,033)	16,408,982
Personal accidents and passengers	19,607,702	(6,218,823)	13,388,879	14,910,092	(3,924,555)	10,985,537
Health	64,578,079	(9,846,792)	54,731,287	51,431,790	(7,832,709)	43,599,081
Fire and other damage	224,382,273	(31,732,579)	192,649,694	195,785,015	(28,749,304)	167,035,711
Motor	289,045,714	(45,484,920)	243,560,793	257,998,076	(40,418,998)	217,579,078
Marine, aviation and transport	15,224,783	(581,504)	14,643,280	12,803,837	(638,159)	12,165,678
Third party liability	61,333,376	(9,665,000)	51,668,377	49,651,803	(7,064,598)	42,587,204
Credit and suretyship	10,062,953	(294,265)	9,768,688	9,465,407	(143,628)	9,321,778
Legal protection	2,946,025	(1,190,960)	1,755,065	2,682,770	(1,170,871)	1,511,899
Assistance	21,320,170	(4,735,093)	16,585,076	19,408,477	(4,280,669)	15,127,808
Others	23,514,301	(3,668,376)	19,845,925	22,433,872	(3,795,012)	18,638,860
	755,868,001	(117,555,242)	638,312,760	656,839,155	(101,877,538)	554,961,616
	762,258,833	(117,560,222)	644,698,611	663,029,218	(101,888,532)	561,140,686

The movement in provisions for unearned premiums and deferred acquisition costs of direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2022
Provision for unearned premiums									
Life insurance	3,245,824	-	2,749,518	194,721	6,190,063	51,958	(43,903)	192,714	6,390,832
Non-life insurance									
Workers' compensation	17,890,947	473,390	1,831,193	72,485	20,268,015	-	3,442,825	141,786	23,852,626
Personal accidents and passengers	11,312,479	52,147	3,510,753	34,713	14,910,092	-	4,460,738	236,872	19,607,702
Health	51,751,481	3,348,804	(2,017,703)	(1,650,792)	51,431,790	-	11,395,559	1,750,730	64,578,079
Fire and other damage	164,761,864	1,396,219	29,166,486	460,446	195,785,015	-	20,817,928	7,779,329	224,382,273
Motor	238,843,044	3,058,909	16,662,538	(566,415)	257,998,076	-	24,230,018	6,817,620	289,045,714
Marine, aviation and transport	7,994,214	181,570	4,715,505	(87,452)	12,803,837	-	1,625,233	795,713	15,224,783
Third party liability	31,438,648	284,773	17,778,643	149,738	49,651,803	-	9,579,598	2,101,976	61,333,376
Credit and suretyship	9,991,607	-	(485,758)	(40,442)	9,465,407	-	(222,704)	820,249	10,062,953
Legal protection	2,483,804	-	198,919	47	2,682,770	-	262,403	853	2,946,025
Assistance	18,189,341	-	1,215,841	3,295	19,408,477	-	1,867,058	44,634	21,320,170
Others	19,270,896	-	3,352,596	(189,620)	22,433,872	-	329,472	750,957	23,514,301
	573,928,325	8,795,813	75,929,012	(1,813,996)	656,839,155	-	77,788,128	21,240,719	755,868,001
	577,174,149	8,795,813	78,678,530	(1,619,274)	663,029,218	51,958	77,744,224	21,433,433	762,258,833

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2021	Entries in the consolidation perimeter	Liabilities originated in the year	Exchange differences	Balance 31/12/2022
Deferred acquisition costs									
Life insurance	(20,260)	-	26,693	(17,426)	(10,993)	-	(2,103)	8,115	(4,980)
Non-life insurance									
Workers' compensation	(3,590,341)	(62,405)	(60,691)	(145,596)	(3,859,033)	-	(388,449)	110,551	(4,136,930)
Personal accidents and passengers	(3,179,590)	(337,814)	(378,720)	(28,432)	(3,924,555)	-	(2,632,922)	338,655	(6,218,823)
Health	(9,461,347)	(4,532)	1,918,766	(285,597)	(7,832,709)	-	(1,752,045)	(262,038)	(9,846,792)
Fire and other damage	(27,256,923)	(158,991)	(1,227,022)	(106,368)	(28,749,304)	-	(2,961,294)	(21,980)	(31,732,579)
Motor	(36,929,323)	(329,751)	(3,134,722)	(25,203)	(40,418,998)	-	(5,057,825)	(8,098)	(45,484,920)
Marine, aviation and transport	(345,492)	(22,273)	(138,813)	(131,581)	(638,159)	-	(57,007)	113,663	(581,504)
Third party liability	(5,443,758)	(38,002)	(1,547,770)	(35,068)	(7,064,598)	-	(2,626,304)	25,902	(9,665,000)
Credit and suretyship	(134,781)	-	919	(9,767)	(143,628)	-	(145,125)	(5,512)	(294,265)
Legal protection	(1,213,147)	-	42,278	(1)	(1,170,871)	-	(20,083)	(6)	(1,190,960)
Assistance	(4,125,094)	-	(159,845)	4,270	(4,280,669)	-	(452,683)	(1,741)	(4,735,093)
Others	(3,306,928)	-	(485,191)	(2,893)	(3,795,012)	-	127,783	(1,146)	(3,668,376)
	(94,986,724)	(953,767)	(5,170,810)	(766,237)	(101,877,538)	-	(15,965,954)	288,250	(117,555,242)
	(95,006,984)	(953,767)	(5,144,117)	(783,664)	101,888,532	-	(15,968,056)	296,366	(117,560,222)
	482,167,165	7,842,046	73,534,413	(2,402,938)	561,140,686	51,958	61,776,168	21,729,799	644,698,611

On 31 December 2022 and 2021 claims provisions for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Reported	2022 Not reported	Total	Reported	2021 Not reported	Total
Life insurance	156,704,626	97,475,007	254,179,633	152,471,046	76,739,958	229,211,004
Non-life insurance						
Workers' compensation						
Mathematical provision	784,241,470	1,305,729	785,547,198	786,942,101	1,868,814	788,810,914
Provision for lifetime assistance	196,611,585	7,957,760	204,569,345	206,705,696	7,978,518	214,684,214
Provision for temporary assistance	188,364,417	4,017,088	192,381,504	129,701,559	3,921,751	133,623,310
	1,169,217,471	13,280,576	1,182,498,047	1,123,349,355	13,769,083	1,137,118,438
Other insurance						
Personal accidents and passengers	36,785,759	8,840,518	45,626,277	29,448,816	7,980,043	37,428,859
Health	88,647,166	12,969,709	101,616,875	71,959,479	14,636,165	86,595,644
Fire and other damage	217,725,343	42,028,279	259,753,622	195,763,345	28,755,407	224,518,753
Motor	437,760,020	30,222,306	467,982,325	453,337,220	26,249,929	479,587,149

(continuation)

(amounts in euros)

	Reported	2022 Not reported	Total	Reported	2021 Not reported	Total
Marine, aviation and transport	15,980,018	4,612,783	20,592,801	13,461,741	2,679,415	16,141,156
Third party liability	109,102,256	29,246,201	138,348,456	115,608,660	24,465,559	140,074,219
Credit and suretyship	1,968,475	186,811	2,155,286	20,414,687	105,109	20,519,796
Legal protection	1,918,827	136,402	2,055,229	2,386,660	183,915	2,570,575
Assistance	7,636,531	94,621	7,731,152	8,647,718	124,238	8,771,956
Others	16,342,565	2,501,928	18,844,492	13,148,188	596,359	13,744,547
	933,866,958	130,839,557	1,064,706,515	924,176,513	105,776,139	1,029,952,652
	2,103,084,429	144,120,133	2,247,204,562	2,047,525,868	119,545,222	2,167,071,090
	2,259,789,055	241,595,140	2,501,384,195	2,199,996,914	196,285,180	2,396,282,094

The movement in the claims provisions on direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Entries in the consolidation perimeter	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2021	Liabilities originated in the year	Claims paid	Exchange differences	Balance 31/12/2022
Life insurance	164,426,888	363,281	686,800,582	(621,229,480)	(1,150,267)	229,211,004	811,498,756	(772,264,900)	(14,265,227)	254,179,633
Non-life insurance	-	-	-	-	-	-	-	-	-	-
Workers' compensation	1,051,768,480	6,773,502	259,319,873	(180,913,703)	170,286	1,137,118,438	291,743,379	(232,452,591)	(13,911,178)	1,182,498,047
Personal accidents and passengers	35,759,992	149,041	12,099,967	(10,573,178)	(6,963)	37,428,859	22,882,920	(14,786,368)	100,865	45,626,277
Health	61,913,692	(13,204)	320,582,474	(296,720,180)	832,862	86,595,644	365,922,369	(346,082,478)	(4,818,661)	101,616,875
Fire and other damage	160,052,904	8,151,473	219,155,601	(162,482,467)	(358,758)	224,518,753	278,191,262	(236,779,109)	(6,177,283)	259,753,622
Motor	433,761,486	3,485,268	462,033,448	(419,277,886)	(415,168)	479,587,149	511,459,400	(518,593,642)	(4,470,582)	467,982,325
Marine, aviation and transport	14,053,628	2,181,390	14,479,707	(14,598,209)	24,641	16,141,156	24,191,862	(19,113,500)	(626,717)	20,592,801
Third party liability	121,067,007	73,630	50,229,793	(31,230,982)	(65,229)	140,074,219	38,624,090	(38,004,008)	(2,345,845)	138,348,456
Credit and suretyship	2,164,256	-	23,095,498	(4,363,032)	(376,927)	20,519,796	16,802,341	(32,786,735)	(2,380,116)	2,155,286
Legal protection	2,606,765	-	400,320	(436,510)	-	2,570,575	(127,809)	(387,399)	(138)	2,055,229
Assistance	7,598,041	127,423	37,065,109	(36,017,943)	(674)	8,771,956	34,265,528	(35,416,834)	110,502	7,731,152
Others	16,093,207	222,558	28,776,892	(31,425,249)	77,139	13,744,547	32,218,968	(26,657,084)	(461,938)	18,844,492
	1,906,839,458	21,151,081	1,427,238,682	1,188,039,340	(118,791)	2,167,071,090	1,616,174,310	1,501,059,748	(34,981,090)	2,247,204,562
	2,071,266,346	21,514,362	2,114,039,264	1,809,268,820	(1,269,059)	2,396,282,094	2,427,673,066	2,273,324,648	(49,246,317)	2,501,384,195

The liabilities arising in the financial year and the claims paid do not include the costs allocated to the claims management function and are not deducted from the reimbursements processed by the Group.

At 31 December 2022 and 2021, the provisions for unexpired risks on direct insurance and reinsurance accepted were as follows:

(amounts in euros)

	2022	2021
Non-life insurance		
Workers' compensation	787,100	991,450
Personal accidents and passengers	350,221	221,649
Health	10,579,352	10,048,658
Fire and other damage	7,375,413	5,507,497
Health	17,179,824	22,799,559
Marine, aviation and transport	1,510	81,065
Third party liability	6,659,252	4,790,735
Credit and suretyship	17,528	12,426
Legal protection	478,345	648,005
Assistance	2,769,914	2,745,404
Others	5,019	41,780
	46,203,478	47,888,226

The movement in the provision for unexpired risks in direct insurance and reinsurance accepted during 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Appropriations / (Reversals) for the financial year	Exchange differences	Balance 31/12/2021	Appropriations / (Reversals) for the financial year	Exchange differences	Balance 31/12/2022
Life insurance	131,691	(127,133)	(4,558)	-	-	-	-
Non-life insurance							
Workers' compensation	894,185	83,306	13,960	991,450	(211,202)	6,852	787,100
Personal accidents and passengers	1,206,791	(984,732)	(410)	221,649	(2,285)	130,857	350,221
Health	9,305,489	743,142	26	10,048,658	534,669	(3,974)	10,579,352
Fire and other damage	3,996,776	1,490,514	20,207	5,507,497	1,588,425	279,492	7,375,413
Motor	16,265,006	6,525,133	9,420	22,799,559	(5,682,607)	62,873	17,179,824
Marine, aviation and transport	-	81,065	-	81,065	(79,555)	-	1,510
Third party liability	3,036,904	1,753,830	-	4,790,735	1,868,517	-	6,659,252
Credit and suretyship	6,200	5,559	667	12,426	4,663	439	17,528
Legal protection	477,133	170,872	-	648,005	(169,658)	(2)	478,345
Assistance	1,974,627	770,777	-	2,745,404	24,515	(5)	2,769,914
Others	42,201	(2,073)	1,651	41,780	(36,679)	(81)	5,019
	37,205,312	10,637,392	45,522	47,888,226	(2,161,197)	476,449	46,203,478
	37,337,003	10,510,259	40,964	47,888,226	(2,161,197)	476,449	46,203,478

For motor insurance, the change in the calculation method of the provision for unexpired risks, due to the impact of the Coronavirus - COVID-19 pandemic outbreak in fiscal year 2021 described in Note 2.17.j), gave rise to a reinforcement of the provision of 20,659,927 Euros.

At 31 December 2022 and 2021, the mathematical provision and the provision for profit sharing in direct insurance and reinsurance accepted were as follows:

(amounts in euros)

	2022					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Life insurance						
Insurance contracts						
Life individual risk	179,721,237	(1,577,463)	178,143,774	978,603	13,839,244	14,817,847
Life group risk	951,723,166	(3,325)	951,719,841	1,961	5,726,296	5,728,258
	1,131,444,403	(1,580,788)	1,129,863,615	980,564	19,565,540	20,546,104
Investment contracts with a discretionary profit-sharing component						
Life individual capitalisation	177,664,325	(18,352)	177,645,973	-	1,495,050	1,495,050
Life group capitalisation	366,099,489	-	366,099,489	195	4,185,022	4,185,217
Life individual PPR	956,121,383	(7,823)	956,113,560	8,714	119,122	127,836
	1,499,885,198	(26,175)	1,499,859,023	8,909	5,799,194	5,808,102
	2,631,329,601	(1,606,963)	2,629,722,639	989,473	25,364,734	26,354,207

(continuation)

(amounts in euros)

	2022					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Non-life insurance						
Workers' compensation	-	-	-	-	20,306	20,306
Personal accidents and passengers	-	-	-	-	30,821	30,821
Fire and other damage	-	-	-	-	6,250	6,250
	-	-	-	-	57,377	57,377
	2,631,329,601	(1,606,963)	2,629,722,639	989,473	25,422,110	26,411,583

(amounts in euros)

	2021					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Life insurance						
Insurance contracts						
Life individual risk	160,476,765	(1,287,770)	159,188,996	2,111,992	15,195,265	17,307,257
Life group risk	868,228,712	(2,426)	868,226,286	97,048	19,716,891	19,813,939
Life individual capitalisation	127,373,466	(78,933)	127,294,533	60,258	99,015	159,274
Life group capitalisation	2,544,934	-	2,544,934	29,504	15,032	44,536
	1,158,623,878	(1,369,129)	1,157,254,749	2,298,802	35,026,204	37,325,006

(continuation)

(amounts in euros)

	2021					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Investment contracts with a discretionary profit-sharing component						
Life individual capitalisation	118,228,951	(3,604)	118,225,347	712,118	4,931,726	5,643,844
Life group capitalisation	343,116,653	-	343,116,653	2,068,569	3,201,337	5,269,906
Life individual PPR	1,147,597,202	(9,847)	1,147,587,356	12,986,335	2,040,075	15,026,409
	1,608,942,806	(13,450)	1,608,929,356	15,767,021	10,173,138	25,940,159
	2,767,566,684	(1,382,580)	2,766,184,105	18,065,824	45,199,341	63,265,165
Non-life insurance						
Workers' compensation	-	-	-	-	18,999	18,999
Personal accidents and passengers	-	-	-	-	339,952	339,952
Fire and other damage	-	-	-	-	6,250	6,250
Others	-	-	-	-	109,223	109,223
	-	-	-	-	474,425	474,425
	2,767,566,684	(1,382,580)	2,766,184,105	18,065,824	45,673,766	63,739,590

The movement in the mathematical provision and in the provision for profit sharing in direct insurance and reinsurance accepted during 2022 and 2021 was as follows:

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2022 Change in deferred acquisition costs	Portfolio recomposition	Profit/loss shared	Exchange differences	Closing balance
Mathematical provision									
Life insurance									
Insurance contracts	1,157,254,749	461,234	(34,408,993)	-	(82,979)	-	7,338,688	(699,083)	1,129,863,615
Investment contracts with a discretionary profit-sharing component	1,608,929,356	-	(258,267,070)	-	71,706	(66,194)	160,079,930	(10,888,705)	1,499,859,023
	2,766,184,105	461,234	(292,676,064)	-	(11,272)	(66,194)	167,418,618	(11,587,788)	2,629,722,639
Provision for profit sharing									
To Be Allocated									
Life insurance									
Insurance contracts	2,298,802	-	592,585	(1,821,061)	-	-	(89,762)	-	980,564
Investment contracts with a discretionary profit-sharing component	15,767,021	-	9,220,829	(25,160,093)	-	-	181,151	-	8,909
	18,065,824	-	9,813,415	(26,981,154)	-	-	91,389	-	989,473

(continuation)

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2022 Change in deferred acquisition costs	Portfolio recomposition	Profit/loss shared	Exchange differences	Closing balance
Allocated									
Life insurance									
Insurance contracts	35,026,204	-	(13,693,790)	-	-	-	(1,766,873)	-	19,565,540
Investment contracts with a discretionary profit-sharing component	10,173,138	-	3,869,487	-	-	-	(8,237,573)	(5,858)	5,799,194
	45,199,341	-	(9,824,303)	-	-	-	(10,004,447)	(5,858)	25,364,734
Non-life insurance									
Workers' compensation	18,999	-	20,633	-	-	-	(19,327)	-	20,306
Personal accidents and passengers	339,952	-	57,392	-	-	-	(366,523)	-	30,821
Health	-	-	1,981,365	-	-	-	(1,981,365)	-	-
Fire and other damage	6,250	-	1,374,656	-	-	-	(1,374,656)	-	6,250
Motor	-	-	1,620,575	-	-	-	(1,620,575)	-	-
Marine, aviation and transport	-	-	393	-	-	-	(393)	-	-

(continuation)

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2022 Change in deferred acquisition costs	Portfolio recomposition	Profit/loss shared	Exchange differences	Closing balance
Third party liability	-	-	25,735	-	-	-	(25,735)	-	-
Credit and suretyship	-	-	21,178	-	-	-	(21,178)	-	-
Assistance	-	-	66,225	-	-	-	(66,225)	-	-
Others	109,223	-	79,332	-	-	-	(188,555)	-	-
	474,425	-	5,247,483	-	-	-	(5,664,531)	-	57,377
	45,673,766	-	(4,576,820)	-	-	-	(15,668,978)	(5,858)	25,422,110
	63,739,590	-	5,236,595	(26,981,154)	-	-	(15,577,589)	(5,858)	26,411,583

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2021 Change in deferred acquisition costs	Portfolio recomposition	Profit/loss shared	Exchange differences	Closing balance
Mathematical provision									
Life insurance									
Insurance contracts	1,120,569,415	1,153,966	35,201,758	-	(3,426)	-	429,317	(96,282)	1,157,254,749
Investment contracts with a discretionary profit-sharing component	1,767,082,914	653,149	(164,204,983)	-	3,796	(53,055)	5,447,535	-	1,608,929,356
	2,887,652,329	1,807,116	(129,003,225)	-	370	(53,055)	5,876,852	(96,282)	2,766,184,105
Provision for profit sharing									
To Be Allocated									
Life insurance									
Insurance contracts	2,040,347	-	40,071	218,384	-	-	-	-	2,298,802
Investment contracts with a discretionary profit-sharing component	29,220,881	-	6,082,864	(19,995,034)	-	-	458,311	-	15,767,021
	31,261,228	-	6,122,935	(19,776,650)	-	-	458,311	-	18,065,824

(continuation)

(amounts in euros)

	Opening balance	Entries in the consolidation perimeter	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2021 Change in deferred acquisition costs	Portfolio recomposition	Profit/loss shared	Exchange differences	Closing balance
Allocated									
Life insurance									
Insurance contracts	34,766,531	879,444	3,841,646	-	-	-	(4,461,417)	-	35,026,204
Investment contracts with a discretionary profit-sharing component	9,689,070	-	4,258,095	-	-	-	(3,774,027)	-	10,173,138
	44,455,601	879,444	8,099,740	-	-	-	(8,235,444)	-	45,199,341
Non-life insurance									
Workers' compensation	-	18,999	-	-	-	-	-	-	18,999
Personal accidents and passengers	-	339,952	-	-	-	-	-	-	339,952
Fire and other damage	6,250	-	6,115	-	-	-	(6,115)	-	6,250
Legal protection	-	-	346	-	-	-	(346)	-	-
Assistance	-	-	102,211	-	-	-	(102,211)	-	-
Others	-	109,223	140,087	-	-	-	(140,087)	-	109,223
	6,250	468,175	248,760	-	-	-	(248,760)	-	474,425
	44,461,851	1,347,619	8,348,500	-	-	-	(8,484,204)	-	45,673,766
	75,723,079	1,347,619	14,471,435	(19,776,650)	-	-	(8,025,893)	-	63,739,590

The provision for profit sharing to be allocated and already allocated are accounted for in line with the policy described in Note 2.17. f).

As of 31 December 2022 and 2021, the provision for interest rate commitments, the provision for portfolio stabilisation and the equalisation provision for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Provision for rate commitments	2022 Provision for portfolio stabilisation	Provision for claims rate deviations
Life insurance			
Insurance contracts			
Life group risk	-	24,110,995	-
	-	24,110,995	-
From investment contracts with profit sharing with discretionary component			
Life individual capitalisation	1,533,954	-	-
Life group capitalisation	537,378	-	-
Life individual PPR	14,489,825	-	-
	16,561,158	-	-
	16,561,158	24,110,995	-
Non-life insurance			
Fire and other damage	-	-	32,944,770
Third party liability	-	-	61,681
Credit and suretyship	-	-	2,009,593
Others	-	-	629,315
	-	-	35,645,359
	16,561,158	24,110,995	35,645,359

(amounts in euros)

	Provision for rate commitments	2021 Provision for portfolio stabilisation	Provision for claims rate deviations
Life insurance			
Insurance contracts			
Life group risk	-	25,803,587	-
	-	25,803,587	-
From investment contracts with profit sharing with discretionary component			
Life individual capitalisation	2,804,509	-	-
Life group capitalisation	744,111	-	-
Life individual PPR	14,231,768	-	-
	17,780,388	-	-
	17,780,388	25,803,587	-
Non-life insurance			
Fire and other damage	-	-	30,686,025
Third party liability	-	-	61,681
Credit and suretyship	-	-	2,009,593
Others	-	-	599,510
	-	-	33,356,809
	17,780,388	25,803,587	33,356,809

The provision for interest rate commitments is in line with the policy described in Note 2.17.g).

The movement occurred in the provision for interest rate commitments and in the provision for portfolio stabilisation of direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Reversals in the year	Balance 31/12/2021	Reversals in the year	Balance 31/12/2022
Provision for rate commitments					
Life insurance					
Investment contracts with a discretionary profit-sharing component					
Life individual capitalisation	5,648,440	(2,843,931)	2,804,509	(1,270,554)	1,533,954
Life group capitalisation	1,800,637	(1,056,526)	744,111	(206,734)	537,378
Life individual PPR	21,562,945	(7,331,177)	14,231,768	258,057	14,489,825
	29,012,022	(11,231,634)	17,780,388	(1,219,231)	16,561,158
Provision for portfolio stabilisation					
Life insurance					
Insurance contracts					
Life group risk	26,345,782	(542,195)	25,803,587	(1,692,592)	24,110,995
	26,345,782	(542,195)	25,803,587	(1,692,592)	24,110,995

The movement occurred in the equalisation provision for direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Appropriations in the year	Balance 31/12/2021	Appropriations in the year	Balance 31/12/2022
Non-life insurance					
Fire and other damage	28,705,382	1,980,643	30,686,025	2,258,745	32,944,770
Third party liability	61,681	-	61,681	-	61,681
Credit and suretyship	2,005,006	4,587	2,009,593	-	2,009,593
Others	574,205	25,305	599,510	29,805	629,315
	31,346,274	2,010,535	33,356,809	2,288,550	35,645,359

23. FINANCIAL LIABILITIES OF THE DEPOSIT COMPONENT OF INSURANCE CONTRACTS AND ON INSURANCE CONTRACTS AND OPERATIONS CONSIDERED FOR ACCOUNTING PURPOSES AS INVESTMENT CONTRACTS

Information on movements in this account heading for 2022 and 2021 is set out below:

(amounts in euros)

	2022						
	Opening balance	Entries in the consolidation perimeter	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value							
Unit-linked contracts							
Unit-linked individual capitalisation	1,447,057,443	617,559,480	1,206,171,340	(182,251,341)	(318,237,006)	(601,726)	2,769,698,191
Unit-linked group capitalisation	721,245	-	1,058,363	-	-	-	1,779,608
Unit-linked PPR	312,491,275	-	98,980,283	(20,051,238)	(25,723,881)	(1,359,449)	364,336,990
	1,760,269,963	617,559,480	1,306,209,986	(202,302,579)	(343,960,887)	(1,961,176)	3,135,814,789
Valued at amortised cost							
Other investment contracts							
Life Individual PPR Fixed Rate	4,471,685,759	-	177,396,711	(895,141,239)	9,409,976	1,425,643	3,764,776,850
Life Individual Fixed Rate	1,881,617,869	-	388,672,441	(668,424,383)	3,353,734	602,016	1,605,821,677
Life Group Fixed Rate	816,882	-	37,080	-	29,261	-	883,223
Capitalisation Op. Individual Fixed Rate	4,435,555	-	-	(994)	3,313	-	4,437,874
	6,358,556,065	-	566,106,232	(1,563,566,616)	12,796,284	2,027,659	5,375,919,624
	8,118,826,028	617,559,480	1,872,316,218	(1,765,869,195)	(331,164,603)	66,483	8,511,734,412

	2021					
	Opening balance	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	436,425,650	1,042,531,268	(47,732,420)	16,009,090	(176,145)	1,447,057,443
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	86,383,232	229,704,106	(7,906,181)	8,432,175	(4,122,056)	312,491,275
	523,530,127	1,272,235,374	(55,638,601)	24,441,265	(4,298,202)	1,760,269,963
Valued at amortised cost						
Other investment contracts						
Life Individual PPR Fixed Rate	5,487,653,605	211,809,623	(1,239,512,201)	7,559,621	4,175,111	4,471,685,759
Life Individual Fixed Rate	2,343,751,263	611,885,111	(1,088,940,537)	14,745,886	176,145	1,881,617,869
Life Group Fixed Rate	751,929	36,834	-	28,119	-	816,882
Capitalisation Op. Individual Fixed Rate	4,435,555	-	-	-	-	4,435,555
	7,836,592,352	823,731,568	(2,328,452,738)	22,333,626	4,351,256	6,358,556,065
	8,360,122,479	2,095,966,941	(2,384,091,339)	46,774,891	53,055	8,118,826,028

"Other investment contracts" corresponds, for the most part, to liabilities with contracts which guarantee the insured person a fixed yield throughout the whole of the contract, and these are recognised at amortised cost.

In 2022 the entries into the perimeter concern the acquisition of the company Liechtenstein Life Assurance AG.

24. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND OTHER FINANCIAL LIABILITIES

At 31 December 2022 and 2021, these headings were composed as follows:

(amounts in euros)

	2022	2021
Financial liabilities at fair value through profit or loss		
Fair value hedge (Note 7)	25,238,071	169,915,652
Other derivatives (Note 7)	129,278,235	129,754,462
Financial liabilities of the put option	-	70,400,219
Other financial liabilities		
Hedge derivatives		
Cash flow hedge (Note 7)	4,154,865	10,785,132
Hedge of a net investment in a foreign operation (Note 7)	795,084	12,796,635
	4,949,949	23,581,767
Subordinate liabilities	502,164,558	501,053,722
Deposits received from reinsurers		
Life	1,773,745	39,783,982
Non-Life	52,828,960	41,494,526
	54,602,705	81,278,509
Loans	487,519,635	398,049,531
Leases	148,661,036	127,577,673
	1,197,897,883	1,131,541,202
	1,352,414,189	1,501,611,535

The heading "Other derivatives" includes a put option and a call option on all the shares of Fidelidade Moçambique - Companhia de Seguros S.A.

The heading "Loans" as of 31 December 2022 includes loans obtained on which interest is charged at an average annual rate of 3.45%, with a maximum maturity of approximately 12 years, and a Commercial Paper issuance programme, subscribed by the Group in 2014, subject to an average annual rate of 1.59% and with a maximum maturity of approximately 7 years.

The heading "Subordinate liabilities" refers to the Group's debt issuance on 4 June 2021, in the amount of 500,000,000 Euros, with a maturity of 10 years, with a 5-year call option and a remuneration rate of about 4.25%.

In December 2021, Fidelidade sold investment units in a real estate fund in the amount of 40 million Euros. In the sales contract, (i) it was agreed that, within 12 months, if any investor acquires investment units in this real estate fund at a price below market value, on terms comparable to that of this contract, the purchaser is entitled to a price reduction and (ii) a Put Option was contracted in favour of the acquirer, whereby the latter can sell the entire position to Fidelidade at the end of 5 years without any conditions, or on each anniversary of the contract, if the market value at that date is less than the value on the contract date. If the Put Option is exercised, the exercise price is the higher of the market value and the value at the date of the contract, plus a return of 3% per year, adjusted in case of capital increases or distribution of income. The transition meets the requirements of IFRS 9 for derecognition of the transferred asset, with Fidelidade having transferred substantially all the risks and rewards, since the exposure to its variability is no longer significant in relation to the total variability of the present value of the future net cash flows associated with the investment units of the real estate fund.

On the same date, investment units in the same fund were issued in the amount of 25 million Euros, which have an associated return guarantee of 3% per year, over a period of 5 years.

In 2021, the heading "Financial liability of the put option" refers to a put option contracted between Fid Perú and the minority shareholders of La Positiva Seguros Y Reaseguros S.A.A. on the date of the purchase of this company. According to the contract, the put option may be exercised by minority shareholders on dates, conditions and price defined in the contract, which price will be adjusted in case of capital increases or distribution of dividends.

The put option was initially valued considering the amount to be settled on the first possible date of exercise, having been discounted to the present value at the rate at which it was considered for the analysis of the business plan at the date of purchase of the initial interest in La Positiva, subsequently, the effect of the passage of time is recognised in profit or loss.

In October 2022, the Takeover Bid (OPA) took place, culminating in the acquisition of 42.93% of La Positiva Seguros Y Reaseguros S.A. by FID Peru S.A. in the amount of 103,123,066 Euros. Given this operation, the amount of the put option that was accounted for under the item "Financial liability of the put option" was cancelled, presenting a zero balance as of 31 December 2022.

The movements occurred in finance liabilities during the year 2022 were as follows:

(amounts in euros)

Balance at 31 December 2021	127,577,673
Increase in the Period	60,367,983
Additions	54,626,676
Interest	4,458,815
Others	1,282,493
Decrease in the Period	39,284,620
Payments	39,284,620
Balance at 31 December 2022	148,661,036

At 31 December 2022, lease liabilities had the following maturities:

(amounts in euros)

	Up to 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years	Total
Leases	62,278,514	30,292,897	24,382,505	31,707,121	148,661,036
	62,278,514	30,292,897	24,382,505	31,707,121	148,661,036

The amounts recorded during the year were recognised in accordance with the principles defined in IFRS 16 - "Leases", which are described in Note 2.12.

25. OTHER CREDITORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accounts payable for direct insurance operations		
Brokers	115,207,523	75,980,923
Policyholders	101,452,458	59,577,168
Co-Insurers	15,423,151	18,797,568
	232,083,131	154,355,659
Accounts payable for other reinsurance operations		
Reinsurers' current accounts	483,352,391	206,983,305
Reinsured' current accounts	4,095,223	2,157,628
	487,447,614	209,140,933
Accounts payable for other operations		
Suppliers current account	68,263,165	76,330,461
Transactions to be settled	11,015,364	13,918,048
Guarantees - Tenants	10,490,358	12,943,728
Internal adjustment accounts	8,658,170	5,273,149
Advances from clients	8,533,372	6,530,767

	2022	2021
Aggregate tax	4,479,726	47,015,002
Guarantee deposit	1,690,555	868,700
Personnel	1,581,819	1,280,312
Pension funds	652,299	619,429
Group companies	440,161	132,057
Associated companies	-	517,833
Miscellaneous creditors	19,802,900	13,229,614
	135,607,891	178,659,100
	855,138,637	542,155,693

The heading "Internal adjustment accounts" records several transactions carried out in the last days of December, whose financial settlement occurred in the first days of the following month.

The heading "Transactions to be settled" records several transactions carried out in the last days of December, whose financial settlement occurred in the first days of the following month.

26. ACCRUALS AND DEFERRALS (LIABILITIES)

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Deferred income		
Rents and leases	11,233,562	9,952,216
Others	4,858,986	7,556,784
	16,092,548	17,509,000
Accrued expenses		
Commissions payable	71,679,147	76,492,090
Holidays and allowances payable	45,098,471	41,433,421
Medical/nursing fees	35,942,725	33,194,549
Company performance awards	16,791,477	15,097,981
Variable remuneration, including charges	13,889,307	11,261,593
Deferred payments- Marketing	7,889,671	9,792,217
Invoices in conference	7,707,829	6,980,731
Insurance	5,697,462	5,336,158
Optional career benefits	5,406,878	4,281,215
Outsourcing (except accounting and computing)	3,861,689	3,754,493

(continuation)

(amounts in euros)

	2022	2021
Health services	1,975,031	7,070,684
Specialist work	1,948,281	2,924,214
Audit	1,871,780	931,327
Interest payable	1,723,109	460,096
Advertising	1,670,611	844,300
Other employee costs	1,483,719	1,601,572
Municipal property tax	983,974	1,423,405
Provision for fund-raising premiums	708,031	737,253
Electricity	394,996	651,646
Others	35,256,752	34,476,862
	261,980,940	258,745,807
	278,073,488	276,254,807

The item "Commissions payable" includes:

- Estimation of over commissions, in the amounts of 35,999,518 Euros and 36,058,179 Euros, for the years 2022 and 2021, respectively;
- Estimated commissions payable to CGD, in the amounts of 26,242,212 Euros and 32,564,262 Euros, for the years 2022 and 2021, respectively.

27. OTHER PROVISIONS AND CONTINGENT LIABILITIES

The movement in the item "Other provisions", during the years 2022 and 2021 was as follows:

(amounts in euros)

	2022							Closing balances
	Opening iniciais	Entries in the consolidation perimeter	Increases	Replacements and cancellations	Uses	Other	Actuarial deviations by equity	
Provisions for tax	23,835,164	-	8,000,042	(2,880,734)	-	1,698,446	-	30,652,918
Provisions for the cost of employee benefits (Note 36)								
Health benefits	25,903,684	-	-	(598,391)	-	0	(6,975,396)	18,329,897
Pension costs	33,936	-	-	(26,911)	-	-	-	7,025
Provision for the Workers' compensation Fund	55,136,302	-	1,200,000	-	-	-	-	56,336,302
Provision for restructuring	10,141,774	-	-	(7,473,446)	-	-	-	2,668,327
Provision for judicial contingencies	15,620,668	145,429	-	(3,190,282)	-	458,764	-	13,034,580
Others	31,271,925	4,301,078	-	(4,579,819)	(19,440,447)	(4,697,776)	-	6,854,961
	161,943,454	4,446,507	9,200,042	(18,749,582)	(19,440,447)	(2,540,565)	(6,975,396)	127,884,011

	2021							Closing balances
	Opening iniciais	Entries in the consolidation perimeter	Increases	Replacements and cancellations	Uses	Other	Actuarial deviations by equity	
Provisions for tax	561,131	-	23,254,997	-	-	19,036	-	23,835,164
Provisions for the cost of employee benefits								
Health benefits	27,006,755	-	-	(642,953)	(455,402)	-	(4,716)	25,903,684
Pension costs	37,261	-	-	(3,325)	-	464,834	(464,834)	33,936
Provision for the Workers' compensation Fund	53,936,302	-	1,200,000	-	-	-	-	55,136,302
Provision for restructuring	9,402,267	-	5,974,644	(5,235,138)	-	-	-	10,141,774
Provision for judicial contingencies	4,157,794	957,260	7,558,937	-	-	2,946,677	-	15,620,668
Others	25,343,730	-	4,662,790	-	-	1,265,405	-	31,271,925
	120,445,241	957,260	42,652,836	(5,881,415)	(455,402)	4,694,484	(469,550)	161,943,454

The Group set up a provision related to the employee restructuring and rejuvenation programme which consists of hiring new qualified employees and a negotiated exit solution for a group of employees prior to retirement age.

In 2021, 234 employees left, which led to 5,235,138 Euros being used. In the same period, 331 employees were hired.

In 2022, 301 employees left, which led to 7,473,446 Euros being used. In the same period, 397 employees were hired.

Taking into account this strategy of continuity in the constant renewal of skills and new profiles, it was necessary to review the development of the plan and, on 31 December 2021, Fidelidade reinforced the provision by 5,974,644 euros, respectively, considering the effective cost of recently negotiated employee departures, based on the legal retirement age of 66 years and 6 months in 2021.

The other amounts recognised in the heading "Others" are to respond to ongoing legal cases and other contingencies resulting from the Group's activity.

In 2022 and 2021, the "Other Provisions" headings include the use of 8,614,203 Euros and 1,861,554 Euros respectively, which are recorded under the heading "Impairment Losses (net of reversals)".

The column "Others" refers to the liability associated with the Corporate Bodies' Long-Term Benefit Agreement in the amount of 4,697,776 Euros, which was reclassified from the heading "Other provisions - Others" to the heading "Liability for Employee Benefits", in January 2022.

The heading "Provisions for the cost of employee benefit - Health benefits" is intended to cover the liabilities assumed by the Group in relation to health benefits attributed to its employees. The heading "Provisions for the cost of employee benefit - Pension costs" is intended to cover the liabilities assumed by the Group arising from the retirement supplement attributed to some of its employees and which is not covered by the pension fund constituted by the Group to cover the liabilities with post-employment benefits of the defined benefit pension plan (Note 36).

In July 2022, the Competition Authority (AdC) sentenced the "Associação Portuguesa de Hospitalização Privada" (APHP - Portuguese Association of Private Hospitals) and some of its associates, including Luz Saúde, S.A., for alleged concerted practice, restricting competition, in the contracting of hospital-based health services by the public health subsystem "Instituto de Proteção e Assistência na Doença, I.P.". (ADSE - Institute for Protection and Assistance in Disease, I.P.) The AdC concluded that the aforementioned APHP associates coordinated with each other the strategy and the negotiating position to be adopted within the scope of relations with the ADSE, through and with the joint participation of the APHP, between 2014 and 2019. The sanction decision resulted in a total fine of 190,995,000 Euros, of which Luz Saúde, S.A. received a fine in the amount of 66,209,000 Euros. The Management of Luz Saúde, S.A. deems that it did not commit any infringement of competition law, therefore, with the support of its Legal and Compliance Department and respective external legal advisers, it filed an appeal against

the aforementioned decision. In this regard, the Management of Luz Saúde, S.A. believes that the AdC's decision will eventually be reversed, given that the negotiation process with the ADSE, at issue in the AdC's final decision, only reflected the methodology adopted for said negotiations which, at the request of the ADSE itself, was agreed between the latter and the "Associação Portuguesa de Hospitalização Privada" (APHP), in representation of its members, and never questioning the guiding principles and rules of competition law. In a scenario, albeit unexpected, in which the appeal filed by Luz Saúde, S.A. does not have the expected outcome, the upholding of the sentence by the AdC may negatively affect the Issuer in the amount disclosed above, or in another amount that may be determined by the Court, following the appeal filed by Luz Saúde, S.A..

28. CAPITAL AND OTHER EQUITY INSTRUMENTS

The share capital in the amount of 509,263,524 Euros consists of 161.7 million shares with the nominal unit value of 3.15 Euros and is fully paid up.

Other equity instruments are supplementary contributions, and repayment of these is not expected in the short term. According to the legislation in force, the refund depends on the resolution of the shareholders, which can only be approved if, as a result of it, the Group's net situation does not become lower than the sum of the share capital and the legal reserve.

In the financial year 2015, 13,300 own shares were acquired, in compliance with the provisions of item 9 of the agenda of the General Meeting of 31 March 2015, at a unit price of 11.20 Euros, totalling 148,960 Euros. This acquisition was completed on 22 December 2015.

In May 2018, there was a capital increase of 76,230,000 Euros, with an Issue Premium of 67,276,000 Euros.

In September 2020, there was a capital increase of 38,912,643 Euros by new contributions in kind, with subscription reserved for the holders of shares in the companies Multicare and Fidelidade Assistência.

In October 2020, there was an increase by new contributions in cash, in the remaining amount of 12,970,881 Euros.

The capital was increased with an Issue Premium of 63,042,599 Euros.

The movement of Supplementary Contributions was as follows:

(amounts in euros)

	Constitutions/Redemptions					Situation at 31 December 2022
	2015	2018	2020	2021	2022	
Longrun Portugal, SGPS, S.A.						
Constitutions	500,000,000	-	-	-	-	500,000,000
Redemptions	-	(121,980,100)	(63,042,599)	(150,000,000)	(164,977,301)	(500,000,000)
	500,000,000	(121,980,100)	(63,042,599)	(150,000,000)	(164,977,301)	-
Caixa Geral de Depósitos, S.A.						
Constitutions	21,530,515	-	-	-	-	21,530,515
Redemptions	-	(21,530,515)	-	-	-	(21,530,515)
	21,530,515	(21,530,515)	-	-	-	-

The shareholder structure at 31 December 2022 and 2021 was as follows:

(amounts in euros)

Shareholders	2022		2021	
	Number of Shares	Share %	Number of Shares	Share %
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	137,402,839	84.9892%
Caixa Geral de Depósitos, S.A.	24,250,644	15.0000%	24,250,644	15.0000%
Employees and former employees of Fidelidade - Companhia de Seguros, S.A.	4,177	0.0026%	4,177	0.0026%
Own shares	13,300	0.0082%	13,300	0.0082%
	161,670,960	100%	161,670,960	100%

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

The income per share at 31 December 2022 and 2021 was as follows:

(amounts in euros)

	2022	2021
Net income for the year	220,474,579	270,241,578
Number of shares (at end of year)	161,670,960	161,670,960
Income per share (in euros)	1.36	1.67

29. RESERVES, RETAINED EARNINGS AND INCOME FOR THE YEAR

At 31 December 2022 and 2021, the headings of reserves and retained earnings were composed as follows:

(amounts in euros)

	2022			2021		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Revaluation reserves						
Fair value adjustments						
From debt instruments valued at fair value						
through other comprehensive income						
Gross gains (Note 8)	(794,795,390)	51,213,799	(743,581,591)	62,632,394	11,157,763	73,790,157
Amount attributable to policyholders	898,772	-	898,772	(23,971,448)	-	(23,971,448)
	(793,896,619)	51,213,799	(742,682,819)	38,660,946	11,157,763	49,818,709
From equity instruments valued at fair value						
through other comprehensive income						
Gross gains (Note 8)	(5,481,468)	(433,430)	(5,914,898)	(453,877)	(83)	(453,960)
Amount attributable to policyholders	0	-	0	(254,653)	-	(254,653)
	(5,481,468)	(433,430)	(5,914,898)	(708,531)	(83)	(708,614)
For revaluation of properties for own use	1,947,515	(925,572)	1,021,944	749,143	(502,909)	246,234
Adjustments at fair value of hedging instruments in cash flow hedging	2,017,146	(825,887)	1,191,259	(6,202,023)	2,833,514	(3,368,509)
Adjustments in the fair value of hedging instruments						
for net investments in currency foreign	30,649,973	0	30,649,973	8,150,557	0	8,150,557

(continuation)

(amounts in euros)

	2022			2021		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Exchange differences						
Gross gains	(97,001,240)	816,478	(96,184,762)	(91,582,995)	11,286,056	(80,296,940)
	(97,001,240)	816,478	(96,184,762)	(91,582,995)	11,286,056	(80,296,940)
Provision for expected credit losses in debt instruments valued at fair value through other comprehensive income						
Gross gains (Note 43)	11,082,575	(1,291,732)	9,790,843	29,677,275	(859,088)	28,818,187
Amount attributable to policyholders	703	-	703	(1,690,142)	-	(1,690,142)
	11,083,277	(1,291,732)	9,791,546	27,987,133	(859,088)	27,128,045
	(850,681,415)	48,553,657	(802,127,758)	(22,945,770)	23,915,252	969,482
Deferred tax reserve						
Debt instruments value at fair value through other comprehensive income	168,510,161	(100,799)	168,409,363	(25,165,090)	(3,911)	(25,169,001)
Equity instruments valued at fair value through other comprehensive income	(14,214,213)	(12,853)	(14,227,066)	(28,149,253)	(51,099)	(28,200,353)
Properties for own use	6,863,871	(1,368,173)	5,495,697	3,618,794	(449,050)	3,169,743
Adjustments in the fair value of hedging instruments in cash flow hedging	(677,737)	283,567	(394,171)	516,616	(258,629)	257,988
Adjustments in the fair value of hedging instruments for net investments in foreign currency						
	(6,732,623)	-	(6,732,623)	(1,496,834)	-	(1,496,834)

(continuation)

(amounts in euros)

	2022			2021		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Exchange differences	10,218,042	(171,643)	10,046,399	8,469,181	(171,643)	8,297,538
Actuarial deviations						
Retirement pensions	25,183,654	4,402	25,188,056	25,183,395	-	25,183,395
Health benefits	1,688,397	-	1,688,397	3,885,647	-	3,885,647
Tax (paid) / deducted from potential capital gains or losses	14,267,139	1,423,304	15,690,442	(10,834,805)	427,704	(10,407,101)
	205,106,691	57,804	205,164,495	(23,972,350)	(506,628)	(24,478,978)
Gains and losses from the sale of equity instruments valued						
at fair value through other comprehensive income	(801,983)	-	(801,983)	(1,394,347)	-	(1,394,347)
Adjustment for the overlay approach						
Gross gains (Note 6)	13,266,093	617,476	13,883,569	64,027,318	(191,160)	63,836,158
Amount attributable to policyholders	-	-	-	(165,436)	-	(165,436)
	13,266,093	617,476	13,883,569	63,861,883	(191,160)	63,670,722
Other reserves						
Equity method reserves	(2,561,436)	943,298	(1,618,138)	(3,149,290)	967,410	(2,181,880)
Legal reserve	294,002,952	(250)	294,002,702	262,446,074	(250)	262,445,824
Issue premiums	382,666,154	-	382,666,154	382,666,154	-	382,666,154

(continuation)

(amounts in euros)

	2022			2021		
	Gross amount	Non-controlling Interests	Total	Gross amount	Non-controlling Interests	Total
Actuarial deviations						
Retirement pensions	(35,415,559)	-	(35,415,559)	(49,735,259)	-	(49,735,259)
Health benefits	(5,359,990)	-	(5,359,990)	(12,335,387)	-	(12,335,387)
Merger reserve	-	-	-	91,335,345	-	91,335,345
Other reserves	1,223,145,483	-	1,223,145,483	1,244,479,170	(178,844,245)	1,065,634,925
	1,856,477,604	943,047	1,857,420,651	1,915,706,807	(177,877,085)	1,737,829,722
Retained earnings	550,469,239	-	550,469,239	333,783,475	-	333,783,475
Income for the year	267,108,369	(46,633,790)	220,474,579	303,780,479	(33,538,901)	270,241,578
	2,040,944,597	3,538,194	2,044,482,791	2,568,820,177	(188,198,523)	2,380,621,654

In accordance with the legislation in force, at least 10% of net profits for each year, in the case of insurance companies, or 5% in the case of other companies, must be transferred to the legal reserve, until it totals the amount of share capital or up to 20% of the capital, respectively. The legal reserve may not be distributed, but may be used to increase the share capital or to offset accumulated losses.

The "Merger reserve" corresponds to the free reserves originated in the merger by incorporation, in 2012, of Império Bonança - Companhia de Seguros, S.A. into Companhia de Seguros Fidelidade-Mundial, S.A. In 2022, this amount was transferred to the "Other reserves".

The assessment of consolidated profit for the years 2022 and 2021 was determined as follows:

(amounts in euros)

	2022	2021
Contribution to consolidated net income		
Insurance		
Fidelidade - Companhia de Seguros, S.A.	112,443,017	212,282,911
Via Directa - Companhia de Seguros, S.A.	2,580,603	3,694,077
Fidelidade Assistência - Companhia de Seguros, S.A.	2,936,577	5,416,025
Companhia Portuguesa de Resseguros, S.A.	717,425	695,375
Multicare - Seguros de Saúde, S.A.	23,419,493	28,476,573
Fidelidade Angola - Companhia de Seguros, S.A.	5,368,269	722,882
Fidelidade Macau - Companhia de Seguros, S.A.	859,546	3,787,231
Fidelidade Macau Vida - Companhia de Seguros, S.A.	(341,166)	660,026
Garantia - Companhia de Seguros de Cabo Verde, S.A.	2,224,886	1,911,193
Positiva Seguros Y Reaseguros S.A.A.	(5,779,155)	7,709,961
La Positiva Vida Seguros y Reaseguros S.A.	39,846,851	38,992,301
Alianza Vida Seguros y Reaseguros S.A.	3,314,668	6,853,013
Alianza Compañía de Seguros y Reaseguros E.M.A S.A.	5,816,500	6,603,155
Alianza Garantía Seguros Y Reaseguros S.A.	1,032,026	393,805
La Positiva S.A. – Entidad Prestadora de Salud	1,171,806	104,893
FID Chile Seguros Generales, S.A.	(4,332,950)	(3,993,269)

(continuation)

(amounts in euros)

	2022	2021
Seguradora Internacional Moçambique, S.A.	7,769,272	-
Liechtenstein Life Assurance AG	11,570,150	-
Contribution to the consolidated net income		
Real Estate		
Fidelidade - Property Europe, S.A.	(10,409,727)	(12,284,214)
Fidelidade - Property International, S.A.	(860,203)	82,976,422
Fundo de Investimento Imobiliário Fechado Saudeinveste	-	8,740,728
Fundo de Investimento Imobiliário Fechado IMOFID	14,428,828	6,928,701
FPI (UK) 1 LIMITED	9,591,816	(184,880)
FPE (Lux) Holding S.à r.l.	4,821,307	(12,184,893)
Thomas More Square (Lux) Holdings S.à r.l.	10,573,678	(33,048)
Thomas More Square (Lux) S.à r.l.	(35,837,954)	20,713,638
FPE (IT) Società per Azioni	51,630,734	22,366,786
Godo Kaisha Praia	-	(360,494)
Godo Kaisha Moana	-	(3,803)
Fundo Broggi (Maranello)	35,102,270	29,576,401
Broggi Retail S.r.l.	(25,281)	(24,584)
FPE (BE) Holding	(11,779,366)	6,643,101
IBERFID - Open Real Estate Investment Fund	4,140,779	663,662
FPE (HU) Kft.	2,232,252	517,204

(continuation)

(amounts in euros)

			2022	2021
FPE (UK) 1 LIMITED	2,745,512	(38,515)		
FPE (Lux) 1	(244,344)	(1,373,220)		
FPE (PT), SGPS, S.A.	(45,571)	(33,879)		
FPE (PT) OFFICE A, S.A.	2,970,005	(1,378,831)		
FPE (PT) 2 OFFICE B, S.A.	3,369,247	(1,555,499)		
FPE (PT) 3 RESIDENTIAL, S.A.	(665,883)	(1,533,341)		
FPE (PT) 4 Ret, S.A.	1,127,028	(308,815)		
FPE (PT) 5 PARK, S.A.	1,410,978	(529,905)		
GK Lisbon	131,942	(17,310)		
TMK Lisbon	5,528,741	315,240		
EA One Holding, Inc	(3,294,741)	-		
Health				
Luz Saúde, S.A. (consolidated accounts, excluding non controlling interests)	25,075,036	14,293,093		
Clínica Fisiátrica das Antas, Unipessoal, Lda.	2,787	(279,613)		
Multi Health, S.A.	(5,814)	-		
Other sectors				
GEP - Gestão de Peritagens Automóveis, S.A.	513,285	237,889		
E.A.P.S. Empresa de Análise, Prevenção e Segurança, S.A.	132,142	110,980		
Cetra - Centro Técnico de Reparação Automóvel, S.A.	(117,587)	(271,612)		
Fidelidade - Serviços de Assistência, S.A.	(757,673)	221,672		

(continuation)

(amounts in euros)

	2022	2021
CARES - Assistência e Reparações, S.A.	166,859	467,825
Fidelidade - Consultoria e Gestão de Risco, Lda.	-	1,056
Fidelidade - Assistência e Serviços, Lda.	19,615	1,418
FCM Beteiligungs GmbH	(18,833)	(35,223)
FID III (HK) LIMITED	29,843	(2,414)
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	195,246	541,565
FID Loans 1 (Ireland) Limited	(9,964,483)	10,906,195
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (equity method)	325,765	99,855
Serfun Portugal (equity method)	(19,308)	(27,058)
Universal - Assistência e Serviços, Lda.	56,146	15,908
FID Latam, SGPS, S.A.	(110,512)	(110,915)
GEP Cabo Verde Gestão de Peritagens, Lda	13,809	24,070
FID PERÚ, S.A.	15,579,379	7,576,286
Fid Chile SpA	(7,939)	(28,739)
Fid Chile & MT JV SpA	51,645	144,466
Alianza SAFI, S.A.	170,462	246,098
Full Assistance S.r.l.	154,414	58,357
Worldwide Security Corporation S.A.	(314,540)	(264,637)

(continuation)

(amounts in euros)

	2022	2021
Contribution to consolidated net income		
Other Sectors (continued)		
FID I&D, S.A.	(624,910)	(242,661)
EA One Holding, Inc (equity method)	-	1,574,551
FPE (PT), S.A.	170,556	(749,202)
Tenax Capital Limited	2,935,698	1,100,658
Cetra - Car Remarketing, S.A.	16,946	(12,064)
the prosperity company AG	601,887	-
prosperity brokershome AG	(2,640)	-
prosperity solutions AG	104,790	-
prosperity solutions GmbH	61,214	-
prosperity cashtech AG	33,545	-
prosperity funds SICAV	831,169	-
prosperity b		
rokershome GmbH	(57,694)	-
Fid Real Assets SGPS, S.A.	(22,462)	-
Fid Real Assets Spain	13,185	-

(continuation)

(amounts in euros)

	2022	2021
Elimination of dividends	(47,193,860)	(177,223,291)
Other consolidation adjustments		
Elimination of subsidiaries valuation	(52,663,185)	(30,951,916)
Non-controlling interests (Note 30)	(46,633,790)	(33,538,901)
Cancellation of losses due to reversal net impairment	42,583,762	17,188,615
Consolidated gains from acquisitions of subsidiaries	26,144,709	-
Hedge accounting	(17,263,628)	24,355,090
Put Option valuation (Note 24)	(14,188,076)	(2,756,540)
Cancellation of profit or loss in intra-group transactions	(6,719,012)	447,810
Cancellation of exchange differences in intra-group transactions	3,729,827	6,464,863
Property adjustments	1,620,156	(1,014,221)
Correction to previous years results	(662,409)	(3,797,188)
Deferred tax on capital gains	(366,562)	32,830,438
Consolidated capital gains from sale of subsidiaries	28,009	(59,710,111)
Others	(432,257)	442,325
	220,474,579	270,241,578

The income of 2021 and 2020 was applied as indicated below:

(amounts in euros)

	2022	2021
Application of distributable profit/loss		
Legal reserve	32,898,533	25,780,120
Free reserves	22,303,288	134,600,130
Retained earnings	214,058,298	61,948,421
Tax reserve	(412,888)	-
Gains and losses from the sale of equity instruments		
at fair value through other comprehensive income	1,394,347	-
	270,241,578	222,328,672

30. NON-CONTROLLING INTERESTS

The value of the shares of third parties in subsidiaries breaks down as follows per entity:

(amounts in euros)

	% Non-controlling interests	2022	2021
Alianza Compañía de Seguros y Reaseguros E.M.A S.A.	44.00%	20,461,687	18,610,451
Alianza Garantía Seguros Y Reaseguros S.A.	71.58%	3,905,643	3,242,188
Alianza SAFI, S.A.	73.30%	932,461	825,646
Alianza Vida Seguros y Reaseguros S.A.	52.87%	10,064,204	8,093,121
Broggi Retail S.r.l.	4.24%	(5,749)	(4,677)
Cetra - Car Remarketing, S.A.	49.00%	95,492	72,489
EA One Holding, Inc	43.00%	20,694,754	-
Fid Chile & MT JV SpA	0.72%	269,451	204,782
FID Chile Seguros Generales, S.A.	0.72%	(117,950)	(92,720)
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	7,251,834	5,284,088
FPE (IT) Società per Azioni	4.24%	14,064,906	14,070,413
Full Assistance S.r.l.	47.55%	(321,903)	(413,424)
Broggi Fund	4.24%	4,439,237	2,949,280
Fundo de Investimento Imobiliário Aberto IMOFID	50.27%	128,359,121	121,057,860
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	7,067,817	6,527,347
GEP Cabo Verde Gestão de Peritagens, Limitada	11.03%	6,190	4,667
La Positiva S.A. - Entidad Prestadora de Salud	31.49%	1,209,289	794,604

(continuation)

(amounts in euros)

	% Non-controlling interests	2022	2021
La Positiva Seguros Y Reaseguros S.A.	6.07%	5,445,353	10,266,165
La Positiva Vida Seguros y Reaseguros S.A.	44.02%	20,406,124	36,908,164
Liechtenstein Life Assurance AG	30.00%	5,324,061	-
Luz Saúde, S.A.	0.14%	1,346,034	316,306,252
prosperity brokershome AG	30.00%	971	-
prosperity brokershome GmbH	30.00%	(17,308)	-
prosperity cashtech AG	30.00%	13,175	-
prosperity funds SICAV	30.00%	258,861	-
prosperity solutions AG	30.00%	61,833	-
prosperity solutions GmbH	30.00%	18,364	-
Seguradora Internacional de Moçambique, S.A.	30.00%	19,471,318	17,579,933
Tenax Capital Limited	20.00%	925,638	490,651
the prosperity company AG	30.00%	29,276,083	-
Thomas More Square (Lux) Holdings Sarl	0.70%	(63,230)	(58,148)
Thomas More Square (Lux) Sarl	0.30%	208,633	381,665
TMK Lisbon	3.00%	1,445,910	1,481,200
Universal Assistência e Serviços, Lda	43.98%	466,325	10,846
Worldwide Security Corporation S.A.	46.79%	(462,408)	(326,099)
		302,502,221	564,266,745

The part of the consolidated profit attributable to minority shareholders in 2022 and 2021 is as follows:

(amounts in euros)

	% Non-controlling interests	2022	2021
Alianza Compañía de Seguros y Reaseguros E.M.A S.A.	44.00%	(2,202,433)	(2,847,667)
Alianza Garantía Seguros Y Reaseguros S.A.	71.58%	(744,345)	(284,381)
Alianza SAFI, S.A.	73.30%	(125,166)	(181,119)
Alianza Vida Seguros y Reaseguros S.A.	52.87%	(1,717,318)	(3,633,537)
Broggi Retail S.r.l.	4.24%	1,072	1,043
Cetra - Car Remarketing, S.A.	49.00%	(3,003)	5,911
EA One Holding, Inc	43.00%	556,879	-
Fid Chile & MT JV SpA	0.72%	2,017	(473)
FID Chile Seguros Generales, S.A.	0.72%	31,341	42,139
Fidelidade Angola - Companhia de Seguros, S.A.	29.97%	(1,192,314)	140,981
FPE (IT) Società per Azioni	4.24%	5,507	4,622
Full Assistance S.r.l.	47.55%	(74,002)	(28,084)
Broggi Fund	4.24%	(1,489,957)	(1,255,632)
Fundo de Investimento Imobiliário Aberto IMOFID	50.27%	(7,246,354)	(4,743)
Fundo de Investimento Imobiliário Fechado Saudeinveste	0.00%	-	(85,986)
Garantia - Companhia de Seguros de Cabo Verde, S.A.	44.11%	(954,570)	(815,512)
GEP Cabo Verde Gestão de Peritagens, Limitada	11.03%	(1,523)	(2,028)
Godo Kaisha Moana	0.00%	-	114
Godo Kaisha Praia	0.00%	-	(979,799)

(continuation)

(amounts in euros)

	% Non-controlling interests	2022	2021
La Positiva S.A. – Entidad Prestadora de Salud	31.49%	(386,041)	(34,787)
La Positiva Seguros Y Reaseguros S.A.	6.07%	590,907	(631,426)
La Positiva Vida Seguros y Reaseguros S.A.	44.02%	(17,007,293)	(16,443,196)
Liechtenstein Life Assurance AG	30.00%	(3,471,045)	-
Luz Saúde, S.A.	0.14%	(8,616,487)	(6,371,528)
prosperity brokershome AG	30.00%	792	-
prosperity brokershome GmbH	30.00%	17,308	-
prosperity cashtech AG	30.00%	(10,064)	-
prosperity funds SICAV	30.00%	(249,351)	-
prosperity solutions AG	30.00%	(31,437)	-
prosperity solutions GmbH	30.00%	(18,364)	-
Seguradora Internacional de Moçambique, S.A.	30.00%	(2,317,456)	-
Tenax Capital Limited	20.00%	(703,639)	(155,657)
the prosperity company AG	30.00%	640,566	-
Thomas More Square (Lux) Holdings Sarl	0.70%	2,835	231
Thomas More Square (Lux) Sarl	0.30%	108,085	(67,509)
TMK Lisbon	3.00%	(154,944)	(9,462)
Universal Assistência e Serviços, Lda	43.98%	(22,782)	(30,702)
Worldwide Security Corporation S.A.	46.79%	148,785	129,285
		(46,633,790)	(33,538,901)

31. EARNED PREMIUMS, NET OF REINSURANCE

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written						
Life insurance						
Insurance contracts without profit sharing	511,746,327	(125,872,054)	385,874,274	432,042,389	(98,128,086)	333,914,303
Insurance contracts with profit sharing	11,102,960	(1,195,471)	9,907,489	30,562,117	(1,272,032)	29,290,085
Investment contract with discretionary profit sharing component	96,825,733	(4,554)	96,821,179	70,026,490	-	70,026,490
	619,675,020	(127,072,078)	492,602,942	532,630,996	(99,400,118)	433,230,878
Non-life insurance						
Workers' compensation	375,454,128	(2,922,340)	372,531,789	312,145,052	(2,893,923)	309,251,129
Personal accidents and passengers	57,483,860	(22,423,103)	35,060,757	47,141,908	(18,243,309)	28,898,598
Health	541,694,403	(17,695,794)	523,998,609	466,992,808	(16,134,106)	450,858,702
Fire and other damage	560,232,621	(310,950,879)	249,281,742	477,569,701	(246,675,919)	230,893,782
Motor	747,747,296	(57,014,674)	690,732,622	668,182,882	(42,473,125)	625,709,758
Marine, aviation and transport	60,074,560	(36,650,547)	23,424,014	51,042,270	(31,667,962)	19,374,308
Third party liability	125,684,008	(72,516,646)	53,167,362	114,457,297	(62,809,736)	51,647,562
Credit and suretyship	29,716,810	(21,080,319)	8,636,491	29,508,237	(21,654,806)	7,853,431

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Legal protection	7,231,475	(6,810)	7,224,665	6,652,794	(9,146)	6,643,647
Assistance	57,794,130	(252,571)	57,541,559	53,264,640	(115,429)	53,149,211
Others	63,036,165	(32,004,797)	31,031,368	56,131,299	(25,809,021)	30,322,278
	2,626,149,456	(573,518,479)	2,052,630,976	2,283,088,888	(468,486,482)	1,814,602,406
	3,245,824,476	(700,590,557)	2,545,233,918	2,815,719,884	(567,886,600)	2,247,833,284
Change in the provision for unearned premiums						
Life insurance						
Insurance contracts without profit sharing	15,064	(2,477,312)	(2,462,248)	(2,643,816)	1,633,165	(1,010,651)
Insurance contracts with profit sharing	28,839	(14,055)	14,784	(109,479)	31,844	(77,635)
Investment contract with discretionary profit sharing component	-	-	-	3,778	-	3,778
	43,903	(2,491,366)	(2,447,463)	(2,749,518)	1,665,009	(1,084,508)
Non-life insurance						
Workers' compensation	(3,442,825)	0	(3,442,825)	(1,831,193)	-	(1,831,193)
Personal accidents and passengers	(4,460,738)	4,511,997	51,259	(3,510,753)	3,017,258	(493,495)
Health	(11,395,559)	1,994,546	(9,401,012)	2,017,703	(443,323)	1,574,380
Fire and other damage	(20,817,928)	13,894,445	(6,923,483)	(29,166,486)	22,520,884	(6,645,602)
Motor	(24,230,018)	8,088,091	(16,141,927)	(16,662,538)	3,376,240	(13,286,297)

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Marine, aviation and transport	(1,625,233)	1,570,640	(54,592)	(4,715,505)	3,588,085	(1,127,419)
Third party liability	(9,579,598)	9,905,297	325,699	(17,778,643)	13,144,334	(4,634,309)
Credit and suretyship	222,704	(988,702)	(765,998)	485,758	(626,358)	(140,600)
Legal protection	(262,403)	(836)	(263,239)	(198,919)	-	(198,919)
Assistance	(1,867,058)	(1,764)	(1,868,822)	(1,215,841)	195	(1,215,646)
Others	(329,472)	718,986	389,514	(3,352,596)	2,308,189	(1,044,407)
	(77,788,128)	39,692,701	(38,095,426)	(75,929,012)	46,885,506	(29,043,506)
	(77,744,224)	37,201,335	(40,542,889)	(78,678,530)	48,550,515	(30,128,015)
Earned premiums						
Life insurance						
Insurance contracts without profit sharing	511,761,392	(128,349,365)	383,412,026	429,398,572	(96,494,921)	332,903,652
Insurance contracts with profit sharing	11,131,799	(1,209,526)	9,922,273	30,452,637	(1,240,187)	29,212,450
Investment contract with discretionary profit sharing component	96,825,733	(4,554)	96,821,179	70,030,268	-	70,030,268
	619,718,923	(129,563,445)	490,155,479	529,881,478	(97,735,108)	432,146,370
Non-life insurance						
Workers' compensation	372,011,303	(2,922,339)	369,088,964	310,313,860	(2,893,923)	307,419,936
Personal accidents and passengers	53,023,122	(17,911,105)	35,112,016	43,631,154	(15,226,051)	28,405,103

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Health	530,298,844	(15,701,248)	514,597,597	469,010,511	(16,577,429)	452,433,082
Fire and other damage	539,414,693	(297,056,434)	242,358,259	448,403,215	(224,155,035)	224,248,180
Motor	723,517,278	(48,926,583)	674,590,694	651,520,345	(39,096,884)	612,423,460
Marine, aviation and transport	58,449,328	(35,079,907)	23,369,421	46,326,765	(28,079,876)	18,246,889
Third party liability	116,104,410	(62,611,349)	53,493,061	96,678,654	(49,665,402)	47,013,253
Credit and suretyship	29,939,513	(22,069,020)	7,870,493	29,993,995	(22,281,164)	7,712,832
Legal protection	6,969,072	(7,646)	6,961,426	6,453,875	(9,146)	6,444,729
Assistance	55,927,072	(254,335)	55,672,737	52,048,799	(115,234)	51,933,565
Others	62,706,693	(31,285,811)	31,420,882	52,778,703	(23,500,832)	29,277,871
	2,548,361,328	(533,825,778)	2,014,535,550	2,207,159,876	(421,600,976)	1,785,558,900
	3,168,080,251	(663,389,222)	2,504,691,029	2,737,041,354	(519,336,084)	2,217,705,269

In 2022 and 2021, premiums for life insurance contracts may be broken down as follows:

(amounts in euros)

	2022	2021
Direct insurance gross premiums written	615,278,139	529,814,185
Individual contracts	185,616,060	151,712,945
Group contracts	429,662,079	378,101,240
	615,278,139	529,814,185
Periodical	566,714,065	265,411,540
Non-periodical	48,564,074	264,402,645
	615,278,139	529,814,185
Contracts without profit sharing	507,742,986	429,255,361
Contracts with profit sharing	107,535,153	100,558,824
	615,278,139	529,814,185
Gross premiums written from reinsurance accepted	4,396,881	2,816,811
Gross premiums written from direct insurance and reinsurance accepted	619,675,020	532,630,996
Reinsurance balance	(17,240,047)	29,929,165

32. FEES FROM INSURANCE CONTRACTS AND OPERATIONS CONSIDERED FOR ACCOUNTING PURPOSES AS INVESTMENT CONTRACTS OR AS SERVICE CONTRACTS

In 2022 and 2021, the commissions received for insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts were as follows:

(amounts in euros)

	2022	2021
Investment contracts	110,011,045	411,046
Services provided contracts	4,404,606	-
	114,415,652	411,046

In 2022, the sharp increase in these headings is essentially due to the entry into the perimeter of the Liechtenstein Life Assurance AG Company.

33. CLAIMS COSTS, NET OF REINSURANCE

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	Claims paid	2022 Change in provision for claims	Total	Claims paid	2021 Change in provision for claims	Total
Life insurance						
Direct insurance and reinsurance accepted						
Insurance contracts	363,451,624	13,732,240	377,183,864	313,193,694	55,141,829	368,335,523
Investment contracts with discretionary profit sharing component	370,621,398	(2,483,237)	368,138,161	244,029,595	7,737,412	251,767,006
	734,073,022	11,249,003	745,322,025	557,223,288	62,879,241	620,102,530
Reinsurance ceded						
Insurance contracts	(90,490,224)	(10,173,191)	(100,663,415)	(82,146,225)	(30,249,282)	(112,395,507)
	643,582,797	1,075,812	644,658,610	475,077,063	32,629,959	507,707,022
Non-life insurance						
Direct insurance and reinsurance accepted						
Workers' compensation	212,776,128	27,981,061	240,757,189	168,920,177	77,373,252	246,293,429
Personal accidents and passengers	21,185,175	8,177,501	29,362,676	16,271,263	1,499,398	17,770,662
Health	410,366,356	10,102,209	420,468,565	366,916,838	22,918,168	389,835,006

(continuation)

(amounts in euros)

	2022			2021		
	Claims paid	Change in provision for claims	Total	Claims paid	Change in provision for claims	Total
Fire and other damage	224,876,388	29,051,401	253,927,789	168,456,000	56,368,446	224,824,446
Motor	502,796,843	(18,415,536)	484,381,306	416,984,417	38,611,554	455,595,972
Marine, aviation and transport	17,036,191	3,769,826	20,806,017	13,236,722	26,810	13,263,532
Third party liability	32,153,752	(3,938,190)	28,215,562	28,106,082	18,842,023	46,948,105
Credit and suretyship	11,599,873	(20,744,875)	(9,145,002)	4,504,638	17,760,514	22,265,152
Legal protection	(333,158)	(28,140)	(361,298)	1,722,932	(36,190)	1,686,742
Assistance	40,738,412	2,659,830	43,398,242	42,951,014	1,096,990	44,048,005
Others	22,955,234	4,635,942	27,591,176	25,899,966	(2,487,101)	23,412,866
	1,496,151,195	43,251,028	1,539,402,222	1,253,970,050	231,973,866	1,485,943,916
Reinsurance ceded						
Workers' compensation	(1,502,160)	40,208	(1,461,952)	(946,625)	1,356,884	410,259
Personal accidents and passengers	(2,530,295)	(6,123,528)	(8,653,823)	(3,066,463)	(1,508,198)	(4,574,661)
Health	(11,467,679)	249,145	(11,218,533)	(31,016,872)	(209,571)	(31,226,444)
Fire and other damage	(112,304,121)	(13,949,859)	(126,253,979)	(59,496,428)	(54,944,667)	(114,441,094)
Motor	(45,428,853)	599,922	(44,828,930)	(39,898,114)	(10,898,607)	(50,796,721)
Marine, aviation and transport	(6,789,270)	(2,333,462)	(9,122,732)	(6,735,019)	505,553	(6,229,465)

(continuation)

(amounts in euros)

		2022		2021		
	Claims paid	Change in provision for claims	Total	Claims paid	Change in provision for claims	Total
Third party liability	(11,847,890)	1,138,785	(10,709,105)	(12,139,063)	(14,724,829)	(26,863,892)
Credit and suretyship	(9,679,340)	20,715,191	11,035,852	(2,633,549)	(18,131,833)	(20,765,383)
Assistance	(13,642)	(75,086)	(88,728)	2,799	807	3,606
Others	(11,520,475)	(2,615,103)	(14,135,579)	(12,716,088)	2,498,047	(10,218,041)
	(213,083,724)	(2,353,787)	(215,437,510)	(168,645,422)	(96,056,414)	(264,701,835)
	1,283,067,471	40,897,241	1,323,964,712	1,085,324,628	135,917,452	1,221,242,080
	1,926,650,268	41,973,053	1,968,623,321	1,560,401,692	168,547,411	1,728,949,103

"Claims paid" includes costs charged to the claims management function and refunds processed by the Group.

In the years 2022 and 2021, the costs with variations of the other technical provisions were as follows:

(amounts in euros)

	2022			
	Other technical provisions	Mathematical provision	Profit Sharing	Total
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(1,692,592)	(34,408,993)	(13,101,205)	(49,202,790)
Investment contracts with discretionary profit sharing component	(1,219,231)	(258,267,070)	13,090,317	(246,395,984)
	(2,911,822)	(292,676,064)	(10,888)	(295,598,774)
Reinsurance ceded				
Insurance contracts	-	(2,704,517)	-	(2,704,517)
	-	(2,704,517)	-	(2,704,517)
Net				
Insurance contracts	(1,692,592)	(37,113,510)	(13,101,205)	(51,907,307)
Investment contracts with discretionary profit sharing component	(1,219,231)	(258,267,070)	13,090,317	(246,395,984)
	(2,911,822)	(295,380,581)	(10,888)	(298,303,292)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	(211,202)	-	20,633	(190,568)
Personal accidents and passengers	(2,285)	-	57,392	55,107
Health	534,669	-	1,981,365	2,516,034

(continuation)

(amounts in euros)

	2022			Total
	Other technical provisions	Mathematical provision	Profit Sharing	
Fire and other damage	3,829,469	-	1,374,656	5,204,125
Motor	(5,682,607)	-	1,620,575	(4,062,032)
Marine, aviation and transport	(79,555)	-	393	(79,162)
Third party liability	14,444,468	-	25,735	14,470,203
Credit and suretyship	4,663	-	21,178	25,841
Legal protection	(169,658)	-	-	(169,658)
Assistance	24,515	-	66,225	90,740
Others	(6,874)	-	79,332	72,457
	12,685,602	-	5,247,483	17,933,085
Reinsurance ceded				
Third party liability	(12,413,556)	-	-	(12,413,556)
	(12,413,556)	-	-	(12,413,556)
Net				
Workers' compensation	(211,202)	-	20,633	(190,568)
Personal accidents and passengers	(2,285)	-	57,392	55,107
Health	534,669	-	1,981,365	2,516,034
Fire and other damage	3,829,469	-	1,374,656	5,204,125

(continuation)

(amounts in euros)

	2022			Total
	Other technical provisions	Mathematical provision	Profit Sharing	
Motor	(5,682,607)	-	1,620,575	(4,062,032)
Marine, aviation and transport	(79,555)	-	393	(79,162)
Third party liability	2,030,911	-	25,735	2,056,646
Credit and suretyship	4,663	-	21,178	25,841
Legal protection	(169,658)	-	-	(169,658)
Assistance	24,515	-	66,225	90,740
Others	(6,874)	-	79,332	72,457
	272,046	-	5,247,483	5,519,529
	(2,639,777)	(295,380,581)	5,236,595	(292,783,763)

(amounts in euros)

	2021			Total
	Other technical provisions	Mathematical provision	Profit Sharing	
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(669,328)	35,201,758	3,881,716	38,414,146
Investment contracts with discretionary profit sharing component	(11,231,634)	(164,204,983)	10,340,959	(165,095,658)
	(11,900,962)	(129,003,225)	14,222,676	(126,681,512)
Reinsurance ceded				
Insurance contracts	-	(6,014,766)	-	(6,014,766)
	-	(6,014,766)	-	(6,014,766)
Net				
Insurance contracts	(669,328)	29,186,992	3,881,716	32,399,380
Investment contracts with discretionary profit sharing component	(11,231,634)	(164,204,983)	10,340,959	(165,095,658)
	(11,900,962)	(135,017,992)	14,222,676	(132,696,278)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	83,306	-	-	83,306
Personal accidents and passengers	(984,732)	-	-	(984,732)
Health	743,142	-	-	743,142

(continuation)

(amounts in euros)

	2021			Total
	Other technical provisions	Mathematical provision	Profit Sharing	
Fire and other damage	3,498,858	-	6,115	3,504,974
Motor	6,525,133	-	-	6,525,133
Marine, aviation and transport	81,065	-	-	81,065
Third party liability	15,996,597	-	-	15,996,597
Credit and suretyship	10,146	-	-	10,146
Legal protection	170,872	-	346	171,218
Assistance	770,777	-	102,211	872,988
Others	23,232	-	140,087	163,319
	26,918,396	-	248,760	27,167,155
Reinsurance ceded				
Third party liability	(14,127,741)	-	-	(14,127,741)
Assistance	-	-	(11,229)	(11,229)
	(14,127,741)	-	(11,229)	(14,138,970)
Net				
Workers' compensation	83,306	-	-	83,306
Personal accidents and passengers	(984,732)	-	-	(984,732)
Health	743,142	-	-	743,142

	2021			Total
	Other technical provisions	Mathematical provision	Profit Sharing	
Fire and other damage	3,498,858	-	6,115	3,504,974
Motor	6,525,133	-	-	6,525,133
Marine, aviation and transport	81,065	-	-	81,065
Third party liability	1,868,855	-	-	1,868,855
Credit and suretyship	10,146	-	-	10,146
Legal protection	170,872	-	346	171,218
Assistance	770,777	-	90,982	861,759
Others	23,232	-	140,087	163,319
	12,790,654	-	237,531	13,028,185
	889,692	(135,017,992)	14,460,206	(119,668,093)

The variation of the other technical provisions for life insurance includes the reversal of the provision for portfolio stabilisation in the amount of 1,692,592 Euros in 2022 and in the amount of 669,328 Euros in 2021.

In 2022 and 2021, this heading also includes the reversal of 1,219,231 Euros and 11,231,634 Euros respectively to the provision for interest rate commitments.

34. NET OPERATING COSTS AND EXPENSES, BY TYPE AND FUNCTION

In 2022 and 2021, the Group's operating costs, by type, were as follows:

(amounts in euros)

	2022	2021
Employee costs (Note 35)	462,994,213	445,985,829
External supplies and services		
Subcontracts	142,310,977	148,887,267
Specialist work	133,472,210	128,128,373
Expenditure with self-employed workers	101,349,173	96,217,078
Maintenance and repairs	37,254,342	34,789,688
Advertising and promotion	30,874,569	22,384,981
Software licences	19,084,590	16,228,691
Communication	11,198,654	10,679,775
Rents and leases	10,123,110	7,898,792
Representation expenses	6,138,124	1,041,976
Travel and Accommodation	5,718,697	2,903,098
Surveillance and security	5,099,679	6,089,674
Insurance	4,400,463	4,972,387
Electricity	4,297,616	8,990,351

(continuation)

(amounts in euros)

	2022	2021
Fuel	4,162,534	3,157,746
Litigation and Notarial Services	3,235,700	2,730,907
Cleaning, hygiene and comfort	3,004,913	2,730,466
Expenses with premium collections	2,585,812	2,297,613
Office supplies	2,165,661	1,827,773
Contributions	2,121,716	2,463,674
Water	1,123,526	1,382,827
Forms	465,953	310,001
Others	112,522,230	136,249,971
	642,710,247	642,363,111
Taxes and charges	35,320,283	31,998,688
Depreciation and amortisation for the year (Notes 11, 13 and 16)	76,222,247	69,520,396
Other provisions	(935,337)	32,656,863
Fees	23,520,360	20,291,904
Interest paid	44,275,020	24,699,500
	1,284,107,032	1,267,516,291

In 2022 and 2021, the depreciation and amortisation headings for the year are as follows:

(amounts in euros)

	2022			2021		
	Assets without a lease	Leased assets	Total	Assets without a lease	Leased assets	Total
Properties (Note 10)	11,634,226	16,982,806	28,617,031	13,120,416	15,078,083	28,198,500
Depreciation of other tangible assets (Note 13)	16,647,681	17,843,000	34,490,681	15,684,217	16,877,210	32,561,427
Depreciation of other intangible assets (Note 16)	13,114,535	-	13,114,535	8,760,469	-	8,760,469
	41,396,442	34,825,806	76,222,247	37,565,103	31,955,293	69,520,396

In 2022 and 2021, the group also incurred in the following costs related to leases:

(amounts in euros)

	2022			2021		
	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value contracts	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value contracts
Properties	16,982,806	-	-	15,078,083	-	-
Administrative Equipment	54,349	-	-	44,539	-	-
Machinery and Equipment	-	-	238,376	803	-	81,562
IT equipment	1,065,780	-	1,384,076	2,350,198	-	903,238
Transport Equipment	2,461,255	236,941	-	2,787,218	202,698	-
Hospital Equipment	14,231,023	-	-	11,663,859	-	-
Other Equipment	30,593	-	1,315,338	30,593	-	1,338,944
	34,825,806	236,941	2,937,790	31,955,293	202,698	2,323,744

In 2022 and 2021, the interest paid heading was set out as follows:

(amounts in euros)

	Leases	2022 Other charges	Total	Leases	2021 Other charges	Total
Properties	1,906,756	-	1,906,756	286,396	-	286,396
Tangible and intangible assets						
Administrative equipment	10	-	10	41	-	41
Machinery and equipment	-	-	-	7	-	7
IT equipment	42,914	-	42,914	51,162	-	51,162
Transport equipment	37,245	-	37,245	44,850	-	44,850
Other equipment	2,471,889	-	2,471,889	2,068,762	-	2,068,762
Borrowings	-	39,816,205	39,816,205	-	22,248,282	22,248,282
	4,458,815	39,816,205	44,275,020	2,451,218	22,248,282	24,699,500

The increase in interest paid is due to the issue of subordinated liability in June 2021 and is recognised under the heading "Other financial liabilities" (Note 24).

In the years 2022 and 2021, the heading of commissions and reinsurance profit sharing show the following detail:

(amounts in euros)

	2022			2021		
	Commissions	Reinsurance profit sharing	Total	Commissions	Reinsurance profit sharing	Total
Related to life insurance	4,241,065	4,714,401	8,955,466	3,108,444	6,145,556	9,253,999
Relating to non-life insurance	66,674,340	5,864,823	72,539,163	60,258,363	203,678	60,462,041
	70,915,404	10,579,224	81,494,628	63,366,807	6,349,234	69,716,040

In the years 2022 and 2021, the headings of the Income Statement where these costs are recorded show the following detail:

(amounts in euros)

	2022			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	16,271,409	244,113,942	-	260,385,351
Technical costs	717,801,613	1,252,037,253	-	1,969,838,865
	734,073,022	1,496,151,195	-	2,230,224,217
Acquisition costs				
Cost allocations	57,432,203	172,356,415	-	229,788,618
Brokerage commissions	180,478,834	328,000,239	-	508,479,073
Others	29,690,812	8,137,391	-	37,828,204
	267,601,849	508,494,046	-	776,095,895

(continuation)

(amounts in euros)

	2022			Total
	Life technical account	Non-life technical account	Non-technical account	
Administrative expenses				
Cost allocations	51,417,800	151,276,592	-	202,694,392
Brokerage remuneration	363,750	8,948,146	-	9,311,896
Others	558,042	4,920,358	-	5,478,400
	52,339,592	165,145,096	-	217,484,688
Financial expenses (Note 38)				
Cost allocations	33,747,296	26,813,494	55,706,497	116,267,287
Others	1,315,017	219,264	3,596,948	5,131,229
	35,062,313	27,032,758	59,303,445	121,398,516
Other costs (Note 45)	-	-	474,971,384	474,971,384
Total operating cost allocations	158,868,708	594,560,443	530,677,881	1,284,107,032

(amounts in euros)

	2021			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	13,368,224	223,983,685	-	237,351,909
Technical costs	543,855,065	1,029,986,365	-	1,573,841,430
	557,223,288	1,253,970,050	-	1,811,193,339
Acquisition costs				
Cost allocations	36,224,446	148,364,893	-	184,589,339
Brokerage commissions	95,673,416	288,998,813	-	384,672,229
Others	13,947,855	6,465,797	-	20,413,652
	145,845,717	443,829,503	-	589,675,220
Administrative expenses				
Cost allocations	36,288,183	124,616,566	-	160,904,749
Brokerage remuneration	273,144	6,358,812	-	6,631,956
Others	9,943	2,948,021	-	2,957,964
	36,571,271	133,923,399	-	170,494,670
Financial expenses (Note 38)				
Cost allocations	46,019,400	27,235,861	43,060,666	116,315,927
Others	1,689,293	333,707	1,206,315	3,229,314
	47,708,692	27,569,568	44,266,980	119,545,241
Other costs (Note 45)	-	-	568,354,368	568,354,368
Total operating cost allocations	131,900,252	524,201,005	611,415,034	1,267,516,291

35. EMPLOYEE COSTS

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	2022	2021
Salaries		
Corporate bodies	20,533,468	15,325,664
Personnel	335,130,494	330,789,096
Administrative expenses	62,539,536	66,811,335
Post-employment benefits	4,862,626	3,593,742
Other long-term benefits	1,311,957	-
Employment termination benefits	8,198,530	6,130,441
Compulsory insurance	4,094,460	4,100,749
Social action costs	20,724,957	14,840,473
Other personnel expenses	5,598,184	4,394,329
	462,994,213	445,985,829

In 2022 and 2021, the costs of post-employment benefits were as follows:

(amounts in euros)

	2022	2021
Post-employment benefits		
Defined benefit plan (Note 36)	1,242,223	715,617
Individual retirement plan	2,307,865	1,782,175
Transfer of personnel	(606)	(12,903)
Other employee costs	1,313,145	1,108,852
	4,862,626	3,593,742

In 2022 and 2021, the heading “Post-employment benefits – Employee transfer” corresponds to the cost of post-employment benefits for employees of the Group’s Insurance Companies who were assigned to other entities in the Group.

In 2022 and 2021, the number of employees working for the Group, by category, was as follows:

	2022	2021
Senior management	205	203
Line management	958	946
Technicians	5,752	5,661
Assistants	5,511	6,534
Support workers	1,754	2,421
	14,180	15,765

In 2022 and 2021, the Group recorded an estimate for optional career benefits in the amount of 574,269 Euros and 540,386 Euros. The heading "Accruals and deferred income" includes 2,674,529 Euros for seniority bonuses.

As of 31 December 2022, Fid Chile SpA has a share-based payment agreement ("Agreement") established with the Executive Committee of Fid Chile Generales S.A..

This agreement defines that such body shall have the right to subscribe shares in FID Chile & MT, JV SpA, up to a total of 20% of this company, and consequently indirectly in the Insurance Company. The number of shares on which the Executive Committee of FID Chile Generales S.A. will be entitled to increase its annual participation is subject to the terms and conditions described in the Scorecard that is part of the annexes to the Agreement. These shares shall be subscribed for and paid within the time limits set out in the Agreement.

Below are detailed the main features of the Stock Option Plan:

Characteristics	Stock Option Plan
Grant date	22-11-2022
No. of shares granted	2,578,277
Contract Period	12 years
Payment type	Shares
Conditions of irrevocability (or consolidation) of the concession	<p>The right to subscribe for shares is subject to the following cumulative and suspensive conditions:</p> <p>(i) That, in the year immediately preceding that in which the Executive exercises the option to subscribe for shares of the Insurance Company, the Business Plan of the Insurance Company contained in the document known as the Scorecard has been complied with, in whole or in part.</p> <p>(ii) The Executive must be employed by the Insurance Company at the time of exercise of the option.</p>
Subscription price (EUR)	0.00082976
Share valuations (EUR)	0.746
Value (thousands of EUR)	1,925

Considering that the company that provides the equity instruments (FID Chile & MT JV SpA) is not listed on the stock exchange, the Company considered as value per share of this company the historical subscription value of its respective shares.

The shares enforceable on 31 December 2022 are presented below:

	Number of shares	2022 Average subscription price
Opening balance	-	0.00000000
Granted	2,578,277	0.00082976
Cancelled	-	0.00000000
Enforced	-	0.00000000
Final balance	2,578,277	0.00082976
Enforceable at 31/12/2022	2,578,277	

In 2022, the impact on results related to this agreement amounts to 1,925,592 Euros.

36. RETIREMENT PENSIONS AND OTHER LONG-TERM BENEFITS

At 31 December 2022 and 2021, the headings "Assets for post-employment benefits and other long-term benefits" and "Liabilities for post-employment benefits and other long-term benefits" were as follows:

(amounts in euros)

	2022	2021
Assets		
Defined benefit plan	25,375,258	12,319,459
Liabilities		
Defined contribution plan	(337,596)	(284,432)
Other long-term benefits	(6,065,478)	-
Other post-employment benefits	(14,985)	(71,674)
	(6,418,060)	(356,106)
	18,957,198	11,963,353

For the years 2022 and 2021, in the "Defined contribution plan" the Group had a cost of 1,544,027 Euros and 1,448,308 Euros respectively, with the amount of 337,596 Euros and 284,432 Euros being pending payment, which corresponds to the contributions of December 2022 and 2021 that were paid in January 2023 and 2022.

"Other long-term benefits" refer to the variable remuneration of the Governing Bodies, under the terms set out in the Remuneration Policy for the Company's Governing Bodies, and of the employees, as decided by the Personnel

Committee and the Executive Committee. This remuneration is deferred and paid after 3 years from the date of allocation. In the year ended 31 December 2022, the reinforcement of this incentive plan was 1,367,702 Euros for payment in 2025 and the amount paid was 2,553,392 Euros.

This liability has been reclassified from the "Other provisions" heading to the "Employee benefit liability" heading with effect from 1 January 2022.

Defined contribution plan

Under the new collective employment agreements for the insurance activity, published on 15 January 2012, 29 January 2016 and 8 February 2019, all workers in active employment, with indefinite employment contracts, covered by these Instrument for Collective Labour Regulation (ICLR), are entitled to a retirement plan ("IRP"), a defined contribution plan that replaces the retirement pension system provided for in the previous ICLR.

In accordance with the ICLR rules in force, the capitalised amount of the payments into the IRP can be claimed by the employee, in accordance with the law, on the date he/she retires through the Social Security system due to disability or old age, and there is a capital guarantee on the amounts

of the initial transfer and the contributions made by the Group and by the beneficiaries themselves.

In the event of the death of an employee, the capitalised amount of the payments reverts to the beneficiaries named by the employee or, where these are not named, to his/her legal heirs.

The Group's contributions to the individual retirement plan are made in accordance with the provisions of CEA 2019, corresponding to the amount resulting from the application of the percentage of 3.25% on the employee's annual base salary.

At 31 December 2022 and 2021, the liabilities and assets of the Individual Retirement Plan for Fidelidade Group companies amounted to:

(amounts in euros)

	Fidelidade	CPR	Multicare	Via Directa	Fidelidade Assistência	Total
Liabilities at 31 December 2021	28,857,521	24,657	163,389	332,591	118,565	29,496,722
Expenses for the year	1,320,890	-	90,974	28,760	103,403	1,544,027
Others	-	-	455,966	-	398,971	854,937
Liabilities at 31 December 2022	30,178,410	24,657	710,329	361,350	620,939	31,895,686
Assets at 31 December 2021	28,769,276	24,657	156,005	330,661	89,161	29,369,760
Contributions to the fund	1,319,035	-	90,696	28,743	52,388	1,490,862
Others	-	-	451,305	-	246,163	697,468
Assets at 31 December 2022	30,088,311	24,657	698,007	359,404	387,711	31,558,090
Difference	(90,099)	-	(12,322)	(1,947)	(233,228)	(337,596)
Funding level	99.70%	100.00%	98.27%	99.46%	62.44%	98.94%

Defined benefit plan

In accordance with the collective employment agreement previously in force in the insurance sector (CEA 2008), the Group granted its employees, admitted to the insurance activity until June 1995, cash benefits to complement the reforms granted by Social Security. Briefly, the amount of these benefits varies according to the employee's remuneration, the contributory history, the history of remuneration with incidence for Social Security and also, in case of disability, the seniority in the insurance activity. Currently, this Plan covers pension fund beneficiaries (retired) and employees who have transitioned to the pre-retirement situation and who at that time were covered by the CEA 2008.

In addition, the former Império Bonança also allocated the following benefits:

- Between 1999 and 2005, it assumed, in early retirement situations, the payment of a lifetime pension that corresponded to the difference between 80% of the last remuneration and the amount paid by Social Security;

- It assumed the commitment to extend the benefits set out in the collective employment agreement to employees hired up to June 2005 and also to grant to the beneficiaries of the pensions fund, the additional benefits guaranteed by the complementary plan which was in force at the Millennium BCP Group, to which the Company belonged until 31 January 2005. The liabilities associated with the supplementary plan are financed through the related pension fund "Fundo de Pensões do Pessoal da Império Bonança";
- For a very restricted group of workers (4), with "internal salary levels XVII", from the former Império, there is a commitment to, in the transition to retirement, be allocated a supplement to the Social Security pension, for 80% of the remuneration earned at the date of the transition to this situation. Any pension benefits arising from other pension plans shall be deducted from the supplement to the Social Security pension.

Determination of liabilities with defined benefit plans

Liabilities for current payments of retirement pensions and past services of current employees, at 31 December 2022 and 2021, were determined by Fidelidade's life insurance actuarial department.

The assumptions and technical bases used in the calculation of liabilities were as follows:

	2022	2021
Actuarial method	Projected	Projected
	Unit Credit	Unit Credit
Mortality table		
Men	TV 73/77 (-2)	TV 73/77 (-2)
Women	TV 88/90 (-2)	TV 88/90 (-2)
Invalidity table	0.00%	0.00%
Discount rate	4.00%	1.25%
Salary growth rate	2.40%	2.40%
Pension growth rate	0.75%	0.75%
Pre-retirement growth rate	1.25%	1.25%
Exits table	n.a.	n.a.

The following table provides a comparison between the actuarial and financial assumptions used to determine Fidelidade's pension costs for 2022 and 2021 and the actual amounts verified:

(amounts in euros)

	2022		2021	
	Assumptions	Actual	Assumptions	Actual
Salary growth rate	2.40%	2.63%	2.40%	2.30%
Pension growth rate	0.75%	0.39%	0.75%	0.19%

At 31 December 2022 and 2021, the Group's liabilities for past service, based on the actuarial studies performed, and the funds and provisions available, were as follows:

(amounts in euros)

	2022			2021		
	Fidelidade	Other	Total	Fidelidade	Other	Total
Liabilities for past services						
Active employees	4,921,161	26,892	4,948,053	12,117,031	40,747	12,157,779
Retired and pre-retired	97,327,085	88,138	97,415,224	123,522,484	108,538	123,631,022
	102,248,246	115,030	102,363,276	135,639,515	149,285	135,788,800
Autonomous pension funds	95,935,565	278,637	96,214,203	113,610,233	346,502	113,956,735
Mathematical provisions	31,524,332	-	31,524,332	34,151,524	-	34,151,524
	127,459,897	278,637	127,738,535	147,761,757	346,502	148,108,259
Difference	25,211,651	163,607	25,375,259	12,122,241	197,217	12,319,458
Funding level	124.66%	242.23%	124.79%	108.94%	232.11%	109.07%

Pursuant to ASF Regulatory Standard No.5/2007-R, of 27 April, insurance companies must ensure at the end of each year:

- a) The full funding of the present value of the liability with current pensions, including pre-retirement and early retirement benefits up to and after the normal retirement age; and
- b) The funding of at least 95% of the current amount of the liability for past services of active employees, excluding those who are pre-retired or in early retirement.

As of 31 December 2022 and 2021, the Group's past service responsibilities were fully funded.

The pension plan in question is non-contributory and independent of social security, being financed by the Group's pension fund, excluding the Ex Império pension fund (Levels XVII and XVIII) which is dependent on social security. The Group's defined benefit pension funds have the following average durations:

Fidelidade Pension Fund	6.8 years
Mundial Confiança Pension Fund	5.58 years
Império Bonança Pension Fund	8.15 years
Ex-Império Pension Fund	11.61 years
Companhia Portuguesa de Resseguros, S.A. Pension Fund	5.47 years
Fidelidade Property Europe S.A. Pension Fund	12.72 years

At 31 December 2022 and 2021, the number of beneficiaries was as follows:

	2022	2021
Active employees	815	862
Retired and pre-retired	1,665	1,783
Annuity holders	307	339
	2,787	2,984

The movements in the pension funds and in the mathematical provisions during 2022 and 2021 were as follows:

(amounts in euros)

	Fidelidade	Other	Total
Balances at 31 December 2020	163,273,598	393,823	163,667,421
Contributions	190,000	-	190,000
Change in mathematical provisions	(2,487,063)	-	(2,487,063)
Pensions paid	(15,514,447)	(55,997)	(15,570,444)
(Payments)/ Receipts related to other benefits	(535,888)	-	(535,888)
Net income of pension funds	2,835,557	8,676	2,844,233

(continuation)

(amounts in euros)

	Fidelidade	Other	Total
Balances at 31 December 2021	147,761,757	346,502	148,108,259
Contributions	9,599	-	9,599
Variation in mathematical provisions	(2,627,192)	-	(2,627,192)
Pensions paid	(14,236,345)	(40,615)	(14,276,960)
(Payments)/ Receipts related to other benefits	(514,557)	359	(514,198)
Net income of pension funds	(2,933,365)	(27,609)	(2,960,974)
Balances at 31 December 2022	127,459,897	278,638	127,738,534

On 31 December 2022 and 2021, the Pension Funds of the Group companies are managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, S.A..

At 31 December 2022 and 2021, the pension fund net assets were composed as follows, according to the respective valuation sources:

(amounts in euros)

	Market price			2022 Other		Total portfolio		
	Fidelidade	Others	Total	Fidelidade	Total	Fidelidade	Others	Total
Equity instruments	1,594,378	2,840	1,597,219	-	-	1,594,378	2,840	1,597,219
Debt instruments								
From public issuers	24,616,067	18,993	24,635,060	-	-	24,616,067	18,993	24,635,060
From other issuers	32,018,549	41,257	32,059,806	-	-	32,018,549	41,257	32,059,806
	56,634,616	60,250	56,694,866	-	-	56,634,616	60,250	56,694,866
Property	17,688,301	6,208	17,694,508	-	-	17,688,301	6,208	17,694,508
Investment funds								
American shares	17,240	2,080	19,321	-	-	17,240	2,080	19,321
European shares	5,939,599	29,740	5,969,339	-	-	5,939,599	29,740	5,969,339
Other shares	22,477	2,479	24,956	-	-	22,477	2,479	24,956
Real estate	3,161,833	45,055	3,206,889	-	-	3,161,833	45,055	3,206,889
Bonds	-							
From other issuers	2,743,455	122,365	2,865,820	-	-	2,743,455	122,365	2,865,820
Others	23,121	1,158	24,280	-	-	23,121	1,158	24,280
	11,907,725	202,878	12,110,603	-	-	11,907,725	202,878	12,110,603
Others	8,110,545	6,462	8,117,007	-	-	8,110,545	6,462	8,117,007
	95,935,565	278,638	96,214,203	-	-	95,935,565	278,638	96,214,203

(amounts in euros)

	2020			2021		2021		
	Market price			Other		Total portfolio		
	Fidelidade	Others	Total	Fidelidade	Total	Fidelidade	Others	Total
Equity instruments	738,658	5,069	743,727	-	-	738,658	5,069	743,727
Debt instruments								
From public issuers	6,865,923	23,087	6,889,010	8,383,105	8,383,105	15,249,028	23,087	15,272,115
From other issuers	30,572,942	72,680	30,645,623	29,151,059	29,151,059	59,724,001	72,680	59,796,681
	37,438,865	95,767	37,534,632	37,534,164	37,534,164	74,973,029	95,767	75,068,796
Property	16,427,374	6,487	16,433,860	-	-	16,427,374	6,487	16,433,860
Investment funds								
American shares	-	2,355	2,355	-	-	-	2,355	2,355
European shares	2,562,868	34,014	2,596,881	-	-	2,562,868	34,014	2,596,881
Other shares	-	2,396	2,396	-	-	-	2,396	2,396
Real estate	2,990,365	53,808	3,044,173	-	-	2,990,365	53,808	3,044,173
Bonds	-							
From other issuers	5,012,063	137,844	5,149,906	-	-	5,012,063	129,423	5,141,485
Treasury	3,921,164	6,037	3,927,201	-	-	3,921,164	6,037	3,927,201
Others	189,815	1,152	190,968	-	-	189,815	1,152	190,968
	14,676,275	237,606	14,913,881	-	-	14,676,275	229,185	14,905,460
Others	6,794,898	9,994	6,804,892	-	-	6,794,898	9,994	6,804,892
	76,076,069	354,923	76,430,992	37,534,164	37,534,164	113,610,233	346,502	113,956,735

On these dates, the pension fund portfolio contained the following assets issued or managed by entities in the CGD Group:

(amounts in euros)

	2022			2021		
	Fidelidade	Other	Total	Fidelidade	Other	Total
Debt instruments	97,848	-	97,848	808,055	-	808,055
Investment funds						
Real estate	2,866,996	23,809	2,890,805	2,700,061	32,988	2,733,049
Bonds						
From other issuers	-	10,942	10,942	5,012,063	14,815	5,026,878
Others	23,121	-	23,121	189,815	-	189,815
	2,890,117	34,751	2,924,868	7,901,939	47,803	7,949,742
	2,987,965	34,751	3,022,716	8,709,995	47,803	8,757,798

The change in the difference between the Group's liabilities for past services and the respective cover, and the corresponding impact on the financial statements at 31 December 2022 and 2021, can be demonstrated as follows:

(amounts in euros)

	Liabilities			Hedge			Difference		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Position at 31 December 2020	156,455,726	220,583	156,676,308	163,273,598	393,823	163,667,421	6,817,872	173,239	6,991,111
Corrections	-	-	-	-	-	-	-	-	-
Current service expenses	179,524	1,195	180,719	-	-	-	(179,524)	(1,195)	(180,719)
Net defined benefit interest	870,540	1,916	872,457	923,069	3,582	926,651	52,529	1,666	54,194
Costs for the year	1,050,064	3,112	1,053,176	923,069	3,582	926,651	(126,995)	470	(126,525)
Increased liabilities due to early retirements	25,115	-	25,115	-	-	-	(25,115)	-	(25,115)
Other changes in the income statement	-	-	-	(563,977)	-	(563,977)	(563,977)	-	(563,977)
Changes with impact on income statement (Note 35)	1,075,180	3,112	1,078,291	359,092	3,582	362,674	(716,088)	470	(715,617)
Actuarial gains and losses									
return on plan assets not included									
in interest income	-	-	-	1,940,576	-	1,940,576	1,940,576	-	1,940,576
resulting from changes in financial assumptions	(4,636,614)	(4,834)	(4,641,448)	-	5,095	5,095	4,636,614	9,929	4,646,543
resulting from differences between									
the assumptions and the actual amounts	746,734	(22,000)	724,733	-	-	-	(746,734)	22,000	(724,733)
Changes with impact on shareholders' equity	(3,889,880)	(26,834)	(3,916,715)	1,940,576	5,095	1,945,672	5,830,457	31,930	5,862,387

(continuation)

(amounts in euros)

	Liabilities			Hedge			Difference		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Contributions to the plan									
Paid by entity	-	-	-	190,000	-	190,000	190,000	-	190,000
Change in mathematical provisions	(2,487,063)	-	(2,487,063)	(2,487,063)	-	(2,487,063)	-	-	-
Payments made by the plan									
pensions paid	(15,514,447)	(47,575)	(15,562,022)	(15,514,447)	(55,997)	(15,570,444)	-	(8,422)	(8,422)
Position at 31 December 2021	135,639,515	149,285	135,788,800	147,761,757	346,503	148,108,259	12,122,241	197,217	12,319,458
Corrections	-	-	-	-	-	-	-	-	-
Current service expenses	159,913	1,110	161,023	-	-	-	(159,913)	(1,110)	(161,023)
Net defined benefit interest	1,171,174	1,965	1,173,139	1,315,445	4,721	1,320,167	144,271	2,757	147,028
Expenditure for the year	1,331,088	3,075	1,334,162	1,315,445	4,721	1,320,167	(15,643)	1,647	(13,996)
Increased liabilities due to early retirements	742,121	-	742,121	-	-	-	(742,121)	-	(742,121)
Other changes in the income statement	-	-	-	(486,465)	359	(486,106)	(486,465)	359	(486,106)
Changes with impact on income									
statement (Note 35)	2,073,209	3,075	2,076,283	828,980	5,081	834,060	(1,244,229)	2,006	(1,242,223)
Actuarial gains and losses									
return on plan assets not included									
in interest income	-	-	-	(4,276,902)	-	(4,276,902)	(4,276,902)	-	(4,276,902)
resulting from changes in financial assumptions	(15,536,063)	(29,093)	(15,565,157)	-	(32,332)	(32,332)	15,536,063	(3,239)	15,532,824
resulting from differences between									
the assumptions and the actual amounts	(3,064,877)	24,016	(3,040,862)	-	-	-	3,064,877	(24,016)	3,040,862

	Liabilities			Hedge			Difference		
	Fidelidade	Others	Total	Fidelidade	Others	Total	Fidelidade	Others	Total
Changes with impact on shareholders' equity	(18,600,940)	(5,078)	(18,606,018)	(4,276,902)	(32,332)	(4,309,234)	14,324,039	(27,255)	14,296,784
Contributions to the plan									
Paid by entity	-	-	-	9,599	-	9,599	9,599	-	9,599
Change in mathematical provisions	(2,627,192)	-	(2,627,192)	(2,627,192)	-	(2,627,192)	-	-	-
Payments made by the plan									
pensions paid	(14,236,345)	(32,252)	(14,268,597)	(14,236,345)	(40,614)	(14,276,959)	-	(8,362)	(8,362)
Position at 31 December 2022	102,248,246	115,030	102,363,276	127,459,897	278,637	127,738,535	25,211,651	163,607	25,375,259

Medical assistance

The Group contributes part of the cost of health insurance provided for its retired and pre-retired employees. In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in Retirement or Pre-retirement who had switched to that status between June 1998 and July 2005, bearing almost all the respective costs.

At 31 December 2022 and 2021, these liabilities totalled 18,329,897 Euros and 25,903,684 Euros respectively, and were covered by provisions (Note 27). The actuarial deviations calculated on 31 December 2022 and 2021 related to this benefit amounted to (6,975,396) Euros and (460,118) Euros, respectively.

Liabilities for past services with medical assistance were determined on the basis of actuarial studies performed by Fidelidade's life actuarial department, using actuarial assumptions identical to those presented above for liabilities with pensions.

Sensitivity analysis

As of 31 December 2022, the sensitivity of defined benefit liabilities assumed by Fidelidade, in view of variations in significant assumptions, excluding liabilities covered by whole life annuities, corresponds to:

Scenarios	2022	A	B	C
Financial Assumptions				
Discount Rate	4.00%	4.50%	3.50%	4.00%
Salary Growth Rate	2.40%	2.40%	2.40%	2.40%
Pre-Retirement Salary Growth Rate	1.25%	1.25%	1.25%	1.25%
Pension Growth Rate	0.75%	0.75%	0.75%	0.75%
Demographic Assumptions				
Mortality Table				
> Women	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)
> Men	TV 73/77 (-2)	TV 73/77 (-2)	TV 73/77 (-2)	TV 88/90 (-2)

Liabilities as of 31 December 2022					
Scenarios		2022	A	B	C
Retirees	Old age	33,388,680	32,376,213	34,461,974	36,090,985
	Early retirement	9,777,226	9,468,706	10,103,698	10,519,122
	Disability	5,050,447	4,799,281	5,324,361	5,262,476
Pensioners	Widowers	3,006,754	2,909,700	3,110,318	3,027,092
	Orphans	92,629	86,654	99,304	93,302
Pre-Retirees	Pension up to retirement age	10,990,232	10,881,881	11,100,856	11,019,269
	Costs up to retirement age	2,935,195	2,905,929	2,965,080	2,943,024
	Pension after retirement age				
	> CCT plan	575,175	543,504	609,661	609,733
	> Complementary Plan	74,553	70,606	78,849	79,310
Active Workers	CCT Plan	2,127,306	1,939,769	2,338,775	2,213,219
	Complementary plan	2,820,747	2,630,737	3,031,668	2,927,351
Totals		70,838,944	68,612,979	73,224,543	74,784,882

The preparation of the information included in the table above was based on the calculation method used for the assessment of liabilities used for accounting purposes, not including mathematical provisions, in the amount of 31,524,332 euros.

37. INCOME

In the years 2022 and 2021, the investment income heading was composed as follows:

(amounts in euros)

	2022			Total
	Interest	Dividends	Income	
Investments allocated to life technical provisions				
Properties	-	-	2,149,680	2,149,680
Financial assets at fair value through profit or loss	2,507,872	2,072,661	-	4,580,533
Financial assets at fair value through other comprehensive income	88,768,817	-	-	88,768,817
Financial assets at amortised cost	4,107,183	-	-	4,107,183
Sight deposits	985	-	-	985
	95,384,856	2,072,661	2,149,680	99,607,197
Investments related to contracts considered for accounting purposes as investment contracts				
Properties	-	-	27,776,785	27,776,785
Financial assets at fair value through profit or loss	25,633,319	26,630,074	-	52,263,393
Financial assets at fair value through other comprehensive income	86,052,801	-	-	86,052,801
Financial assets at amortised cost	7,029,322	-	-	7,029,322
Sight deposits	144,161	-	-	144,161
	118,859,603	26,630,074	27,776,785	173,266,462
	214,244,459	28,702,735	29,926,465	272,873,659

(continuation)

(amounts in euros)

	2022			Total
	Interest	Dividends	Income	
Investments allocated to non-life technical provisions				
Properties	-	-	30,492,517	30,492,517
Financial assets at fair value through profit or loss	7,229,857	36,141,601	-	43,371,457
Financial assets at fair value through other comprehensive income	49,498,628	-	-	49,498,628
Financial assets at amortised cost	5,230,177	-	-	5,230,177
Sight deposits	20,501	-	-	20,501
	61,979,164	36,141,601	30,492,517	128,613,282
Investments not allocated				
Properties	-	-	23,419,769	23,419,769
Financial assets at fair value through profit or loss	701,943	3,053,865	-	3,755,809
Financial assets at fair value through other comprehensive income	2,145,598	-	-	2,145,598
Financial assets at amortised cost	3,268,203	-	-	3,268,203
Sight deposits	497,976	-	-	497,976
	6,613,720	3,053,865	23,419,769	33,087,355
	282,837,343	67,898,200	83,838,751	434,574,295

	2021			Total
	Interest	Dividends	Income	
Investments allocated to life technical provisions				
Properties	-	-	2,149,680	2,149,680
Financial assets at fair value through profit or loss	2,507,872	2,072,661	-	4,580,533
Financial assets at fair value through other comprehensive income	88,768,817	-	-	88,768,817
Financial assets at amortised cost	4,107,183	-	-	4,107,183
Sight deposits	985	-	-	985
	95,384,856	2,072,661	2,149,680	99,607,197
Investments related to contracts considered for accounting purposes as investment contracts				
Properties	-	-	27,776,785	27,776,785
Financial assets at fair value through profit or loss	25,633,319	26,630,074	-	52,263,393
Financial assets at fair value through other comprehensive income	86,052,801	-	-	86,052,801
Financial assets at amortised cost	7,029,322	-	-	7,029,322
Sight deposits	144,161	-	-	144,161
	118,859,603	26,630,074	27,776,785	173,266,462
	214,244,459	28,702,735	29,926,465	272,873,659

(continuation)

(amounts in euros)

	2021			Total
	Interest	Dividends	Income	
Investments allocated to non-life technical provisions				
Properties	-	-	30,492,517	30,492,517
Financial assets at fair value through profit or loss	7,229,857	36,141,601	-	43,371,457
Financial assets at fair value through other comprehensive income	49,498,628	-	-	49,498,628
Financial assets at amortised cost	5,230,177	-	-	5,230,177
Sight deposits	20,501	-	-	20,501
	61,979,164	36,141,601	30,492,517	128,613,282
Investments not allocated				
Properties	-	-	23,419,769	23,419,769
Financial assets at fair value through profit or loss	701,943	3,053,865	-	3,755,809
Financial assets at fair value through other comprehensive income	2,145,598	-	-	2,145,598
Financial assets at amortised cost	3,268,203	-	-	3,268,203
Sight deposits	497,976	-	-	497,976
	6,613,720	3,053,865	23,419,769	33,087,355
	282,837,343	67,898,200	83,838,751	434,574,295

38. FINANCIAL EXPENSES

In 2022 and 2021, the “Financial expenses” heading was composed as follows:

(amounts in euros)

	2022				2021			
	Life technical account	Non-life technical account	Non-technical account	Total	Life technical account	Non-life technical account	Non-technical account	Total
Investment expenses (Note 34)								
Cost allocations	33,747,296	26,813,494	55,706,497	116,267,287	46,019,400	27,235,861	43,060,666	116,315,927
Other investment expenses	1,315,017	219,264	3,596,948	5,131,229	1,689,292	333,707	1,206,314	3,229,314
	35,062,313	27,032,758	59,303,445	121,398,516	47,708,692	27,569,568	44,266,980	119,545,241

39. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES NOT RECOGNISED AT FAIR VALUE THROUGH PROFIT AND LOSS

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	Gains	2022 Losses	Net
Investments allocated to life technical provisions			
Financial assets at fair value through other comprehensive income	7,370,752	(7,516,600)	(145,848)
	7,370,752	(7,516,600)	(145,848)
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	15,993,127	(14,483,959)	1,509,168
Financial assets at amortised cost	454,172	(189,573)	264,599
Financial liabilities at amortised cost	415,013	(13,270,953)	(12,855,939)
	16,862,312	(27,944,485)	(11,082,173)
	24,233,064	(35,461,085)	(11,228,021)
Investments allocated to non-life technical provisions			
Financial assets at fair value through other comprehensive income	3,623,153	(6,069,555)	(2,446,402)
Financial assets at amortised cost	-	(50,236)	(50,236)
	3,623,153	(6,119,791)	(2,496,638)

(continuation)

(amounts in euros)

	2022		Net
	Gains	Losses	
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	198	-	198
Financial assets at fair value through other comprehensive income	294,538	(1,306,542)	(1,012,004)
Loans and receivables	-	(63,249)	(63,249)
	294,735	(1,369,791)	(1,075,056)
	28,150,952	(42,950,668)	(14,799,715)

(amounts in euros)

	Gains	2021 Losses	Net
Investments allocated to life technical provisions			
Financial assets at fair value through other comprehensive income	4,887,978	(1,843,115)	3,044,863
Financial assets at amortised cost	17,123	-	17,123
	4,905,101	(1,843,115)	3,061,986
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	18,154,437	(8,572,210)	9,582,227
Financial assets at amortised cost	133,983	(123,588)	10,395
Financial liabilities at amortised cost	613	(22,334,239)	(22,333,626)
	18,289,033	(31,030,037)	(12,741,004)
	23,194,134	(32,873,152)	(9,679,018)
Investments allocated to non-life technical provisions			
Financial assets at fair value through comprehensive income	3,067,399	(3,339,300)	(271,901)
Financial assets at amortised cost	46,841	(171,554)	(124,713)
	3,114,240	(3,510,854)	(396,614)
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	-	(782,718)	(782,718)
Financial assets at fair value through other comprehensive income	135,724	(148,439)	(12,715)
	135,724	(931,157)	(795,433)
	26,444,098	(37,315,163)	(10,871,065)

40. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	Gains	2022 Losses	Net
Investments allocated to life technical provisions			
Financial assets and liabilities at fair value through profit or loss	49,628,079	(89,582,004)	(39,953,924)
	49,628,079	(89,582,004)	(39,953,924)
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	843,117,391	(959,751,740)	(116,634,349)
	843,117,391	(959,751,740)	(116,634,349)
	892,745,470	(1,049,333,744)	(156,588,273)
Investments allocated to non-life technical provisions			
Financial assets and liabilities at fair value through profit or loss	106,873,601	(202,345,499)	(95,471,899)
	106,873,601	(202,345,499)	(95,471,899)
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	87,879,798	(120,866,924)	(32,987,125)
	87,879,798	(120,866,924)	(32,987,125)
Net gains at fair value through profit or loss	1,087,498,869	(1,372,546,167)	(285,047,297)
Overlay approach	16,877,135	33,873,522	50,750,657
	1,104,376,004	(1,338,672,645)	(234,296,640)

(amounts in euros)

	Gains	2021 Losses	Net
Investments allocated to life technical provisions			
Financial assets and liabilities at fair value through profit or loss	15,347,368	(46,624,325)	(31,276,957)
	15,347,368	(46,624,325)	(31,276,957)
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	203,360,017	(358,869,644)	(155,509,627)
	203,360,017	(358,869,644)	(155,509,627)
	218,707,385	(405,493,969)	(186,786,584)
Investments allocated to non-life technical provisions			
Financial assets and liabilities at fair value through profit or loss	64,919,958	(76,817,240)	(11,897,282)
	64,919,958	(76,817,240)	(11,897,282)
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	75,642,086	(90,054,449)	(14,412,363)
	75,642,086	(90,054,449)	(14,412,363)
Net gains at fair value through profit or loss	359,269,428	(572,365,658)	(213,096,230)
Overlay approach	(19,505,558)	83,513,716	64,008,158
	339,763,870	(488,851,942)	(149,088,072)

41. EXCHANGE DIFFERENCES

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	2022	2021
Investments allocated to life technical provisions		
Financial assets at fair value through profit or loss	(1,837,522)	5,454,586
Financial assets at fair value through other comprehensive income	29,924,396	35,276,407
Financial assets at amortised cost	234,270	472,591
Sight deposits	313,999	(174,696)
Others	(44)	38
	28,635,099	41,028,926
Investments related to contracts considered for accounting purposes as investment contracts		
Financial assets at fair value through profit or loss	2,117,443	27,983,699
Financial assets at fair value through other comprehensive income	(12,583,702)	146,409,621
Financial assets at amortised cost	607,007	1,666,541
Sight deposits	6,265,090	3,012,871
Others	275	388,981
	(3,593,886)	179,461,713
	25,041,212	220,490,639

(continuation)

(amounts in euros)

	2022	2021
Investments allocated to non-life technical provisions		
Financial assets at fair value through profit or loss	11,492,472	17,941,069
Financial assets at fair value through other comprehensive income	35,266,283	18,137,081
Financial assets at amortised cost	525,350	1,052,387
Sight deposits	(945,220)	61,634
Others	(63)	315
	46,338,823	37,192,486
Investments not allocated		
Investments in subsidiaries, associates and joint ventures	101	-
Financial assets at fair value through profit or loss	(2,107,049)	1,739,959
Financial assets at fair value through other comprehensive income	(25,232)	-
Financial assets at amortised cost	(5,132,430)	(1,216,395)
Sight deposits	4,376,586	2,990,464
Others	234,300	(3,804,022)
	(2,653,725)	(289,994)
	68,726,310	257,393,130

42. NET INCOME ON THE SALE OF NON-FINANCIAL ASSETS WHICH HAVE NOT BEEN RECOGNISED AS NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

Realised profit or loss	2022			2021		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for life insurance						
Investment properties	21,068	(4,325)	16,743	4,078,438	(2,313)	4,076,126
	21,068	(4,325)	16,743	4,078,438	(2,313)	4,076,126
Investments allocated to non-life technical provisions						
Properties for own use	137,964	(3)	137,961	-	(38)	(38)
Investment properties	13,504,730	(3,284,512)	10,220,218	3,331,466	(230,383)	3,101,083
	13,642,694	(3,284,515)	10,358,179	3,331,466	(230,421)	3,101,045
Investments not allocated						
Properties for own use	2,584,930	(1,832,069)	752,861	3,061,337	(1,310,031)	1,751,306
Investment properties	6,266,939	(11,955,042)	(5,688,103)	658,321	(17,477)	640,844
Investments in associates and joint ventures	3,404,991	-	3,404,991	-	(1,549,966)	(1,549,966)
	12,256,860	(13,787,111)	(1,530,251)	3,719,658	(2,877,474)	842,184
	25,920,621	(17,075,951)	8,844,671	11,129,562	(3,110,208)	8,019,355

(amounts in euros)

Unrealised gains and losses	2022			2021		
	Gains	Losses	Net (Note 11)	Gains	Losses	Net (Note 11)
Investments allocated to technical provisions for life insurance						
Investment properties	53,355,462	(28,553,255)	24,802,207	36,993,670	(5,507,191)	31,486,479
	53,355,462	(28,553,255)	24,802,207	36,993,670	(5,507,191)	31,486,479
Investments allocated to non-life technical provisions						
Investment properties	54,544,448	(31,605,345)	22,939,103	21,600,877	(6,732,316)	14,868,561
	54,544,448	(31,605,345)	22,939,103	21,600,877	(6,732,316)	14,868,561
Investments not allocated						
Investment properties	26,710,985	(27,002,729)	(291,745)	35,703,977	(27,229,801)	8,474,176
Investments in associates and joint ventures	75	-	75	-	-	-
	26,711,060	(27,002,729)	(291,669)	35,703,977	(27,229,801)	8,474,176
	134,610,970	(87,161,329)	47,449,641	94,298,524	(39,469,308)	54,829,216

Total	2022			2021		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to technical provisions for life insurance						
Investment properties	53,376,530	(28,557,580)	24,818,950	41,072,108	(5,509,504)	35,562,604
	53,376,530	(28,557,580)	24,818,950	41,072,108	(5,509,504)	35,562,604
Investments allocated to non-life technical provisions						
Properties for own use	137,964	(3)	137,961	-	(38)	(38)
Investment properties	68,049,178	(34,889,857)	33,159,321	24,932,343	(6,962,699)	17,969,644
	68,187,142	(34,889,860)	33,297,282	24,932,343	(6,962,737)	17,969,606
Investments not allocated						
Properties for own use	2,584,930	(1,832,069)	752,861	3,061,337	(1,310,031)	1,751,306
Investment properties	32,977,923	(38,957,771)	(5,979,847)	36,362,298	(27,247,278)	9,115,020
Investments in associates and joint ventures	3,405,066	-	3,405,066	-	(1,549,966)	(1,549,966)
	38,967,920	(40,789,840)	(1,821,921)	39,423,635	(30,107,275)	9,316,360
	160,531,592	(104,237,280)	56,294,311	105,428,087	(42,579,516)	62,848,571

43. IMPAIRMENT LOSSES (NET OF REVERSALS)

Information on impairment losses movements in 2022 and 2021 is set out below:

(amounts in euros)

	2022					Closing balances
	Opening balances	Increases	Recoveries and cancellations	Uses	Others	
Expected credit loss on financial assets at fair value						
through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 29)	29,677,275	5,429,089	(24,259,249)	-	235,459	11,082,575
Stage 3 (Note 8)	57,942,870	21,144,954	-	-	277	79,088,100
Expected credit loss on financial assets at amortised cost (Note 9)						
Debt instruments	904,302	1,435,521	(340,454)	(22,910)	-	1,976,459
Other instruments	385,752	1,865	-	(377,020)	-	10,597
Impairment of own service properties (Note 10)	16,568,008	2,582,964	(57,986)	(2,673,997)	-	16,418,989
Impairment of inventories (Note 14)	900,000	480,726	(142,500)	(112,500)	-	1,125,726
Adjustments to premiums pending collection (Note 18)	25,064,316	-	(3,341,148)	(1,399,827)	-	20,323,342
IFAP Adjustments (Note 18)	-	247,225	-	-	-	247,225
Adjustments of doubtful accounts (Note 18)	54,219,728	214,066	0	(6,873,543)	-	47,560,252
	185,662,251	31,536,410	(28,141,337)	(11,459,796)	235,736	177,833,264

(amounts in euros)

	2021					Closing balances
	Opening balances	Increases	Recoveries and cancellations	Uses	Others	
Expected credit loss on financial assets at fair value						
through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 29)	53,256,186	9,169,110	(32,164,795)	(583,226)	-	29,677,275
Stage 3 (Note 8)	49,979,822	7,960,687	-	-	2,360	57,942,870
Expected credit loss on financial assets at amortised cost (Note 9)						
Debt instruments	2,105,674	285,047	(1,526,809)	-	40,390	904,302
Other instruments	1,378	3,859	-	-	380,515	385,752
Impairment of own service properties (Note 10)	11,252,060	4,649,283	(185,493)	-	852,158	16,568,008
Impairment of inventories (Note 14)	750,000	486,573	(204,000)	(132,573)	-	900,000
Adjustments to premiums pending collection (Note 18)	36,673,726	(11,157,914)	(0)	(451,496)	-	25,064,316
Adjustments of doubtful accounts (Note 18)	52,457,711	7,203,225	(0)	(5,441,207)	-	54,219,728
	206,476,557	18,599,871	(34,081,097)	(6,608,503)	1,275,423	185,662,251

In 2022 and 2021, the item "Impairment losses (net of reversals)" includes uses of 8,614,203 Euros and 1,861,554 Euros of "Other provisions and Contingent Liabilities" (Note 27), respectively.

At 31 December 2022 and 2021 the breakdown by rating and stage of expected credit losses based on the gross balance sheet value was the following:

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	33,649,285	-	-	33,649,285
AA- up to AA+	61,953,273	-	-	61,953,273
A- up to A+	1,709,427,136	-	-	1,709,427,136
BBB- up to BBB+	4,778,968,296	3,385,100	2,002,288	4,784,355,684
BB- up to BB+	846,757,770	16,769,287	104,920	863,631,977
B- up to B+	44,765,369	14,606,162	-	59,371,531
CCC- up to CCC+	-	44,364,092	-	44,364,092
Not rated	5,860,706	511,641	78,243,716	84,616,063
	7,481,381,835	79,636,282	80,350,924	7,641,369,041
Financial assets at amortised cost				
BBB- up to BBB+	542,143,835	-	-	542,143,835
B- up to B+	-	13,868,359	-	13,868,359
CCC- up to CCC+	-	3,423,811	-	3,423,811
Not rated	-	1,702,851	537,611	2,240,462
	542,143,835	18,995,021	537,611	561,676,467

(amounts in euros)

	2021			
	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	2,523,456	-	-	2,523,456
AA- up to AA+	84,266,924	-	-	84,266,924
A- up to A+	1,935,753,406	-	-	1,935,753,406
BBB- up to BBB+	5,769,158,086	5,562,633	-	5,774,720,719
BB- up to BB+	1,127,105,782	13,218,735	97,697	1,140,422,214
B- up to B+	86,827,139	22,816,363	-	109,643,502
CCC- up to CCC+	51,462,760	-	-	51,462,760
Not rated	49,924,949	1,361,329	63,300,060	114,586,338
	9,107,022,502	42,959,060	63,397,757	9,213,379,319
Financial assets at amortised cost				
BBB- up to BBB+	824,403,896	-	-	824,403,896
CCC- up to CCC+	16,084,712	-	-	16,084,712
Not rated	-	5,374,621	535,256	5,909,877
	840,488,608	5,374,621	535,256	846,398,485

The movement between 31 December 2021 and 31 December 2022 of expected credit losses based on the gross balance sheet value was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2021	9,107,022,502	42,959,060	63,397,757	9,213,379,319
New assets originated or purchased	1,057,022,399	50,659,202	13,869,429	1,121,551,030
Assets derecognised or matured	(1,777,890,373)	(28,353,054)	(14,137,443)	(1,820,380,870)
Accrued capitalised interest	(46,370,827)	1,425,036	(172,669)	(45,118,460)
Change in Fair Value	(845,836,278)	(4,846,583)	(189,299)	(850,872,160)
Net exchange expense / (revenue)	20,035,200	1,101,570	1,673,412	22,810,182
Movement between 12mECL and LTECL	(32,600,788)	16,691,051	15,909,737	-
Balance at 31 December 2022	7,481,381,835	79,636,282	80,350,924	7,641,369,041
Financial assets at amortised cost				
Balance at 31 December 2021	840,488,608	5,374,621	535,256	846,398,485
New assets originated or purchased	-	13,512,448	-	13,512,448
Assets derecognised or matured	(299,282,522)	(1,228,523)	-	(300,511,045)
Accrued capitalised interest	937,749	739,861	2,355	1,679,965
Net exchange expense / (revenue)	-	596,614	-	596,614
Balance at 31 December 2022	542,143,835	18,995,021	537,611	561,676,467

As of 31 December 2022 and 2021, the breakdown by rating and stage of expected credit losses based on expected credit losses was as follows:

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
AA- up to AA+	11,909	-	-	11,909
A- up to A+	662,740	-	-	662,740
BBB- up to BBB+	3,535,472	14,534	862,233	4,412,239
BB- up to BB+	3,858,613	912,973	10,053	4,781,639
B- up to B+	1,036,562	253,116	-	1,289,678
CCC- up to CCC+	-	717,388	-	717,388
Not rated	-	79,267	78,215,815	78,295,082
	9,105,296	1,977,278	79,088,101	90,170,675
Financial assets at amortised cost				
B- up to B+	-	1,080,451	-	1,080,451
CCC- up to CCC+	-	259,021	-	259,021
Not rated	-	99,377	537,611	636,988
	-	1,438,849	537,611	1,976,460

(amounts in euros)

	2021			
	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
AA- up to AA+	14,862	-	-	14,862
A- up to A+	821,811	-	-	821,811
BBB- up to BBB+	3,680,420	29,961	-	3,710,381
BB- up to BB+	5,296,916	101,381	3,032	5,401,329
B- up to B+	1,760,331	753,310	-	2,513,641
CCC- up to CCC+	6,491,776	-	-	6,491,776
Not rated	10,694,928	31,579	57,939,838	68,666,345
	28,761,044	916,231	57,942,870	87,620,145
Financial assets at amortised cost				
BBB- up to BBB+	1,849	-	-	1,849
Not rated	-	387,503	514,950	902,453
	1,849	387,503	514,950	904,302

The movement between 31 December 2021 and 31 December 2022 based on expected credit losses was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit credit	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2021	28,761,044	916,231	57,942,870	87,620,145
New assets originated or purchased	908,513	804,687	-	1,713,200
Assets derecognised or matured	(4,031,612)	(213,035)	-	(4,244,647)
Re-measurement of expected credit loss	(16,099,826)	56,360	21,125,443	5,081,977
Balance at 31 December 2022	9,105,296	1,977,278	79,088,101	90,170,675
Financial assets at amortised cost				
Balance at 31 December 2021	1,849	387,503	514,950	904,302
New assets originated or purchased	-	1,336,382	-	1,336,382
Assets derecognised or matured	-	(86,590)	-	(86,590)
Re-measurement of expected credit loss	(1,849)	(198,446)	22,661	(177,634)
Balance at 31 December 2022	-	1,438,849	537,611	1,976,460

As of 31 December 2022, the amount recorded under the item "Allowance for expected credit losses in debt instruments at fair value through other comprehensive income", referring to securities whose reference rating used corresponds to an internal rating amounts to 353,899 Euros. The provision corresponding to these securities, if considered as unrated, would amount to 26,443,650 Euros.

44. OTHER TECHNICAL INCOME/EXPENSES, NET OF REINSURANCE

In the years 2022 and 2021 this heading was composed as follows:

(amounts in euros)

	2022			2021		
	Income	Expenses	Net	Income	Expenses	Net
Related to life insurance						
Co-insurance management fees	87,659	(592,202)	(504,543)	49,517	(153,763)	(104,247)
Pension fund management fees	1,150,258	-	1,150,258	1,029,835	-	1,029,835
Other	3,853	(192,147)	(188,294)	243,848	(303,894)	(60,046)
	1,241,769	(784,349)	457,420	1,323,200	(457,658)	865,542
Related to non-life insurance						
Co-insurance management fees	1,248,701	(1,093,199)	155,502	891,921	(779,303)	112,618
Others	1,710,248	(1,856,517)	(146,269)	12,227,375	(2,139,634)	10,087,741
	2,958,949	(2,949,716)	9,234	13,119,296	(2,918,937)	10,200,359
	4,200,718	(3,734,065)	466,654	14,442,496	(3,376,594)	11,065,902

45. OTHER INCOME/EXPENSES

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	2022	2021
Non-current income and gains		
Pro-rata VAT Credit	8,172,079	-
Tax rebates	1,481,759	960,421
Others	7,097,170	7,680,958
	16,751,008	8,641,379
Financial income and gains		
Exchange gains	12,707,968	24,248,388
Prompt payment discounts	1,665,024	996,572
Interest earned	1,587,177	872,976
Others	3,550,224	2,492,415
	19,510,392	28,610,351
Income from other assets		
Gains on other intangible assets	1,096,923	-
Gains on other tangible assets	334,637	482,571
	1,431,560	482,571

(continuation)

(amounts in euros)

	2022	2021
Earnings from pension plans		
Pension fund management fees (Fidelidade Macau Vida)	2,355	4,029
Other earnings	40,178	15,829
	42,534	19,858
Other non-technical income		
Provision of services		
Customers	500,192,416	573,580,198
Others	15,312,313	23,942,143
Adjustments to balances	2,582,866	899,923
	518,087,595	598,422,264
Non-current expenses and losses		
Miscellaneous contributions	(187,683)	(128,559)
Adjustments to balances	(357,520)	(239,602)
Under-estimation of taxes	(368,829)	(422,291)
Patronage	(511,739)	(103,397)
Bad debts	(765,696)	(1,004,563)
Offers to customers	(801,539)	(131,649)
Corrections to previous years	(992,747)	(2,707,486)

(continuation)

(amounts in euros)

	2022	2021
Fines and penalties	(2,196,433)	(1,427,726)
Donations	(3,105,325)	(1,277,458)
Others	(5,960,625)	(2,257,258)
	(15,248,135)	(9,699,991)
Financial expenses and losses		
Interest paid	(474,036)	(733,050)
Banking services	(1,390,984)	(1,521,826)
Exchange losses	(2,728,242)	(18,821,636)
Others	(3,806,817)	(2,757,625)
	(8,400,078)	(23,834,136)
Losses on other assets		
Losses on other intangible assets	(55,392)	(80,032)
Losses on other tangible assets	(266,105)	(336,492)
	(321,497)	(416,525)

(continuation)

(amounts in euros)

	2022	2021
Other non-technical expenses		
Allocation of Non-Technical Expenses (Note 34)		
Interest	(9,287,398)	(9,152,937)
Amortisations in the year	(32,974,418)	(33,394,469)
Personnel Costs	(125,152,176)	(162,277,002)
External supplies and services	(299,855,579)	(347,171,148)
Others	(7,701,813)	(16,358,812)
	(474,971,384)	(568,354,368)
Cost of goods sold	(3,046,805)	(3,713,955)
Total other income and expenditures	53,835,189	30,157,448

At 31 December 2021 and 2022, the breakdown of provision of services to customers was as follows:

(amounts in euros)

	2022	2021
Provision of Services		
Hospital Service	485,046,136	565,240,372
Portfolio management	6,264,718	3,677,604
Helpdesk	732,713	1,309,508
Health Service	362,648	281,458
Expertise Services/Claims Assessment	1,282,992	394,608
Motor Repair	182,486	58,050
Financial and Accounting Services	1,681,258	7,967
Other services provided	14,234,816	12,481,997
Discounts and rebates for services provided	(9,595,351)	(9,871,366)
	500,192,416	573,580,198

46. GAINS AND LOSSES FROM ASSOCIATES AND JOINT VENTURES (EQUITY METHOD)

In the years 2022 and 2021, this heading is composed as follows:

(amounts in euros)

	2022	2021
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A.	325,765	99,855
Genomed - Diagnostics of Molecular Medicine, S.A.	-	(59,224)
Serfun Portugal, SGPS, S.A.	(19,308)	(27,058)
Transacciones Especiales S.A.	491,368	(34,924)
EA One Holding, Inc	124,848	1,574,551
BLUE ADCO - Consultoria e Assessoria em Investimentos Turísticos, S.A.	(2)	-
BLUE OPCO – Exploração e Gestão de Ativos Turísticos, S.A.	(26,422)	-
	896,249	1,553,199

47. INCOME TAX

The costs/gains with income tax recognised in profits and losses, and the tax burden, measured as the ratio between the appropriation for income tax and the profit in the year before tax, may be represented as follows:

(amounts in euros)

	2022	2021
Current tax		
For the year	52,049,124	76,690,837
Municipal and State tax	2,700,147	37,918,610
Autonomous taxation	3,196,030	808,014
	57,945,301	115,417,462
Others		
Branches	1,509,727	745,495
Others	4,320,117	26,675,090
	63,775,144	142,838,047
Deferred tax	7,324,844	(39,627,362)
Total tax in income statement	71,099,988	103,210,685
Consolidated profit before taxes and Non-controlling interests	338,208,357	406,991,164
Tax burden	21.02%	25.36%

Reconciliation between the nominal tax rate and the effective tax rate in 2022 and 2021 can be demonstrated as follows:

(amounts in euros)

	2022		2021	
	Rate	Tax	Rate	Tax
Pre-tax profit		338,208,357		406,991,164
Tax calculated at nominal rate	14.77%	49,966,872	20.19%	82,161,117
Permanent differences to be deducted				
Dividends from equity instruments	(0.42%)	(1,429,578)	(0.61%)	(2,499,205)
Non-deductible impairment	(2.57%)	(8,705,194)	(0.89%)	(3,608,947)
Provisions not relevant for tax purposes	(0.02%)	(77,878)	(0.00%)	(11,609)
Corrections related to previous years	-	-	(0.53%)	(2,174,916)
Tax losses used	(3.48%)	(11,754,821)	(2.14%)	(8,725,038)
Others	-	-	(0.94%)	(3,821,690)
Permanent differences to be added				
Provisions not relevant for tax purposes	0.01%	33,881	-	-
Capital gains and losses for tax purposes	2.26%	7,648,046	0.27%	1,093,009
Accounting capital gains and losses	7.21%	24,380,193	3.14%	12,796,766
Insufficiency of IRC estimation	0.00%	41	-	-
Expenses from termination of employment benefits, retirement benefits and other post-employment or long-term employee benefits	0.00%	16,028	0.00%	13,636

(continuation)

(amounts in euros)

	2022		2021	
	Rate	Tax	Rate	Tax
Tax liabilities	1.83%	6,194,392	2.87%	11,696,459
Corrections related to previous years	0.08%	273,537	-	-
Others	0.67%	2,267,449	-	-
Tax benefits				
Net job creation	(0.04%)	(139,750)	(0.06%)	(236,837)
DTI	(0.31%)	(1,047,944)	(6.51%)	(26,502,093)
SIFIDE II	(2.25%)	(7,619,147)	(1.88%)	(7,656,948)
Others	(1.26%)	(4,274,015)	(1.68%)	(6,845,276)
Tax paid abroad	1.17%	3,971,647	7.02%	28,566,941
Withholding at source	-	-	(3.12%)	(12,688,055)
Autonomous taxation	0.58%	1,965,799	0.20%	821,839
Municipal and state spill	1.30%	4,401,103	10.06%	40,931,723
Deferred tax assets and liabilities - Effect of rate changes	1.49%	5,029,328	(0.02%)	(100,191)
	21.02%	71,099,988	25.36%	103,210,685

The tax authorities have the possibility to review the tax situation for a defined period of time, which in Portugal is four years (except in years in which a tax loss is calculated), and may result due to different interpretations of the legislation, any corrections to the taxable profit of previous years. Given the

nature of any corrections that may be made, it is not possible to quantify them at this time. However, in the opinion of the Board of Directors of Fidelidade and of the companies in the Group, it is unlikely that any correction concerning the years referred to above will be significant for the attached financial statements.

48. SEGMENT REPORTING

The Group presents operating segments based on management information produced internally. Operating results are regularly reviewed by the principal operational decision maker for the purpose of allocating resources to the segment and evaluating performance.

An operating segment is an identifiable component of the Group that is intended to provide an individual product or service or a group of related products or services, within a specific economic environment, from which it may derive revenues and incur expenses, that are subject to risks and benefits that are distinguishable from others.

The results may be segmented by activity since there is distinct financial information.

Insurer Segment

The insurer segment includes Life and Non-Life insurance.

Life insurance includes the following sub segments:

- “Risk”, which comprises contracts whereby the insurer undertakes to pay the sum insured in the event of the death of the insured person (insurance in the event of death) or survival of the insured person (insurance in the event of life);
- “Capitalisation with profit sharing”, which comprises contracts through which a life insurance company undertakes to pay a certain capital at the end of the contracts and the right of the policyholder, insured or beneficiary to receive part of the results generated by the contract; and

- “Investment contracts” means financial instruments in the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts.

Non-Life insurance includes the following sub segments:

- “Workers’ Compensation”, which aims to insure workers in the event of damage arising at the place and time of work or on the way to or from work, resulting in bodily injury, functional disturbance or illness that causes reduction in the ability to work or earn a salary, or death;
- “Motor”, which covers the risks to which land motor vehicles (cars, motorcycles, etc.) are exposed, including civil liability arising from their circulation, as well as optional coverages, such as own damages, travel assistance and legal protection;
- “Health”, which covers the risks related to the provision of healthcare in the modalities of agreed benefits, indemnity benefits and combinations of the two types of benefits;
- “Property”, which covers the risks related to loss of property caused by “Fire and other damages” that damage property, “Credit and Suretyship”, related to damages suffered in the event of default on obligations guaranteed by personal guarantee and “Miscellaneous pecuniary losses arising from other property risks”;

- "Third-Party", which covers the risk of the insured having to indemnify third parties for damages resulting in bodily or material injuries for which the same is responsible, including "General Third-Party Liability", "Family Third-Party Liability" insurance, "Animals Third-Party Liability", "Operational Third-Party Liability", "Professional Third-Party Liability" and "Products Third-Party Liability";
- "Transported Goods", which covers risks related to the transport of goods or other goods by land, sea and air; and
- "Others", which covers the damages suffered by "Personal accidents", "Legal protection - other", "Assistance - other" and miscellaneous insurance not mentioned above.

Real Estate Segment

The real estate segment includes the following activities:

- Purchase and sale of real estate, including the purchase for resale, lease or constitution of other real estate rights and also the development, promotion and administration of real estate projects, in the construction and rehabilitation area, as well as the provision of related services;
- Acquisition and disposal of interests in companies, under national or foreign law, with the same or different object as yours, in companies regulated by special laws and in unlimited liability companies, under the terms of the law; and

- Association with other legal entities to, inter alia, form new companies, complementary groupings of companies, European economic interest groups, consortia and participation associations in accordance with the law.

Health Segment

The health segment includes the following activities:

- Private healthcare, which includes the Group's main hospital acute care units and network of outpatient clinics;
- Public healthcare, which covers the management of a hospital unit, under the Public-Private Partnership Agreement (PPP); and
- Other activities.

The distribution of income by lines of business in 2022 and 2021 was as follows:

(amounts in euros)

	2022					Total
	Insurer Segment	Real Estate Segment	Health Segment	Other Segments	Consolidation adjustments	
Gains and losses						
Earned premiums, net of reinsurance	2,512,873,169	-	-	-	(8,182,140)	2,504,691,029
Fees from of insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	114,415,652	-	-	-	-	114,415,652
Claims costs, net of reinsurance	(1,985,734,026)	-	-	-	17,110,705	(1,968,623,321)
Other technical provisions, net of reinsurance	2,639,777	-	-	-	-	2,639,777
Mathematical provision for life insurance and profit sharing, net of reinsurance	285,652,756	-	-	-	4,491,230	290,143,986
Net operating costs and expenses	(896,985,475)	-	-	-	878,849	(896,106,626)
Income	374,074,053	97,564,781	118,802	19,637,407	(56,820,748)	434,574,295
Financial expenses and net income on financial assets and liabilities	(224,071,439)	56,022,791	3,297,079	(44,052,032)	(87,421,307)	(296,224,907)
Impairment losses (net of reversals)	6,560,123	(42,792,284)	(924,744)	(44,546)	42,420,581	5,219,130
Overlay approach	46,570,542	(652)	-	-	4,180,767	50,750,657
Other income/expenses and negative goodwill	22,517,479	863,138	26,151,450	15,300,007	33,338,543	98,170,618
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	-	-	(1,441,931)	-	-	(1,441,931)

(continuation)

(amounts in euros)

	2022				Consolidation adjustments	Total
	Insurer Segment	Real Estate Segment	Health Segment	Other Segments		
Current income tax	(49,319,997)	(37,677,973)	(2,163,634)	3,333,495	14,728,122	(71,099,988)
Non-controlling interests	-	-	188,559	-	(46,822,349)	(46,633,790)
	209,192,614	73,979,801	25,225,581	(5,825,670)	(82,097,746)	220,474,579
Assets						
Total assets	19,944,797,679	5,205,618,826	912,142,774	708,480,312	(6,465,509,213)	20,305,530,378
Of which:						
Investments in associates and joint ventures	8,543,280	-	-	-	626,007	9,169,287
Liabilities						
Total liabilities	16,831,425,774	363,502,371	598,557,734	113,139,139	(457,194,216)	17,449,430,801
Total segments						2,635,624,998
Share capital, reserves, retained earnings and Non-controlling interests						2,635,624,998

(amounts in euros)

	2021				Consolidation adjustments	Total
	Insurer Segment	Real Estate Segment	Health Segment	Other Segments		
Gains and losses						
Earned premiums, net of reinsurance	2,223,546,589	-	-	-	(5,841,320)	2,217,705,269
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	411,046	-	-	-	-	411,046
Claims costs, net of reinsurance	(1,740,680,597)	-	-	-	11,731,494	(1,728,949,103)
Other technical provisions, net of reinsurance	(889,692)	-	-	-	-	(889,692)
Mathematical provision for life insurance and profit sharing, net of reinsurance	115,418,625	-	-	-	5,139,160	120,557,785
Net operating costs and expenses	(685,227,636)	-	-	-	(82,466)	(685,310,102)
Income	368,507,643	194,394,365	40,758	20,084,897	(198,333,961)	384,693,702
Financial expenses and net income on financial assets and liabilities	(36,731,542)	31,529,292	(41,520)	(11,357,758)	(6,669,305)	(23,270,835)
Impairment losses (net of reversals)	900,915	(1,150,974)	(4,987,267)	21,722	16,583,740	11,368,136
Overlay approach	143,578,153	722,948	-	-	(80,292,943)	64,008,158
Other income/expenses and negative goodwill	20,908,125	7,211,903	13,358,746	11,457,375	(10,159,600)	42,776,549
Gains and losses on non-current assets (or groups for disposal) classified as held for sale	3,890,250	-	-	-	-	3,890,250

(continuation)

(amounts in euros)

	2021				Consolidation adjustments	Total
	Insurer Segment	Real Estate Segment	Health Segment	Other Segments		
Current income tax	(100,746,436)	(21,388,236)	4,063,553	(3,751,190)	18,611,624	(103,210,685)
Non-controlling interests	-	-	296,731	-	(33,835,632)	(33,538,901)
	312,885,442	211,319,298	12,731,001	16,455,045	(283,149,208)	270,241,578
Assets						
Total assets	19,726,692,060	4,846,260,118	896,313,710	604,731,904	(5,660,261,846)	20,413,735,946
Of which:						
Investments in associates and joint ventures	5,032,997,046	-	-	-	(5,002,913,269)	30,083,777
Liabilities						
Total liabilities	16,193,070,899	188,749,637	612,308,735	100,979,245	(300,352,834)	16,794,755,682
Total segments						3,348,738,686
Share capital, reserves, retained earnings and Non-controlling interests						3,348,738,686

The total assets and liabilities have a different breakdown when compared to the Financial Statements, due to the fact that the segment distribution process gives rise to a breakdown of different balances.

In 2022 and 2021, earned premiums net of reinsurance by region were composed as follows:

(amounts in euros)

	2022	2021
Earned premiums, net of reinsurance		
Portugal	1,738,622,945	1,616,841,658
Rest of European Union	71,778,849	56,506,235
Africa	110,600,583	50,900,476
Asia	56,766,930	56,997,461
South America	526,921,723	436,459,439
Total	2,504,691,029	2,217,705,269

Earned premiums net of reinsurance are allocated based on the location of each company.

In 2022 and 2021, the non-current assets were composed as follows by region:

(amounts in euros)

	2022	2021
Non-current assets		
Portugal	2,163,244,931	1,932,822,449
Rest of European Union	1,277,969,708	1,170,383,911
Africa	76,169,060	65,407,736
Asia	383,078	589,461
South America	218,926,287	292,379,960
Rest of the World	99,519,308	-
Total	3,836,212,371	3,461,583,518

Non-current assets include the headings "Properties", "Other tangible assets" and "Other intangible assets".

49. RELATED PARTIES

As defined in IAS 24, the subsidiaries, associates and joint ventures of the Fosun Group, Caixa Geral de Depósitos, S.A. and their respective management bodies are considered related parties of the Fidelidade Group.

Notes 3 and 5 provide information on the structure of the Group, including details of subsidiaries and associates.

Transactions and outstanding balances between fully consolidated entities of the Group are eliminated.

As of 31 December 2022 and 2021, the Group's financial statements include the following balances and transactions with related parties, excluding management bodies:

2022

(amounts in euros)

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Associates	Fosun International Holdings Ltd Group	Total
Income Statement					
Gross premiums written	-	3,985,028	-	6,711	3,991,739
Ceded reinsurance premiums	-	-	-	(12,062,454)	(12,062,454)
Provision for unearned premiums (change)	-	475,757	-	-	475,757
Provision for unearned premiums, part of reinsurers (change)	-	-	-	(239,995)	(239,995)
Claims costs, net of reinsurance	-	(214,601)	(1,239,797)	2,442,011	987,614
Net operating costs and expenses	(1,530)	(76,990,850)	10,004	1,929,591	(75,052,785)
Income	-	5,841,450	11,585	13,315,014	19,168,050
Financial expenses and net income on financial assets and liabilities	-	(8,044,738)	-	(11,059,756)	(19,104,494)
Exchange differences	-	(700,801)	-	(1,422,794)	(2,123,595)
Impairment losses (net of reversals)	-	239,262	-	1,827,778	2,067,040
Other income/expenses and negative goodwill	4,964	(529,734)	219,369	(1,410)	(306,812)
	3,434	(75,939,227)	(998,838)	(5,265,305)	(82,199,936)
Assets					
Cash and cash equivalents and sight deposits	-	358,885,898	-	19,273,365	378,159,263
Investments in associates and joint ventures	-	-	9,169,288	-	9,169,288
Financial assets at fair value through profit or loss	-	27,577,981	-	30,562,857	58,140,838
Financial assets at fair value through other comprehensive income	-	70,524,964	-	67,802,100	138,327,064
Financial assets at amortised cost	-	142,292,685	327,191	-	142,619,876
Properties for own use	-	18,931	-	-	18,931
Technical provisions for reinsurance ceded	-	-	-	8,749,212	8,749,212
Accounts receivable for direct insurance operations	-	22,029,716	-	-	22,029,716
Accounts receivable for other reinsurance operations	-	-	-	301,383	301,383
Accounts receivable for other operations	80,039,592	6,238,338	-	1,227	86,279,157
	80,039,592	627,568,512	9,496,479	126,690,144	843,794,728

(continuation)

(amounts in euros)

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Associates	Fosun International Holdings Ltd Group	Total
Liabilities					
Provision for unearned premiums	-	(9,315,816)	-	-	(9,315,816)
Claims provision	-	(242,825,705)	-	55,972	(242,769,733)
Financial liabilities	-	20,569	-	4,161,606	4,182,175
Accounts payable for direct insurance operations	-	39,700,064	-	17	39,700,081
Accounts payable for other reinsurance operations	-	-	-	1,711,679	1,711,679
Accounts payable for other operations	4,479,726	370,607	3,562	-	4,853,895
Accruals and deferrals	-	26,976,954	-	1,311,500	28,288,454
	4,479,726	(185,073,327)	3,562	7,240,774	(173,349,265)

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Associates	Fosun International Holdings Ltd Group	Total
Income Statement					
Gross premiums written	-	3,521,927	-	-	3,521,927
Ceded reinsurance premiums	-	-	-	(14,112,643)	(14,112,643)
Provision for unearned premiums (change)	-	345,809	-	-	345,809
Provision for unearned premiums, part of reinsurers (change)	-	-	-	112,129	112,129
Claims costs, net of reinsurance	-	(132,104)	(969,301)	8,490,979	7,389,574
Net operating costs and expenses	-	(70,812,452)	27,905	2,602,392	(68,182,155)
Income	-	7,697,625	-	15,023,343	22,720,967
Financial expenses and net income on financial assets and liabilities	-	(6,061,100)	-	(5,322,543)	(11,383,643)
Exchange differences	-	1,948,440	-	478,501	2,426,941
Impairment losses (net of reversals)	-	49,123	-	192,449	241,571
Other income/expenses and negative goodwill	4,920	1,755,804	1,623,963	29,931	3,414,617
	4,920	(61,686,929)	682,567	7,494,537	(53,504,905)
Assets					
Cash and cash equivalents and sight deposits	-	438,581,928	-	100,268,856	538,850,784
Investments in associates and joint ventures	-	-	23,205,361	-	23,205,361
Financial assets at fair value through profit or loss	-	56,331,343	-	31,538,105	87,869,448
Financial assets at fair value through other comprehensive income	-	80,307,806	-	341,129,652	421,437,458
Financial assets at amortised cost	-	2,062,062	-	3,763,209	5,825,271
Properties for own use	-	33,930	-	-	33,930
Technical provisions for reinsurance ceded	-	-	-	8,815,115	8,815,115
Accounts receivable for direct insurance operations	-	11,830,916	-	-	11,830,916
Accounts receivable for other reinsurance operations	-	-	-	432,881	432,881
Accounts receivable for other operations	5,568,314	16,959,551	28,210	614,577	23,170,651
	5,568,314	606,107,536	23,233,570	486,562,396	1,121,471,816
Liabilities					
Provision for unearned premiums	-	(3,521,652)	-	-	(3,521,652)
Claims provision	-	(182,101,516)	-	55,972	(182,045,544)
Financial liabilities	-	28,109	-	3,922,330	3,950,439
Accounts payable for direct insurance operations	-	13,585,767	-	-	13,585,767
Accounts payable for other reinsurance operations	-	-	-	1,561,808	1,561,808
Accounts payable for other operations	47,015,002	-	4,305	1,998,274	49,017,581
Accruals and deferrals	-	33,440,578	-	1,568,500	35,009,078
	47,015,002	(138,568,714)	4,305	9,106,884	(82,442,523)

Transactions with the related parties are performed on the basis of the market values on the respective dates.

Remuneration of Corporate Bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Corporate Bodies, according to criteria established by the shareholder.

The remuneration and benefits paid to the members of the Corporate Bodies during the year 2022 are as follows:

(amounts in euros)

Board of Directors	Fixed Remuneration	Variable Remuneration	Meal Allowance	Health Insurance	Life Insurance
Non-executive members					
Chairman					
Jorge Manuel Baptista Magalhães Correia	420,000	362,615	-	-	-
Vice-Chairman					
José Manuel Alvarez Quintero	105,000	287,555	-	-	-
Executive members					
Chairman of the Executive Committee					
Rogério Miguel Antunes Campos Henriques	420,000	453,833	2,735	2,429	134
Members of the Executive Committee					
António Manuel Marques de Sousa Noronha	369,600	412,412	2,735	1,111	134
Wai Lam William Mak	369,600	412,412	2,735	1,989	134
André Simões Cardoso	369,600	398,370	2,735	2,868	134
Hui Chen 290,000		101,338	2,735	671	134
Juan Ignacio Arsuaga Serrats	369,600	124,857	2,735	1,550	134
Miguel Barroso Abecasis	277,290	-	2,011	1,821	101

Supervisory Board	Fixed Remuneration	Variable Remuneration	Meal Allowance	Health Insurance	Life Insurance
Chairman					
Pedro Nunes de Almeida	50,000	-	-	-	-
Members					
João Filipe Gonçalves Pinto	50,000	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	50,000	-	-	-	-

The fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, and companies of its network, including abroad, related to 2022, are 3,117,159 Euros, of which 2,538,526 Euros are related to the Statutory Audit and legal review of accounts and 578,633 euros to compliance and assurance services.

Other assurance services basically include: (i) Certification of the annual solvency and financial position report, (ii) Report on the Risk Management and Internal Control system, (iii) Limited Review, (iv) Opinion on procedures and controls in matters of ML&TF prevention, (v) Opinion on the specific procedures for the prevention, detection and reporting of insurance fraud situations and (vi) Opinion on the specific procedures for the remuneration policy.

50. DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS

FINANCIAL POSITION

At 31 December 2022 and 2021, the financial instruments had the following balance sheet value:

(amounts in euros)

	2022		Balance sheet value
	Recognised at fair value	Not recognised at fair value	
Assets			
Cash and cash equivalents and sight deposits	-	637,429,549	637,429,549
Investments in associates and joint ventures	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	4,837,261,487	-	4,837,261,487
Hedge derivatives	18,319,872	-	18,319,872
Financial assets at fair value through other comprehensive income	7,595,090,860	-	7,595,090,860
Financial assets at amortised cost	-	1,000,653,706	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	746,297,568	746,297,568
	12,448,789,548	2,395,432,782	14,844,222,330
Liabilities			
Mathematical provision for life insurance	-	1,499,859,023	1,499,859,023
Financial liabilities at fair value through profit or loss	154,516,306	-	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	3,135,814,789	5,375,919,624	8,511,734,413

(continuation)

(amounts in euros)

	2022		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Hedge derivatives	4,949,949	-	4,949,949
Deposits received from reinsurers	-	54,602,705	54,602,705
Other financial liabilities	-	636,180,671	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	719,530,746	719,530,746
	3,295,281,043	8,286,092,769	11,581,373,812

(amounts in euros)

	2021		
	Recognised at fair value	Not recognised at fair value	Balance sheet value
Assets			
Cash and cash equivalents and sight deposits	-	951,254,578	951,254,578
Investments in associates and joint ventures	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	3,971,703,878	2,987,809	3,974,691,687
Hedge derivatives	2,674,924	-	2,674,924
Financial assets at fair value through other comprehensive income	9,201,180,447	-	9,201,180,447
Financial assets at amortised cost	-	1,229,466,917	1,229,466,917
Accounts receivable from direct insurance and reinsurance operations	-	448,572,311	448,572,311
	13,175,559,249	2,662,365,392	15,837,924,641

(continuation)

(amounts in euros)

	2021		Balance sheet value
	Recognised at fair value	Not recognised at fair value	
Liabilities			
Mathematical provision for life insurance	-	1,608,929,356	1,608,929,356
Financial liabilities at fair value through profit or loss	299,670,115	-	299,670,115
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	1,760,269,963	6,358,556,065	8,118,826,028
Hedge derivatives	23,581,767	-	23,581,767
Deposits received from reinsurers	-	81,278,509	81,278,509
Other financial liabilities	-	596,027,423	596,027,423
Accounts payable for direct insurance and reinsurance operations	-	363,496,594	363,496,594
	2,083,521,845	9,008,287,947	11,091,809,792

The amount in the heading "Mathematical provision for life insurance" corresponds to the value of the mathematical provisions of capitalisation products in the life insurance business with profit sharing.

The amounts considered under the headings "Other debtors" and "Other creditors" correspond essentially to the balances receivable and payable from insured persons, reinsurers, reinsured, brokers, agents and other external entities.

GAINS AND LOSSES

In the years ended on 31 December 2022 and 2021, the net gains and losses on financial instruments had the following breakdown:

(amounts in euros)

	2022		
	Income	As a charge to Shareholders' equity	Total
Earned premiums, net of reinsurance	96,821,179	-	96,821,179
Claims costs, net of reinsurance	(368,138,161)	-	(368,138,161)
Mathematical provision for life insurance, net of reinsurance	258,267,070	-	258,267,070
Income from financial instruments			
financial assets at fair value through profit or loss	103,971,191	-	103,971,191
financial assets at fair value through other comprehensive income	226,465,844	-	226,465,844
financial assets at amortised cost	19,634,885	-	19,634,885
Sight deposits	663,623	-	663,623
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
financial assets at fair value through other comprehensive income	(2,095,086)	(855,036,341)	(857,131,427)
financial assets at amortised cost	151,113		151,113
financial liabilities at amortised cost	(12,855,939)	-	(12,855,939)
others	198	-	198
Net income on financial assets and liabilities recognised at fair value through profit or loss			
financial assets and liabilities at fair value through profit or loss	(285,047,297)	-	(285,047,297)
Exchange differences	68,726,310	-	68,726,310

(continuation)

(amounts in euros)

	2022		
	Income	As a charge to Shareholders' equity	Total
Impairment losses (net of reversals)			
financial assets at fair value through other comprehensive income	(2,314,794)	-	(2,314,794)
financial assets at amortised cost	(1,096,932)	-	(1,096,932)
others	8,630,856		8,630,856
Interest on subordinate liabilities	(22,360,836)	-	(22,360,836)
Interest on deposits received from reinsurers	(876,731)	-	(876,731)
	88,546,494	(855,036,341)	(766,489,847)

(amounts in euros)

	2021		
	Income	As a charge to Shareholders' equity	Total
Earned premiums, net of reinsurance	70,030,268	-	70,030,268
Claims costs, net of reinsurance	(251,767,007)	-	(251,767,007)
Mathematical provision for life insurance, net of reinsurance	164,204,983	-	164,204,983
Income from financial instruments			
financial assets at fair value through profit or loss	89,272,696	-	89,272,696
financial assets at fair value through other comprehensive income	202,876,410	-	202,876,410
financial assets at amortised cost	17,591,680	-	17,591,680
Sight deposits	145,464	-	145,464

(continuation)

(amounts in euros)

	2021		
	Income	As a charge to Shareholders' equity	Total
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
financial assets at fair value through other comprehensive income	12,342,475	(243,473,756)	(231,131,281)
financial assets at amortised cost	(97,195)		(97,195)
financial liabilities at amortised cost	(22,333,626)	-	(22,333,626)
other	(782,718)	-	(782,718)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
financial assets and liabilities at fair value through profit or loss	(213,096,230)	-	(213,096,230)
others	257,393,130	-	257,393,130
Exchange differences			
Impairment losses (net of reversals)	15,034,997	-	15,034,997
financial assets at fair value through other comprehensive income	1,237,903	-	1,237,903
financial assets at amortised cost	(4,904,764)		(4,904,764)
others	(12,773,005)	-	(12,773,005)
Interest on deposits received from reinsurers	(74,910)	-	(74,910)
	324,300,552	(243,473,756)	80,826,795

In the years ended on 31 December 2022 and 2021, the income and expenses with interest, calculated according to the effective interest rate method, relating to financial assets and liabilities not recognised at fair value through profit or loss, had the following breakdown:

(amounts in euros)

	2022	2021
Assets		
Financial assets at fair value through other comprehensive income	226,465,844	198,212,550
Financial assets at amortised cost	19,634,885	17,591,680
Sight deposits	663,623	145,464
	246,764,352	215,949,694
Liabilities		
Mathematical provision for life insurance	(49,449,465)	(47,386,170)
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	(12,855,939)	(22,333,626)
Subordinate liabilities	(22,360,836)	(12,773,005)
Deposits received from reinsurers	(876,731)	(74,910)
	(85,542,971)	(82,567,711)

OTHER DISCLOSURES

Fair value of financial instruments

At 31 December 2022 and 2021, the method for assessing the fair value of the financial instruments reflected in the Group's financial statements can be summarised as follows:

(amounts in euros)

	2022			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	637,429,549	637,429,549
Investments in associates and joint ventures	-	-	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	3,064,326,109	551,711,739	1,221,223,639	-	4,837,261,487
Hedge derivatives	530,104	17,789,768	-	-	18,319,872
Financial assets at fair value through other comprehensive income	6,770,589,259	604,687,323	219,814,278	-	7,595,090,860
Financial assets at amortised cost	-	-	-	1,000,653,706	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	-	-	746,297,568	746,297,568
	9,835,445,472	1,174,188,830	1,441,037,917	2,393,550,110	14,844,222,329

(continuation)

(amounts in euros)

	2022			Not recognised at fair value	Total
	Level 1	Fair value calculation method Level 2	Level 3		
Liabilities					
Mathematical provision for life insurance	-	-	-	1,499,859,023	1,499,859,023
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	-	3,135,814,789	-	5,375,919,624	8,511,734,413
Financial liabilities at fair value through profit or loss	1,155,733	24,082,339	129,278,235	-	154,516,306
Hedge derivatives	-	4,949,949	-	-	4,949,949
Deposits received from reinsurers	-	-	-	54,602,705	54,602,705
Other financial liabilities	-	-	-	636,180,671	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	-	-	719,530,746	719,530,746
	1,155,733	3,164,847,077	129,278,235	8,286,092,769	11,581,373,814
	9,834,289,739	(1,990,658,247)	1,311,759,682	(5,892,542,659)	3,262,848,516

(amounts in euros)

	2021			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	951,254,578	951,254,578
Investments in associates and joint ventures	-	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	2,622,718,263	593,513,325	755,472,290	2,987,809	3,974,691,687
Hedge derivatives	55,327	2,619,597	-	-	2,674,924
Financial assets at fair value through other comprehensive income	8,060,382,411	666,150,591	474,647,445	-	9,201,180,447
Financial assets at amortised cost	-	-	-	1,229,466,917	1,229,466,917
Accounts receivable from direct insurance and reinsurance operations	-	-	-	448,572,311	448,572,311
	10,683,156,001	1,262,283,513	1,230,119,735	2,662,365,392	15,837,924,641
Liabilities					
Mathematical provision for life insurance	-	-	-	1,608,929,356	1,608,929,356
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operation considered for accounting purposes as investment contracts	-	1,760,269,963	-	6,358,556,065	8,118,826,028
Financial liabilities at fair value through profit or loss	93,297,279	79,743,947	126,628,889	-	299,670,115
Hedge derivatives	353,152	23,228,615	-	-	23,581,767
Deposits received from reinsurers	-	-	-	81,278,509	81,278,509
Other financial liabilities	-	-	-	596,027,423	596,027,423
Accounts payable for direct insurance and reinsurance operations	-	-	-	363,496,594	363,496,594
	93,650,431	1,863,242,525	126,628,889	9,008,287,947	11,091,809,792
	10,589,505,570	(600,959,012)	1,103,490,846	(6,345,922,555)	4,746,114,849

The tables above present the classification according to the fair value hierarchy, as provided for by IFRS 13, of the financial instruments held by the Group on 31 December 2022 and 2021 that are recognised at fair value, according to the following assumptions:

- Level 1 – Financial instruments valued on the basis of quoted prices in active markets to which the Group has access. Included in this category are securities valued on the basis of executable prices (with immediate liquidity) published by external sources.
- Level 2 - Financial instruments whose valuation is based on observable data, directly or indirectly, in active markets. Included in this category are securities valued on the basis of bids supplied by external counterparties and internal valuation techniques which only use observable market data.
- Level 3 - All financial instruments measured at fair value that do not fall under levels 1 and 2.

The movement between 31 December 2021 and 2022 in the financial instruments classified within Level 3 of the fair value hierarchy can be broken down as follows:

(amounts in euros)

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Balance at 31 December 2021	474,647,445	755,472,290	(126,628,889)
Acquisitions	47,032,090	460,473,992	(116,448,908)
Revaluations			
as a charge to the income statement	1,061,768	9,868,389	7,418,043
as a charge to shareholders' equity	(25,335,112)	(18,407,810)	-
ECL reinforcements / reversals in the year	(7,960,016)	-	-
Transfers			
from level 1 to level 3	16,067,177	(646)	-
from level 2 to level 3	16,804,000	26,976,262	1,638,223
from level 3 to level 2	(2,624,511)	-	-
Disposals	(299,878,563)	(13,158,838)	104,743,296
Balance at 31 December 2022	219,814,278	1,221,223,639	(129,278,235)

As of 31 December 2022 and 2021, the balance sheet value and fair value of financial assets valued at amortised cost or at fair value were as follows:

(amounts in euros)

	2022		
	Balance Sheet Value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	637,429,549	637,429,549	-
Financial assets at fair value through profit or loss	4,837,261,487	4,837,261,487	-
Financial assets at amortised cost	1,000,653,706	961,461,465	39,192,241
Accounts receivable from direct insurance and reinsurance operations	746,297,568	746,297,568	-
	7,221,642,310	7,182,450,069	39,192,241

(amounts in euros)

	2021		
	Balance Sheet Value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	951,254,578	951,254,578	-
Financial assets at fair value through profit or loss	2,987,809	2,987,809	-
Financial assets at amortised cost	1,229,466,917	1,251,198,206	(21,731,289)
Accounts receivable from direct insurance and reinsurance operations	448,572,311	448,572,311	-
	2,632,281,615	2,654,012,904	(21,731,289)

The main assumptions used to calculate the fair value of these financial assets were:

- The fair value of financial investments recorded under the heading “Cash and cash equivalents and sight deposits” is similar to their balance sheet value, since they mainly correspond to short-term deposits;
- The fair value of term deposits recorded under the heading “Financial assets at fair value through profit or loss” is similar to their balance sheet value, since they mainly correspond to short-term deposits; and
- Under the heading “Financial assets at amortised cost” the fair value of mortgage loans was not calculated, given their immateriality and the fact that they are essentially loans made to employees, with real guarantees.

Financial risk management policies inherent to the Group’s activity

The Group’s objectives, rules and procedures on market risk management are governed by means of its Investments Policy.

This Policy, which is reviewed annually, without prejudice to any other revisions that must be carried out in light of the development of the legal framework, asset market trends or changes in the company’s investment guidelines and/or risk profile, defines:

- the main investment management guidelines and how the Group evaluates, approves, implements, controls and monitors its investment activities and the risks arising from these activities;

- the activities related to the Group’s investment process, ranging from Strategic Asset Allocation (SAA) to Tactical Asset Allocation (TAA), including the decision 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 Group’s investment process.

Establishing an appropriate assets portfolio is, at any time, the result of a well-structured, disciplined and transparent investment process, which includes the following components:

- an investment strategy designed to create value, yet in line with the Group’s business profile and risk appetite;
- an investment policy reflecting that strategy, implemented by investment managers with appropriate knowledge and resources;
- a continuous and independent control of the investment activity;
- appropriate reporting procedures.

Bearing these aspects in mind, the Group's investment management cycle is composed of the following fundamental activities:

- **Define** – Definition and approval of the general investment management cycle, including the overall investment strategy, investment policies, asset and liability management and liquidity, as well as the strategic asset allocation (SAA);
- **Invest** – Carrying out all investment activities, in accordance with the defined strategies and policies (identification, evaluation and approval of investment opportunities, as well as execution, settlement and allocation of investments);
- **Monitor** – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;
- **Manage** – Review of strategies, policies, benchmarks and limits according to current and future market conditions/ expectations and internal risk capacity;
- **Control** – Ensure that all assigned strategies, policies, procedures and responsibilities are adhered to.

The following items are also decisive within the scope of the Group's investment activity:

1. Definition of the portfolio objective

The main objective of the Group's investments portfolio management is to optimise its return in a sound and prudent manner, ensuring that all stakeholders are protected, protecting in particular the interests of policyholders, insured persons and beneficiaries. Accordingly, the portfolio must be systematically optimised according to the nature of the business subscribed, the Group's risk appetite and its liquidity needs.

2. Rules for investment in assets

On one hand, the Group's assets are invested appropriately, taking into account both the nature and duration of the responsibilities assumed by the Group and the capacity to ensure the security, quality, availability, liquidity and profitability of the portfolio as a whole.

On the other hand, the assets are well diversified in order to avoid excessive concentration of risk in the portfolio as a whole.

Lastly, the assets are invested to guarantee a regular cash return, thereby enabling the Group to adequately manage its liquidity.

3. Asset classes

As a general rule, the Group's portfolio is mainly composed of liquid assets (in line with the liquidity criteria set out in the ALM and Liquidity Policy), participation units in investment funds and real estate.

The asset classes eligible for investment by the Group are:

- Treasury (cash, deposits and equivalent);
- Fixed income (medium and long-term debt instruments);
- Variable income (instruments that provide variable gains);
- Real estate (including, whether for own use or for investment);
- Alternative investments.

Derivatives can be used, exceptionally, and in a simple format (swaps, forwards, futures, etc.), to hedge specific positions or for asset-liability management purposes.

4. Exposure limits

In order to allow the Group, in the face of changes in the markets, to pursue its investment objectives without, however, taking excessive levels of risk, a set of targets and maximum and minimum limits was defined, according to the following criteria:

- Asset class;
- Credit quality and duration;
- Operating sector;
- Geographical location
- Concentration by position;
- Currency.

5. Risk management and control process

The Risk Management Division (DGR) is responsible for **controlling and monitoring the allocation of assets**, in view of the targets and limits established.

In this sense, the procedures are defined, along with those responsible for them, when there are non-compliances with the targets and/or established limits.

With regard to **asset losses control mechanisms**, DGR provides information on the evolution of the most important risks related with investments, in particular, their impact on the solvency capital requirements. Thus, based on the evolution of the time weighted return (TWR) and the estimates of the solvency capital requirement, the DGR regularly reports the estimated coverage of the solvency position, and the procedures to be adopted when certain alert levels are reached are defined.

A regular process of reporting has been set up for the various levels of the Group involved in investment management, in order to enable adequate supervision and the activation of risk mitigation management mechanisms. Accordingly, the information which should be produced has been defined, including the type of report, its content, its frequency and the body responsible for producing it.

Credit risk

On 31 December 2022 and 2021, the Group's credit risk exposure was as follows:

(amounts in euros)

	2022		
	Gross book value	Impairment	Net book value
Sight deposits	635,566,347	-	635,566,347
Financial assets at fair value through profit or loss	1,384,405,424	-	1,384,405,424
Financial assets at fair value through other comprehensive income	7,562,280,940	-	7,562,280,940
Financial assets at amortised cost	1,000,653,706	-	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	782,972,628	(36,675,060)	746,297,568
Maximum exposure to credit risk	11,365,879,045	(36,675,060)	11,329,203,985

(amounts in euros)

	2021		
	Gross book value	Impairment	Net book value
Sight deposits	949,251,875	-	949,251,875
Financial assets at fair value through profit or loss	1,054,047,020	-	1,054,047,020
Financial assets at fair value through other comprehensive income	9,155,436,451	-	9,155,436,451
Financial assets at amortised cost	1,229,466,917	-	1,229,466,917
Accounts receivable from direct insurance and reinsurance operations	487,927,463	(39,355,152)	448,572,311
Maximum exposure to credit risk	12,876,129,726	(39,355,152)	12,836,774,574

Credit quality

In the risk ratings presented, the corresponding rating was considered according to the methodology identified in Note 2.6. The following tables present the breakdown of the balance sheet value which is presented according to a scale equivalent to those of Standard & Poor's and Fitch.

As of 31 December 2022 and 2021, the balance sheet value of financial investments has the following breakdown:

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Deposits with Credit Institutions					
AA- up to AA+	6,049,761	24,608	-	69,618,944	75,693,313
A- up to A+	36,918,875	53,555,834	-	48,172,495	138,647,204
BBB- up to BBB+	501,638,542	36,842,860	-	30,736,077	569,217,479
BB- up to BB+	26,554,090	-	-	21,568,308	48,122,398
B- up to B+	1,790,079	-	-	2,596,047	4,386,126
Not rated	10,873,865	41,330,317	7,854,542	175,045,112	235,103,836
	583,825,212	131,753,619	7,854,542	347,736,983	1,071,170,356
Deposits with Ceding Companies					
A- up to A+	1,099	-	-	-	1,099
Not rated	964,122	-	-	-	964,122
	965,221	-	-	-	965,221
	584,790,433	131,753,619	7,854,542	347,736,983	1,072,135,577

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Deposits with Credit Institutions					
AAA	-	-	-	485,991	485,991
AA- up to AA+	3,835,833	-	-	106,470	3,942,303
A- up to A+	354,098	213,826,892	2,680,665	86,339,746	303,201,401
BBB- up to BBB+	98,385,648	35,499,678	-	73,862,079	207,747,405
BB- up to BB+	464,660,796	38,976	-	36,693,120	501,392,892
B- up to B+	1,908,990	-	-	3,729,875	5,638,865
CCC- up to CCC+	4,201	-	-	-	4,201
Not rated	7,581,080	51,213,653	5,137,739	242,205,059	306,137,531
	576,730,646	300,579,199	7,818,404	443,422,340	1,328,550,589
Deposits with Ceding Companies					
A- up to A+	945,554	-	-	2,255	947,809
	945,554	-	-	2,255	947,809
	577,676,200	300,579,199	7,818,404	443,424,595	1,329,498,398

At 31 December 2022 and 2021, the balance sheet value of the debt instruments in the portfolio, net of impairment, has the following breakdown:

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial assets at fair value through profit or loss					
Corporate					
AA- up to AA+	-	3,906,800	1,103,903	-	5,010,703
A- up to A+	-	17,083,098	1,490,155	6,425,051	24,998,304
BBB- up to BBB+	34,554,289	167,918,309	38,973,540	40,128,696	281,574,834
BB- up to BB+	34,164,051	181,199,872	39,096,244	32,102,497	286,562,664
B- up to B+	5,185,675	151,751,400	22,780,648	47,146,137	226,863,860
CCC- up to CCC+	-	773,153	2,163,194	3,595,961	6,532,308
Not rated	70,501,242	22,441,233	7,493,160	50,655,584	151,091,219
	144,405,257	545,073,865	113,100,844	180,053,926	982,633,892
Governments and other local authorities					
AAA	-	3,654,794	-	-	3,654,794
AA- up to AA+	-	3,223,861	-	-	3,223,861
A- up to A+	-	30,280,114	-	957,251	31,237,365
BBB- up to BBB+	46,208,016	34,247,684	-	967,434	81,423,134
BB- up to BB+	1,402,886	-	-	-	1,402,886
	47,610,902	71,406,453	-	1,924,685	120,942,040

(continuation)

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial Institutions					
AAA	-	-	5,788,507	-	5,788,507
AA- up to AA+	-	7,192,187	2,244,746	-	9,436,933
A- up to A+	-	72,791,049	32,560,816	6,701,611	112,053,476
BBB- up to BBB+	23,012,340	74,303,759	16,120,679	5,782,767	119,219,545
BB- up to BB+	24,508,136	103,234,800	-	1,682,329	129,425,265
B- up to B+	17,581,393	4,265,819	-	1,406,482	23,253,694
Not rated	-	-	106,696,722	51,456,375	158,153,097
	65,101,869	261,787,614	163,411,470	67,029,564	557,330,517
Other issuers					
AAA	-	19,427,581	-	-	19,427,581
	-	19,427,581	-	-	19,427,581
	257,118,028	897,695,513	276,512,314	249,008,175	1,680,334,030

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial assets at fair value through profit or loss					
Corporate					
A- up to A+	-	2,847,953	4,663,963	18,335,137	25,847,053
BBB- up to BBB+	47,713,505	79,980,358	25,588,026	123,487,361	276,769,250
BB- up to BB+	40,150,371	129,352,700	24,215,349	63,011,080	256,729,500
B- up to B+	-	187,267,354	31,856,573	53,560,547	272,684,474
CCC- up to CCC+	-	-	1,760,844	1,548,214	3,309,058
Not rated	41,511,801	27,526,904	7,228,363	67,137,153	143,404,221
	129,375,677	426,975,269	95,313,118	327,079,492	978,743,556
Governments and other local authorities					
AAA	-	2,898,860	-	-	2,898,860
AA- up to AA+	-	3,625,256	-	-	3,625,256
A- up to A+	-	240,461	-	-	240,461
BBB- up to BBB+	19,016,660	2,186,793	-	-	21,203,453
BB- up to BB+	1,689,744	-	-	-	1,689,744
	20,706,404	8,951,370	-	-	29,657,774

(continuation)

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial Institutions					
AA- up to AA+	-	3,007,913	-	-	3,007,913
A- up to A+	-	23,565,002	116,191,141	61,206,994	200,963,137
BBB- up to BBB+	983,858	23,693,004	18,585,351	10,624,012	53,886,225
BB- up to BB+	48,481,071	80,747,043	-	2,334,811	131,562,925
B- up to B+	20,837,117	5,370,296	-	2,004,035	28,211,448
Not rated	-	-	-	-	-
	70,302,046	136,383,258	134,776,492	76,169,852	417,631,648
Other issuers					
AAA	-	-	-	292,580	292,580
	-	-	-	292,580	292,580
	220,384,127	572,309,897	230,089,610	403,541,924	1,426,325,558

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- up to AA+	-	5,136,762	1,128,376	736,645	7,001,783
A- up to A+	-	49,574,790	45,524,092	297,431,036	392,529,918
BBB- up to BBB+	10,340,475	374,941,612	438,645,782	718,802,092	1,542,729,961
BB- up to BB+	13,106,178	94,813,942	181,911,221	305,358,647	595,189,988
B- up to B+	5,640,180	-	6,657,385	16,914,312	29,211,877
Not rated	511,641	-	-	2,952,305	3,463,946
	29,598,474	524,467,106	673,866,856	1,342,195,037	2,570,127,473
Governments and other local authorities					
AAA	-	4,297,723	11,485,144	-	15,782,867
AA- up to AA+	-	900,524	-	6,040,101	6,940,625
A- up to A+	-	65,748,090	-	13,488,060	79,236,150
BBB- up to BBB+	372,258,115	1,543,215,346	7,942,731	308,869,037	2,232,285,229
BB- up to BB+	17,678,391	-	-	3,043,658	20,722,049
B- up to B+	-	-	-	1,651,456	1,651,456
CCC- up to CCC+	-	-	-	44,364,092	44,364,092
	389,936,506	1,614,161,683	19,427,875	377,456,404	2,400,982,468

(continuation)

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial Institutions					
AAA	-	4,475,426	2,646,137	891,730	8,013,293
AA- up to AA+	6,763,786	6,345,166	30,118,155	4,783,757	48,010,864
A- up to A+	-	366,321,655	169,371,086	701,968,327	1,237,661,068
BBB- up to BBB+	5,769,508	306,143,124	97,459,399	597,966,175	1,007,338,206
BB- up to BB+	73,120,278	8,366,796	2,844,790	163,378,024	247,709,888
B- up to B+	28,508,198	-	-	-	28,508,198
Not rated	-	-	-	2,936,302	2,936,302
	114,161,770	691,652,167	302,439,567	1,471,924,315	2,580,177,819
Other issuers					
AAA	-	9,853,125	-	-	9,853,125
BBB- up to BBB+	-	-	-	1,140,055	1,140,055
	-	9,853,125	-	1,140,055	10,993,180
	533,696,750	2,840,134,081	995,734,298	3,192,715,811	7,562,280,940

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- up to AA+	-	4,819,984	1,474,051	951,795	7,245,830
A- up to A+	-	55,697,422	56,245,881	303,612,923	415,556,226
BBB- up to BBB+	713,055	414,193,846	378,988,810	859,364,218	1,653,259,929
BB- up to BB+	-	117,063,823	202,286,607	424,331,881	743,682,311
B- up to B+	5,848,320	-	20,391,109	47,663,126	73,902,555
Not rated	25,795,327	-	-	28,921,526	54,716,853
	32,356,702	591,775,075	659,386,458	1,664,845,469	2,948,363,704
Governments and other local authorities					
AAA	-	526,387	-	-	526,387
AA- up to AA+	-	1,009,769	-	8,754,373	9,764,142
A- up to A+	-	91,682,543	-	13,022,205	104,704,748
BBB- up to BBB+	838,251,433	1,914,620,283	9,959,847	266,392,599	3,029,224,162
BB- up to BB+	55,439,670	-	-	3,355,064	58,794,734
CCC- up to CCC+	-	-	-	26,234,117	26,234,117
Not rated	-	-	-	1,361,329	1,361,329
	893,691,103	2,007,838,982	9,959,847	319,119,687	3,230,609,619

(continuation)

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Others	
Financial Institutions					
AAA	-	-	-	1,892,837	1,892,837
AA- up to AA+	17,242,848	11,157,480	34,217,228	4,639,396	67,256,952
A- up to A+	-	359,276,427	161,506,792	894,709,211	1,415,492,430
BBB- up to BBB+	-	361,517,660	79,629,461	649,084,553	1,090,231,674
BB- up to BB+	72,100,366	9,120,796	6,302,364	250,418,611	337,942,137
B- up to B+	35,740,946	-	-	-	35,740,946
CCC- up to CCC+	-	-	-	25,228,644	25,228,644
Not rated	-	-	-	568,322	568,322
	125,084,160	741,072,363	281,655,845	1,826,541,574	2,974,353,942
Other issuers					
AAA	-	-	-	104,232	104,232
BBB- up to BBB+	-	-	-	2,004,955	2,004,955
	-	-	-	2,109,187	2,109,187
	1,051,131,965	3,340,686,420	951,002,150	3,812,615,917	9,155,436,452

(amounts in euros)

Asset class	2022			Total
	Country of origin			
	Portugal	Rest of the European Union	Others	
Financial assets at amortised cost				
Corporate				
Not rated	-	-	1,228,533	1,228,533
	-	-	1,228,533	1,228,533
Governments and other local authorities				
BBB- up to BBB+	251,221,060	290,922,774	-	542,143,834
B- up to B+	-	-	12,787,911	12,787,911
CCC- up to CCC+	-	-	3,164,789	3,164,789
	251,221,060	290,922,774	15,952,700	558,096,534
Financial Institutions				
Not rated	-	-	374,941	374,941
	-	-	374,941	374,941
	251,221,060	290,922,774	17,556,174	559,700,008

(amounts in euros)

Asset class	2021			Total
	Country of origin			
	Portugal	Rest of the European Union	Others	
Financial assets at amortised cost				
Corporate				
Not rated	-	-	1,332,298	1,332,298
	-	-	1,332,298	1,332,298
Governments and other local authorities				
BBB- up to BBB+	343,176,058	481,225,988	-	824,402,046
CCC- up to CCC+	-	-	16,084,712	16,084,712
Not rated	-	-	2,708,762	2,708,762
	343,176,058	481,225,988	18,793,474	843,195,520
Financial Institutions				
Not rated	-	-	966,365	966,365
	-	-	966,365	966,365
	343,176,058	481,225,988	21,092,137	845,494,183

The Group periodically undertakes a collective analysis of the debt recovery risk of premiums pending collection recognised in the balance sheet, in order to identify and quantify impairment losses to be recognised as "Adjustments for premiums pending collection" (Note 43). At 31 December 2022 and 2021, the balance sheet value of premiums from insured persons pending collection was as follows:

(amounts in euros)

	2022						Net balance sheet value
	Overdue premiums less than 30 days overdue	Overdue premiums between 30 and 90 days overdue	Overdue premiums between 90 and 180 days overdue	Overdue premiums between 180 days and 1 year overdue	Overdue premiums over 1 year overdue	Impairment losses	
Life insurance							
Capitalisation products	179,751,730	620,264	6,497,132	7,286,195	(3,244,894)	(185,657)	190,724,770
Life risk products	21,636,437	-	10,191,444	-	(2,539,373)	(1,282,693)	28,005,815
Non-life insurance							
Motor	16,793,985	24,339,414	923,590	2,728,968	3,120,109	(4,464,908)	43,441,158
Workers' compensation	7,139,705	-	2,098,222	-	2,930,674	(2,367,402)	9,801,199
Domestic animals assistance	2,618	3,916	815	-	-	-	7,350
Health	19,231,461	403,694	3,061,873	2,339,928	4,612,150	(3,382,919)	26,266,187
Fire and other damage	2,082,911	44,198,421	2,727,902	5,756,362	87,734,256	(2,879,312)	139,620,539
Transport	1,854,525	3,176,985	947,038	-	7,296,953	(1,008,136)	12,267,365
Third party liability	5,906,442	10,003,030	1,078,632	-	-	(652,831)	16,335,275
Others (includes Personal Accidents)	23,785,894	-	-	693,453	5,000,507	(4,099,483)	25,380,371
	278,185,708	82,745,726	27,526,649	18,804,907	104,910,380	(20,323,342)	491,850,029

(amounts in euros)

	2021						
	Overdue premiums less than 30 days overdue	Overdue premiums between 30 and 90 days overdue	Overdue premiums between 90 and 180 days overdue	Overdue premiums between 180 days and 1 year overdue	Overdue premiums over 1 year overdue	Impairment losses	Net balance sheet value
Life insurance							
Capitalisation products	3,511,830	93,464	3,294,749	271,678	1,164,683	(659)	8,335,744
Life risk products	22,339,697	298,892	454,949	-	1,679,531	(2,849,211)	21,923,858
Non-life insurance							
Motor	878,229	515,231	6,072,936	-	225,539	(6,021,945)	1,669,990
Workers' compensation	5,834,777	2,561,995	3,079,840	52,828	1,637,136	(4,670,246)	8,496,329
Assistance to Domestic Animals	4,715	107	82	84	177	-	5,165
Health	15,868,470	6,478,188	3,979,602	6,361	3,429,248	(2,791,802)	26,970,067
Fire and other damage	106,056,539	8,201,719	2,701,260	1,127,525	5,447,455	(3,581,607)	119,952,892
Transport	15,576,248	609,334	152,281	-	283,447	(590,638)	16,030,671
Third party liability	25,532,029	1,754,273	655,670	-	3,947,884	(1,221,919)	30,667,938
Others (includes Personal Accidents)	17,806,802	362,270	689,445	941,647	6,531,225	(3,336,288)	22,995,102
	213,409,335	20,875,473	21,080,814	2,400,124	24,346,325	(25,064,316)	257,047,755

Liquidity risk

At 31 December 2022 and 2021, the estimated undiscounted cash flows of financial instruments, according to their contractual maturity, show the following breakdown:

(amounts in euros)

	2022									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Assets										
Cash and cash equivalents										
and sight deposits	637,429,549	-	-	-	-	-	-	-	-	637,429,549
Investments in associates										
and joint ventures	-	-	-	-	-	-	-	-	9,169,287	9,169,287
Financial assets at fair value										
through profit or loss	7,585,630	12,755,446	30,134,743	19,323,123	293,177,302	777,443,099	191,826,285	262,548,591	1,277,966,012	2,872,760,232
Hedge derivatives	-	-	-	-	-	-	-	-	18,319,872	18,319,872
Financial assets at fair value through										
other comprehensive income	87,144,454	169,114,390	227,212,752	731,056,342	2,383,421,910	2,010,670,374	1,114,505,651	257,828,942	1,417,186,555	8,398,141,370
Financial assets at amortised cost	131,956,765	665,419,215	11,216,695	43,610,273	118,340,846	93,406,122	69,108,651	170,862	-	1,133,229,428
Accounts receivable from direct										
insurance and reinsurance										
operations	746,297,568	-	-	-	-	-	-	-	-	746,297,568
	1,610,413,967	209,440,821	266,695,790	789,738,872	2,676,625,634	2,788,169,670	1,306,658,787	520,548,395	2,722,641,727	12,890,933,662

(continuation)

(amounts in euros)

	2022									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Liabilities										
Mathematical provision										
for life insurance	846,195	422	220,227	90,791	384,216	92,158	163,576	313,035	20,927,269	23,037,889
Financial liabilities at fair value										
through profit or loss	538,570	132,016,738	2,169,277	10,039,602	29,759,062	11,047,702	-	-	-	185,570,951
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes										
as investment contracts	140,727	-	-	-	-	883,224	-	-	2,954,916	3,978,867
Hedge derivatives	-	-	-	-	-	-	-	-	4,949,949	4,949,949
Deposits received from reinsurers	160,954	321,909	482,863	155,482,033	-	-	-	-	-	156,447,760
Other financial liabilities	718,011	5,414	18,788	51,092,030	97,539,621	119,966,423	851,740,706	77,488,514	-	1,198,569,508
Accounts payable for direct insurance and reinsurance operations	719,530,746	-	-	-	-	-	-	-	-	719,530,746
	721,935,204	132,344,482	2,891,156	216,704,456	127,682,899	131,989,507	851,904,282	77,801,549	28,832,134	2,292,085,669

(amounts in euros)

	2021									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Assets										
Cash and cash equivalents										
and sight deposits	951,254,578	-	-	-	-	-	-	-	-	951,254,578
Investments in associates										
and joint ventures	-	-	-	-	-	-	-	-	30,083,777	30,083,777
Financial assets at fair value										
through profit or loss	3,256,212	4,543,481	8,670,428	107,983,092	77,153,364	438,656,430	212,083,013	173,899,872	1,100,823,075	2,127,068,968
Hedge derivatives	-	-	-	-	-	-	-	-	2,674,924	2,674,924
Financial assets at fair value through										
other comprehensive income	33,820,579	113,583,238	267,223,168	1,283,052,114	2,305,858,274	2,327,560,380	1,693,373,775	506,835,333	1,878,906,729	10,410,213,591
Financial assets at amortised cost	274,583	4,800,833	27,567	1,869	23,706	50,423	293,266	153,304	-	5,625,551
Accounts receivable from direct										
insurance and reinsurance										
operations	448,687,992	-	-	-	-	-	-	-	-	448,687,992
	1,437,293,944	122,927,553	275,921,163	1,391,037,075	2,383,035,345	2,766,267,233	1,905,750,055	680,888,510	3,012,488,505	13,975,609,382

(continuation)

(amounts in euros)

	2021									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Liabilities										
Mathematical provision										
for life insurance	27,683,767	34,220,580	31,172,338	126,139,892	414,956,325	230,608,846	248,504,986	246,206,988	21,650,327	1,381,144,049
Financial liabilities at fair value										
through profit or loss	-	2,846,747	-	1,641,049	-	21,789,014	11,732,870	-	-	38,009,681
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes										
as investment contracts	249,663,346	270,213,408	323,999,760	820,020,259	2,543,908,403	1,616,390,118	1,224,918,087	551,743,121	4,286,718	7,605,143,221
Hedge derivatives	-	-	-	-	-	-	-	-	23,581,767	23,581,767
Deposits received from reinsurers	312,156	624,313	1,560,782	300,918,740	-	-	-	-	-	303,415,991
Other financial liabilities	1,236,470	3,724	13,882	37,402,481	48,765,721	95,855,699	764,799,870	11,678,772	-	959,756,619
Accounts payable for direct insurance and reinsurance operations	363,496,594	-	-	-	-	-	-	-	-	363,496,594
	642,392,333	307,908,772	356,746,762	1,286,122,421	3,007,630,450	1,964,643,677	2,249,955,813	809,628,882	49,518,813	10,674,547,922

The amounts presented in the tables above are not comparable with the accounting balances as they relate to projected cash flows.

The determination of the estimated cash flows of the financial instruments was based on the principles and assumptions used by the Group in the management and control of liquidity within its business, with the necessary adjustments in order to comply with the applicable disclosure requirements. The main assumptions used in the calculation of the estimated flows were as follows:

- Cash and sight deposits were classified as demand liabilities, included in the maturity "Up to 1 month";
- The amounts included in the headings "Other debtors" and "Other creditors" are payable on demand, and classified with maturity of "Up to 1 month";
- The equity instruments were classified with "Indefinite" maturity;
- In the debt instruments the earliest of the following dates was considered as the contractual maturity: call, put or maturity;
- The amounts recorded under the heading "Deposits received from reinsurers" correspond to provisions withheld from reinsurers under the existing reinsurance treaty and are renewable for annual periods. The cash-flow estimates were calculated on the basis of the next due date;
- The "Hedge Derivatives" were classified with "Indefinite" maturity, as they are futures contracts and exchange forwards;
- For the calculation of the estimated cash flows of the "Financial liabilities at fair value through profit or loss", the maturity dates of the contracts were considered;
- In determining the estimated cash flows of the mathematical provision for life insurance and financial liabilities of the deposit component of insurance contracts and investment contracts, the following assumptions were considered:
 - Mortality was determined according to the Group's history of the last five years;
 - The estimate of future outflows by redemption of capitalisation contracts was based on a generalised linear model with four factors: type of product, initial duration of the contract and difference between the market interest rate, parent company and technical rate;
 - Expected yields were determined based on the rates of the interest rate curve, the duration of the liability and plus / minus unrealised gains;
 - The expected costs were estimated based on the values recorded in the year.

Market risk

Interest rate risk

At 31 December 2022 and 2021, the breakdown of financial instruments by type of exposure to interest rate risk was as follows:

(amounts in euros)

	2022			Total
	Exposure to Fixed rate	Variable rate	Not subject to interest rate risk	
Assets				
Cash and cash equivalents and sight deposits	-	635,566,347	1,863,202	637,429,549
Investments in associates and joint ventures	-	-	9,169,287	9,169,287
Financial assets at fair value through profit or loss	943,580,219	743,372,749	3,150,308,519	4,837,261,487
Hedge derivatives	-	-	18,319,872	18,319,872
Financial assets at fair value through other comprehensive income	7,123,461,367	469,748,653	1,880,840	7,595,090,860
Financial assets at amortised cost	916,650,101	2,028,600	81,975,005	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	-	-	746,297,568	746,297,568
	8,983,691,687	1,850,716,349	4,009,814,294	14,844,222,330

(continuation)

(amounts in euros)

	2022			Total
	Exposure to Fixed rate	Exposure to Variable rate	Not subject to interest rate risk	
Liabilities				
Mathematical provision for life insurance	-	1,499,859,023	-	1,499,859,023
Financial liabilities at fair value through profit or loss	20,401,155	-	134,115,151	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	5,375,919,624	3,135,814,789	-	8,511,734,413
Hedge derivatives	-	-	4,949,949	4,949,949
Deposits received from reinsurers	-	54,602,705	-	54,602,705
Other financial liabilities	-	636,180,671	-	636,180,671
Accounts payable for direct insurance and reinsurance operations	-	-	719,530,746	719,530,746
	5,396,320,779	5,326,457,188	858,595,846	11,581,373,813

(amounts in euros)

	2021			Total
	Exposure to Fixed rate	Exposure to Variable rate	Not subject to interest rate risk	
Assets				
Cash and cash equivalents and sight deposits	-	949,251,875	2,002,703	951,254,578
Investments in associates and joint ventures	-	-	30,083,777	30,083,777
Financial assets at fair value through profit or loss	808,155,913	641,820,216	2,524,715,558	3,974,691,687
Hedge derivatives	-	-	2,674,924	2,674,924
Financial assets at fair value through other comprehensive income	8,681,199,672	519,980,775	-	9,201,180,447
Financial assets at amortised cost	1,121,250,803	14,283,821	93,932,293	1,229,466,917
Accounts receivable from direct insurance and reinsurance operations	-	-	448,572,311	448,572,311
	10,610,606,388	2,125,336,687	3,101,981,566	15,837,924,641
Liabilities				
Mathematical provision for life insurance	-	1,608,929,356	-	1,608,929,356
Financial liabilities at fair value through profit or loss	69,373,031	-	230,297,084	299,670,115
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	6,358,556,065	1,760,269,963	-	8,118,826,028
Hedge derivatives	-	-	23,581,767	23,581,767
Deposits received from reinsurers	-	81,278,509	-	81,278,509
Other financial liabilities	-	596,027,423	-	596,027,423
Accounts payable for direct insurance and reinsurance operations	-	-	363,496,594	363,496,594
	6,427,929,096	4,046,505,251	617,375,445	11,091,809,792

At 31 December 2022 and 2021, the sensitivity of the fair value of the Group's financial instruments with exposure to interest rate risk to positive and negative changes of 50, 100 and 200 basis points (bps), respectively, was:

(amounts in euros)

	2022					
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
Assets						
Financial assets at fair value through profit or loss	(10,841,514)	(5,559,889)	(2,818,586)	2,920,745	6,237,259	11,919,885
Financial assets at fair value through other comprehensive income	(388,234,852)	(208,145,180)	(108,619,846)	121,037,927	259,412,425	621,032,364
Financial assets at amortised cost	(20,215,759)	(10,340,877)	(5,230,609)	5,354,990	10,838,566	22,209,189
	(419,336,133)	(224,045,946)	(116,669,041)	129,313,662	276,488,250	655,064,331
Liabilities						
Other financial liabilities	849,049	430,558	216,818	(219,959)	(443,122)	(899,332)
	849,049	430,558	216,818	(219,959)	(443,122)	(899,332)

(amounts in euros)

	2021					
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
Assets						
Financial assets at fair value through profit or loss	(20,467,209)	(10,573,602)	(5,377,184)	5,570,259	11,347,388	23,586,604
Financial assets at fair value through other comprehensive income	(566,670,752)	(299,167,862)	(154,449,247)	167,036,777	350,860,153	796,816,476
Financial assets at amortised cost	(63,525,370)	(32,370,938)	(16,342,289)	16,665,948	33,666,002	2,617,608
	(650,663,331)	(342,112,401)	(176,168,721)	189,272,983	395,873,543	823,020,688
Liabilities						
Other financial liabilities	1,818,849	925,484	466,854	(475,279)	(959,189)	(1,953,767)
	1,818,849	925,484	466,854	(475,279)	(959,189)	(1,953,767)

The determination of the sensitivity of the fair value of financial assets was made considering the future cash flows discounted the respective YTM, with positive and negative variations of 50, 100 and 200 bps, in the respective yields.

Currency Risk

As of 31 December 2022 and 2021, the financial instruments present the following detail by currency:

(amounts in euros)

	2022				Total
	Euros	US Dollars	Hong Kong Dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	485,639,750	936,447	1,484,774	149,368,578	637,429,549
Investments in associates and joint ventures	3,416,817	-	-	5,752,470	9,169,287
Financial assets at fair value through profit or loss	3,786,237,888	402,758,786	174,031,002	474,233,811	4,837,261,487
Hedge derivatives	17,790,744	-	-	529,129	18,319,872
Financial assets at fair value through other comprehensive income	4,192,612,869	1,640,341,858	-	1,762,136,134	7,595,090,860
Financial assets at amortised cost	586,601,173	226,665,148	27,543,079	159,844,306	1,000,653,706
Accounts receivable from direct insurance and reinsurance operations	207,534,433	223,966,269	277,115	337,467,719	769,245,536
	9,279,833,674	2,494,668,508	203,335,970	2,889,332,146	14,867,170,297

(continuation)

(amounts in euros)

	2022				
	Euros	US Dollars	Hong Kong Dollars	Other currencies	Total
Liabilities					
Mathematical provision for life insurance	1,388,582,397	769,257	-	110,507,370	1,499,859,023
Financial liabilities at fair value through profit or loss	123,033,932	5,709,357	-	25,773,016	154,516,306
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	7,969,508,895	133,815,462	-	408,410,056	8,511,734,412
Hedge derivatives	795,084	-	-	4,154,865	4,949,949
Deposits received from reinsurers	36,573,490	16,783,971	-	1,245,243	54,602,705
Other financial liabilities	478,668,759	65,760,786	-	91,751,126	636,180,671
Accounts payable for direct insurance and reinsurance operations	208,368,473	176,127,693	571,239	357,411,308	742,478,714
	10,205,531,030	398,966,526	571,239	999,252,984	11,604,321,780

(amounts in euros)

	2021				Total
	Euros	US Dollars	Hong Kong Dollars	Other currencies	
Assets					
Cash and cash equivalents and sight deposits	614,158,028	207,174,127	3,519,878	126,402,544	951,254,577
Investments in associates and joint ventures	1,517,850	21,687,510	-	6,878,417	30,083,777
Financial assets at fair value through profit or loss	3,089,510,279	480,945,726	270,886,635	133,349,046	3,974,691,687
Hedge derivatives	2,619,597	-	-	55,327	2,674,924
Financial assets at fair value through other comprehensive income	5,707,357,651	1,782,522,187	-	1,711,300,608	9,201,180,447
Financial assets at amortised cost	901,910,046	165,865,976	29,032,054	132,658,841	1,229,466,917
Accounts receivable from direct insurance and reinsurance operations	184,491,915	160,078,674	201,540	103,800,183	448,572,312
	10,501,565,367	2,818,274,200	303,640,107	2,214,444,967	15,837,924,641
Liabilities					
Mathematical provision for life insurance	1,563,822,728	-	-	45,106,628	1,608,929,356
Financial liabilities at fair value through profit or loss	(746,831,868)	96,979,252	3,125,573	946,397,157	299,670,115
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	8,016,951,962	98,542,444	-	3,331,622	8,118,826,028
Hedge derivatives	14,909,552	-	-	8,672,215	23,581,767
Deposits received from reinsurers	33,237,830	8,878,444	-	39,162,234	81,278,509
Other financial liabilities	436,786,885	2,272	633,784	158,604,483	596,027,423
Accounts payable for direct insurance and reinsurance operations	173,070,647	117,193,184	1,239,660	71,993,101	363,496,593
	9,491,947,735	321,595,596	4,999,017	1,273,267,441	11,091,809,790

As described in Note 7, the Group carries out operations with derivatives within of its activity, essentially with the aim of reducing its exposure to currency risk fluctuations EUR/USD, EUR/GBP, EUR/JPY, EUR/USD. Thus, the impact of the fair value sensitivity of the Group's financial instruments with exposure to exchange rate risk to positive and negative variations is reduced.

The headings "Accounts receivable for direct insurance and reinsurance operations" and "Accounts payable for direct insurance and reinsurance operations" have a different breakdown between Assets and Liabilities, when compared to the Financial Statements, due to the fact that the currency distribution process can lead to a different breakdown of balances.

51. DISCLOSURES RELATING TO INSURANCE CONTRACT RISKS

Below is a summary of the acceptance and risk management policies in force.

51.1. Underwriting of risks

The principles of risk acceptance are described in the Underwriting Policy, approved on 24/01/2023, which responds to the requirements established for the management of underwriting risks in the Legal Regime for Access and Exercise of the Insurance and Reinsurance Activity (RJASR), approved by Law No. 147/2015, of 9 September.

The Underwriting Policy divides risks into two categories at a first level:

- Non-Acceptable Risks: those that, under no circumstances, the Company will be available to accept and that are listed in the Policy;

- Acceptable Risks: those that the Company may accept, after adequate evaluation of its characteristics, under the conditions defined by an entity with delegation to do so.

Taking into account the diversity of risk typology, the underwriting and management of acceptable risks is structured in two types of acceptance:

- Technical underwriting;
- Delegated acceptance in Internal and External Distribution Channels.

The delegation of powers model includes up to a maximum of 12 levels of acceptance (maximum of 9 technical levels, which includes the Subscription Policy Acceptance and Monitoring Committee (CAAPS), 4 levels of delegation in internal commercial channels and/or 1 level of delegated acceptance in external channels). However, an acceptance process is intended to be agile, so there should be no intervention of more than 4 levels. The process must, however, ensure knowledge of the risk by all levels of the structure involved.

Each level of acceptance has, according to its competences, specific methodologies and procedures, allowing the interconnection and harmonisation between them.

In the second type of risk acceptance, committed to commercial networks, the competence delegated to internal and external distribution channels, duly framed by written standards and procedures, is based, in particular, on the following criteria:

- Products with standard clauses;
- Risks or activities with a stable claims history;

- Universe of homogeneous risk and easy identification;
- Small amounts of capital allowing dilution of higher risk;
- Risks with known and controllable accumulation, regarding cover and/or geographical spread;
- Premiums according to a product tariff, adjustable by delegated discount of reduced amplitude.

It has at its disposal the following instruments: tariffs, simulators, underwriting manuals, algorithms that identify risks that require careful technical analysis and delegation of powers standards, product manuals, general conditions and pre-contractual information, insurance proposals, standardised declarations, technical questionnaires and standards related to circuits and procedures.

The first type of risk acceptance, that of Technical Underwriting, corresponds to the Business Departments – structure bodies responsible for the management of business areas, from product design to claims management, through underwriting and portfolio management – and to the CAAPS, which have additional instruments for risk analysis.

The Business are equipped with a multidisciplinary technical staff strongly specialised by insurance lines of business, assisted by specialists in actuaries integrated in a team that provides support in the estimation of technical risk to all the different Departments. When the characteristics of the risk so justify, they use risk analyses performed by specialist companies.

The acceptance of risks is based on strict technical standards, aiming at the identification of risks with high potential losses (severity and frequency), the application of adjusted contractual conditions and the definition of premiums appropriate to the specific risk, in order to obtain a sustained growth of the portfolio and a balanced technical result. All risks that are not covered by the Reinsurance Treaties are analysed by the Business Departments, and optional Reinsurance is placed when the conditions for accepting the risk are considered to be met.

When the risks under analysis do not fall under the Reinsurers' Pricing Manuals or under the acceptance conditions defined by the company, they are sent to the Reinsurers' Underwriting Offices so that proposals for conditions of acceptance of these risks are presented.

The Business Departments also have at their disposal technical and actuarial reports and analyses that allow them to have a knowledge of the evolution of the technical operation of the line of business and the behaviour of the risk by coverage and main characteristics of the insurable objects.

There is a set of situations, with particularly high risk and/or with a high degree of uncertainty identified in the Risk Acceptance Policy, which are not delegated to the Business Divisions, and the competence for their acceptance is reserved to the Underwriting Policy Acceptance and Supervision Committee, which meets whenever it is necessary to assess risks with these characteristics.

51.2. Technical management

The technical management of the Lines of Business includes the design of products, the definition of clauses and prices, the definition and control of the underwriting policy, the selection and review of policy portfolio conditions, the assessment of risk accumulations and also the control of technical results, namely the monitoring of the evolution of processed revenue, the number of insurance contracts, the distribution of the portfolio by risk and guarantee segments, average premiums, risk characteristics, claims and the technical margin. For the control referred to above, reports with management indicators are periodically prepared and, on a recurring basis, information is prepared to provide the Reinsurance Division with elements of the portfolio profiles in order to support the negotiation of the Reinsurance Treaties.

With the specific objective of defining and reviewing tariff policies and adjusting discount delegation and portfolio management criteria, meetings are held on a monthly basis in which members of the Executive Committee and those responsible for the Business, Commercial, Operations, Marketing and Pricing areas participate.

51.3. Risk control management instruments

Internal risks of the organisation

In order to control and minimise the internal risk of the organisation, the acceptance standards and procedures and the product manuals are published and are of general access and knowledge, and the application process is properly monitored by the competent areas.

Portfolio profile studies

Regular studies are prepared on the risk profile of the portfolios, by classes of capital / liabilities assumed, by types of activities, types of insured objects and coverages.

Studies are also regularly carried out into the claims rate behaviour of products according to the most important characteristics for defining the risk.

This type of study allows us to obtain a qualitative and quantitative analysis of the claims rate of the portfolio (by categories of insured capital, types of insured objects, types of activities, coverages), aiming at the measurement of existing delegations and the correction of possible distortions, as well as correlating the main factors of price formation and deciding on the alteration of products on sale or the creation of new ones.

Periodic analysis of portfolio evolution

The portfolio under management is subject to periodic monitoring of its evolution, analysing, in particular, the behaviour of the movement of policies, both in terms of the number of policies and in terms of new and cancelled production, changes in premiums/average rates and changes in the distribution of contracts between the various business segments.

These studies also include analysis of claims behaviour, and monitor the respective frequency and rate of claims. This analysis is produced not only in terms of groups of business, but mainly in terms of products being managed.

In specific cases in the motor insurance line of business, extensive and detailed diagnoses are made regarding the portfolio's evolution, with the aim of identifying operational problems in the business, together with their causes, both from a commercial and technical perspective. As a result of these diagnoses, proposals are developed.

Portfolio selection and remediation

This function aims to improve the profitability of the portfolio under management, either by remedying loss-making risks (high frequency and/or loss ratio), or by introducing changes to the contractual conditions (coverages, deductibles, premiums), or by advising the Client (recommendation for implementation of prevention and safety measures that improve the quality of the risk).

This function also includes the assessment of irregularities that are detected in contracts or claims, which may lead to the implementation of measures that, depending on the severity of the irregularity, may lead to the cancellation of the contract or the insured's portfolio.

Insurance risk concentrations

When regular studies are prepared on the risk profile of the portfolios, by classes of capital/liabilities assumed, by activities and objects to be insured and by coverages, indicators are obtained that allow to estimate the impact of possible changes to coverages, evaluate the impact of possible changes to the reinsurance treaties and the Group's retention policy. In some cases, specific studies are carried out to assess these impacts.

These studies are also focused on a specific coverage, a geographical area, the type of liabilities assumed or the type of insured object, allowing the determination and quantification of risk accumulations by classes, as well as the assessment of the impact of catastrophic claims scenarios on the portfolio.

Non-life portfolio behaviour – direct insurance

Direct Insurance

(amounts in euros)

	2022			2021		
	Gross Premiums Earned	Claims and Expenses Ratio	Post-Investment Claims and Expenses Ratios	Gross Premiums Earned	Claims and Expenses Ratio	Post-Investment Claims and Expenses Ratios
Accidents	322,748,709	0.79	0.78	287,758,197	1.07	1.05
Health	416,723,349	0.93	0.91	389,552,103	0.95	0.94
Fire and Other Damage	325,709,238	0.82	0.79	287,842,870	0.95	0.94
Motor	483,930,091	0.97	0.96	459,218,832	0.98	0.97
Marine	7,173,294	0.45	0.44	6,515,459	0.39	0.37
Aviation	12,552,906	0.14	0.13	11,194,824	0.28	0.27
Transported goods	9,278,194	0.60	0.58	7,807,781	0.63	0.62
Third party Liability	65,572,054	1.04	1.03	62,147,268	1.20	1.19
Other lines of business (Credit and suretyship + Miscellaneous)	96,190,255	0.57	0.56	87,576,814	0.67	0.65

Note: Ratios related to the years of occurrence of 2022 and 2021 of the company Fidelidade.

In the last 12 months, some variations in the post-investment claims/expenses ratio were seen. Only the Marine line of business recorded a worsening of the ratio by 17.5%, as all other lines of business recorded a decrease in their ratios.

From the analysis of the previous table, it can be seen that in the last 12 months only the premiums of the Third Party Liabilities lines of business were not sufficient to offset the liabilities.

Fidelidade's pre-tax technical results for non-life were positive at 31 December 2022, reaching approximately 116.15 million euros.

Premium sufficiency and creation of a provision for unexpired risks

Direct insurance

In Fidelidade, direct non-life insurance premiums for the Third Party Liability proved insufficient to meet the liabilities associated with claims, operating costs and investments. A 2.7% reduction in costs would be needed to eliminate the premium shortfall in this line of business.

For the remaining lines of business, direct insurance premiums were sufficient to meet the liabilities assumed.

In the non-life lines of business, in the last 12 months, the operating result of direct insurance was overall sufficient to meet the liabilities associated with its operation.

Net of reinsurance

Since the provision for unexpired risks is calculated separately for each geography, we indicate for each whether we need to establish this provision in 2022.

In Portugal, with the exception of the Marine and Transport, Aviation and Transported Goods lines of business, the insurance company's premiums net of reinsurance, in the 2022 annuity, insufficient to cover the costs associated with the operation of the lines of business.

In Spain, it was necessary to establish a provision for unexpired risks for all lines of business except Marine and Transport, Aviation and Others.

In France, it was only the Fire and Other lines of business that required the establishment of a provision for unexpired risks.

A provision for unexpired risks was established, in accordance with the regulations in force, which shows a decrease compared to the provision established in the same period of 2021 for all lines of business.

Provision for unearned premiums

The provision is calculated in line with the rules in force, and tests are carried out in order to determine the adequacy of the level of provisions.

Equalisation provision

The calculation of the equalisation provision is defined in ASF regulations that are applied, both with regard to algorithms and with regard to the lines of business to be considered. The criteria set out are followed by the Group.

Claims provision

Claims provisions are calculated according to the description in the accounting policies. Throughout the year, actuarial monitoring of the levels of provisions is carried out, and statistical methodologies appropriate to the nature of the used risks are used, namely the estimation by stochastic methods of future cash flows associated with the liabilities assumed.

Risk concentration and mitigation

At Fidelidade, the Accidents, Health, Fire and Other Damage and Motor lines of business represent approximately 89.0% of Gross Premiums Earned and 93.6% of claims costs.

In order to control the risks assumed, the Group has underwriting and acceptance rules to select and control the level of exposure which it is subject to.

In non-lifelines of business, risk mitigation is mostly by means of specific reinsurance programmes for each type of risk, and high demands are placed on the quality of the reinsurers involved.

The following table presents the rating of the main reinsurers that was updated at the end of December 2022.

Rating	% Reinsurers	
	2022	2021
A -	7.7%	16.0%
A	34.6%	32.0%
A +	34.7%	16.0%
AA -	11.6%	-
AA	3.8%	28.0%
AA +	3.8%	4.0%
Not rated	4.0%	4.0%

There is an unrated reinsurer, with a share of 5% in Personal Accidents, Third Party Liabilities, Motor and Workers' Compensation lines of business.

There is a specific "Excess of Loss" treaty to guarantee catastrophic risks, with a retention of 63,000,000 Euros and a capacity of 600,000,000 Euros.

At Fidelidade, 60.94% of the insured sums retained to cover for Seismic Phenomena are located in Zone I, which is the most serious in terms of seismic risk. The insured sums retained, considered in this analysis, were obtained by approximation.

Comparison between estimated and actual claims

Fidelidade's claims provision at 31 December 2021 totalled 1.808 billion Euros. During 2022, for claims that occurred in 2021 and previous years, 377,042,912 Euros were paid.

In December 2022, natural consumption would lead to a provision of 1,431,144,449 Euros. However, there was a positive readjustment of more than 116.7 million Euros, with the provision, at the end of December 2022, amounting to 1,314,398,059 Euros.

For all lines of business except Marine and Transport and Others there were negative adjustments. The most significant, in absolute terms, was the one made in Motor, which was around 60.3 million Euros.

Development of the Claims Provision for Relating to Claims Occurred in Previous Years and their Readjustments (Corrections)

(amounts in euros)

	Claims provision at 31 December 2021	Claims Paid in the Year *	Claims provision at 31 December 2022 *	Readjustments
Accidents and Health	1,120,133,280	162,172,636	902,885,104	(55,075,540)
Fire and Other Damage	164,554,499	79,725,074	81,279,147	(3,550,277)
Motor	386,604,856	114,354,177	211,956,131	(60,294,548)
Marine and Transport	1,710,494	656,839	1,277,325	223,671
Aviation	1,591,473	432,706	1,135,563	(23,204)
Transported goods	4,776,874	3,406,799	2,719,231	1,349,157
Third party Liability	118,816,335	9,996,453	104,840,614	(3,979,268)
Credit and suretyship	265,405	(25,845)	269,564	(21,686)
Legal Protection	30,535	0	0	(30,535)
Assistance	240,750	(35)	4,203	(236,582)
Others	9,462,862	6,324,109	8,031,176	4,892,424
Total	1,808,187,362	377,042,912	1,314,398,059	116,746,391

* Claims occurred in the year N-1 and previous years

Insurance Risks

The Group underwrites contracts of all non-life segments, in which the most significant risks derive from:

- Changes in the length of life of pensioners in the Workers' Compensation line of business and in income rates associated with assets allocated to the respective mathematical provisions;
- Climate change and natural disasters;
- Inflation risk, in the lines of business that take longer to be fully regularised;
- In health insurance, the most significant risks stem from lifestyle changes and scientific and technological developments.

Exposure to these risks is mitigated through the diversification obtained given the size of the Group's policy portfolio and the scope of underwritten risks in all non-life segments. Variability of the risks is improved by the selection of risks to be underwritten and the implementation of underwriting strategies and policies which are defined so as to ensure that the risks are diversified in terms of the type of risk and the level of guarantees taken out.

In addition, claims review policies and claim management procedures are defined. These policies are regularly checked to ensure they reflect the practices in course and form the basis of the control carried out. Claims under management are periodically reviewed and all those suspected of being fraudulent are investigated. The group carries out active and timely management of claims, in order to reduce its exposure to unforeseen developments which may have a negative impact on its liabilities.

In the whole life benefits of the Workers' Compensation line of business, the mortality table applied is regularly evaluated, in order to reflect the real length of life of the beneficiaries of these guarantees.

The Group also limits exposure to risk either by imposing maximum amounts of indemnifiable amounts across contracts or by using reinsurance programmes that limit exposure, inter alia, to catastrophic events.

The assessment of exposure, in particular to seismic risk, is studied by the reinsurers of the insurer, and its conclusions are considered when acquiring and renewing reinsurance treaties.

Risk Assessment Assumptions

Non-life lines of business, except annuities

The main assumption assumed in estimating the insurer's liabilities is that the future development of claims and indemnities will follow a pattern similar to the known past experience for these variables. These assumptions include assumptions regarding average claims costs, claims management costs, inflation factors and number of claims in each of the years of occurrence.

In addition, qualitative judgments are used to assess the adequacy of past trends and whether or not they can be applied to the future, such as:

- Changes in market conditions, such as clients' attitudes regarding reporting claims;
- Economic conditions;

- Internal factors, such as the composition of the portfolios of policies, policy guarantees, and procedures, and greater or lesser speed in managing claims;

External factors, namely changes to legislation or rules and court decisions and relevant regulations or legislation that may affect the cost estimate.

Annuities and whole life assistance in the Workers' Compensation line of business

In the whole life assistance in the Workers' Compensation line of business, assumptions are made regarding the length of life of the beneficiaries of these benefits, discount rates and management charges.

The following table shows the impact on the insurer's liabilities of reasonably possible changes in the indicated assumptions, while keeping all others constant.

Assumption	Factor	Increased Liability
Longevity	+20%	5.34%
Expense	10%	0.69%
Revision	4%	2.29%
Interest Rate	-1%	11.69%

Sensitivity analysis

Sensitivity analyses were performed for reasonable changes in assumptions, with all other variables constant, identifying the impact on liabilities, earnings before tax and equity. The impact of the sensitivity analysis on reinsurance corresponds to the proportional effect of the current reinsurance coverage.

The correlation of assumptions will have a significant effect in determining the claims provision, but to demonstrate the impact due to changes in assumptions, variables had to be changed on an individual basis. It should be noted that the changes in the assumptions are not linear. Sensitivity information also varies according to the current economic situation, mainly due to the impact of changes in the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

(amounts in euros)

Assumptions	Change in assumption	2022			2021		
		Increase/ (decrease) in the net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in the equity	Increase/ (decrease) in the net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in the equity
Number of claims	+10%	84,234,290	(84,234,290)	(66,545,089)	54,770,770	(54,770,770)	(37,517,977)
Average cost per claim	+10%	77,425,063	(77,425,063)	(77,425,063)	49,110,003	(49,110,003)	(33,640,352)
Average claim reserve	+10%	33,065,666	(33,065,666)	(33,065,666)	20,178,581	(20,178,581)	(13,822,328)
Longevity	+10%	781,941	(781,941)	(781,941)	23,218,592	(23,218,592)	(15,904,735)
Longevity	-10%	(1,728,550)	1,728,550	1,728,550	(23,915,918)	23,915,918	16,382,404
Discount rate	+1%	(7,072,027)	7,072,027	7,072,027	(99,393,798)	99,393,798	68,084,751
Discount rate	-1%	8,017,511	(8,017,511)	(8,017,511)	217,125,619	(217,125,619)	(148,731,049)

51.4. Reinsurance policies

The decisive factors for limiting or transferring the risk insured are the nature of the business and the amounts of the risks to be insured, and a distinction is made mainly between those which are considered mass lines of business (Motor, Workers' Compensation, Personal Accidents and Multi-risks Home Insurance) and those which are dealt with more on a case-by-case basis, such as the remaining lines of business of Property, Engineering and Machinery, Marine, Transported Goods, Third Party Liability and Other risks.

Compliance with Underwriting Standards is intrinsically associated with the contracts available and in force in Reinsurance, being decisive for the acceptance or refusal of risks and their pricing.

Risks involving significant amounts insured or serious situations are subject to prior analysis and their acceptance is strictly interdependent with and supported by Reinsurance.

In compliance with its Reinsurance policy, the Group has resorted to the transfer of risks via Proportional and Non-Proportional Reinsurance Treaties, as well as Optional Reinsurance, and other Reinsurance modalities when they are necessary for adequate Reinsurance protection from accepted risks.

In Fire and Other Damage, Engineering and Aviation, the Group works with Proportional Treaties.

The coverage of Reinsurance in the main asset classes, as well as the respective retention, takes into account the relationship between the portfolio structure in terms of insurance capital and the respective premium volume of each line of business and also takes into account the statistical monitoring of the profitability of that portfolio, the Retention/Premiums ratio at the end of an annuity or cycle and the Group's financial capacity considered sufficiently important for the absorption of frequency claims.

Accumulations resulting from the "Coverage of Seismic Phenomena and Risks of Nature", of a catastrophic nature in the Withholdings, are reinsured in Excess of Losses, and the Withholding is determined by the Group's financial capacity.

In determining the Event Retention, the low frequency of the occurrence of disasters of this type in Portugal is taken into account, so the retention reflects what is technically expected from the point of view of the impact of a catastrophe on the Group's capital and its absorption over a defined period, working in a scenario with a return period of 500 years, which is unusual in markets with catastrophic exposure.

Accumulations resulting from natural disasters that do not relate to seismic phenomena are protected by an Excess of Loss Treaty, and the Retention and Capacity are defined on the basis of the history of events that have occurred in the last 15 years and the Group's financial capacity.

Motor, Workers' Compensation, Personal Accidents, Marine Hull, Transported Goods and Third-Party Liability are covered by Excess of Loss treaties, which proves more appropriate to the nature of the risks and the portfolio and the Group's financial capacity. To establish the priority, the statistical behaviour of the claims rate and quotes for different levels of this are taken into consideration.

The selection criteria for Reinsurers shall take into account their reliability and financial solvency, and their ability to provide services. The selection process requires their constant observation and monitoring.

The information obtained in the International Market, namely that disclosed by the Rating Agencies, are fundamental references for the follow-up of the Reinsurers' good financial health.

Thus, we use as a selection factor of the Reinsurers, the rating analysis assigned to each Reinsurer by the S&P Rating Agency or another equivalent (A.M. Best, Fitch or Moody's). The minimum rating required for a Reinsurer to be part of our Panel of Reinsurers is "A-".

51.5. Life insurance

In the Life Insurance line of business there are three major groups of insurance contracts, covered by IFRS 4, in relation to which the nature of risks covered is characterised as follows:

Risk products

For these products, the greatest risk factor is mortality, with a large number of contracts that have also associated the risk of disability, and part of them being transferred to Reinsurers.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Variation in Mathematical Provision} - \text{Possible Negative Balance of the previous year}) \times \text{Profit-Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Annuity products

The greatest risk factor for these products is length of life.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Variation in Mathematical Provision} - \text{Possible Negative Balance of the previous year}) \times \text{Profit-Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Capitalisation products

The greatest risk factor for these products is interest rate risk.

Only the contracts with profit sharing are covered by IFRS 4, so the income awarded to the insured persons has a fixed component and a variable component which depends on the profitability of a given portfolio of assets partially dependent upon the Group's discretion.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Percentage of Income} - \text{Technical Income} - \text{Management Charges} - \text{Possible Negative Balance of the previous year}) \times \text{Profit-Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and the profit-sharing coefficient, the percentage of income and the management costs, given that the plans for awarding it only define minimum amounts for these figures.

For each of these product families, cash inflows and outflows are presented, expected for the next three years (PS – Profit sharing).

(amounts in euros)

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2023	152,373,659	117,831,123	-	13,971,032	13,760,042	202,445,499
2024	127,887,975	98,456,219	-	13,023,772	12,282,109	218,953,287
2025	117,128,908	89,909,350	-	12,211,817	10,952,123	168,359,157

The following tables present the change in these cash inflows and outflows, considering a 5% increase in expected redemptions.

(amounts in euros)

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2023	148,770,513	116,003,730	-	13,971,032	13,415,658	245,589,583
2024	117,858,420	92,374,521	-	13,023,772	11,371,794	240,061,657
2025	102,016,130	80,448,341	-	12,211,817	9,629,450	176,034,674

Sensitivity analysis

Sensitivity analyses were performed for reasonable changes in assumptions, with all other variables constant, identifying the impact on liabilities, earnings before tax and equity.

The correlation of assumptions will have a significant effect in determining the claims provision, but to demonstrate the impact due to changes in assumptions, variables had to be changed on an individual basis. It should

be noted that the changes in the assumptions are not linear. Sensitivity information also varies according to the current economic situation, mainly due to the impact of changes in the intrinsic cost and time value of options and guarantee. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

(amounts in euros)

Assumptions	Change in assumption	2022		2021		Increase/ (decrease) in the equity	
		Increase/ (decrease) in the net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in the net liabilities	Increase/ (decrease) in profit before tax		
Mortality	+10%	(5,345,239)	5,345,239	5,334,014	(5,625,517)	5,625,517	3,853,479
Mortality	-10%	6,046,731	(6,046,731)	(6,046,731)	6,362,429	(6,362,429)	(4,358,264)
Expected rate of return	+0.5%	(10,504,256)	10,504,256	10,504,256	(10,868,333)	10,868,333	7,444,808
Expected rate of return	-0.5%	13,694,052	(13,694,052)	(13,694,052)	16,274,772	(16,274,772)	(11,148,219)
Claims incurred but not reported	+10%	2,637,353	(2,637,353)	(2,637,353)	2,594,417	(2,594,417)	(1,777,176)

52. CAPITAL MANAGEMENT

The new solvency regime (Solvency II), approved by Directive 2009/138/EC of the European Parliament and of the Council, of 25 November, and transposed into Portuguese Law by Law 147/2015, of 9 September, came into force on 1 January 2016.

The Solvency II rules are divided into three pillars.

Pillar I - Quantitative requirements

The Solvency II rules define criteria for determining own funds eligible through an economic assessment of the assets and liabilities. They also define two levels of capital requirements: The Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

The SCR is calculated taking into account all the risks that an insurance companies may be exposed to, namely market risks, credit risks, specific insurance risks and operational risks. The SCR aims to guarantee the existence of eligible funds in an amount which is sufficient to absorb significant losses resulting from risks which insurance companies may be exposed to.

The MCR establishes the minimum level of own funds that must be kept, so as not to jeopardise the insurance companies' compliance with its liabilities.

If it is detected that the SCR or the MCR are no longer being complied with or if there is a risk of non-compliance in the following three months, even if circumstantial or temporary non-compliance, it shall immediately inform the ASF. In the event of failure to comply with the SCR, it shall send this Authority a recovery plan within two months and take the measures necessary to ensure that, within six months, a level of own funds eligible to cover the SCR has been restored or the Company's risk profile has been reduced.

In the event of failure to comply with the MCR or where a risk of non-compliance is detected, it shall send to the ASF, within one month, a short-term financing plan, with a view to avoiding non-compliance or restoring the eligible own funds, at least to the level of the MCR, or with a view to reducing the Company's risk profile.

Pillar II - Qualitative requirements and supervision

This pillar establishes qualitative requirements related to the existence and maintenance of effective governance systems, including adequate risk management, internal control and systems that ensure the suitability and qualification of persons who effectively direct insurance undertakings, supervise them or are responsible for key functions (risk management, internal audit, compliance and actuarial).

One of the main requirements of this pillar is the own risk and solvency assessment (ORSA), which must be performed at least once a year. Through this exercise, insurance companies must conduct a prospective assessment of the sufficiency of the capital available to achieve their business objectives, taking into account their risk profiles, and conduct a solvency analysis considering stress scenarios. The resulting report must be sent to the ASF.

Pillar III - Prudential reporting and public disclosures

Pillar III sets out the obligations for disclosing public information and information to the Supervisor.

In this context, the objectives of capital management in Fidelidade comply with the following general principles:

- Comply with the legal requirements to which Fidelidade is obliged;
- Generate adequate profitability, create value for the shareholder and provide remuneration for the capital invested;

- Sustain the undertaking of the operations that Fidelidade is legally authorised to practice, while maintaining a solid capital structure, capable of responding to the growth of the activity and the risks arising from it.

To achieve the objectives described, Fidelidade has defined a set of policies and processes.

On the one hand, it has implemented a risk management system that is an integral part of the Group's daily activities and an integrated approach is applied to ensure that its strategic objectives (customer interests, financial strength and process efficiency) are maintained. This integrated approach also ensures the creation of value by identifying the appropriate balance between risk and return, while ensuring the Group's obligations to its stakeholders.

Risk management aids the Group in identifying, assessing, managing and monitoring risks, enabling appropriate and immediate actions to be adopted in the event of material changes in its risk profile.

In this sense, the Group, in order to draw its risk profile, identifies the various risks to which it is exposed, then proceeds to its assessment. Risk assessment is based on a standard formula used to calculate the solvency capital requirement. For other risks not included in that formula, the Group has opted to use a qualitative analysis in order to classify the foreseeable impact on capital needs.

On the other hand, the ORSA enables risk, capital and return to be related, in a prospective outlook, in the context of the Company's business strategy.

The ORSA exercise, coinciding with the time horizon of the Company's strategic planning (never less than 3 years), assumes a fundamental role in the Group's Capital Management, supporting its main activities, namely:

- Assessment, together with risk management, of the risk appetite structure in relation to the business and capital management strategy;

- Contribute to the start of the strategic planning process by carrying out a capital adequacy assessment in the most recent period;
- Monitoring capital adequacy in line with the regulatory capital requirements and internal capital needs.

Taking into account the results obtained in the ORSA, and if the capital requirements differ from those defined, both in terms of the regulations and other limits defined internally, corrective actions to be implemented are prepared, in order to restore the capital level to the adequate or intended level.

Lastly, the obligations regarding public information, in particular, the obligation to disclose an annual "Solvency and Financial Condition Report", enable detailed information to be provided on the Group's activities and performance, governance system, risk profile, solvency assessment and capital management.

Given the time lag between the disclosure of these financial statements and the prudential information contained in the "Solvency and Financial Condition Report", it is important to state that the Group complies comfortably with the capital requirements, considering the preliminary data reported to the ASF on a quarterly basis and the information available on this date.

In order to ensure compliance with policies and processes, the Group has implemented an adequate governance system involving, among other aspects, an organisational structure that incorporates several bodies that perform key functions in terms of risk management and internal control: Risk Management Division, Compliance Division, Audit Division, Capital Planning and Financial Optimization, Office Risk Committee, Underwriting Policy Acceptance and Supervisory Committee and Life and Non-Life Products Committee, and Assets and Liabilities Management Committee.

53. PUBLIC SERVICE CONCESSIONS

Main risks identified are operational and financial

Luz Saúde managed Hospital Beatriz Ângelo through SGHL – Sociedade Gestora do Hospital de Loures, S.A. (“SGHL”), its subsidiary, under a Public-Private Partnership agreement with the Portuguese State (“PPP Agreement”) until 18 January 2022. HL – Sociedade Gestora do Edifício, S.A., in which the Company has a 10% shareholding, is also a party to the PPP agreement and is responsible for the management of Hospital Beatriz Ângelo’s building and facilities.

Under the PPP Agreement, SGHL was obliged to provide healthcare within the scope of the National Health Service, through the Beatriz Ângelo Hospital, for a period of 10 years, counted from the entry into operation of the Beatriz Ângelo Hospital (on 19 January 2012).

With regard to the management of the Hospital, the PPP Contract regulated the relations between the State and SGHL, defining the prices and forms of payment, quality parameters, communication and information duties, levels of compliance (clinical and non-clinical), the rules of operation of the hospital (e.g. human resources) and other obligations and responsibilities of each party and sanctions in case of non-compliance with contractual obligations.

In addition, the PPP Agreement established that the annual patient treatment volumes of the Beatriz Ângelo Hospital (defined by reference to medical consultations, emergency care and surgical and non-surgical inpatient and outpatient services) were agreed upon through an annual negotiation process between the Contracting Public Entity (in this case Administração Regional de Saúde de Lisboa Vale do Tejo, I.P.) and the Hospital Administration, namely based on historical information regarding the demand for public healthcare by

the population of the Hospital’s area of influence. However, it should be noted that this level of production was defined based on historical data related to the levels of demand for public healthcare by the population living in the hospital’s catchment area.

The prices to be charged by the Hospital to the National Health Service were contractually agreed upon and adjusted annually for inflation growth.

The PPP Contract also provided that at the end of each month the State had to pay 90% of 1/12 of the annual contracted production value (regardless of the actual production value verified), and the adjustment value (which may include the remaining 10% plus any additional production carried out above the contracted value, since there are areas in which it is allowed to exceed the defined production limit, such as emergency care and hospitalisation episodes) should be determined by the end of the first half of the following year, and payment must occur within that same period. As of this date, the clearance and reconciliation of accounts processes for the years 2015 to 2019, 2021 and 2022 are still pending completion.

The Agreement for the Transmission of the Hospital Establishment of Hospital Beatriz Ângelo, entered into between SGHL, Hospital de Loures, EPE and the Regional Health Administration of Lisbon and Vale do Tejo, IP on 18 January 2022, and which regulates the terms and conditions of the transmission from the Hospital Establishment to the Hospital de Loures, EPE provides that the clearance and payment of the amounts related to reconciliation payments for the years 2012 to 2022 will take place in a phased manner until 30 September 2023.

54. MANAGED PENSION FUNDS

At 31 December 2022 and 2021, the Fidelidade Macau Vida was managing the following pension funds. In these periods, the pension fund portfolio contained the following assets:

	2022							
	BNU Pension Fund	Golden-Age Retirement Pension Fund	Guaranteed Capital Pension Fund	International Stable Pension Fund	International Opportunities Pension Fund	Greater China Opportunities Pension Fund	Emerging Market Opportunities Pension Fund	SmartSafe Pension Fund
Amounts expressed in Patacas								
Cash and deposits	231,643,766	45,867,792	28,642,553	5,510,465	4,655,027	4,485,409	2,037,332	17,616,041
Debt instruments	-	640,168,555	58,884,746	35,340,742	23,836,362	20,828,617	6,596,038	49,023,963
Equity instruments	-	297,967,221	-	11,654,488	50,025,507	40,386,764	13,238,280	-
Others	-	(492,002)	(18,798)	(85,058)	(123,731)	(100,429)	(34,412)	(109,177)
	231,643,766	983,511,567	87,508,500	52,420,638	78,393,166	65,600,361	21,837,239	66,530,828
Amounts expressed in euros								
Cash and deposits	27,042,864	5,354,759	3,343,827	643,310	543,443	523,642	237,845	2,056,555
Debt instruments	-	74,735,408	6,874,401	4,125,796	2,782,736	2,431,602	770,043	5,723,221
Equity instruments	-	34,785,685	-	1,360,584	5,840,144	4,714,885	1,545,481	-
Others	-	(57,438)	(2,195)	(9,930)	(14,445)	(11,724)	(4,017)	(12,746)
	27,042,864	114,818,414	10,216,034	6,119,760	9,151,879	7,658,405	2,549,352	7,767,030

Values expressed in Euros, considering the exchange rate of 31 December 2022 of 1 Euro/8.5658 Macanese patacas.

	2021							
	BNU Pension Fund	Golden-Age Retirement Pension Fund	Guaranteed Capital Pension Fund	International Stable Pension Fund	International Opportunities Pension Fund	Greater China Opportunities Pension Fund	Emerging Market Opportunities Pension Fund	SmartSafe Pension Fund
Amounts expressed in Patacas								
Cash and deposits	18,262,080	48,166,507	76,723,593	1,644,920	3,987,518	2,517,953	557,021	31,977,773
Debt instruments	175,428,369	686,141,521	8,689,656	36,457,449	25,828,643	25,936,478	8,367,468	24,681,163
Equity instruments	33,228,281	310,796,221	-	12,496,867	50,332,368	44,857,333	14,729,308	-
Others	(167,627)	(522,552)	(112,486)	(83,591)	(131,564)	(125,053)	(40,792)	(94,230)
	226,751,102	1,044,581,697	85,300,762	50,515,645	80,016,965	73,186,710	23,613,006	56,564,706
Amounts expressed in euros								
Cash and deposits	2,007,197	5,294,012	8,432,739	180,794	438,271	276,750	61,223	3,514,698
Debt instruments	19,281,445	75,414,255	955,086	4,007,062	2,838,843	2,850,695	919,674	2,712,723
Equity instruments	3,652,142	34,159,812	-	1,373,539	5,532,063	4,930,298	1,618,908	-
Others	(18,424)	(57,434)	(12,363)	(9,188)	(14,460)	(13,745)	(4,484)	(10,357)
	24,922,359	114,810,646	9,375,462	5,552,207	8,794,716	8,043,998	2,595,321	6,217,063

Values expressed in Euros, considering the exchange rate of 31 December 2021 of 1 Euro/ 9.0983 Macanese patacas.

55. SUBSEQUENT EVENTS

After the date of the Statement of Financial Position, there were no events affecting the value of assets and liabilities and disclosures of the financial statements for the period.



REPORT AND OPINIONS ON THE CONSOLIDATED ACCOUNTS



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Fidelidade - Companhia de Seguros, S.A.
 Statutory Auditor's Report – Consolidated Financial Statements
 31 December 2022

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

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Fidelidade – Companhia de Seguros, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2022 (which establishes a total of 20,249,171,437 euros and total equity and non-controlling interests of 2,856,099,577 euros, including a net profit for the year of 220,474,579 euros), the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Fidelidade – Companhia de Seguros, S.A. as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by the Supervisory Authority for insurance and pension funds in Portugal ("ASF").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Measurement of technical provisions for life insurance and of financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Notes 22 and 23 of consolidated financial statements, as at 31 December 2022, the technical provisions for life insurance and the financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations	Our approach to the risk of material misstatements in the measurement of technical provisions for life insurance and financial liabilities included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>considered for accounting purposes as investment contracts amounted to 2,957 and 8,512 million euros ("m€"), respectively, representing approximately 66% of the total liabilities.</p> <p>This matter was considered to be as a key audit matter based on materiality to the consolidated financial statements and the fact that it represents a significant estimate of management. To determine it, management needs to establish assumptions about future events, including the timing and total value of liabilities to policyholders and the income of the assets portfolio underlying these obligations.</p> <p>As described in subparagraph e) in Note 2.17, the liabilities for insurance contracts are determined based on actuarial assumptions, historical data and other methods accepted in the sector, and the actual amounts to be disbursed in the future may be significantly different from the estimates made.</p>	<ul style="list-style-type: none"> ▶ Understanding of the Group and its subsidiaries internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the measurement of technical provisions for life insurance and financial liabilities; ▶ Analytical review procedures, recalculation and analysis of the methodologies for the projection of future cash flows, including the underlying financial and demographic assumptions (when applicable), with special attention to the obligations for products with guaranteed rates; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Group's actuaries for the measurement of liabilities arising from life insurance and investment contracts, including an analysis of their consistency with those used in the previous year and using as reference the specific terms of the products, regulatory requirements and practices in the insurance sector; and ▶ Review the completeness and consistency of the disclosures in the consolidated financial statements of the Technical Provisions for Life Insurance and Financial Liabilities with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

2. Measurement of claims provisions (non-life)

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As described in Note 22 to the consolidated financial statements as at 31 December 2022, the claims provisions arising from non-life insurance contracts amounted to 2,247 m€ (13% of total liabilities). These provisions are determined using actuarial assumptions and methodologies and are based on the history of the Group's loss ratio by business and they present the estimated value of damages to pay for claims already incurred, including claims incurred but not reported (IBNR), and administrative costs related to future settlement.</p> <p>These provisions include estimates for long-term claims provisions of workers' compensation, requiring assumptions based on judgments, in particular the discount rate, mortality tables and expenses to be incurred (see details in subparagraph d) in Note 2.17).</p>	<p>Our approach to the risk of material misstatements in the measurement of claims provisions (non-life) included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Group and its subsidiaries and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the measurement of claims provisions (non-life); ▶ Analytical review procedures on the consolidated financial statements line items relating to claims provisions (non-life) to understand the annual changes and of the main factors contributing to the most significant variations; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the actuaries of the Group and its subsidiaries for the measurement of the claims liabilities (non-life), including analysis of consistency with those used in the previous years and with the default payment history by segment, having as reference the specifics of the Group's products and its subsidiaries

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
In view of the materiality of these liabilities to the consolidated financial statements and since it is a significant estimate based on assumptions and actuarial techniques applied to information currently available, the actual amounts payable in the future may be different from recorded amounts, we considered the claims provisions (non-life) to be a key audit matter.	<p>regulatory requirements and practices in the insurance sector;</p> <ul style="list-style-type: none"> ▶ Recalculation of claims provisions with the support of our actuarial specialists for the segments representing the most significant share of the liabilities of the Group and its subsidiaries (Auto and Workers' compensation), on the basis of actuarial methods recognised in the insurance sector, to assess their adequacy. Additionally, for Workers' compensation segment, we examined the financial and demographic assumptions used in the estimation of the long-term obligations; ▶ Review the completeness and consistency of disclosures in the consolidated financial statements for Claims Provisions (non-life) with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

3. Valuation of financial instruments at fair value

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As detailed in Note 50, the consolidated assets and liabilities include financial instruments valued at fair value amounting to 12,449 m€ and 3,295 m€, respectively, which represent about 61% of the total consolidated assets and 19% of the total consolidated liabilities.</p> <p>The determination of the fair value of the financial instruments was primarily based on quotes in active markets. In the case of instruments with reduced liquidity in these markets, valuation models were used and other information involving judgment, such as information provided by specialised entities, observable and unobservable market assumptions and other estimates.</p> <p>The total value of instruments with reduced liquidity, recognised in the consolidated assets and liabilities of the Group, amounting to about 1,441 m€ (7% of the assets) and 129 m€ (1% of the liabilities), respectively, which were classified under the fair value hierarchy defined in the accounting framework as level 3 (Note 50).</p> <p>The consideration of this matter as significant to the audit was based on their materiality to the financial statements and the risk of judgment associated with the methodologies</p>	<p>Our approach to the risk of material misstatements in the valuation of financial instruments at fair value included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Group and its subsidiaries and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the valuation of financial instruments at fair value; ▶ Analytical review of the consolidated financial statements line items relating to financial instruments and recalculation of fair value financial instruments by comparing the rates used by the Group and its subsidiaries (when applicable) with those observed in external sources of information; ▶ Analysis of the methodologies and assumptions used by the Group and its subsidiaries in determining fair value, using as reference the details of its investment policy, regulatory requirements and sector practices; and ▶ Review the completeness and consistency of disclosures of financial instruments at fair value in the consolidated financial statements with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of the fair value of financial instruments.	
	4. Impairment of Goodwill

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consolidated financial statements of the Group as at 31 December 2022 include in the statement of financial position as more fully disclosed in Note 15, Goodwill arising from investments in subsidiaries of 471 m€, representing approximately 2% of the consolidated assets.</p> <p>In accordance with the accounting principles and as disclosed in Note 2.3, Goodwill corresponds to the positive difference, on the acquisition date, between the acquisition cost of a subsidiary and the effective percentage acquired by the Group, at fair value, of its identifiable assets, liabilities and contingent liabilities, and should be tested annually for eventual impairment. This impairment assessment is a process that requires judgment and is based on assumptions regarding economic and financial market conditions of the subsidiaries (such as discount rates, inflation, growth rates/profit margins and prospective financial information, among others).</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the valuation models and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of impairment losses.</p>	<p>Our approach to the risk of material misstatements in the impairment of Goodwill included a specific response by performing the following procedures:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the existing internal control procedures in the process for determining impairment losses of Goodwill; ▶ Analysis of contracts, accords and other information that supports the ownership, the cost of business combination and the fair value of assets, liabilities and contingent liabilities. ▶ Review of the assumptions used in the valuation models approved by the management, in particular the cash flow projections, the discount rate, the rate of inflation, the growth rate in perpetuity and the sensitivity analysis, supported by internal corporate finance experts; ▶ Review of the consistency of the assumptions used in the construction of the business plan with previous years, comparison with historical data and with external sources. We tested the calculations of the models used; and ▶ Review of the completeness and consistency of disclosures of Goodwill in the consolidated financial statements with the respective accounting data and the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

5. Application of IFRS 9 - Financial Instruments, with overlay approach as provided for in IFRS 4 - Insurance Contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The Group applies IFRS 9 with overlay approach, as provided for in IFRS 4,	Our approach to the risk of material misstatements in the recognition and measurement of impairment losses of financial assets included a

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>reclassifying between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Group had applied IAS 39 to the designated financial assets. On 31 December 2022, the amount of financial assets eligible for the application of overlay approach amounts to 943 m€ (Note 6) and, for them, the Group carried out impairment tests as if IAS 39 were applicable and the impairment losses were recognised on evidence of impairment such as, among others, financial difficulties of the issuer or a significant or prolonged decline in the fair value of financial assets below cost price.</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the recognition and measurement of impairment losses on financial assets, since they are based on assumptions taking into account impairment indicators observable at a given time and that the use of different assumptions or obtaining additional information may result in different estimates of impairment losses.</p> <p>The details of the accounting policies, methodologies, concepts and assumptions used are disclosed in Note 2.6 of the Annex to the consolidated financial statements.</p>	<p>specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the process of valuation of financial instruments and recognition of impairment losses for the Group and its subsidiaries; ▶ Review the eligibility of financial assets to apply overlay approach, and tested the valuation and impairment for a sample of capital instruments, thus ensuring the correct reclassification of amounts between profit or loss and other comprehensive income; ▶ Analytical review tests on the consolidated financial statements line items related to financial assets and recalculation of impairment losses on a sample basis; and ▶ Review the completeness and consistency of disclosures in the consolidated financial statements on recognition of impairment losses on financial assets with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

6. Valuation of Real Estate Investments

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consolidated financial statements of the Group as at 31 December 2022 include real estate assets as disclosed in Note 11 to the consolidated financial statements, recorded at fair value and classified as Investment Properties, amounting a net of 2,447 m€ which represents a total of about 12% of the consolidated assets.</p> <p>The real estate appraisals were based on the methods disclosed in Note 11 to the consolidated financial statements and assumptions for which the effects of the economic and the ability of the market to absorb the available supply is crucial.</p>	<p>Our approach to the risk of material misstatements included a specific strategy consisting of a combination of evaluation of controls and substantive procedures, namely:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant in the process of valuation of real estate investments; ▶ Analytical review tests on real estate items included in the consolidated financial statements; ▶ Analysis of the valuation reports prepared by experts, testing the appropriateness of the valuation methods used and reasonableness of the assumptions made;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The consideration of this matter as a key audit matter was based on their materiality to the consolidated financial statements and the inherent risk on the assumptions used in appraisals performed by external experts.</p>	<ul style="list-style-type: none"> ▶ Comparative analysis of value and assumptions of the appraisals made in the year with those of previous years and price comparison with available market information; and ▶ Verification of the completeness and consistency of disclosures of real estate in the consolidated financial statements with the respective accounting data and requirements of International Financial Reporting Standards.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of the consolidated financial statements which present a true and fair view of financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by Autoridade de Supervisão de Seguros e Fundos de Pensões;
- ▶ the preparation of the Sole Integrated Management Report and non-financial statement in accordance with the applicable laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group;

- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or what safeguards were applied.

Our responsibility includes the verification of the consistency of the Sole Integrated Management Report with consolidated financial statements, as well as the verification that the non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Sole Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Sole Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement. As provided for in article 451, nr.7 of the Commercial Companies Code, this opinion is not applicable to the non-financial statement included in the Sole Integrated Management Report.

About the consolidated non-financial statement

In compliance with article 451, nr. 6 of the Commercial Companies Code, we inform that the Group has included in its Sole Integrated Management Report the consolidated non-financial statement, as provided for in article 66-B of the Commercial Companies Code.

On additional items set out in article 10^o of Regulation (EU) nr. 537/2014

Pursuant to article 10^o of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Fidelidade – Companhia de Seguros, S.A. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 15 May 2014 for the year 2014. We were reappointed for a second mandate in the shareholders' general meeting held on 31 March 2015 for the period between 2015 and 2017. On 29 March 2017, we renounced that mandate, between 2015 and 2017, and were appointed at the shareholders' meeting held on 31 March for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 30 June 2020 for the term between 2020 and 2022;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with the ISA we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and the Council of 16 April 2014 and we have remained independent of the Group in conducting the audit.

Lisbon, 13 March 2023

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

(signed)

Ricardo Nuno Lopes Pinto - ROC nr. 1579
Registered with the Portuguese Securities Market Commission under license nr. 20161189

FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
REPORT AND OPINION OF THE SUPERVISORY BOARD

2022

In compliance with the applicable legal provisions, articles of association and our instructions we hereby submit the report on our inspection and opinion on the accounting documents produced by the Board of Directors for which the Board is responsible.

We have monitored the company's activity during this accounting period, taking all the necessary steps to comply with the duties by which we are bound, and noted the regularity of its accounting records and compliance with the applicable legal and statutory regulations, having made the checks considered expedient.

We were provided with regular information and clarifications on the operation of the company and its corporate business by the Board of Directors and other governing bodies.

We have examined the Integrated Management Report that includes the corporate governance report, the non-financial information, the individual and consolidated financial statements and the proposal for the distribution of individual net profit presented by the Board of Directors, in addition to the Statutory Auditor's Report, with which we are in agreement.

In consideration of the above, the Supervisory Board issues the following

OPINION

- That the Integrated Management Report and other consolidated accounting documents for the year, as submitted by the Board of Directors, should be approved;

The Supervisory Board wishes to express its gratitude to the Board of Directors and other governing bodies for their excellent collaboration during the course of the year.

Lisbon, 14 March 2023.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

**DECLARATION OF COMPLEMENTARY LIABILITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
FOR 2022**

In compliance with the provisions of Article 420(6) of the Commercial Companies Code, the members of the Supervisory Board hereby declare that, to the best of their knowledge, the consolidated accounts and other accounting documents for the year have been produced in conformity with the applicable accounting standards and are a true and fair reflection of the company's assets and liabilities, its financial situation and its results.

They also declare that, to the best of their knowledge, the Management Report provides a faithful account of the evolution of the company's business, performance and position, and that this report refers to the risks and uncertainties attached to the activity.

Lisbon, 14 March 2023.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member



**SEPARATE
FINANCIAL
STATEMENTS**



SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

ASSETS	Notes	2022		2021	
		Gross amount	Impairment, depreciation/ amortisation and adjustments		Net amount
Cash and cash equivalents and sight deposits	3 and 11	267.048.385	-	267.048.385	521.902.520
Investments in subsidiaries, associates and joint ventures	4 and 11	3.139.982.402	-	3.139.982.402	2.733.001.790
Financial assets at fair value through profit or loss	5, 6 and 11	3.867.906.794	-	3.867.906.794	3.537.609.194
Financial assets at fair value through other comprehensive income	7 and 11	6.084.732.332	-	6.084.732.332	8.006.813.593
Financial assets at amortised cost	8 and 11	792.554.208	-	792.554.208	939.661.097
Properties		123.525.214	(42.904.522)	80.620.692	112.812.049
Properties for own use	9 and 11	91.621.835	(42.904.522)	48.717.314	53.025.730
Investment properties	10 and 11	31.903.379	-	31.903.379	59.786.319
Other tangible assets	11 and 12	93.295.317	(74.969.649)	18.325.669	18.747.194
Inventories	12	11.002	-	11.002	1.644
Other intangible assets	13	125.873.796	(60.671.097)	65.202.699	53.107.454
Technical provisions on reinsurance ceded		437.484.175	-	437.484.175	385.916.544
Provision for unearned premiums	14	103.120.209	-	103.120.209	82.555.208
Mathematical provision for life insurance	14	29.569.744	-	29.569.744	27.004.267
Claims provision	14	269.835.673	-	269.835.673	253.812.077
Other technical provisions	14	34.958.549	-	34.958.549	22.544.992
Assets for post-employment and long-term benefits	32	25.211.651	-	25.211.651	12.122.242
Other debtors for insurance operations and other operations		299.110.694	(23.922.052)	275.188.642	210.966.954
Accounts receivable for direct insurance operations	15	186.244.283	(9.653.232)	176.591.051	164.220.109
Accounts receivable for other reinsurance operations	15	24.321.551	(7.257.888)	17.063.663	26.496.524
Accounts receivable for other operations	15	88.544.861	(7.010.932)	81.533.928	20.250.321
Tax assets		384.714.884	-	384.714.884	148.438.554
Recoverable tax assets	16	6.184.787	-	6.184.787	19.376
Deferred tax assets	16	378.530.097	-	378.530.097	148.419.178
Accruals and deferrals	17	14.491.141	-	14.491.141	13.214.978
TOTAL ASSETS		15.655.941.996	(202.467.319)	15.453.474.676	16.694.315.808

SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2022	2021
LIABILITIES			
Technical provisions		4.044.676.347	4.247.263.520
Provision for unearned premiums	19	359.525.471	321.833.928
Mathematical provision for life insurance	19	1.613.365.329	1.797.846.377
Claims provision		1.892.795.637	1.921.611.319
Life	19	111.248.039	113.423.958
Workers' compensation	19	978.284.702	1.009.412.309
Others	19	803.262.896	798.775.053
Provision for profit sharing	19	26.194.124	62.290.771
Provision for interest rate commitments	19	16.561.158	17.780.388
Provision for portfolio stabilisation	19	24.110.995	25.803.587
Equalisation provision	19	35.173.070	32.960.468
Provision for unexpired risks	19	41.162.650	43.924.719
Other technical provisions	19	35.787.913	23.211.963
Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts	20	7.706.860.682	8.016.951.962
Financial liabilities at fair value through profit or loss	6 and 21	169.256.597	312.638.571
Other financial liabilities		675.328.860	657.956.624
Subordinated debt	21	502.164.558	501.053.722
Deposits received from reinsurers	21	149.622.749	130.146.691
Others	21	23.541.553	26.756.211
Liabilities for post-employment and other long-term benefits	32	6.053.370	88.245
Other creditors for insurance operations and other operations		233.154.345	253.171.674
Accounts payable for direct insurance operations	22	110.793.618	105.557.345
Accounts payable for other reinsurance operations	22	99.287.210	85.915.611
Accounts payable for other operations	22	23.073.516	61.698.719
Tax liabilities		167.583.019	137.145.214
Tax payable liabilities	16	41.393.912	49.770.423
Deferred tax liabilities	16	126.189.106	87.374.791
Accruals and deferrals	23	130.099.564	134.321.454
Other provisions	24	91.788.376	122.696.254
TOTAL LIABILITIES		13.224.801.159	13.882.233.518

SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021

(continuation)

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2022	2021
SHAREHOLDERS' EQUITY			
Paid-in Capital	25	509.263.524	509.263.524
(Treasury shares)	25	(148.960)	(148.960)
Other Capital Instruments	25	-	164.977.301
Revaluation reserves	26	(648.296.673)	85.093.212
From adjustments in fair value of debt instruments at fair value through other comprehensive income	26	(649.401.116)	60.268.208
Revaluation of properties for own use	26	407.026	640.095
From adjustments in fair value of equity instruments at fair value through other comprehensive income	26	(6.466.670)	(708.391)
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income	26	7.164.087	24.893.300
Deferred tax reserve	26	194.310.590	(30.977.971)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income	26	(801.983)	(1.394.347)
Overlay Approach adjustment	5 and 26	15.681.970	59.380.408
Other reserves	26	1.803.528.267	1.761.000.541
Retained earnings	26	242.693.767	52.605.672
Net income for the year	26	112.443.017	212.282.911
TOTAL SHAREHOLDERS' EQUITY		2.228.673.518	2.812.082.290
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15.453.474.676	16.694.315.808

Lisbon, 23 February 2023

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

SEPARATE INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2022			Total	2021
		Technical - life	Technical - non-life	Non-technical		
Earned premiums, net of reinsurance		237.173.494	1.048.600.583	-	1.285.774.077	1.206.185.417
Gross premiums written	27	266.323.183	1.799.999.275	-	2.066.322.458	1.893.341.194
Reinsurance ceded premiums	27	(28.890.264)	(727.777.013)	-	(756.667.276)	(668.543.080)
Provision for unearned premiums (change)	19 and 27	(252.075)	(51.004.602)	-	(51.256.677)	(40.256.747)
Provision for unearned premiums, reinsurers' share (change)	14 and 27	(7.351)	27.382.923	-	27.375.572	21.644.050
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts	28	1.171.456	-	-	1.171.456	1.076.679
Claims costs, net of reinsurance		(351.313.089)	(620.261.702)	-	(971.574.791)	(1.022.356.420)
Amounts paid		(355.622.219)	(659.164.445)	-	(1.014.786.664)	(932.347.752)
Gross amounts	29 and 30	(367.328.637)	(1.052.762.435)	-	(1.420.091.072)	(1.269.119.745)
Reinsurers' share	29	11.706.418	393.597.990	-	405.304.408	336.771.993
Claims Provision (change)		4.309.130	38.902.743	-	43.211.874	(90.008.667)
Gross amount	29	1.701.338	24.927.171	-	26.628.509	(169.929.842)
Reinsurers' share	29	2.607.792	13.975.573	-	16.583.365	79.921.175
Other technical provisions, net of reinsurance	29	2.911.822	379.987	-	3.291.809	(6.678.478)
Mathematical provision for life insurance, net of reinsurance		195.479.702	-	-	195.479.702	191.766.358
Gross amount	19 and 29	192.886.605	-	-	192.886.605	186.297.495
Reinsurers' share	29	2.593.098	-	-	2.593.098	5.468.863
Profit sharing, net of reinsurance	14, 19 and 29	95.476	(83.410)	-	12.066	(14.353.435)
Net operating costs and expenses		(114.958.416)	(349.337.342)	-	(464.295.758)	(430.509.514)
Acquisition expenses	30	(96.449.722)	(346.490.443)	-	(442.940.166)	(413.854.490)
Deferred cost acquisition (change)	19	(5.656)	11.124.662	-	11.119.006	6.154.527
Administrative expenses	30	(26.856.332)	(94.443.247)	-	(121.299.579)	(107.381.977)
Commissions and reinsurance profit sharing	30	8.353.294	80.471.687	-	88.824.981	84.572.426
Financial income		170.845.896	73.722.377	12.622.080	257.190.353	268.046.690
From Interest on financial assets not recognised at fair value through profit or loss	33	121.751.468	29.328.611	4.050.019	155.130.099	158.467.549
Others	33	49.094.428	44.393.766	8.572.060	102.060.255	109.579.141
Financial expenses		(17.719.735)	(6.840.422)	(33.748.068)	(58.308.224)	(66.666.161)
Others	30 and 34	(17.719.735)	(6.840.422)	(33.748.068)	(58.308.224)	(66.666.161)
Net income on financial assets and liabilities not recognised at fair value through profit or loss		(2.700.529)	(1.554.179)	(61.749)	(4.316.458)	(7.070.889)
Financial assets at fair value through other comprehensive income	25	3.708.402	(1.554.179)	(25.653)	2.128.569	10.817.283
Financial assets at amortised cost		264.599	-	-	264.599	27.517
Financial liabilities at amortised cost	20 and 35	(6.673.530)	-	-	(6.673.530)	(17.915.898)
Others	35	-	-	(36.096)	(36.096)	209

SEPARATE INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

(continuation)

(amounts in euros)

STATEMENTS OF PROFIT AND LOSS	Notes	2022			Total	2021
		Technical - life	Technical - non-life	Non-technical		
Net income on financial assets and liabilities recognised at fair value through profit or loss		(153.406.064)	(85.979.079)	(6.173.020)	(245.558.163)	(235.232.649)
Net income on financial assets and liabilities at fair value through profit or loss	36	(153.406.064)	(85.979.079)	(6.173.020)	(245.558.163)	(235.232.649)
Exchange differences	37	32.709.927	42.423.683	(1.328.866)	73.804.743	252.286.852
Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations	38	-	10.024.647	(218.975)	9.805.671	2.933.659
Impairment losses (net of reversals)		322.430	3.311.095	11.067.364	14.700.889	(16.718.940)
Financial assets at fair value through other comprehensive income	39	378.279	(1.499.337)	730	(1.120.328)	(4.643)
Financial assets at amortised cost	39	(0)	(1.865)	-	(1.865)	1.483.335
Others	39	(55.849)	4.812.297	11.066.634	15.823.082	(18.197.632)
Overlay Approach adjustment	36	43.311.690	557.899	(97.105)	43.772.485	151.247.862
Other technical income/expenses, net of reinsurance	40	10.948	1.184.925	-	1.195.873	11.799.224
Other income/expenses	41	-	-	2.319.196	2.319.196	(806.490)
Gains and losses from non-current assets (or groups for disposal) classified as held for sale	18	-	-	-	-	3.890.250
NET INCOME BEFORE TAX		43.935.011	116.149.062	(15.619.145)	144.464.928	288.840.015
Current income tax - current taxes	42	-	-	(26.405.405)	(26.405.405)	(73.023.642)
Current income tax - deferred taxes	42	-	-	(5.616.506)	(5.616.506)	(3.533.462)
NET INCOME FOR THE YEAR		43.935.011	116.149.062	(47.641.056)	112.443.017	212.282.911

Lisbon, 23 February 2023

Chief Accounting Officer
Ana Paula Bailão Rodrigues

Certified Public Accountant
Filipa Jesus Martins Pires

On Behalf of the Board of Directors

Jorge Manuel Baptista Magalhães Correia
President

Rogério Miguel Antunes Campos Henriques
Member

Hui CHEN
Member

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE 2022 AND 2021 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	Paid-in capital and other capital instruments	Revaluation reserves	Deferred tax reserves	Gains and losses from disposal of equity instruments at fair value through other comprehensive income	Overlay Approach adjustment	Legal reserve	Share premiums	Other reserves			Retained earnings	Net income for year	Total
								Merger reserves	Other reserves				
Balance at 31 December 2020	824.091.865	191.645.278	(91.447.502)	-	210.130.237	211.237.924	382.666.154	91.335.345	942.789.756	28.450.543	150.834.217	2.941.733.817	
Appropriation of net income	-	-	-	-	-	15.083.422	-	-	111.597.365	24.153.430	(150.834.217)	-	
Redemption of capital supplementary contributions	(150.000.000)	-	-	-	-	-	-	-	-	-	-	(150.000.000)	
Net gains from adjustments in fair value of debt instruments													
at fair value through other comprehensive income	-	(100.885.086)	32.090.983	-	-	-	-	-	-	-	-	(68.794.103)	
Allowance for expected credit losses in debt instruments													
at fair value through other comprehensive income	-	(6.904.431)	2.077.363	-	-	-	-	-	-	-	-	(4.827.068)	
Overlay Approach adjustment	-	-	27.028.377	-	(150.749.829)	-	-	-	-	-	-	(123.721.453)	
Net gains from adjustments in fair value of equity instruments													
at fair value through other comprehensive income	-	1.873.390	(429.265)	-	-	-	-	-	-	-	-	1.444.125	
Gains and losses from disposal of equity instruments													
at fair value through other comprehensive income	-	-	427.822	(1.394.347)	-	-	-	-	-	-	-	(966.525)	
Revaluation of properties for own use	-	(635.940)	(559.015)	-	-	-	-	-	-	-	-	(1.194.954)	
Actuarial gains and losses	-	-	(166.732)	-	-	-	-	-	6.290.575	-	-	6.123.842	
Others	-	-	-	-	-	-	-	-	-	1.699	-	1.699	
Net income for the year	-	-	-	-	-	-	-	-	-	-	212.282.911	212.282.911	
Balance at 31 December 2021	674.091.865	85.093.212	(30.977.971)	(1.394.347)	59.380.408	226.321.345	382.666.154	91.335.345	1.060.677.696	52.605.672	212.282.911	2.812.082.290	
Appropriation of net income	-	-	(427.822)	1.394.347	-	21.228.291	-	-	-	190.088.095	(212.282.911)	-	
Redemption of capital supplementary contributions	(164.977.301)	-	-	-	-	-	-	-	-	-	-	(164.977.301)	
Net gains from adjustments in fair value of debt instruments													
at fair value through other comprehensive income	-	(709.669.324)	208.857.262	-	-	-	-	-	-	-	-	(500.812.062)	
Allowance for expected credit losses in debt instruments													
at fair value through other comprehensive income	-	(17.729.213)	5.910.757	-	-	-	-	-	-	-	-	(11.818.456)	
Overlay Approach adjustment	-	-	11.199.374	-	(43.698.438)	-	-	-	-	-	-	(32.499.064)	
Net gains from adjustments in fair value of equity instruments													
at fair value through other comprehensive income	-	(5.758.279)	1.685.507	-	-	-	-	-	-	-	-	(4.072.772)	
Gains and losses from disposal of equity instruments													
at fair value through other comprehensive income	-	-	168.417	(801.983)	-	-	-	-	-	-	-	(633.567)	
Revaluation of properties for own use	-	(233.069)	92.317	-	-	-	-	-	-	-	-	(140.752)	
Actuarial gains and losses	-	-	(2.197.250)	-	-	-	-	-	21.299.435	-	-	19.102.185	
Others	-	-	-	-	-	-	-	(91.335.345)	91.335.345	-	-	-	
Net income for the year	-	-	-	-	-	-	-	-	-	-	112.443.017	112.443.017	
Balance at 31 December 2022	509.114.564	(648.296.673)	194.310.590	(801.983)	15.681.970	247.549.636	382.666.154	-	1.173.312.476	242.693.767	112.443.017	2.228.673.518	

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT 31 DECEMBER 2022 AND 2021

Tax no: 500 918 880

(amounts in euros)

	2022	2021
NET INCOME FOR THE YEAR	112.443.017	212.282.911
Items that may be reclassified subsequently to gains and losses		
Change in fair value of debt instruments at fair value through other comprehensive income		
Gross amount		
Appreciation	(716.127.727)	(121.632.005)
Impairment	(20.540.386)	(7.960.016)
Disposal	2.128.569	10.817.283
Life insurance contracts with profit sharing	24.870.220	17.889.652
Deferred tax	180.174.387	29.576.121
Current tax - Life insurance contracts with profit sharing	28.682.875	2.514.862
Allowance for expected credit losses in debt instruments at fair value through other comprehensive income		
Gross amount	(19.420.058)	(7.955.373)
Life insurance contracts with profit sharing	1.690.845	1.050.943
Deferred tax	5.910.757	2.077.363
Overlay Approach adjustment		
Gross amount	(43.863.874)	(151.706.174)
Life insurance contracts with profit sharing	165.436	956.344
Deferred tax	11.199.374	27.028.377
Items that may not be reclassified subsequently to gains and losses		
Change in fair value of equity instruments at fair value through other comprehensive income		
Gross amount	(6.012.933)	1.993.679
Life insurance contracts with profit sharing	254.653	(120.289)
Deferred tax	1.685.507	(429.265)
Gains and losses from disposal of equity instruments at fair value through other comprehensive income		
Gross amount	(801.983)	(1.394.347)
Current tax	168.417	427.822
Change in potential gains on properties for own use		
Gross amount	(233.069)	(635.940)
Deferred tax	92.317	(559.015)
Actuarial deviations		
Post-employment benefits	14.324.039	5.830.456
Health benefits	6.975.396	460.118
Current tax	-	(21.795)
Deferred tax	(2.197.250)	(144.937)
INCOME / (EXPENSES) DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY	(530.874.488)	(191.936.137)
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR	(418.431.472)	20.346.774

SEPARATE STATEMENTS OF CASH FLOWS FOR THE 2022 AND 2021 FINANCIAL YEARS

Tax no: 500 918 880

(amounts in euros)

	2022	2021
1. Cash flows generated by operating activities		
Net income for the year	112.443.017	212.282.911
Adjustments for:		
Properties for own use amortisation	614.594	638.942
Tangible assets amortisation	4.023.200	4.370.594
Right of use assets depreciation	11.682.915	12.509.006
Intangible assets amortisation	4.003.084	4.429.997
Gains and losses of subsidiaries and associates	36.096	(209)
Impairment losses (net of reversal)	(14.700.889)	16.718.940
Overlay approach gains/losses	(43.772.485)	(151.247.862)
Income from investment assets/liabilities	(90.968.368)	(284.773.944)
Lease interest payments	743.520	209.123
Interest paid	22.366.484	12.778.576
Interest received	(22.703)	(35.827)
Short-term leasing payment	7.058	17.966
Income tax - current tax	26.405.405	73.023.642
Income tax - deferred tax	5.616.506	3.533.462
Changes:		
Change in provision for unearned premiums	37.691.543	34.091.514
Change in mathematical provision for life insurance	(184.481.047)	(181.597.278)
Change in claims provision	(28.815.683)	173.941.953
Change in provision for insurance and reinsurance contracts	(51.567.631)	(115.588.729)
Change in other technical provisions	(19.841.155)	8.880.260
Change in other non technical provisions	(30.907.879)	12.727.323
Change in accruals and deferrals assets/liabilities	(5.498.053)	5.251.278
Change in financial liabilities on investment contracts	(310.091.279)	(259.672.837)
Change in other financial liabilities	19.476.058	21.716.569
Change in other debtors for insurance and other operations	21.376.660	(1.980.697)
Change in other creditors for insurance and other operations	9.001.610	1.972.991
Change in inventories	(9.357)	313.503
Net cash from operating activities before tax	(505.188.778)	(395.488.834)
Payment/receipt of taxes	(103.825.913)	(16.274.966)
Net cash from operating activities	(609.014.692)	(411.763.800)

SEPARATE STATEMENTS OF CASH FLOWS FOR THE 2022 AND 2021 FINANCIAL YEARS

(continuation)

(amounts in euros)

	2022	2021
2. Net cash flows generated by investing activities		
Investments in subsidiaries, associates and joint ventures	(406.826.639)	110.689.794
Change in financial assets at fair value through profit or loss	(451.479.600)	(924.307.273)
Change in financial assets at fair value through other comprehensive income	1.371.193.097	617.932.007
Change in financial assets at amortised cost	149.962.728	314.629.613
Investment properties acquisition	(1.647.550)	(1.285.062)
Properties for own use acquisition	(7.757.445)	(8.991.763)
Other tangible assets acquisition	(2.818.919)	(2.509.363)
Other intangible assets acquisition	(16.098.330)	(17.834.560)
Receipts from disposal or repayment of investment properties	42.256.859	11.095.914
Receipts from disposal or repayment of properties for own use	11.047.122	14.204.449
Receipts from disposal or repayment of other tangible assets	10.274	47.509
Change in other assets	-	7.250.000
Dividends received	74.550.915	106.655.132
Change in derivatives held for trading	(220.073.850)	153.698.450
Change in financial liabilities at fair value through profit or loss	-	(34.146.488)
Income from demand deposits	10.485.634	5.973.336
Net cash from investing activities	552.804.295	353.101.695
3. Cash flows generated by financing activities		
Debt issued	1.110.836	501.053.722
Interest paid	(22.366.484)	(12.778.576)
Interest received	22.703	35.827
Lease payments (Note 21)	(11.682.915)	(12.509.006)
Interest lease payments (Note 21)	(743.520)	(209.123)
Shor-term leasing payment	(7.058)	(17.966)
Supplementary contributions	(164.977.301)	(150.000.000)
Net cash from financing activities	(198.643.738)	325.574.878
4. Increase/decrease net of cash and equivalents	(254.854.135)	266.912.773
Cash and equivalents at start of the year	521.902.520	254.989.747
5. Cash and equivalents at end of the year	267.048.385	521.902.520

NOTES TO THE SEPARATE FINANCIAL ACCOUNTS



1. INTRODUCTORY NOTE

Fidelidade – Companhia de Seguros, S.A. (“Fidelidade” or “Company”), headquartered in Lisbon, Portugal at Largo do Calhariz No. 30, is a public limited company, resulting from the merger by incorporation of Império Bonança - Companhia de Seguros, S.A. into Companhia de Seguros Fidelidade-Mundial, S.A., according to the deed made on 31 May 2012, which produced accounting effects with reference to 1 January 2012. The operation was authorised by the Portuguese insurance regulatory body (“Autoridade de Supervisão de Seguros e Fundos de Pensões” or “ASF”) through a resolution of its Board of Directors of 23 February 2012. Since 15 May 2014, with the initial acquisition of Fidelidade’s share capital, the Company via Longrun Portugal, SGPS, S.A. (“Longrun”) became part of Fosun International Holdings Ltd.

The Company is dedicated to the exercise of insurance and reinsurance activity in all technical lines of business. Traditionally, the technical life line of business, including investment contracts, is the most important in terms of the technical liabilities under management. Regarding non-life technical lines of business, the ones that have the greatest expression in premium volume are the motor, fire and other damages, Health and workers’ compensation, representing approximately 86.3% and 86.2% of the total non-life premiums written during the years 2022 and 2021, respectively.

To perform its activity, Fidelidade has a nationwide agencies network, agent centres and client agencies. Abroad, the Company is present in Spain, France, Luxembourg and China.

Fidelidade’s financial statements as of 31 December 2022 were approved by the Board of Directors on 23 February 2023. On the date of issuance of the financial statements, approval by the General Meeting was pending.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements at 31 December 2022 have been prepared in accordance with the accounting principles in the Chart of Accounts for Insurance Companies (PCES), approved by ASF Standard 3/2018-R, of 29 March, and the remaining regulatory standards issued by the ASF.

The regulations enshrined in the PCES generally correspond to the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July, transposed into national law by Decree-Law No. 35/2005 of 17 February, as amended by Law No. 53-A/2006 of 29 December and by Decree-Law No. 237/2008 of 15 December, except for the application of IFRS 4 – “Insurance contracts”, for which only the principles of classification of the type of insurance contract were adopted.

In 2022, the Company adopted the IAS/IFRS and interpretations of mandatory application for the tax year beginning on 1 January 2022. These standards are listed in Note 2.20. In accordance with the transitional provisions of those standards and interpretations, comparative figures are provided for the required new disclosures.

The basis for the preparation of the financial statements from the accounting books and records was the accrual method, consistency of presentation, materiality and aggregation and the assumption of a going concern.

The accounting policies used by the Company in the preparation of its financial statements, referring to 31 December 2022, are consistent with those used in the preparation of the financial statements as of 31 December 2021.

The amounts of the financial statements are expressed in Euros. The totals in the financial statements and in the tables of notes to the financial statements may not correspond to the sum of the instalments due to rounding. The values 0 and (0) indicate positive or negative amounts rounded to zero, while the dash (-) indicates zero.

The financial statements were prepared using the historical cost principle, with the exception of assets and liabilities at their fair value, namely investments relating to life contracts where the investment risk is borne by the policyholder, derivative financial instruments, financial assets and liabilities at fair value through profit or loss, financial assets and liabilities at fair value through other comprehensive income, and investment properties. The remaining assets, namely financial assets at amortised cost and financial liabilities, and non-financial assets and liabilities, are recognised at amortised cost or historical cost.

The preparation of financial statements requires the Company to make judgments and estimates and use assumptions that affect the application of accounting policies and the amounts of income, costs, assets and liabilities. Changes in such assumptions, or their differences from reality, may have impacts on current estimates and judgments. The areas involving a higher level of judgment or complexity, or where significant estimates and assumptions are used in the preparation of the financial statements, are analysed in Note 2.18.

2.2. Investments in subsidiaries, associates and joint ventures

Companies over which Fidelidade exercises control are classified as subsidiaries. Control is normally assumed when the Company has the power to exercise a majority of the voting rights. Control may also exist when the Company holds, directly or indirectly, the power to manage the financial and operational policy of a given company in order to obtain benefits from its activities, even if the percentage it holds on its equity is less than 50%.

“Associates” entities are those in which the Company has the power to exercise significant influence over its financial and operating policies, although it does not have control over them. Significant influence is assumed whenever the Company’s interest in an investee is, directly or indirectly, between 20% and 50% of the capital or voting rights. The Company may also exercise significant influence over an investee by means of a role in management of the associate or membership of the Board of Directors with executive powers.

There are also situations in which the Company exercises, together with other entities, control over the activity of the Company in which it holds the interest (the so-called joint ventures), where it exercises, under IFRS 11 – “Joint Arrangements”, a shared control of voting rights and equivalent decision.

These investments are recorded at acquisition cost, subject to impairment tests. Dividends are recorded as income in the year in which their distribution is decided.

The recoverable amount of investments in subsidiaries, associates and joint ventures is assessed annually, regardless of the existence of impairment indicators. Impairment losses are calculated based on the difference between the recoverable value of investments in subsidiaries, associates and joint ventures and their book value. Identified impairment losses are recorded in the Income Statement and are subsequently reversed through profit or loss if there is a reduction in the estimated loss amount in a later period. The recoverable value is assessed on the basis of valuation methods based on the greater of the use value and fair value minus costs of sale. They are calculated using valuation methodologies supported by discounted future cash flow models, considering the market conditions and the time value and business risks. Whenever the value of the liabilities of a subsidiary, associate or joint venture exceeds its assets, in addition to the establishment of impairment to cancel the investment, the Company establishes a provision when there is a liability on the liabilities of that entity.

2.3. Conversion of foreign currency balances and transactions

Foreign currency transactions are recognised on the basis of the exchange rates in force on the date they were performed.

At each balance sheet date, monetary assets and liabilities in a foreign currency are converted to the functional currency based on the exchange rate in force. Non-monetary assets which are valued at fair value are converted based on the exchange rate in force on the date of their latest valuation. Non-monetary assets recognised at historical cost, including tangible and intangible assets, remain recorded at the original exchange rate.

Exchange rate differences calculated on exchange rate conversion are recognised in the Income Statement, except those resulting from non-monetary financial instruments recognised at fair value through other comprehensive income.

2.4. Financial instruments

a) Adoption of IFRS 9 – “Financial instruments”

IFRS 9 replaced IAS 39 – “Financial Instruments: Recognition and Measurement” for annual periods after 1 January 2018. In order to ensure consistency in the insurance industry between the application of IFRS 9 and IFRS 17 – “Insurance Contracts”, the IASB issued an amendment to IFRS 4 with effect from 1 January 2018 which allowed insurance companies to defer the application of IFRS 9 for periods after 1 January 2023, thus aligning the effective dates of IFRS 9 and IFRS 17.

In addition, insurers adopting IFRS 9 are also permitted to apply the overlay approach to designated financial assets. On 1 January 2020, the Company retrospectively applied IFRS 9 with the overlay approach option.

b) Financial assets

Classification, initial recognition and subsequent measurement

Financial assets are recognised at the trade date at fair value. At the time of their initial recognition, financial assets are classified into one of the following categories:

- i) Financial assets at amortised cost;
- ii) Financial assets at fair value through other comprehensive income; or
- iii) Financial assets at fair value through profit or loss.

The classification made depends on the following aspects, except when the option to measure the financial instrument at its fair value through profit or loss is applied:

- The entity's business model for managing the financial asset;
- The financial asset's contractual cash flow characteristics.

Business Model Assessment

The Company assessed the business model within which the financial instruments are held at portfolio level, since this approach best reflects how the assets are managed and how information is reported to the management bodies.

Assessment as to whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at its initial recognition. "Interest" is defined as the consideration for the time value of money, the credit risk associated with the amount outstanding over a given period, and other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as a profit margin.

When assessing financial instruments in which the contractual cash flows are solely payments of principal and interest, the Company considered the instrument's original contractual terms. This assessment included an analysis of the existence of situations in which the contractual terms may change the timing or amount of contractual cash flows so that they do not meet the SPPI condition. During the assessment process, the Company takes into consideration:

- Contingent events that may change the timing or amount of cash flows;
- Characteristics resulting in leverage;
- Prepayment and maturity extension clauses;
- Characteristics that can modify the compensation for the time value of money.

Additionally, a prepayment feature is consistent with the SPPI criterion if:

- The financial asset was acquired or originated at a premium or discount to the contractual per value;
- Prepayment substantially represents the nominal amount of the contract plus accrued but unpaid contract interest (it may include reasonable compensation for prepayment);
- The fair value of the prepayment feature is insignificant at initial recognition.

The classification of financial assets follows the following scheme:

Contractual cash flows	Business model	Classification of financial assets
Contractual cash flows correspond solely to the payment of principal and interest (SPPI)	Collect contractual cash flows	Financial assets at amortised cost
	Collect contractual cash flows and sell	Financial assets at fair value through other comprehensive income
Others (non-SPPI)	Derivatives and other financial instruments used to hedge risks	Hedge derivatives or Financial assets at fair value through profit or loss
	Acquired for sale in the near term	Financial assets at fair value
	Group of identified financial instruments that are managed together and for which there is a pattern of short-term profit-taking	through profit or loss
	Others	

On initial recognition, the Company may choose to irrevocably classify investments in equity instruments as financial assets at fair value through other comprehensive income when these meet the definition of equity instruments in IAS 32 and are not held for trading. The classification is determined instrument by instrument.

i. Financial assets at amortised cost

Classification

A financial asset is classified in the category of "Financial assets at amortised cost" if it cumulatively meets the following conditions:

- The financial asset is held within a business model with the main objective of holding assets to collect the contractual cash flows;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Initial recognition and subsequent measurement

Financial assets at amortised cost are initially recognised at their fair value, plus transaction costs, and are subsequently measured at amortised cost. In addition, they are subject, from their initial recognition, to calculation of impairment losses for expected credit losses, which are registered as a charge to the heading "Impairment losses on financial assets at amortised cost" in the Income Statement.

Interest on financial assets at amortised cost is recognised under "Interest on financial assets not recognised at fair value through profit or loss", calculated according to the effective interest rate method. Gains and losses derecognition are recorded under the heading "Net income on financial assets and liabilities at amortised cost".

ii. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of “Financial assets at fair value through other comprehensive income” (FVOCI) if it meets all of the following conditions:

- The financial asset is held within a business model the objective of which is both collecting contractual cash flows and selling that financial asset;
- Its contractual cash flows occur on specified dates and are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These instruments are mainly composed of debt instruments.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are registered as a charge to other comprehensive income and, on their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific Income Statement heading called “Net income from financial assets and liabilities at fair value through other comprehensive income”.

Debt instruments at fair value through other comprehensive income are also subject, from their initial recognition, to calculation of impairment losses for expected credit losses. The estimated impairment losses are recognised in the Income Statement, under the heading “Impairment losses on financial assets at fair value through other comprehensive income”, as a charge to other comprehensive income, and do not reduce the carrying amount of the financial asset on the balance sheet.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised under the heading of “Interest on financial assets not recognised at fair value through profit or loss” based on the effective interest rate method.

Equity instruments at fair value through other comprehensive income are initially recognised at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognised in income when the right to receive them is attributed.

iii. Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category “Financial assets at fair value through profit or loss” (FVPL) if the business model defined by the Company for managing it or its contractual cash flow characteristics do not meet the conditions described above for measuring it at amortised cost or FVOCI.

Additionally, even if a financial asset meets the requirements to be measured at amortised cost or FVOCI, the Company may irrevocably designate it at initial recognition as measured at fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on it on different bases.

The Company classified as “Financial assets at fair value through profit or loss” the following types of assets:

- Financial assets classified under this heading are acquired for the purpose of sale in the short term; at the time of initial recognition they are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit taking; or they fall within the definition of a derivative (except in the case of a derivative classified as hedging);
- Debt instruments the contractual cash flows of which are not solely payments of principal and interest (SPPI) on the principal amount outstanding;
- Financial assets that the Company has opted to designate at fair value through profit or loss to eliminate an accounting mismatch;
- Financial assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that have not been designated at fair value through other comprehensive income.

Initial recognition and subsequent measurement

Given that the transactions performed by the Company in the normal course of its business are made under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, with the costs or income associated with the transactions recognised in profit or loss at the initial moment. Subsequent changes in the fair value of these financial assets are recognised in the Income Statement.

The periodisation of interest and premium/discount (when applicable) is recognised in the heading “Other income” based on the effective interest rate of each transaction, as well as the periodisation of interest on derivatives associated with financial instruments classified in this category. Dividends are recognised in income when the right to receive them is attributed.

Derivatives for trading with a positive fair value are included under “Financial assets at fair value through profit or loss”, and derivatives for trading with a negative fair value are included under “Financial liabilities at fair value through profit or loss”.

iv. Overlay approach

An insurer may elect to apply the overlay approach described in paragraph 35B of IFRS 4, only when it first applies IFRS 9.

In line with this approach, the Company must reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Company had applied IAS 39 to the designated financial assets. Consequently, the reclassified amount is equal to the difference between:

- The amount reported in profit or loss for the designated financial assets, applying IFRS 9;
- The amount that would have been reported in gains or losses for the designated financial assets if the insurer had applied IAS 39.

A financial asset is eligible for designation for the overlay approach if, and only if, the following criteria are met:

- It is measured at fair value through profit or loss applying IFRS 9 but would not have been measured at fair value through profit or loss in its entirety applying IAS 39;
- It is not held in respect of an activity that is not linked to contracts covered by IFRS 4.

The Company meets the overlay approach requirements for financial instruments which, according to the IAS 39 classification requirements, were considered available-for-sale investments and according to the IFRS 9 classification requirements were reclassified to financial assets at fair value through profit or loss. Financial assets in account are equity instruments and debt instruments that do not fulfil the contractual cash flow characteristics of the SPPI (solely payments of principal and interest) test.

The Company applies the overlay approach to a designated financial asset until that financial asset is derecognised or ceases to be held in relation to an activity that is not linked to contracts covered by IFRS 4.

v. Assets sold with repurchase agreement (repos)

Assets sold with a repurchase agreement (repos) for a fixed price or for a price that is equal to the sale price plus interest inherent to the maturity of the operation are not derecognised on the balance sheet. The corresponding liability is accounted for in Other Financial Liabilities. The difference between the sale amount and the repurchase amount is treated as interest and is deferred during the life of the agreement, using the effective interest rate method.

vi. Fair value

Financial assets recognised in the categories "Financial assets at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income" are measured at fair value.

A financial instrument's fair value corresponds to the price that would be received for an asset if it was sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets is determined based on the closing quotation on the balance sheet date, in the case of instruments traded in active markets.

In the case of currency futures, these are valued based on the same time stamp of the respective covered instruments.

For debt instruments not traded in active markets (including unlisted or low-liquidity securities) valuation methods and techniques are used, which include:

- Prices (bid prices) published by financial information services, namely Bloomberg and Reuters, including market prices available for recent transactions;
- Indicative quotations (bid prices) obtained from financial institutions that function as market-makers;
- Internal valuation models that take into account the market data which would be used to define a price for the financial instrument, reflecting the market interest rates and volatility, and the liquidity and credit risk associated with the instrument.

The remaining unlisted equity instruments are valued based on price to book value and internal discount models of future cash flows.

vii. Derecognition of financial assets

These assets are derecognised when the Company's contractual rights to receive cash flows from them have expired or when the Company has transferred substantially all the risks and rewards associated with holding the assets.

The Company considers that it has retained control or not of the transferred financial assets if, and only if, the transferee has the ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without the need to impose additional restrictions on the transfer.

viii. Transfers between categories of financial assets

Financial assets are reclassified to other categories only if the business model for managing them is changed. In this case, all affected financial assets are reclassified.

Reclassification is applied prospectively from the reclassification date, and no previously recognised gains or losses (including those related with impairment) or interest are restated.

Investments in equity instruments measured at fair value through other comprehensive income and financial instruments designated at fair value through profit or loss may not be reclassified.

c) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form. Non-derivative financial liabilities include loans, creditors for direct insurance and reinsurance transactions and other liabilities. These financial liabilities are initially recorded at fair value less transaction costs, and subsequently at amortised cost based on the effective interest rate method. The Company derecognises financial liabilities when they are cancelled or extinguished.

Financial liabilities are recorded on the contracting date at their fair value, less costs directly attributable to the transaction. Financial liabilities are classified into the following categories:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments with negative revaluation. These liabilities are recorded at fair value, and gains or losses resulting from their subsequent valuation are recorded under the heading of "Net income on financial assets and liabilities recognised at fair value through profit or loss".

Other financial liabilities

This category includes subordinated liabilities, deposits received from reinsurers, amounts received in repurchase transactions and liabilities incurred to pay for services or purchase assets, recorded under "Other creditors for insurance operations and other operations".

These financial liabilities are recognised at amortised cost, and any applicable interest is recognised in line with the effective interest rate method.

d) Derivatives and hedge accounting

The Company carries out operations with derivative products within the scope of its activity, with the objective of reducing its exposure to exchange rate fluctuations and interest rates.

Derivative financial instruments are measured at fair value through profit or loss at the contract date. They are also recognised in off-balance sheet accounts at their notional value.

Subsequently, derivatives are measured at their fair value. Fair value is calculated:

- On the basis of quotes obtained in active markets (for example, regarding futures trading in organised markets);
- On the basis of models which incorporate valuation techniques accepted in the market, including discounted cash flows and option valuation models.

Embedded derivatives

Derivatives embedded in non-derivative contracts or in financial liability host contracts shall be separated and treated as stand-alone derivatives where:

- The embedded derivative's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
- A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative; and
- The hybrid contract is not measured at fair value with changes recognised in profit or loss.

Hedge accounting

The Company invests in derivatives with the purpose of hedging its exposure to risks inherent in its activity, namely hedging the fair value of foreign currency assets (currency fluctuation risk), which it applies under IAS 39.

At the beginning of all hedging operations, the Company prepares formal documentation, which includes the following minimum items:

- Risk management objectives and strategy associated with carrying out the hedging operation, in accordance with the defined hedging policies;
- Description of the hedged risk(s);
- Identification and description of hedged and hedging financial instruments;
- Method for assessing the hedge's effectiveness and the frequency of assessment.

Fair value hedge derivatives are recognised at fair value, and the results are assessed daily and recognised in the profit or loss for the year. If the hedge is shown to be effective, the Company also reflects in the year's profit or loss the fair value change of the hedged item attributable to the hedged risk. If the hedging relationship is no longer effective, the accumulated fair value variation on the hedged element is recognised in profit or loss until its maturity.

Positive and negative revaluations of hedge derivatives are recorded in assets and liabilities, respectively, in specific headings.

Appreciations of hedged items are recognised in the balance sheet heading where the related instruments are recognised.

The Company used hedge accounting to hedge the fair value of equity instruments until 2019. In the light of IFRS 9, the Company no longer uses hedge accounting for this purpose. However, it must maintain the rules for the aforementioned hedging as it has applied IFRS 9 with the overlay approach.

Derivatives at fair value through profit or loss

It includes all derivatives that are not associated with effective hedging relationships, namely:

- Derivatives used to hedge risk in assets and liabilities at fair value through profit or loss, rendering the use of hedge accounting unnecessary;
- Derivatives used to hedge risks which do not meet the criteria defined for use of hedge accounting under IFRS 9, in particular due to the difficulty in specifically identifying the hedged items, in macro or portfolio hedges, or because the results of the effectiveness assessment demonstrate that the hedge is not effective;
- Derivatives contracted for the purpose of trading.

Derivatives at fair value through profit or loss are recorded at fair value, and the results of the revaluation are calculated daily and recognised in gains and losses for the year, under the heading of "Net income on financial assets and liabilities recognised at fair value through profit or loss", with the exception of the portion related to accrued and settled interest, which is reflected in "Other income". Positive and negative revaluations are recorded under "Financial assets at fair value through profit or loss" and "Other financial liabilities", respectively.

e) Impairment losses

Financial instruments subject to recognition of impairment losses

The Company recognises impairment losses for expected credit losses in financial instruments recognised under the following accounting headings:

- Financial assets at amortised cost - Impairment losses on financial assets at amortised cost reduce the balance sheet value of those financial assets as a charge to the heading "Impairment losses of financial assets at amortised cost".
- Debt instruments at fair value through other comprehensive income - Impairment losses on debt instruments at fair value through other comprehensive income are recognised in the Income Statement, under the heading "Impairment losses on financial assets at fair value through other comprehensive income" as a charge to other comprehensive income (they do not reduce the balance sheet value of those financial assets).

Impairment losses are based on the difference between contractual cash flows and all cash flows that the Company expects to receive, discounted at the original effective interest rate.

General Approach

The expected credit loss allowance is calculated taking into account, at the time of assessment, the risk exposure (monetary value of the loan), probability of default (PD), loss given default (LGD) and the relevant discount factor. It is a risk assessment that takes into account an estimate of the probability and time value of the future cash flows being assessed.

This assessment is complemented by an assessment of whether or not the credit rating has been degraded from the moment of initial recognition. A significant decrease in the credit rating means that the assessment will no longer be made considering an annual period, but will be made considering the remaining lifetime of the loan. Loans with no deterioration in rating are therefore considered in stage 1, loans with deterioration in rating are considered in stage 2, and stage 3 comprises loans with objective evidence of default.

In general terms, a significant decrease in rating since initial recognition is equivalent to a decrease of at least 2 notches from the time the initial rating is at BBB, although this decision will always be based on a case-by-case analysis of the factors leading to the rating downgrade.

The provisions for expected credit losses are recognised in two stages. For credit exposures for which there has been no significant increase in risk since initial recognition, the provision for expected credit losses quantitatively reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

In the case of other credit exposures for which there has been a significant increase in risk since initial recognition, a provision for credit losses over the remaining life of the exposure is required, regardless of the time of default, which is qualified as a lifetime expected credit losses.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk since initial recognition. When conducting the assessment, the Company compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition and considers all reasonable and supportable information available without undue cost or effort.

The Company uses for the credit assessment the ratings of at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA) regulator, applying the second best rating criterion, which is limited, in general terms, to the rating of the issue or, if not available or not applicable, the rating of the issuer or alternatively the rating of the corresponding financial group. Ultimately, in a situation where this information is not available, the Company seeks to assess, through a scoring methodology, an internal rating based on an analysis of the available financial statements.

The Company considers a financial asset to be in default when it has been overdue for 90 days, and the Company is unlikely to receive the outstanding contractual amounts in full. The book value of a financial asset in this stage, Stage 3, is reduced so as only to reflect the recovery value since there is no reasonable expectation of recovering the contractual cash flows.

Classification of financial instruments by stages

	Change in credit risk since initial recognition		
	Stage 1	Stage 2	Stage 3
Classification criteria	Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired
Impairment losses	12-month expected credit losses	Lifetime expected credit losses	Default

Debt instruments at fair value through other comprehensive income and financial assets at amortised cost are subject to a reduction in the recoverable amount under the general approach and are classified in the following stages for measuring the provisions for expected credit losses:

- **Stage 1:** Financial instruments for which there has not been a significant increase in credit risk since initial recognition and for which the provision for losses is measured at an amount equal to a 12-month expected credit loss;
- **Stage 2:** Financial instruments for which credit risk has increased significantly since initial recognition, but which are not financial assets with a reduction in the recoverable amount and for which the provision for losses is valued at an amount equal to the lifetime credit loss;
- **Stage 3:** Financial assets with a reduction in the recoverable amount at the reporting date (but that were not purchased or originated with a reduction in the recoverable amount) and that are impaired (assets in default).

Simplified Approach

The Company values the expected credit losses associated with the heading "Other Debtors for Insurance Operations and Other Operations", based on reasonable and sustainable information that is available and that is likely to affect credit risk. The assessment depends on the nature of the asset, and for uncollected receipts an analysis of premiums pending collection is carried out and for intermediaries, reinsurers and other debtors an analysis based on the business and past experience of losses.

Impairment in IAS 39

For financial assets eligible for the application of the overlay approach, the Company has yet to assess the impairment in accordance with IAS 39. These assets correspond to available for sale assets under IAS 39 that, in IFRS 9, correspond to financial assets at fair value through profit or loss.

In accordance with IAS 39, available-for-sale assets are recognised at fair value and changes in fair value are reflected in other comprehensive income.

Whenever there is objective evidence of impairment, the accumulated capital losses that have been recognised in reserves are transferred to costs for the year in the form of impairment losses, recorded under the heading "Impairment losses (net of reversals)".

In addition to the signs of impairment mentioned above, the following specific signs with regard to equity instruments are also considered:

- Significant changes with an adverse impact on the technological, market, economic or legal environment in which the issuer operates which indicate that the cost of the investment will not be fully recovered;
- A significant or prolonged decline in market value below cost price.

The Company analyses the existence of impairment losses on these assets on each reference date of the financial statements, considering for this purpose the nature and specific and individual characteristics of the assets being valued.

In addition to the results of this analysis, the following events are considered as indicative of objective evidence of impairment in equity instruments:

- Existence of potential capital losses greater than 50%, compared to the respective acquisition value;
- Situations in which the fair value of the financial instrument remains below its acquisition cost over a period of more than 12 months.

In addition, the existence of potential capital losses greater than 30% is considered as an indicator of potential impairment. For this criterion, the recognition of impairment is judgmental based on a case-by-case analysis.

Impairment losses on equity instruments cannot be reversed, so any potential capital gains arising after the recognition of impairment losses are reflected in "Revaluation reserves for adjustments in the fair value of financial assets". If there are later additional capital losses, these are reflected in profit or loss for the year under the heading "Impairment losses (net of reversals) of others".

Impairment losses on debt instruments can be reversed through profit or loss for the year, if in a subsequent period the fair value of that asset increases, provided this increase is objectively related to an event that occurred after the recognition of the impairment loss.

2.5. Non-current assets held for sale and groups of assets and liabilities for disposal

IFRS 5 - "Non-current assets held for sale and discontinued operations" applies to single assets and to groups of assets for disposal, by sale or another means, in aggregate form in a single transaction, and all liabilities directly associated with those assets which are subsequently transferred in the transaction entitled "groups of assets and liabilities for disposal").

Non-current assets, or groups of assets and liabilities for disposal are classified as held for sale whenever their carrying amount is expected to be recovered through a sale transaction rather than through continuing use, and are recognised at the lower of its carrying amount and fair value less costs to sell. For an asset (or group of assets and liabilities) to be classified in this heading the following requirements must be met:

- The probability of the sale occurring is high;
- The asset is available for immediate sale in its present condition;
- The sale should be expected to occur within one year of the asset being classified under this heading.

The fair value of these assets is determined on the basis of experts' assessments.

If the amount recognised on the balance sheet is higher than the fair value less costs to sell, impairment losses are recognised in "Gains and losses from non-current assets (or groups for disposal) classified as held for sale".

2.6. Investment properties

These are properties held by the Company to earn income through rental and/or capital appreciation.

Investment properties are initially recognised at cost, including directly related measurement costs. They are not amortised and are recognised at fair value, determined on the basis of experts' assessments. Changes in the fair value and realised capital gains and losses are reflected in the Income Statement, in "Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations".

Investment properties are assessed each year to ensure that their balance sheet value does not differ significantly from their fair value. The Company established a maximum reference period of 2 years between assessments carried out by independent experts.

2.7. Properties for own use

Properties for own use are initially recognised at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes the purchase cost and any costs directly attributable to the activities required to place the assets in the location and condition necessary to operate as intended.

The costs of repair, maintenance and other expenses associated with the use of these assets are recognised as expenses for the year, except for expenses on items where capitalisation criteria are met and which are depreciated throughout their useful life.

Depreciation is calculated using the straight-line method, at rates corresponding to the estimated useful life of the properties for own use and is recognised in expenses for the year. Land is not subject to depreciation, given that it does not have a defined useful life. The Company periodically assesses the adequacy of the estimated useful life of its assets.

Periodically, analyses are carried out in order to identify evidence of impairment in properties for own use. An impairment loss is recognised in "Impairment losses (net of reversals) of others" in the Income Statement for the year whenever the net book value of these assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income Statement for the year, if an increase in that asset's recoverable value subsequently occurs.

The gain (or loss) arising from the sale or write-off of a property for own use is determined based on the difference between the amount received in the transaction and the net book value of that asset and is recognised in the Income Statement in the year when the write-off or sale occurs.

In addition, buildings under construction are recognised at cost less any impairment losses and are not subject to depreciation. The costs of these properties include the direct construction cost and the costs inherent to the loan obtained for the construction of these properties. Real estate under construction is reclassified to firm real estate when it is available for use.

2.8. Other tangible assets

These are recognised at acquisition cost, less depreciation and accumulated impairment losses. Costs of repair, maintenance and other expenses associated with their use are recognised as costs for the year.

Depreciation is calculated systematically throughout the estimated useful life of the asset, which corresponds to the period during which it is expected that the asset will be available for use, which is:

	Years of useful life
Furniture and materials	2 - 12
Machinery and tools	4 - 10
IT equipment	4
Interior installations	8 - 10
Transport material	4
Safety equipment	4 - 10

Depreciation is recognised in expenses for the year. The Company periodically evaluates the adequacy of the estimated useful life of its tangible assets.

Analyses are periodically undertaken to identify evidence of impairment on other tangible assets. An impairment loss is recognised in "Impairment losses (net of reversals) of others" in the Income Statement for the year whenever the net book value of these tangible assets is greater than their recoverable value (the greater of the value in use and the fair value). Impairment losses may be reversed, also with an impact on the Income Statement for the year, if an increase in the asset's recoverable value subsequently occurs.

2.9. Inventories

Inventories are valued at the lower of acquisition cost and net realisable value.

The cost of inventories includes all purchase costs, conversion costs and other costs incurred to place inventories at their location and in their current condition, being the average cost, the costing method applied.

The net realisable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs to conclude the sale.

Whenever the net realisable value is lower than the acquisition cost, the value of the inventories is reduced, by recognising an impairment loss, recorded under the heading "Impairment losses (net of reversals) of others" in the Income Statement. These losses may be reversed whenever the factors giving rise to the impairment cease to exist.

2.10. Leases

Lessee

On the commencement date of the lease, the lessee recognises a liability for the obligation to make payments to the lessor and an asset representing the right-of-use the underlying asset for the lease term. Lessees will be required to separately recognise interest on the lease liability and depreciation on the right-of-use asset.

At the date of the standard's entry into force the lessee shall measure the lease liability at the present value of the lease payments not paid on that date. The discount rate of the payments will be determined as the interest rate implicit in the lease contract, that is, the rate that causes the present value of the lease payments and the unguaranteed residual value to equal the fair value of the underlying asset plus the direct costs of the lessor. If the rate implicit in the lease cannot be readily determined then the incremental borrowing rate will be used, that is, a discount rate that can be obtained to borrow, with the same maturity and a similar guarantee, the funds necessary to acquire the underlying asset.

After that date, the lessee shall measure the liability:

- i) By increasing the carrying amount to reflect interest on the lease liability;
- ii) By reducing the carrying amount to reflect the lease payments made;
- iii) By remeasuring the carrying amount to reflect any reassessment or lease modifications.

The standard sets out two recognition exemptions for lessees – leases of low value assets (for example, laptops) and short-term leases, i.e. leases with a lease term of 12 months or less.

The Company has chosen to use the exemptions applicable to the standard on lease agreements for which the terms of the lease expire within 12 months from the date of initial application (with the exception of leases relating to property leases), and on lease agreements for which the underlying asset is of low value. The Company has leases of certain office equipment (e.g. personal computers) deemed to be of low value. The Company also chose the option of separating leases from non-lease components (service) and considering only the lease component in the application of this standard.

For all lease contracts covered by the exemptions, lease payments associated with those contracts are recognised as expenses.

Lessor

Leases continue to be classified as finance leases or operating leases, not implying significant changes compared to what was previously defined. Assets under finance leases are recorded in the financial position as "Accounts receivable for other operations", and this is reimbursed by means of the capital amortisations set out in the contracts' financial plans. Interest included in rents is recorded as "Other income/expenses".

2.11. Intangible assets

This heading includes the costs of acquisition, development or preparation for use of the software used in the performance of the Company's activities.

Intangible assets are recognised at acquisition cost, less amortisation and accumulated impairment losses.

Amortisation is recognised systematically throughout the estimated useful life of the assets, which normally corresponds to a period of 3 to 6 years, except the IT structural projects that may extend to a period of 10 years.

Software maintenance expenses are accounted for as expenses in the year in which they are incurred.

2.12. Income tax

The Company is subject to Corporation Tax (CIT). Additionally, there is a Municipal Surcharge, the aggregate rate of which, in 2021 and 2022 is 22.5%, and a State Surcharge which corresponds to an additional rate of 3% of the taxable profit between 1,500,000 Euros and 7,500,000 Euros, 5% of the profit between 7,500,000 Euros and 35,000,000 Euros and 9% of any profit which exceeds this amount.

The accounts of the Company's branches are integrated into the accounts of the headquarters for tax purposes. Besides being subject to CIT, the income of the branches is also further subject to local taxes in the countries/territories where these are established. The local taxes of the various branches are deductible from the corporate income tax of the head office pursuant to Article 91 of the Corporate Income Tax Code and to Double Taxation Agreements.

The Company is taxed on CIT under the Special Taxation Regime for Groups of Companies (RETGS), in accordance with Article 69 of the CIT Code. Under these taxation rules, Longrun (the controlling company) presents a single tax declaration in which the results of the subsidiaries making up the SRTCG are consolidated. The amount of CIT to be paid or received by the Company is recorded in the balance sheet as an amount receivable from or payable to Longrun. The tax corresponding to the Company's activity is reflected in the Income Statement and/or in Equity.

Total income tax recognised in the Income Statement includes current and deferred taxes.

Current tax is calculated on the basis of the taxable profit for the year, which is different from accounting income because of adjustments to taxable income resulting from expenses or income which are not considered for fiscal purposes, or which will only be considered in other accounting periods.

Deferred tax represents tax recoverable/payable in future periods resulting from temporary deductible or taxable differences between the book value of assets and liabilities and their tax basis, used to determine taxable income.

Deferred tax liabilities are normally recognised for all temporary taxable differences, whereas deferred tax assets are only recognised to the extent that it is probable that sufficient future taxable income will be generated, allowing the use of the corresponding temporary deductible tax differences or tax losses carried forward. In addition, deferred tax assets are not recognised where their recoverability may be questionable due to other situations, including issues regarding the interpretation of the tax legislation in force.

The main situations that cause temporary differences at the Company's level correspond to (i) valuation of financial assets at fair value through other comprehensive income, (ii) valuation of financial assets at fair value through profit or loss and (iii) provisions and impairment temporarily not accepted for tax purposes.

Deferred taxes are calculated at the tax rates expected to be in force on the date of reversal of the temporary differences, which correspond to the tax rules that have been enacted, or substantially enacted, at the balance sheet date.

Income tax (current or deferred) is recognised in the Income Statement for the year, except for cases in which the originating transactions have been recognised in other shareholders' equity headings (for example, in the case of changes in fair value of financial assets at fair value through other comprehensive income). In these situations, the corresponding tax is also reflected by equity consideration, not affecting the Income Statement for the year.

2.13. Provisions, contingent liabilities and contingent assets

Provisions are made when there is a present obligation (legal or constructive) resulting from past events for which future expenditure of resources is probable, and this can be reliably determined. The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability at the balance sheet date.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

“Other provisions” are for legal, fiscal and other contingencies resulting from the Company’s activity.

Contingent assets are not recognised in the financial statements but are disclosed in the notes to the accounts when an influx of future economic benefits is likely.

2.14. Employee benefits

Liabilities for employee benefits are recognised in line with the principles established in IAS 19 – “Employee Benefits”. The main benefits granted by the Company correspond to retirement and survival pensions and health benefits.

Defined benefit plan - Liabilities with pensions and health charges

In accordance with the Instrument for Collective Labour Regulation (“ICLR”) then in force for the insurance sector, the Company undertook to provide cash benefits to complement the reforms granted by Social Security to its employees admitted to the sector until 22 June 1995, the date of publication of the ICLR. The amount of these benefits varied according to the employee’s remuneration, the contributory career, the history of remuneration with impact on Social Security and also, in case of disability, the seniority in the insurance activity.

In addition, the former Império Bonança is also committed to providing medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005. The Company bears almost the entire burden of such benefits.

Defined benefit plans are financed through closed-end pension funds. These funds include liabilities with retirement supplements, and liabilities relating to early retirement and pre-retirement. These plans make up the classification requirements of defined benefit plans, since they meet the criteria for determining the amount of pension an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and remuneration at the date of retirement.

Liabilities recognised on the balance sheet relating to defined benefit plans correspond to the difference between the current value of liabilities and the fair value of the pension fund assets. The total amount of liabilities is determined annually by specialised actuaries using the Projected Unit Credit Method and actuarial assumptions considered appropriate (Note 32). The discount rate used to update the liabilities reflects market interest rates on prime corporate bonds, denominated in the currency in which the liabilities are paid and with similar maturity periods to the average periods for settlement of liabilities.

Gains and losses resulting from differences between the actuarial and financial assumptions used and the amounts actually verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions, are recognised directly in an equity item.

The cost in the year for retirement and survivors' pensions, which includes the cost of current services, the cost of past services, the cost of payments and the net interest on the defined benefit liability (asset), is reflected at net value in "Employee Costs". The expense for the year with health charges is recognised in the heading "Other Provisions".

The impact of retiring employees before the normal retirement age defined in the actuarial study is directly reflected in "Employee Costs".

Defined contribution plan

Under the new collective employment agreements for the insurance activity, published on 15 January 2012, 29 January 2016 and 8 February 2019, all workers in active employment, with indefinite employment contracts, covered by these ICLR, are entitled to a retirement plan ("IRP"), a defined contribution plan that replaces the retirement pension system provided for in the previous ICLR.

These plans, besides guaranteeing capital, meet the requirements for classification as defined contribution plans, since the amount of post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a benefit plan, together with investment returns arising from the contributions.

The Company's contributions to the defined contribution plan are made in accordance with the provisions of the new Collective Employment Agreement, published on 8 February 2019 ("CEA 2019"), and are recorded as an expense for the year to which they relate under the heading "Employee Costs".

Other long-term benefits

Under CEA 2019, and as provided for in its clauses 32 to 34 and 65 to 68, new long-term benefits are established, called Career Benefits.

Short-term benefits

Short-term benefits, including performance bonuses paid to employees for the performance of the different business units and their contribution to the company's results, are recognised in "Employee Costs" in the period to which they relate, on an accrual basis.

2.15. Insurance contracts and investment contracts

a) Classification of contracts

The registration of transactions associated with insurance and reinsurance contracts issued and reinsurance contracts held by the Company is carried out in accordance with ASF regulations. Under the transition to the new PCES, the classification principles for contracts established by IFRS 4, were incorporated into these regulations according to which contracts without a significant insurance risk are considered to be investment contracts and recognised in line with IFRS 9 requirements.

In addition, as provided by IFRS 4, investment contracts with a discretionary profit-sharing component also continue to be classified as insurance contracts, thus continuing to be valued in accordance with ASF standards.

Calculation of contracts associated with insurance contracts is covered by specific regulations issued by the ASF.

An insurance or investment contract is considered to include a discretionary profit-sharing component when the respective contractual conditions provide for, in addition to the contract's guaranteed component, the allocation of additional benefits to the insured with the following characteristics:

- It is probable that they will constitute a significant part of the total benefits to be allocated within the scope of the contract;
- The amount or time of their allocation is contractually at the issuer's discretion; and
- They are dependent on the performance of a given group of contracts, on realised or unrealised income on certain assets held by the contract issuer, or on the profit of the entity responsible for issuing the contract.

Potential capital gains, net of capital losses, resulting from the revaluation of assets allocated to insurance with profit sharing and expected to be allocated to insured people are reflected in the provision for profit sharing.

b) Recognition of income and costs

Premiums for non-life insurance and reinsurance contracts, life insurance contracts and investment contracts with a discretionary profit-sharing component are recognised when due in "Earned premiums, net of reinsurance" in the Income Statement.

Premiums written on non-life insurance and reinsurance contracts and the associated acquisition costs are recognised as income and cost over the corresponding risk periods, through the use of the provision for unearned premiums.

Insured people liabilities relating to life insurance contracts and to investment contracts with a discretionary profit-sharing component are recognised via the life insurance mathematical provision, and their cost is recognised at the same time as recognition of the income associated with the premiums written.

c) Provision for unearned premiums and deferred acquisition costs

The provision for unearned premiums corresponds to the value of written premiums of insurance and reinsurance contracts attributable to subsequent years, that is, the part corresponding to the period from the balance sheet closing date until the end of the period to which the premium relates. It is calculated for each contract using the pro rata temporis method on the respective gross premiums written.

Expenses incurred in the acquisition of non-life insurance contracts, including mediation fees and other expenses charged to the acquisition function, are deferred over the period to which they relate and are recognised as a deduction from the value of the technical provisions of insurance contracts and reflected in the heading provisions for unearned premiums.

d) Claims provision

Records the estimated amount of compensation payable for claims that have already occurred, including claims incurred but not reported (IBNR), and the administrative costs to be incurred with the future settlement of claims that are currently in the process of being managed and IBNR claims. With the exception of mathematical provisions and for lifetime assistance in the field of workers' compensation, the provisions for claims recorded by the Company are not discounted.

Claims provision for workers' compensation

The provision for workers' compensation claims includes the mathematical provision, the provision for expenses with temporary assistance and the provision for expenses with lifetime assistance.

The purpose of the mathematical provision for workers' compensation is to record the liability relating to:

- Approved pensions - pensions payable in respect of claims the amounts of which are already approved by the Labour Court;
- Defined pensions – estimate of pension liabilities related to claims that have already occurred but are pending a final agreement or judgment;

- Presumed pensions – estimate of pension liabilities related to claims that have already occurred but whose respective clinical processes are not completed at the date of the financial statements or pensions related to claims that have already incurred but not yet reported.

The hypotheses and technical bases used in the calculation of the approved and defined mathematical provisions for workers' compensation are as follows:

	2022		2021	
	Mandatorily redeemable	Non-redeemable	Mandatorily redeemable	Non-redeemable
Mortality table	TD 88/90	INE 2010_2012 by gender	TD 88/90	INE 2010_2012 by gender
Discount rate	5.25%	3.24%	5.25%	2.70%
Management costs	2.40%	3%	2.40%	3%

The mathematical provision for presumed pensions for workers' compensation claims incurred in the tax year is based on an estimate of the number of claims for permanent disability (PD's) and death and the average mathematical provision, representing the expected cost of each of those pensions after approval and including the risk of future revision. For claims incurred in previous years, the variation of this provision corresponds to the difference between the amount paid of pensions and deductions deducted from the estimated technical interest and the variation of the provision for approved and defined pensions.

According to current legislation, the responsibility inherent in the annual increase in pensions is assumed by the Workers' Compensation Fund (FAT). The Company pays the pensions in full and is subsequently reimbursed for the part corresponding to FAT's liability. The management of this fund is the responsibility of ASF, and its revenues consist of contributions made by insurance companies and workers' compensation insurance policyholders. For this purpose, a provision is made for future contributions to the FAT relating to pension liabilities already existing at the balance sheet date.

The provision for expenses with temporary assistance aims to record the liability related to non lifetime expenses of victims of workers' compensation. Using monthly development matrices, the number of claims incurred in the year is estimated, which is multiplied by the estimated average cost of temporary assistance expenses for claims incurred in 2022, which results from actuarial projections, based on matrices of payment cadences and participation of claims, in order to obtain the expense for the year for this type of expense. For claims from previous years, the change in the provision corresponds to the amounts paid for temporary assistance expenses recorded in the accounts.

The provision for lifetime assistance expenses (LA) relates to expenses of a lifetime nature and is comprised of:

- Provision for declared lifetime assistance - refers to expenses of a lifetime nature, with injured pension beneficiaries, whose date of service occurs 730 days after the date of occurrence of the claim;
- Provision for presumed lifetime assistance - lifetime expenses related to claims that have already occurred but do not yet present expenses.

This provision is calculated on the following technical bases:

	2022	2021
Mortality table	INE 2010_2012 by gender	INE 2010_2012 by gender
Discount rate	3.24%	2.70%
Rate of inflation	2%	2%
Management costs	2%	2%

The provision for presumed lifetime assistance is calculated using a methodology similar to that described for the mathematical provision for presumed pensions.

Claims provision for motor insurance

The opening of a motor insurance claim automatically generates the recognition of an initial average provision for each sub-claim, which affects the unit at risk and the insurance element in question. The automatic provision also varies with the severity of the bodily harm, if any. This provision may be revised, when the claims manager confirms it is inadequate, with adjustments being made in accordance with the information gathered (specialised technical reports) during the life of the claim, i.e. a specific analysis of the provision is carried out.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Provision for Multi-risk Home Insurance and Multi-risk Business Insurance claims

In the case of Multi-risk Home Insurance and Multi-risk Business Insurance an initial provision is generated at the time of the opening of the claim, depending on the coverages and types of assets affected. The value of these provisions is adjusted when the claim manager receives more detailed information on the compensable damages, namely through expert reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Claims provision for other types of insurance

The claims provision for other types of insurance is calculated on a case-by-case basis by the claims manager and revised whenever updated information is obtained from specialised technical reports.

In addition, provisions are calculated for claims occurred but not reported (IBNR) using actuarial methods that analyse claims reporting speeds and the expected costs of claims not yet reported.

Analysis of sufficiency of the claims provisions

The sufficiency of the provisions for the various types of insurance is assessed/validated by actuarial studies performed throughout the year.

The analyses performed include direct liabilities to the insured (whether or not the claims have been reported) as well as future payments, notably contributions to FAT.

The estimates made are mainly based on payment triangles and claims costs, which use both deterministic and stochastic models.

e) Mathematical provision for life insurance

It corresponds to the estimated actuarial value of the insurance Company's commitments, including profit sharing already distributed and after deduction of the actuarial value of future premiums, calculated for each policy according to actuarial methods and according to the respective technical bases.

In the case of life insurance contracts in which the investment risk is borne by the policyholder, this heading only includes any additional technical provisions which may be set up to cover mortality risks, administrative expenses or other expenditure (e.g. guaranteed payments at maturity date or guaranteed surrender values).

f) Provision for profit sharing

The profit-sharing provision includes amounts payable to policyholders or contract beneficiaries, in the form of a profit-sharing scheme, whether already allocated or yet to be allocated, provided that such amounts have not yet been distributed.

Provision for profit sharing to be allocated

This provision includes balances arising from net realised capital gains attributable to insured people that were carried over from the previous accounting regulations applicable to insurance companies until 2007, which were recorded in the so-called Fund for Future Appropriations. It also reflects the net amount of the subsequent potential capital gains and losses (fair value adjustments) relating to investments linked to life insurance contracts with a profit-sharing component, in the portion estimated for the policyholder or contract beneficiary, provided that the balances by portfolio are not negative.

This provision is established as a counterpart of the heading "Profit sharing to be allocated", of the Income Statement or directly as a counterpart of the revaluation reserves due to adjustments in the fair value of financial assets at fair value through other comprehensive income allocated to life insurance with profit sharing, depending on the classification of the assets.

Throughout the duration of the contracts of each type or set of types, the balance of the provision for profit sharing to be allocated corresponding to this is used in full.

The use of the provision for profit sharing to be allocated is by portfolio, according to the following order of priorities:

- The balances of the net capital gains to be allocated to the insured people which transited from the former "Fund for Future Appropriations" are used in the first place to cover the losses arising each year in the technical accounts of the respective life insurance products with a profit-sharing component, which were reflected as losses for the Company, and are recognised in its profit or loss up to the limit of the losses they seek to compensate. The Company has been using this procedure since 2011;
- The amounts corresponding to the insured people sharing of the potential capital losses of the related portfolios are reflected in this provision until the corresponding positive balance is reached. Thus, amounts arising from the former Fund for Future Appropriations which are still available after the use referred to in the heading above are used to offset potential capital losses of the respective portfolios;

- If the balance of the provision for profit sharing to be allocated is positive after the movements above, and there are losses to be recovered which have been calculated in previous years in the technical accounts of the respective products and which have been recognised in the Company Income Statement due to the fact that the income from the affected portfolios was not sufficient to cover the charges arising from the guaranteed technical rates, this positive balance is recognised in the Company's results until the occurrence of said losses to be recovered. This movement can be reversed, which will also have an impact on the Income Statement, once the balance arising from the potential capital gains/losses is no longer positive.

Provision for allocated profit sharing

This provision includes the amounts intended for policyholders or beneficiaries of insurance contracts, in the form of a profit-sharing scheme, which have not yet been distributed but which have already been allocated.

For the majority of the products, this provision is calculated on the basis of the income from the related assets, including the capital gains and losses due to impairment recorded in the period, less any negative balances from previous tax years, in cases where this deduction is provided for in the contract.

g) Provision for interest rate commitments

The provision for interest rate commitments is set up for all insurance and operations in the "Life" line of business where there is an interest rate guarantee, whenever the effective profitability rate of the applications which represent the mathematical provisions of certain insurance contracts is lower than the technical interest rate used to determine the mathematical provisions of those contracts.

h) Provision for portfolio stabilising

The provision for portfolio stabilising is set up for group insurance contracts, which are renewable annually, and which guarantee as their main cover the risk of death, with the aim of responding to any increase in the risk inherent in the increasing average age of the insured group, whenever the latter are charged according to a single rate, which, by contractual agreement, must be maintained for a given period.

i) Equalisation provision

The equalisation provision is intended to cover exceptionally high claims in those lines of business where, by their nature, it is expected to have greater fluctuations. This provision is constituted for credit insurance, surety bond insurance, crop insurance, seismic risk and accepted reinsurance – atomic risk, in accordance with the established by the ASF standards.

j) Provision for unexpired risks

It is calculated for all non-life insurance and is intended to cover situations where the premiums attributable to subsequent years relating to contracts in force at the date of the financial statements are not sufficient to pay the compensation and expenses attributable to the respective technical lines of business. This provision is calculated on the basis of the ratios for claims, operating costs, ceding and income, in accordance with ASF definitions.

In the motor insurance line of business, in 2021, as a result of the COVID19 pandemic, the provision for unexpired risks considered for the calculation of the loss ratio, the amount of indemnities obtained by the average of the loss ratios for the years 2017, 2018 and 2019. The ratio used reflects the best expectation for the future risk period. The quantitative impact of this change is disclosed in Note 19.

k) Technical provisions for reinsurance ceded

They are determined by applying the criteria described above for direct insurance, taking into account the transfer percentages as well as the other provisions of the existing treaties.

l) Liabilities to subscribers of Unit-linked products

Liabilities associated with investment contracts issued by the Company in which the risk is borne by the policyholder (Unit-linked products) are recognised at fair value, determined on the basis of the fair value of the assets included in the investment portfolio linked to each of the products, less the corresponding management costs, and are recognised in "Financial liabilities on insurance contracts and operations considered for accounting purposes as investment contracts".

Investment portfolios allocated to Unit-linked products are composed of financial assets, including fixed income securities, variable income securities, derivative instruments and deposits with credit institutions, which are recognised at fair value, with the corresponding unrealised gains and losses recognised in the Income Statement.

For insurance and unit capitalisation operations with capital and income guarantee at the end of the contract, provisions are created by the maximum between the value resulting from the product of the value of the reference unit by the number of units existing and the guaranteed capital and income at the end of the contract discounted until the date of calculation at the guaranteed rate.

m) Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts in accordance with IFRS 4, and which do not include profit sharing with discretionary component, are valued in accordance with the requirements of IFRS 9 and recorded under "Financial liabilities of insurance contracts and operations considered for accounting purposes as investment contracts".

n) Impairment of debtor balances related with insurance and reinsurance contracts

With reference to each date of presentation of financial statements, the Company assesses the existence of evidence of impairment at the level of assets arising from insurance and reinsurance contracts, namely the accounts receivable from insured people, brokers, reinsurers and reinsured people and the technical provisions for reinsurance ceded.

If impairment losses are identified, the balance sheet value of the respective assets is reduced in the Income Statement for the year, with the cost being recognised in "Impairment losses (net of reversals)".

2.16. Fees

The fees related to financial instruments, such as fees charged or paid on contracting of operations, are included in the amortised cost and recognised in the Income Statement throughout the operation, by the effective interest rate method.

Fees for services provided are normally recognised as earnings throughout the period of service provision or on a one-off basis if they relate to payment for the performance of single acts.

2.17. Cash and cash equivalents and sight deposits

For the purposes of the Cash Flows Statement, the heading "Cash and cash equivalents and sight deposits" includes the amounts recorded in the balance sheet with a maturity of less than three months from the date of acquisition, readily convertible into cash and with reduced risk of change in value and cash and deposits with credit institutions, which are not associated with an investment nature.

2.18. Critical accounting estimates and most relevant judgements in the application of accounting policies

When applying the accounting policies described above, estimates must be made by the Company's Board of Directors. The estimates with the greatest impact on the financial statements include those presented below.

Determination of impairment losses on financial assets

Impairment losses on financial assets are determined according to the methodology defined in Note 2.4. e). As regards the definition of the internal rating, a scoring methodology based on financial indicators intended to assess the solvency capacity of the issuer's financial commitments is used.

The internal rating assessment consists of analysing a variety of quantitative and qualitative factors to assess a company's creditworthiness, including its competitive advantage, scale and diversification, operational efficiency and profitability. These factors are assessed to determine the likelihood that a company will be able to meet its financial obligations. The main factors considered are as follows:

- **Competitive advantage.** The Company considers a company's strategic position and customer attractiveness. This includes factors such as its overall strategy, the uniqueness and quality of its products or services, its market share and any barriers to entry that exist in that industry. In addition, the company's technological advantage or vulnerability to technological substitution is also considered.
- **Scale, scope and diversification.** The concentration or diversification of a company's business activities is analysed. This includes factors such as product diversification and geographic diversification, which is combined with quantitative factors such as the size of the market in which it operates and its revenues.
- **Operational efficiency.** The Company assesses the quality and flexibility of a company's asset base and its ability to manage its cost base. This includes factors such as cost structure, manufacturing processes and working capital management.
- **Profitability.** Various quantitative metrics such as projections or the volatility of profitability over time are combined.

This assessment results in a concrete assessment, a preliminary internal rating, which may also be adjusted in both directions with other qualitative factors, such as the composition of the management team and its governance or the influence of a majority shareholder, a group or the State.

For repack issues, and to the extent that we can look into the underlying assets, we use the average rating of the issues considered in the vehicle. Accordingly, the determination of impairment takes into account the conclusions of the specific evaluation conducted by the Company on the basis of knowledge regarding the situation of the issuers of the financial instruments in question.

The Company considers that impairment determined on the basis of this methodology adequately reflects the risk associated with its portfolio of financial assets, taking into account the rules defined by IFRS 9.

Note 39 presents a sensitivity analysis for the calculation of Expected Credit Losses, with the respective impact if the internal rating is not considered, that is, if these obligations are considered "not rated".

Impairment of investments in subsidiaries, associates and joint ventures

The Company assesses annually with reference to the end of the year the recoverable amount of investments in subsidiaries, associates and joint ventures. Whenever possible, the recoverable value is assessed on the basis of valuation methods based on discounted future cash flow models, considering the strategy for each entity, market conditions and the time value and business risks, for which certain assumptions or judgements are used to establish estimates of fair value. In other cases, the recoverable amount is determined based on the Equity of each company.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of valuation of investments in subsidiaries, associates and joint ventures, with an impact on the Company's results.

To determine the future cash flows of each entity, when using the discounted cash flows method under the impairment test, the calculation is based on the business model approved by the management of each entity, for a period of 5 years. Cash flows are then discounted at a discount rate that adequately reflects the risk of each business and the market in which the company operates, ranging between 6.3% and 18.1% for December 2022.

For periods after the business model, cash flows are based on a perpetuity that reflects the long-term growth rates expected for each entity based on expected growth rates of inflation, ranging between 1.5% and 3.5% for December 2022.

Below is additional information regarding discount rates and perpetual growth rates by geography:

Region	Sector	Discount rate	Perpetual growth rate
Europe	Insurance, Healthcare and Asset Management	6.3% - 9.0%	1.5% - 2.0%
Africa	Insurance	14.6% - 18.1%	2.0%
Asia	Insurance	8.7%	2.0%
Latin America	Insurance	7.3% - 13.5%	2.0% - 3.5%

In order to assess the sensitivity of the recoverable amount to the main assumptions identified, sensitivity tests were carried out, mainly at the discount rate and at the perpetual growth rate. A 0.5 percentage point increase in the discount rate and a 0.5 percentage point decrease in the perpetual growth rate do not result in a potential impairment loss.

Valuation of Investment Properties

As stated in Note 2.6, Investment Properties are valued at each balance sheet date, to ensure that their balance sheet value does not differ significantly from their fair value. The Company established a maximum reference period of 2 years between evaluations carried out by qualified expert evaluators.

Investment properties are valued to obtain an estimate of their presumed transaction price, which is normally the market value (fair value). In other words, for the price for which the property can be sold, on the assessment date, by a private contract between an independent seller and buyer. It is understood that the asset is the object of a public offer on the market, that its conditions allow a regular and orderly sale, and that there is a normal period for negotiating the sale, taking into account the nature of the asset. If there are any rental agreements, the assessment of the estimated transaction price takes the rental value into consideration.

The evaluation techniques used are:

- a. Market Approach: consists of the valuation of the property by comparison, that is, according to transactions and/or effective proposals for acquisition in relation to properties that have identical physical and functional characteristics, and whose location is within the same area of the real estate market;
- b. Cost approach: consists of applying the principle that a buyer will not pay more for one asset than the cost to obtain another of equal utility, either by purchase or by 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, making deductions for deterioration and all other relevant forms of obsolescence;
- c. Income Approach: considers the information related to the income and operating expenses of the property under evaluation, determining the value through a capitalisation process. In this method, taking into account the principle of replacement of the asset, it is assumed that at a given rate of return required by the market, the flow of revenue generated by the property will lead to the achievement of its most probable value. Thus, the estimate

of the value of the property results from the conversion of the income generated by it (usually net revenue) through the application of a given capitalisation rate or discount rate, or even both, which reflect a measure of the expected return on investment.

As set out in IFRS 13, valuations of properties maximise the use of observable market data. However, since most valuations also consider unobservable data, the fair value of the Company's properties is classified as Level 3 in the fair value hierarchy defined by IFRS 13.

Determination of income tax

The Company determines income tax (both current and deferred) based on the rules defined by the tax framework in force. However, in some situations the tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the amounts recognised result from the best understanding of the responsible bodies of the Company with regard to the correct presentation of their operations, which may, however, be questioned by the Tax Authorities. Additional detail on tax assets and liabilities is disclosed in Note 16.

Provisions and contingent liabilities

As mentioned in Note 2.13, provisions are made when there is a present obligation (legal or constructive) resulting from past events for which future expenditure of resources is probable, and this can be reliably determined.

When the future expenditure of resources is not probable, this is a contingent liability. Contingent liabilities are subject to disclosure, unless the possibility of occurrence is remote.

The decision regarding the recognition of provisions and their measurement takes into account the assessment regarding the risks and uncertainties associated with the ongoing processes and the expectation of materialising the expenditure of resources, with reference to the best information available at the closing date of the financial statements.

Employee benefits

As noted in Note 2.14, the Company's liabilities for post-employment benefits and other long-term benefits granted to its employees are determined based on actuarial valuations. These assessments incorporate, in particular, financial and actuarial assumptions on mortality, disability, wage and pensions growth, assets returns and discount rates, among others, detailed in Note 36. The assumptions adopted correspond to the best estimate of the Company and its actuaries regarding the future behaviour of the respective variables.

Determination of liabilities on insurance and reinsurance contracts

The Company's liabilities for insurance and reinsurance contracts are determined based on the methodologies and assumptions described in Note 2.15. The calculation of the claims provision reflects a quantified estimate of the impact of future events on the Company's accounts, made based on actuarial assumptions, claims history and other methods accepted in the sector.

Given the nature of the insurance activity, the determination of claims provision and other liabilities for insurance and reinsurance contracts is highly subjective, and the actual amounts to be disbursed in the future may be significantly different from the estimates made. Note 46 discloses additional information on assumptions in risk assessment and sensitivity analyses.

The Company considers, however, that the liabilities on insurance and reinsurance contracts recognised in the financial statements adequately reflect the best estimates at the balance sheet date of the amounts to be disbursed by the Company.

2.19. Subsequent events

Events occurring after the balance sheet date that provide additional information about the conditions existing at the balance sheet date are reflected in the financial statements.

Events occurring after the balance sheet date that provide additional information about conditions that existed after the balance sheet date are included in the notes to the accounts, if considered material.

2.20. Adoption of standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), as endorsed by the European Union

2.20.1. Adopted Standards (New or Revised)

During the course of 2022, the Company adopted in the preparation of its financial statements the standards and interpretations issued by the IASB and IFRIC, respectively, provided that they are endorsed by the European Union, with application in financial periods beginning on or after 1 January 2022. The changes with relevance to the Company were as follows:

Standard / Interpretation	Date of issuance	EU Regulation	Applicable in financial years beginning on or after
IFRS 3 - Business Combinations (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 3 - Business Combinations: References to the Conceptual Structure (Amendment)	14-05-2020	2021/1080	01-01-2022
IFRS 9 - Financial Instruments (Annual improvements of the IFRS standards 2018-2020)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 16 - Property, Plant and Equipment: Amounts received before the intended use (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets (Amendment)	14-05-2020	2021/1080	01-01-2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - costs of fulfilling a contract (Amendment)	14-05-2020	2021/1080	01-01-2022

2.20.2. Standards, Interpretations, Amendments and Revisions That Will Take Effect in Future Exercises

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have been, until the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Date of issuance	EU Regulation	Applicable in financial years beginning on or after
IFRS 17 - Insurance Contracts	18-05-2017	2021/2036	01-01-2023
IFRS 17 - Insurance Contracts (Amendment)	25-06-2020	2021/2036	01-01-2023
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (Amendment)	12-02-2021	2022/357	01-01-2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (Amendment)	12-02-2021	2022/357	01-01-2023
IAS 12 - Income Taxes: Deferred Taxes related to Assets and Liabilities resulting from a Single Transaction (Amendment)	07-05-2021	2022/1392	01-01-2023
IFRS 17 - Insurance Contracts: Initial Presentation of IFRS 17 and IFRS 9 - Comparative Information (Amendment)	09-12-2021	2022/1491	01-01-2023

The International Financial Reporting Standard 17

The Company presents the main accounting policies to be applied in the Company's financial statements as of the entry into force of IFRS 17. This standard deals with the classification, recognition, measurement, submission and disclosure of liabilities with insurance and reinsurance contracts, replacing IFRS 4. IFRS 17 results in significant changes in the submission of the financial statements of insurance undertakings, with material impacts on the data, systems and processes used for the preparation of financial reporting. It shall enter into force on 1 January 2023, with a transition date of 1 January 2022.

At this date, it is not possible to reasonably determine the expected impact of the application of IFRS 17 on the Company's financial statements.

a) Measurement models

The standard allows the use of three different measurement methods (GMM – General measurement model; PAA – Premium allocation approach and VFA – Variable fee approach), depending on the characteristics of the insurance contract. The analysis of the eligibility of insurance contracts for each measurement model was carried out at the transition date.

By product typology, the models adopted for the measurement of insurance and reinsurance contracts of the Company are:

Segment	Type of product	Measurement model
Life insurance	Income	GMM
	Capitalisation	
	Risks ⁽¹⁾	
	Risks ⁽²⁾	PAA
	Reinsurance	
	Unit-Linked with risks ⁽³⁾	VFA
Non-life insurance	Reinsurance	PAA
	Direct Insurance	

⁽¹⁾ With a contractual limit exceeding one year;

⁽²⁾ With contractual limit less than or equal to one year;

⁽³⁾ Applicable only to International Entities of the Fidelidade Group.

b) Discount rate

In order to adjust estimates of future cash flows to reflect the time value of cash and the associated financial risks, the Company has chosen to apply three methodologies based on cash flow characteristics in accordance with the guidelines set out in the Standard.

Given that IFRS 17 is not prescriptive in relation to the method of determining the discount rates, but establishes a set of general principles to consider, the Company adopted the following approaches: (i) bottom-up approach or top-down approach for groups of contracts whose cash flows do not vary based on the underlying financial instruments; (ii) stochastic approach for groups of contracts whose cash flows vary partially based on the underlying financial instruments; (iii) based on the return of the portfolio of assets for groups of contracts whose cash flows vary entirely based on the underlying financial instruments.

By product typology, the approaches for determining the discount rates applied are:

Segment	Type of product	Approach
Life insurance	Income	Top-down
	Risk	Bottom-up
	Capitalisation with guaranteed rate	Stochastic approach
	Unit-Linked with risk	Return on assets
Non-life insurance	Reinsurance	Bottom-up
	Direct Insurance	
	Workers' Compensation	Top-down

The discount curve through the top-down approach in the Company is obtained from the yield of a reference portfolio – composed of corporate bonds – with cash flows similar to those of the respective portfolio of insurance contracts, deducted from the risks that insurance contracts are not exposed to. As the reference portfolios used by the Company are composed solely of corporate bonds, credit risk only has to be quantified and excluded. Credit risk is quantified through Credit Default Swap (CDS) constituting the reference portfolios.

The discount curve through the bottom-up approach is obtained from the sum between a risk-free discount curve and a curve that quantifies the illiquidity premium. IFRS 17 does not indicate any restrictions on the risk-free curve to be used, and the Company chose to use EIOPA's risk-free discount curve calculation methodologies, thus ensuring convergence with the Solvency criteria. With regard to the calculation of the illiquidity premium, it is obtained whenever there is market information based on mortgage bonds, and applying an illiquidity adjustment based on the level of expected illiquidity of insurance contracts, which is currently considered to be 50%.

The discount curve taking into account the return on assets is obtained through the expected return of each portfolio of assets underlying each group of life contracts in which the investment risk is borne by the policyholder, based on projections by asset typology.

The stochastic approach takes into account the return of the underlying assets and the guaranteed rate of each of the products, for which different scenarios of future growth are created in which it is estimated that the probability of the return of the assets is higher than the guaranteed rate. The final discount curve is a weighted average between the return on assets and the bottom-up discount curve.

For the points of the discount curves for which there is no market information that is considered adequate by the Solvency criteria, the extrapolation criterion provided for by those criteria shall be used.

Discount curves are determined with annual observations for which the continuous capitalisation method is applied to discount estimated cash flows for insurance contracts.

c) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk shall reflect the non-financial risk arising from insurance contracts, including uncertainty about the amount and timing of cash flows.

The risk adjustment for non-financial risk of the Life insurance is calculated using the Cost of Capital (CoC) methodology.

The risk adjustment for non-financial risk of the Non-Life segments consists of the application of value at risk (VaR).

For the Workers' Compensation line of business, given that there are simultaneously cash flows modelled with Life and Non-Life insurance techniques, the risk adjustment for non-financial risk will be calculated as described above, respectively CoC and VaR.

Changes in the risk adjustment for non-financial risk are presented in their entirety in the results of insurance services.

d) Margin of contractual services

The Contract Service Margin (CSM) represents the expected future profit of the groups of insurance contracts, which will be recognised as income during the coverage period of the contracts, according to a transfer pattern consistent with the level of service provided in each reporting period.

Below is a summary table of CSM's release standards, applicable to the Company's portfolio by product typology:

Segment	Type of product	CSM release standard
Life insurance	Income	Total amount of rent expected to be paid in the future
	Risk	Maximum between the expected mathematical provisions and the amount insured per policy, on each future date
	Capitalisation	
Non-life insurance	All	Not applicable (measurement model is the PAA)

In the case of groups of insurance contracts measured by the PAA, the income for the period corresponds to the amount of expected premium income allocated to the period, based on the passage of time.

e) Transition approaches

IFRS 17 allows the use of three different transition approaches – Full Retrospective Approach (FRA), Modified Retrospective Approach (MRA) and Fair Value Approach (FVA), depending on the availability and retrieval of historical information.

The Company chose to apply the retrospective method in situations where it is possible to recover all historical information, namely the products measured by PAA. For the other products, considering the impracticality of recovering historical information, the fair value method was applied. The transition was calculated with reference to 31 December 2021.

f) Selection of accounting policy for insurance financial income and expenses

The Company chose to break down the income and financial expenses of insurance for the period between the Income Statement and Other Comprehensive Income, including in Other Comprehensive Income the differences in cash flows updated with the current discount curves at the reference date and the discount curves determined at the date of initial recognition of each group of contracts, for groups of insurance contracts without direct participation characteristics, where changes in assumptions regarding financial risks do not have a substantial effect on the amounts paid to policyholders.

g) Annual cohort exemption

Regulation No. 2021/2036, published on 23 November 2021, which adopts IFRS 17 for the European Union provides for the optional exemption from the application of the requirement of annual cohorts for mutualised products on an intergenerational basis and with cash flow compensation. The Company has chosen not to adhere to this exemption.

2.20.3. Standards, Interpretations, Amendments and Revisions not yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have not been endorsed by the European Union until the date of approval of these financial statements:

Standard / Interpretation	Date of issuance	Applicable in financial years beginning on or after
IAS 1 -- Presentation of Financial Statements: classification of current and non-current liabilities (Amendment)	23-01-2020	01-01-2024
IAS 1 -- Presentation of Financial Statements: classification of liabilities as current and non-current -- Deferral of effective date (Amendment)	15-07-2020	01-01-2024
IAS 1 -- Presentation of Financial Statements: Non-current liabilities with Covenants (Amendment)	31-10-2022	01-01-2024
IFRS 16 -- Leases: Lease Liabilities in a sale transaction with a repurchase agreement (Amendment)	31-10-2022	01-01-2024

These standards have not been endorsed by the European Union and, as such, have not been applied by the Company for the year ended 31 December 2022, and it is not possible at this time to assess the impact on the financial statements.

3. CASH AND CASH EQUIVALENTS AND SIGHT DEPOSITS

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Cash		
Headquarters	217,301	373,525
	217,301	373,525
Sight deposits		
Domestic currency	280,955,760	354,959,826
Foreign currency	(14,124,676)	166,569,169
	266,831,084	521,528,995
	267,048,385	521,902,520

Fidelidade contracts futures on currencies and interest rate futures with margin account deposits. The valuation component of these deposits related to futures is reflected in the heading "Financial assets at fair value through profit or loss". In addition, these contracts also require an initial margin that is recorded under the headings "Financial assets at amortised cost" or "Financial assets at fair value through profit or loss" in the case of Unit-linked portfolios.

The deposit component recorded under this heading may be negative in the case of significant daily devaluations. The amounts shall be repaid on the next working day.

4. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

Operation sector/Entity	Country	2022		Balance Sheet Value	
		Effective share %	Gross amount		Impairment (Note 39)
Subsidiaries					
Insurer					
Multicare – Seguros de Saúde, S.A.	Portugal	100.00%	113,205,508	-	113,205,508
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	100.00%	75,922,290	-	75,922,290
Via Directa – Companhia de Seguros, S.A.	Portugal	100.00%	41,000,000	-	41,000,000
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	14,315,928	(250,343)	14,065,585
Fidelidade Angola – Companhia de Seguros, S.A.	Angola	69.25%	13,203,495	-	13,203,495
Garantia – Companhia de Seguros de Cabo Verde, S.A. (2)	Cape Verde	55.89%	6,260,184	-	6,260,184
Fidelidade Macau – Companhia de Seguros, S.A.	Macao	99.99%	17,889,052	-	17,889,052
Fidelidade Macau Vida – Companhia de Seguros, S.A.	Macao	99.99%	18,811,806	-	18,811,806
Seguradora Internacional de Moçambique, S.A.	Mozambique	70.00%	47,070,607	-	47,070,607
			347,678,870	(250,343)	347,428,528

(continuation)

(amounts in euros)

Operation sector/Entity	Country	Effective share %	2022		Balance Sheet Value
			Gross amount	Impairment (Note 39)	
Real Estate					
Fidelidade – Property Europe, S.A.	Portugal	100.00%	1,515,559,925	-	1,515,559,925
Fidelidade – Property International, S.A.	Portugal	100.00%	134,664,012	(21,937,698)	112,726,314
Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	1,500,000	-	1,500,000
EA One Holding, Inc.	US	57.00%	24,932,979	-	24,932,979
			1,676,656,916	(21,937,698)	1,654,719,219
Healthcare					
Luz Saúde, S.A.	Portugal	99.86%	526,240,020	-	526,240,020
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	100.00%	1,600,000	-	1,600,000
			527,840,020	-	527,840,020
Other sectors					
Cetra – Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	2,717,053	-	2,717,053
E.A.P.S. – Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	849,880	-	849,880
GEP – Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100,000	-	100,000
FID III (HK) LIMITED	Hong Kong	100.00%	-	-	-
FID Loans 1 (Ireland) Limited	Ireland	100.00%	300,000,000	-	300,000,000
FID LatAm SGPS, S.A.	Portugal	100.00%	600,000	(280,582)	319,418
FID Perú, S.A.	Peru	99.80%	229,163,279	-	229,163,279
FID Chile, SpA.	Chile	100.00%	42,473,172	(1,476,521)	40,996,651
FID I&D, S.A.	Portugal	100.00%	1,395,000	(1,154,633)	240,367

(continuation)

(amounts in euros)

Operation sector/Entity	Country	2022			Balance Sheet Value
		Effective share %	Gross amount	Impairment (Note 39)	
Tenax Capital Limited	United Kingdom	80.00%	5,838,692	-	5,838,692
The Prosperity Company AG	Liechtenstein	70.00%	27,513,859	-	27,513,859
Fid Real Assets, SGPS, S.A.	Portugal	100.00%	535,000	-	535,000
			611,185,935	(2,911,735)	608,274,200
			3,163,361,742	(25,099,775)	3,138,261,966
Associates					
Other sectors					
Audatex Portugal - Peritagens Informatizadas Derivadas de Acidentes, S.A. (a)	Portugal	34.78%	641,091	-	641,091
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	1,147,479	(68,134)	1,079,345
			1,788,569	(68,134)	1,720,435
			3,165,150,311	(25,167,909)	3,139,982,402

(a) Values at March 2022 (accounting period from March 2021 to March 2022).

(amounts in euros)

Operation sector/Entity	Country	Effective share %	2021		Balance Sheet Value
			Gross amount	Impairment (Note 39)	
Subsidiaries					
Insurer					
Multicare – Seguros de Saúde, S.A.	Portugal	100.00%	113,205,508	-	113,205,508
Fidelidade Assistência – Companhia de Seguros, S.A.	Portugal	100.00%	75,922,290	-	75,922,290
Via Directa – Companhia de Seguros, S.A.	Portugal	100.00%	41,000,000	-	41,000,000
Companhia Portuguesa de Resseguros, S.A.	Portugal	100.00%	14,315,928	-	14,315,928
Fidelidade Angola – Companhia de Seguros, S.A.	Angola	69.25%	13,203,495	-	13,203,495
Garantia – Companhia de Seguros de Cabo Verde, S.A. (2)	Cape Verde	55.89%	6,260,184	-	6,260,184
Fidelidade Macau – Companhia de Seguros, S.A.	Macau	99.99%	17,889,052	-	17,889,052
Fidelidade Macau Vida – Companhia de Seguros, S.A.	Macau	99.99%	18,811,806	-	18,811,806
Seguradora Internacional de Moçambique, S.A.	Mozambique	70.00%	47,070,607	-	47,070,607
			347,678,870	-	347,678,870
Real Estate					
Fidelidade – Property Europe, S.A.	Portugal	100.00%	1,491,559,925	-	1,491,559,925
Fidelidade – Property International, S.A.	Portugal	100.00%	118,664,012	(20,925,292)	97,738,720
Fidelidade – Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	Portugal	100.00%	1,500,000	(182,881)	1,317,119
			1,611,723,937	(21,108,173)	1,590,615,764

(continuation)

(amounts in euros)

Operation sector/Entity	Country	Effective share %	2021		Balance Sheet Value
			Gross amount	Impairment (Note 39)	
Health					
Luz Saúde, S.A.	Portugal	50.85%	246,166,042	-	246,166,042
Clínica Fisiátrica das Antas, Unipessoal, Lda.	Portugal	100.00%	1,600,000	-	1,600,000
			247,766,042	-	247,766,042
Other sectors					
Cetra – Centro Técnico de Reparação Automóvel, S.A.	Portugal	100.00%	2,717,053	-	2,717,053
E.A.P.S. – Empresa de Análise, Prevenção e Segurança, S.A.	Portugal	100.00%	849,880	-	849,880
GEP – Gestão de Peritagens Automóveis, S.A.	Portugal	100.00%	100,000	-	100,000
FCM Beteiligungs GmbH	Germany	100.00%	10,628,746	(10,402,452)	226,294
FID III (HK) LIMITED	Hong Kong	100.00%	-	-	-
Fidelidade – Consultoria e Gestão de Risco, Lda.	Mozambique	80.00%	335	(148)	186
FID Loans 1 (Ireland) Limited	Ireland	100.00%	350,000,000	-	350,000,000
FID LatAm SGPS, S.A.	Portugal	100.00%	500,000	(172,707)	327,293
FID Perú, S.A.	Peru	99.80%	137,216,160	-	137,216,160
FID Chile, SpA.	Chile	100.00%	33,993,867	(3,826,567)	30,167,301
FID I&D, S.A.	Portugal	100.00%	455,000	(384,993)	70,007
Tenax Capital Limited	United Kingdom	75.00%	5,436,252	-	5,436,252
			541,897,293	(14,786,867)	527,110,426
			2,749,066,142	(35,895,040)	2,713,171,102

(continuation)

(amounts in euros)

Operation sector/Entity	Country	Effective share %	2021		Balance Sheet Value
			Gross amount	Impairment (Note 39)	
Associates					
Real Estate					
EA One Holding, Inc.	US	44.16%	19,143,718	-	19,143,718
			19,143,718	-	19,143,718
Other sectors					
Audatex Portugal – Peritagens Informatizadas Derivadas de Acidentes, S.A. (a)	Portugal	34.78%	641,091	-	641,091
Serfun Portugal, SGPS, S.A.	Portugal	49.00%	112,700	(66,821)	45,879
			753,791	(66,821)	686,970
			19,897,508	(66,821)	19,830,688
			2,768,963,650	(35,961,861)	2,733,001,790

(a) Values at March 2021, respectively (accounting period from March 2020 to March 2021).

During fiscal year 2022, the following changes occurred:

On 6 January 2022, the company Fidelidade – Consultoria e Gestão de Risco, Lda. Was liquidated.

In March 2022, the Company acquired a further 12.84% of the company EA One Holding, Inc. for the amount of 5,691,792 Euros, now holding a 57% stake in the company's share capital.

In January 2022, the Company acquired 70,000 shares of The Prosperity Company AG, for the amount of 27,513,859 Euros, and now holds a 70% stake in the company's share capital.

On 1 June 2022, the company Fid Real Assets, SGPS, S.A. was incorporated, with a share capital of 50,000 Euros, 100% owned by the Company.

On 30 September 2022, Fidelidade acquired from Fosun International Limited ("FIL") 46,815,704 shares of Luz Saúde, S.A., representing 49% of its share capital, for the amount of 280,000,000.00 Euros, now holding a 99.86% stake. The payment of this amount was made by partial compensation against the amount of 278,910,000 Euros as principal and overdue interest, owed by FIL to Fidelidade under the terms of the Xingtao Bond which was thus extinguished, with the remainder being paid in cash.

During 2022 there were reinforcements and reimbursements of additional benefits from Fidelidade – Property Europe, S.A. in the total amount of 24,000,000 Euros.

In September 2022, Fidelidade – Property International, S.A. reinforced additional instalments in the amount of 10,000,000 Euros.

In October 2022, the Company acquired 15,000 shares of Tenax Capital Limited, for the amount of 402,439 Euros, now holding an 80% stake.

In December 2022, FCM Beteiligungs GmbH was liquidated.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Investments related to Unit-linked contracts	2,362,209,855	1,617,753,877
Debt instruments		
From public debt		
From foreign issuers	97,840	120,629
From other issuers		
From foreign issuers	215,548,998	334,718,732
	215,646,838	334,839,361
Equity instruments		
From residents	94,928,633	98,028,611
From non-residents	281,563,364	400,381,379
	376,491,997	498,409,990
Other financial instruments		
Investment units		
Residents	250,107,414	251,554,425
From non-residents	549,955,873	806,976,986
	800,063,287	1,058,531,411

	2022	2021
Derivative instruments with positive fair value		
Interest rate swaps	40,030	33,949
Currency futures	66,847,572	4,430,652
Interest rate futures	5,693,596	1,983,568
Exchange forwards	21,960,157	16,830,252
Other derivatives	18,953,462	4,796,134
	113,494,817	28,074,555
	3,867,906,794	3,537,609,194

Investments related to Unit-linked contracts correspond to assets managed by the Company whose risk is borne by the policyholder. Accordingly, the assets are recognised at fair value, and the liability to the insured is recognised in the "Financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts" accounting heading.

As of 31 December 2022 and 2021, the heading includes fixed income securities with embedded derivatives in the amounts of 215,548,998 Euros and 334,718,732 Euros, respectively. These securities are recognised at their fair value, which is assessed on the basis of the prices indicated by the respective issuing bodies for the whole amount of the instrument, in line with the market conditions in operation at the reference date of the financial statements.

On 31 December 2022 and 2021, the Company recognised losses from the depreciation of these investments in the amount of (7,520,598) Euros and (2,820,832) Euros, respectively.

At 31 December 2022 and 2021, the investments related to Unit-linked contracts were as follows:

(amounts in euros)

	2022	2021
Debt instruments		
From public debt		
From domestic issuers	40,287,731	13,611,387
From foreign issuers	72,458,690	8,830,740
From other public issuers		
From domestic issuers	3,904,584	5,405,273
From foreign issuers	774,608	-
From international financial bodies	19,427,581	292,580
From other issuers		
From domestic issuers	183,438,937	177,164,362
From foreign issuers	809,073,888	399,587,170
From group companies	24,301,100	24,203,104
	1,153,667,119	629,094,616
Equity instruments		
From residents	422,500	497,500
From non-residents	124,576,173	134,789,654
	124,998,673	135,287,154

(continuation)

(amounts in euros)

	2022	2021
Other financial instruments		
Investment units		
From residents	174,942,443	165,603,976
From non-residents	792,681,992	544,169,130
Others		
From residents	6,261,757	23,544,695
	973,886,192	733,317,801
Transactions to be settled	(4,612,102)	(2,311,647)
Other deposits	872,055	239,650
Derivative instruments with positive fair value		
Interest rate swaps	84,812	71,927
Interest rate futures	1,467,530	89,220
Exchange forwards	1,821,190	-
Other derivatives	110,024,386	121,965,156
	113,397,918	122,126,303
	2,362,209,855	1,617,753,877
Other assets		
Sight deposits	105,057,786	142,516,087
	105,057,786	142,516,087
	2,467,267,641	1,760,269,964

At 31 December 2022 and 2021, the total assets eligible for application of the overlay approach are as follows:

(amounts in euros)

	2022	2021
Equity instruments		
From residents	90,382,504	98,028,611
From non-residents	265,228,428	400,381,379
	355,610,932	498,409,990
Other financial instruments		
Investment units		
From residents	90,787,916	176,856,620
From non-residents	390,693,972	806,727,889
	481,481,888	983,584,509
	837,092,820	1,481,994,499

At 31 December 2022 and 2021, the total adjustment for the overlay approach is as follows:

(amounts in euros)

	2022	2021
Equity instruments		
From residents	(1,636,139)	(6,149,697)
From non-residents	(3,174,035)	(18,597,656)
	(4,810,174)	(24,747,353)
Other financial instruments		
Investment units		
From residents	(12,304,085)	(18,663,796)
From non-residents	1,432,289	(16,134,694)
	(10,871,796)	(34,798,490)
	(15,681,970)	(59,545,843)

During the 2022 period, the conditions for the applicability of the overlay approach to assets allocated to portfolios of fixed rate contracts were no longer verified. The amount that would have been reclassified between profit or loss and other comprehensive income in the period had the overlay approach not been withdrawn would have been (28,135,628) Euros. The amount reclassified in the period from accumulated other comprehensive income to profit or loss for financial assets whose designation has been withdrawn corresponds to 41,538,376 Euros.

6. DERIVATIVES

The Company performs operations with derivative products as part of its activity, essentially with the aim of reducing its exposure to currency fluctuations and interest rates.

The Company monitors the risks of its derivative activities through procedures for approving operations, defining exposure limits by product and counterparty, and monitoring the change in their results.

At 31 December 2022 and 2021, these operations were valued in line with the criteria in Note 2.4.d). On these dates, the notional amount and the book value had the following breakdown:

(amounts in euros)

	2022			Total
	Notional Amount	Assets (Note 5)	Carrying Amount Liabilities (Note 21)	
Fair value hedge				
Interest rate swaps	668,155	124,842	-	124,842
Currency swaps	833,807,114	-	(20,401,155)	(20,401,155)
Currency futures	1,741,875,000	66,847,572	(1,610,898)	65,236,674
Interest rate futures	170,100,000	7,161,126	(73,963)	7,087,163
Exchange forwards	883,991,549	23,781,347	(17,892,346)	5,889,001
	3,630,441,818	97,914,886	(39,978,362)	57,936,525
Other Derivatives	1,369,284	128,977,848	(129,278,235)	(300,387)
	3,631,811,102	226,892,735	(169,256,597)	57,636,138

(amounts in euros)

	2022			
	Notional Amount	Assets ⁽¹⁾ (Note 5)	Carrying Amount Liabilities (Note 21)	Total
Fair value hedge				
Interest rate swaps	668,155	105,876	-	105,876
Currency swaps	833,807,114	-	(69,373,031)	(69,373,031)
Currency futures	2,179,875,000	4,430,652	(93,427,940)	(88,997,288)
Interest rate futures	188,700,000	2,072,788	(222,491)	1,850,297
Exchange forwards	812,895,732	16,830,252	(19,860,647)	(3,030,395)
	4,015,946,001	23,439,568	(182,884,109)	(159,444,541)
Other Derivatives	1,277,838	126,761,290	(129,754,462)	(2,993,172)
	4,017,223,839	150,200,858	(312,638,571)	(162,437,713)

(1) The book value of derivatives incorporates the values included in the Unit-linked portfolios.

Interest rate swaps contracted by the Company and classified as derivatives at fair value through profit or loss are essentially intended to cover liabilities with life insurance investment contracts, which, with the exception of Unit-linked contracts are recognised at amortised cost (Note 21).

To mitigate the risk of exchange fluctuations of financial instruments, EUR/USD and EUR/GBP futures listed on the Chicago Mercantile Exchange (CME) and over-the-counter forwards were contracted, in order to ensure the exchange rate alignment of the currency of the assets with the currency of the liabilities. With regard to strategic long-term positions in bonds denominated in GBP, the Company contracted currency swaps to hedge the foreign exchange risk, in which such hedging includes the payment of coupons throughout the life of the bond and payment of the nominal value in GBP at maturity.

The Company contracts interest rate futures under corporate bond management mandates to hedge interest rate risk on securities denominated in EUR and USD. Additionally, interest rate futures in EUR are contracted to hedge Unit-linked portfolios in order to reduce the duration of these portfolios.

The other derivatives include a put option and a call option on all Fidelidade Moçambique – Companhia de Seguros S.A. shares held by Banco Internacional de Moçambique, S.A. at the date of exercise of the option, deducted from a whole number of shares closer to that representing 9.9% of the share capital of the company in question. The call option may be exercised by Fidelidade in the period from 1 January 2026 to 31 December 2026 and the Put Option may be exercised by Banco Internacional de Moçambique, S.A. in the period from 1 January 2027 to 31 December 2027. This item also includes total return swaps for Unit-linked products. These products are also linked to a financial reinsurance contract whose counterpart is Munich RE.

The amounts under the heading "Derivatives at fair value through profit or loss" include derivatives that are classified as "Hedge derivatives" under IAS 39:

(amounts in euros)

	2022			
	Notional amount	Carrying Amount		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	269,125,000	10,700,736	(739,763)	9,960,973
	269,125,000	10,700,736	(739,763)	9,960,973

(amounts in euros)

	2021			
	Notional amount	Carrying Amount		
		Assets	Liabilities	Total
Fair value hedge				
Currency futures	347,875,000	727,655	(12,572,648)	(11,844,992)
Exchange forwards	1,510,567	-	(86,742)	(86,742)
	349,385,567	727,655	(12,659,390)	(11,931,735)

In 2022 and 2021, the following profit or loss was generated in relation to fair value hedge accounting under IAS 39:

(amounts in euros)

	2022			2021		
	Profit	Losses	Net profit	Profit	Losses	Net profit
Derivatives	10,456,452	(26,123,120)	(15,666,668)	2,372,870	(30,287,731)	(27,914,861)
Fair value hedge	16,946,757	(5,733,438)	11,213,319	31,176,947	(505,065)	30,671,882
	27,403,209	(31,856,558)	(4,453,349)	33,549,817	(30,792,796)	2,757,021

The Company manages hedge accounting based on its portfolio-by-portfolio exposure. During the years 2022 and 2021, the Company met the criteria necessary for the application of hedge accounting in accordance with the methodology described in Note 2.4.

On 30 June 2016, the Company entered into a mandate contract with its subsidiaries Fidelidade – Property Europe, S.A., Fidelidade – Property International, S.A. and FPE (Lux) Holding S.à r.l.

This contract empowers Fidelidade to, on behalf of its subsidiaries, identify, negotiate and enter into any and all agreements and mechanisms deemed appropriate to hedge the currency risk to which they are subject. This option derives from the specificities and complexities of hedging operations that require non-resident technical expertise in the subsidiaries. With this option, Fidelidade protects foreign exchange risks at the subsidiaries and the economic effects of this hedging are passed on to these entities.

At 31 December 2022 and 2021, the Company has the following derivatives in its portfolio traded as part of the aforementioned mandate contract:

(amounts in euros)

	2022			
	Notional amount	Book Value		Total
		Assets	Liabilities	
Fair value hedge				
Currency futures	35,250,000	529,129	-	529,129
Exchange forwards	571,063,656	13,462,519	(790,176)	12,672,342
	606,313,656	13,991,647	(790,176)	13,201,471

(amounts in euros)

	2021			
	Notional amount	Book Value		Total
		Assets	Liabilities	
Fair value hedge				
Currency futures	24,125,000	55,327	(353,152)	(297,825)
Exchange forwards	678,453,306	2,619,597	(12,443,483)	(9,823,886)
	702,578,306	2,674,924	(12,796,635)	(10,121,711)

Due to the contract entered into, Fidelidade passed the following profit or loss on to its subsidiaries:

(amounts in euros)

	2022		2021	
	Net profit	Fees	Net profit	Fees
Currency futures	(1,262,547)	5,640	1,582,969	2,697
Exchange forwards	(23,476,477)	-	40,379,846	-
	(24,739,024)	5,640	41,962,815	2,697

The distribution of the Company's derivative financial instrument operations at 31 December 2022 and 2021, by period to maturity, was as follows:

(amounts in euros)

	2022					Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	No maturity	
Fair value hedge						
Interest rate swaps	-	-	668,155	-	-	668,155
Currency swaps	-	-	-	833,807,114	-	833,807,114
Currency futures	1,241,875,000	500,000,000	-	-	-	1,741,875,000
Interest rate futures	121,000,000	49,100,000	-	-	-	170,100,000
Exchange forwards	506,511,163	362,909,594	14,570,792	-	-	883,991,549
	1,869,386,163	912,009,594	15,238,947	833,807,114	-	3,630,441,818
Other Derivatives	-	-	-	-	1,369,284	1,369,284
	1,869,386,163	912,009,594	15,238,947	833,807,114	1,369,284	3,631,811,102

(amounts in euros)

	2021						Total
	Up to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 5 years	More than 5 years	No maturity	
Fair value hedge							
Interest rate swaps	-	-	-	668,155	-	-	668,155
Currency swaps	-	-	-	829,422,688	4,384,426	-	833,807,114
Currency futures	2,003,125,000	176,750,000	-	-	-	-	2,179,875,000
Interest rate futures	188,700,000	-	-	-	-	-	188,700,000
Exchange forwards	759,484,952	1,270,740	52,140,040	-	-	-	812,895,732
	2,951,309,952	178,020,740	52,140,040	830,090,843	4,384,426	-	4,015,946,001
Other Derivatives	-	-	-	-	-	1,277,838	1,277,838
	2,951,309,952	178,020,740	52,140,040	830,090,843	4,384,426	1,277,838	4,017,223,839

The distribution of the Company's derivative financial operations at 31 December 2022 and 2021, by counterparty type, was as follows:

(amounts in euros)

	2022		2021	
	Notional Amount	Book Value	Notional Amount	Book Value
Interest rate swaps				
Financial Institutions				
Caixa Geral Depósitos Group	668,155	124,842	668,155	105,876
	668,155	124,842	668,155	105,876
Currency swaps				
Financial Institutions				
Other Institutions	833,807,114	(20,401,155)	833,807,114	(69,373,031)
	833,807,114	(20,401,155)	833,807,114	(69,373,031)
Currency futures				
On the				
Chicago Stock Exchange	1,741,875,000	65,236,674	2,179,875,000	(88,997,288)
	1,741,875,000	65,236,674	2,179,875,000	(88,997,288)
Interest Rate Futures				
Financial Institutions				
Other Institutions	170,100,000	7,087,163	188,700,000	1,850,297
	170,100,000	7,087,163	188,700,000	1,850,297

(continuation)

(amounts in euros)

	2022		2021	
	Notional Amount	Book Value	Notional Amount	Book Value
Exchange forwards				
Financial Institutions				
Other Institutions	883,991,549	5,889,001	812,895,732	(3,030,395)
	883,991,549	5,889,001	812,895,732	(3,030,395)
Other Derivatives				
Financial Institutions				
Munich RE	1,369,284	(179,366)	1,277,838	(714,117)
Banco Internacional de Moçambique SA.	-	(121,021)	-	(2,279,055)
	1,369,284	(300,387)	1,277,838	(2,993,172)
	3,631,811,102	57,636,138	4,017,223,839	(162,437,713)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022						
	Nominal value	Amortised cost	Expected credit losses (Note 39)	Exchange Rate Valuation	Fair value reserve (Note 26)	Interest receivable	Balance Sheet value
Debt instruments							
From public debt							
From domestic issuers	297,540,907	313,175,923	-	-	(16,252,722)	3,815,494	300,738,695
From foreign issuers	1,410,316,226	1,653,451,917	-	-	(171,331,175)	22,439,312	1,504,560,054
From other public issuers							
From domestic issuers	35,687,500	35,753,734	-	-	(4,038,125)	144,017	31,859,626
From foreign issuers	77,590,000	81,290,620	-	-	(13,151,237)	544,536	68,683,919
From international financial bodies	9,067,000	9,402,082	(862,234)	-	(244,670)	73,817	8,368,995
From other issuers							
From domestic issuers	159,200,000	161,319,742	(49,979,822)	-	(2,755,503)	2,447,701	111,032,118
From foreign issuers	4,387,955,184	4,309,044,576	(27,638,169)	113,863,534	(435,060,579)	31,477,463	3,991,686,825
From group companies	43,300,300	43,318,576	-	-	7,465,877	1,020,321	36,873,020
	6,420,656,817	6,606,757,170	(78,480,225)	113,863,534	(650,299,888)	61,962,661	6,053,803,252

(continuation)

(amounts in euros)

	2022						
	Nominal value	Amortised cost	Expected credit losses (Note 39)	Exchange Rate Valuation	Fair value reserve (Note 26)	Interest receivable	Balance Sheet value
Other instruments							
Investment units							
From residents	-	36,859,250	-	-	(6,466,670)	536,500	30,929,080
	-	36,859,250	-	-	(6,466,670)	536,500	30,929,080
	6,420,656,817	6,643,616,420	(78,480,225)	113,863,534	(656,766,558)	62,499,161	6,084,732,332

(amounts in euros)

	2021						
	Nominal value	Amortised cost	Expected credit losses (Note 39)	Exchange Rate Valuation	Fair value reserve (Note 26)	Interest receivable	Balance Sheet value
Debt instruments							
From public debt							
From domestic issuers	687,817,756	716,715,596	-	-	29,484,046	7,606,719	753,806,361
From foreign issuers	1,549,192,590	1,840,150,881	-	5,288	14,828,558	23,798,251	1,878,782,978
From other public issuers							
From domestic issuers	67,180,000	67,745,358	-	-	793,703	180,739	68,719,800
From foreign issuers	77,090,000	81,517,356	-	-	206,759	543,697	82,267,812
From international financial bodies	2,067,000	2,051,928	-	-	40,858	16,401	2,109,187

(continuation)

(amounts in euros)

	2021						
	Nominal value	Amortised cost	Expected credit losses (Note 39)	Exchange Rate Valuation	Fair value reserve (Note 26)	Interest receivable	Balance Sheet value
From other issuers							
From domestic issuers	167,600,000	439,870,278	(49,979,822)	-	(417,421)	4,393,213	393,866,248
From foreign issuers	4,675,147,821	4,309,244,613	(7,960,016)	103,013,439	43,746,862	29,879,216	4,477,924,114
From group companies	305,300,000	305,294,077	-	-	4,443,709	2,742,728	303,593,096
	7,531,395,167	7,762,590,088	(57,939,838)	103,018,727	84,239,656	69,160,964	7,961,069,597
Other instruments							
Investment units							
From residents	-	45,661,233	-	-	(453,737)	536,500	45,743,996
	-	45,661,233	-	-	(453,737)	536,500	45,743,996
	7,531,395,167	7,808,251,321	(57,939,838)	103,018,727	83,785,919	69,697,464	8,006,813,593

8. FINANCIAL ASSETS AT AMORTISED COST

At 31 December 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022							
	Nominal amount	Amortised cost	Expected credit losses (Note 39)	Exchange Valuation	Interest receivable	Balance Sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Debt instruments								
From public debt								
From domestic issuers	227,950,000	245,705,568	-	-	3,398,702	249,104,270	227,957,006	(21,147,264)
From foreign issuers	288,870,000	290,010,176	-	-	912,599	290,922,775	289,199,354	(1,723,421)
	516,820,000	535,715,744	-	-	4,311,301	540,027,045	517,156,360	(22,870,685)
Other loans								
Deposits in ceding companies	-	1,184,328	-	15,755	-	1,200,083	1,200,083	-
Loans	32,500,000	31,490,388	-	1,413,593	398	32,904,379	32,904,379	-
Policy loans	-	929,764	(10,597)	-	223,611	1,142,778	1,142,778	-
	32,500,000	33,604,480	(10,597)	1,429,348	224,009	35,247,240	35,247,240	-
Financial investments								
in credit institutions								
Term deposits	2	140,314,116	-	-	32,326	140,346,442	140,346,442	-
Other deposits	-	78,646,339	-	(1,712,858)	-	76,933,481	76,933,481	-
	2	218,960,455	-	(1,712,858)	32,326	217,279,923	217,279,923	-
	549,320,002	788,280,679	(10,597)	(283,510)	4,567,636	792,554,208	769,683,523	(22,870,685)

(amounts in euros)

	2021							
	Nominal amount	Amortised cost	Expected credit losses (Note 39)	Exchange Valuation	Interest receivable	Balance Sheet value	Market value ⁽¹⁾	Unrecognised potential capital gains or losses
Debt instruments								
From public debt								
From domestic issuers	302,950,000	333,937,138	-	-	7,102,162	341,039,300	351,941,890	10,902,590
From foreign issuers	476,600,000	479,348,952	(2)	-	1,877,038	481,225,988	490,449,384	9,223,396
	779,550,000	813,286,090	(2)	-	8,979,200	822,265,288	842,391,274	20,125,986
Other loans								
Deposits in ceding companies	-	1,146,681	-	23,801	-	1,170,482	1,170,482	-
Loans	-	277,454	(375,153)	-	97,699	-	-	-
Policy loans	-	835,314	(10,597)	-	233,878	1,058,595	1,058,595	-
	-	2,259,449	(385,750)	23,801	331,577	2,229,077	2,229,077	-
Financial investments								
in credit institutions								
Term deposits	25,618,442	26,242,965	-	104,105	109,430	26,456,500	26,456,500	-
Other deposits	-	87,425,561	-	1,284,671	-	88,710,232	88,710,232	-
	25,618,442	113,668,526	-	1,388,776	109,430	115,166,732	115,166,732	-
	805,168,442	929,214,065	(385,752)	1,412,577	9,420,207	939,661,097	959,787,083	20,125,986

(1) Corresponds to the market value calculated in accordance with the methodology described in Note 2.4.

9. PROPERTIES FOR OWN USE

In 2022 and 2021, the “Properties for own use” heading saw the following movements:

(amounts in euros)

	Own use		Total
	Property Rights	Right-of-Use	
Balances at 31 December 2020			
Gross amount	39,089,204	40,757,322	79,846,526
Accumulated depreciation and impairment	(7,639,417)	(15,596,396)	(23,235,812)
	31,449,787	25,160,926	56,610,714
Additions			
Per acquisitions made in the period	-	8,680,766	8,680,766
By subsequent expenditure	310,997	-	310,997
Additions/reversals of Impairment in the year (Note 39)	(1,237,619)	-	(1,237,619)
Depreciation for the year (Note 30)	(638,942)	(9,399,834)	(10,038,776)
Transfers	(1,296,627)	-	(1,296,627)
Disposals and write-offs (net)	-	(3,385)	(3,385)
Other movements	-	(340)	(340)
Balances at 31 December 2021			
Gross amount	37,513,874	48,870,471	86,384,345
Accumulated depreciation and impairment	(8,926,278)	(24,432,337)	(33,358,615)
	28,587,596	24,438,134	53,025,730

(continuation)

(amounts in euros)

	Own use		Total
	Property Rights	Right-of-Use	
Additions			
Per acquisitions made in the period	-	7,406,814	7,406,814
By subsequent expenditure	350,631	-	350,631
Additions/reversals of Impairment in the year (Note 39)	98,686	-	98,686
Depreciation for the year (Note 30)	(614,594)	(10,067,480)	(10,682,074)
Transfers	(894,790)	-	(894,790)
Disposals and write-offs (net)	(375,555)	(23,562)	(399,117)
Other movements	(154,608)	(33,959)	(188,567)
Balances at 31 December 2022			
Gross amount	36,239,489	55,382,346	91,621,835
Accumulated depreciation and impairment	(9,242,121)	(33,662,401)	(42,904,522)
	26,997,368	21,719,946	48,717,314

Properties for own use are valued at cost and subject to impairment tests in line with the option set out in IAS 16, as described in Note 2.7. Own-use buildings are depreciated throughout their useful life.

If the Company had opted to value properties for own use at fair value, their balance sheet value would have been 30,270,300 Euros in 2022 and 36,590,057 Euros in 2021.

10. INVESTMENT PROPERTIES

In the years 2022 and 2021, the movement occurred under the heading "Investment properties" was as follows:

(amounts in euros)

	Investment Properties
Balances at 31 December 2020	
Gross amount	62,930,827
	62,930,827
Additions	
By subsequent expenditure	1,285,062
Revaluation	
As a credit to the income statement (Note 38)	1,676,173
As a charge to shareholders' equity	220,677
Transfers	1,296,627
Disposals and write-offs (net)	(7,623,047)
Balances at 31 December 2021	
Gross amount	59,786,319
	59,786,319

(continuation)

(amounts in euros)

	Investment Properties
Additions	
Per acquisition made in the period	26,395
By subsequent expenditure	1,621,155
Revaluation	
As a credit to the income statement (Note 38)	(295,030)
As a charge to shareholders' equity	44,448
Transfers	894,790
Disposals and write-offs (net)	(30,174,699)
Balances at 31 December 2022	
Gross amount	31,903,379
	31,903,379

Investment properties are also valued at fair value, in line with the treatment provided for in IAS 40 and mentioned in Note 2.6 and Note 2.18.

11. ALLOCATION OF INVESTMENTS AND OTHER ASSETS

At 31 December 2022 and 2021, the allocation of investments and other assets, following a prudential approach in insurance contracts or insurance contracts and other transactions classified for accounting purposes as investment contracts, can be summarised as follows:

(amounts in euros)

	2022					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance and operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight deposits (Note 3)	66,082,843	15,216,931	156,159,082	(8,654,034)	38,243,563	267,048,385
Investments in subsidiaries, associates and joint ventures (Note 4)	-	52,037,094	1,018,802,983	857,446,162	1,211,696,162	3,139,982,402
Financial assets at fair value through profit or loss (Note 5)	109,357,135	21,757,174	2,743,872,045	896,450,299	96,470,141	3,867,906,794
Financial assets at fair value through other comprehensive income (Note 7)	1,448,432,303	184,511,834	3,720,982,542	604,223,859	126,581,794	6,084,732,332
Financial assets at amortised cost (Note 8)	9,735,743	1,721,133	554,859,250	11,064,047	215,174,035	792,554,208
Properties (Notes 9 and 10)	-	-	-	46,147,488	34,473,204	80,620,692
Other tangible assets (Note 12)	-	-	-	-	18,325,669	18,325,669
	1,633,608,024	275,244,167	8,194,675,902	2,406,677,823	1,740,964,567	14,251,170,482

(amounts in euros)

	2021					
	Life insurance with profit sharing	Life insurance without profit sharing	Life insurance and operations classified as investment contracts	Non-life insurance	Not allocated	Total
Cash and cash equivalents and sight deposits (Note 3)	45,858,026	12,177,196	303,448,737	57,096,436	103,322,124	521,902,520
Investments in subsidiaries, associates and joint ventures (Note 4)	-	50,500,914	1,458,794,705	717,454,743	506,251,428	2,733,001,790
Financial assets at fair value through profit or loss (Note 5)	167,036,935	19,092,349	2,546,023,231	714,248,065	91,208,614	3,537,609,194
Financial assets at fair value through other comprehensive income (Note 7)	1,745,617,423	257,085,311	5,219,255,156	670,535,405	114,320,297	8,006,813,593
Financial assets at amortised cost (Note 8)	28,998,156	2,068,607	842,885,795	12,509,926	53,198,613	939,661,097
Properties (Notes 9 and 10)	-	-	-	74,946,723	37,865,326	112,812,049
Other tangible assets (Note 12)	-	-	-	-	18,747,194	18,747,194
	1,987,510,540	340,924,377	10,370,407,624	2,246,791,298	924,913,597	15,870,547,437

12. OTHER TANGIBLE ASSETS AND INVENTORIES

In 2022 and 2021, the “Other tangible assets” and “inventories” headings saw the following movements:

(amounts in euros)

	2022									
	Opening balances		Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Other movements	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net amount
Equipment										
Administrative equipment	19,608,060	(19,291,825)	308,209	(363,061)	-	-	(1,079)	19,909,953	(19,649,649)	260,304
Machinery and tools	8,889,441	(7,915,441)	26,944	(613,751)	-	-	(2,434)	8,867,781	(8,483,023)	384,759
IT equipment	14,815,559	(13,537,638)	2,239,960	(1,905,254)	1,494,508	-	(7,660)	17,785,103	(14,685,627)	3,099,476
Indoor facilities	30,072,657	(22,619,839)	801,184	(1,077,090)	-	-	(117,530)	26,838,529	(19,779,147)	7,059,382
Transport equipment	2,481	(2,481)	-	-	-	-	-	2,481	(2,481)	-
Hospital equipment	15,964	(15,964)	-	-	-	-	-	15,964	(15,964)	-
Safety equipment	1,530,936	(1,423,580)	2,426	(38,153)	-	-	(2,215)	1,529,169	(1,459,755)	69,414
Other equipment	2,028,231	(1,993,704)	747	(25,892)	-	-	(8,313)	1,981,557	(1,980,489)	1,069
Artistic assets	1,960,305	-	-	-	-	-	-	1,960,305	-	1,960,305
Tangible assets in progress	3,415,875	-	33,473	-	(1,494,508)	-	(465,068)	1,489,771	-	1,489,771
	82,339,508	(66,800,472)	3,412,943	(4,023,201)	-	-	(604,299)	80,380,614	(66,056,135)	14,324,479

(continuation)

(amounts in euros)

	2022									
	Opening balances		Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Other movements	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net amount
Leased assets										
Equipment					-					
IT equipment	5,392,187	(4,834,391)	2,485,500	(732,238)	-	-	-	7,877,687	(5,566,629)	2,311,058
Transport equipment	5,482,069	(2,831,707)	416,906	(883,197)	-	-	(493,940)	5,037,017	(3,346,885)	1,690,131
	10,874,255	(7,666,098)	2,902,405	(1,615,434)	-	-	(493,940)	12,914,703	(8,913,514)	4,001,189
	93,213,764	(74,466,570)	6,315,348	(5,638,635)	-	-	(1,098,239)	93,295,317	(74,969,649)	18,325,669
Inventories	1,644	-	19,631	-	-	(10,274)	-	11,002	-	11,002
	93,215,408	(74,466,570)	6,334,979	(5,638,635)	-	(10,274)	(1,098,239)	93,306,319	(74,969,649)	18,336,670

(amounts in euros)

	2021									
	Opening balances		Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Other movements	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net amount
Equipment										
Administrative equipment	20,091,571	(19,792,051)	364,958	(348,243)	-	-	-	19,608,060	(19,291,825)	316,235
Machineries and tools	8,911,469	(7,342,821)	14,597	(609,197)	-	(48)	-	8,889,441	(7,915,441)	974,000
IT equipment	17,450,836	(15,084,148)	1,036,403	(2,121,219)	-	(3,952)	-	14,815,559	(13,537,638)	1,277,921
Indoor facilities	26,219,395	(21,551,962)	1,039,257	(1,068,729)	2,814,857	-	-	30,072,657	(22,619,839)	7,452,818
Transport equipment	380,723	(327,451)	-	(9,763)	-	(43,509)	-	2,481	(2,481)	-
Hospital equipment	15,964	(15,964)	-	-	-	-	-	15,964	(15,964)	-
Safety equipment	2,156,744	(2,032,000)	33,259	(50,647)	-	-	-	1,530,936	(1,423,580)	107,356
Other equipment	2,028,231	(1,830,909)	-	(162,795)	-	-	-	2,028,231	(1,993,704)	34,527
Artistic assets	1,960,305	-	-	-	-	-	-	1,960,305	-	1,960,305
Tangible assets in progress	6,230,731	-	-	-	(2,814,857)	-	-	3,415,875	-	3,415,875
	85,445,969	(67,977,305)	2,488,474	(4,370,593)	-	(47,509)	-	82,339,508	(66,800,472)	15,539,036

(continuation)

(amounts in euros)

	2021									
	Opening balances		Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Other movements	Closing balances		
	Gross amount	Accumulated depreciation and impairment						Gross amount	Accumulated depreciation and impairment	Net amount
Leased assets										
Equipment										
IT equipment	4,902,654	(3,093,746)	663,330	(1,914,443)	-	-	-	5,392,187	(4,834,391)	557,796
Transport equipment	3,918,492	(2,139,866)	2,059,291	(1,194,729)	-	-	7,173	5,482,069	(2,831,707)	2,650,362
	8,821,147	(5,233,611)	2,722,621	(3,109,172)	-	-	7,173	10,874,255	(7,666,098)	3,208,157
	94,267,116	(73,210,916)	5,211,095	(7,479,765)	-	(47,509)	7,173	93,213,764	(74,466,570)	18,747,194
Inventories	315,147	-	11,560	-	-	(325,063)	-	1,644	-	1,644
	94,582,263	(73,210,916)	5,222,655	(7,479,765)	-	(372,572)	7,173	93,215,408	(74,466,570)	18,748,838

At 31 December 2022 and 2021, the heading "Tangible assets" includes fully amortised assets still in use in the gross amounts of 31,420,823 Euros and 62,813,969 Euros respectively.

13. OTHER INTANGIBLE ASSETS

In the years 2022 and 2021, the movement in the heading other intangible assets was as follows:

(amounts in euros)

	Opening balances		2022				Closing balances		
	Gross amount	Accumulated depreciation and impairment	Additions	Adjustments	Depreciation for the year (Note 30)	Transfers	Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	76,282,512	(56,725,648)	197,730	(1,079,710)	(3,939,361)	2,561,098	77,903,994	(60,607,373)	17,296,620
Other intangible assets	-	-	-	-	(63,724)	4,550,060	4,550,060	(63,724)	4,486,337
Intangible assets in progress	33,550,590	-	16,992,212	(11,902)	-	(7,111,158)	43,419,742	-	43,419,742
	109,833,102	(56,725,648)	17,189,942	(1,091,612)	(4,003,084)	-	125,873,796	(60,671,097)	65,202,699

(amounts in euros)

	Opening balances		2021				Closing balances		
	Gross amount	Accumulated depreciation and impairment	Additions	Depreciation for the year (Note 30)	Transfers	Disposals and write-offs (net)	Gross amount	Accumulated depreciation and impairment	Net amount
Automatic data processing systems (software)	55,836,141	(53,020,432)	2,651,001	(4,429,997)	18,520,152	-	76,282,512	(56,725,648)	19,556,864
Intangible assets in progress	36,887,182	-	15,183,559	-	(18,520,152)	-	33,550,590	-	33,550,590
	92,723,323	(53,020,432)	17,834,560	(4,429,997)	-	-	109,833,102	(56,725,648)	53,107,454

At 31 December 2022 and 2021, the figures recorded in "Intangible assets in progress" refer to costs incurred with the development of new IT applications (software).

In the years 2022 and 2021, the Company directly recognised in the Income Statement external expenses related to research, development and maintenance of automatic data processing systems, in the amounts of 25,985,751 Euros and 23,508,173 Euros, respectively.

14. TECHNICAL PROVISIONS OF REINSURANCE CEDED

At 31 December 2022 and 2021, technical provisions for reinsurance ceded were composed as follows:

(amounts in euros)

	2022			2021		
	Life	Non-life	Total	Life	Non-life	Total
Provision for unearned premiums	323,145	102,797,064	103,120,209	329,110	82,226,097	82,555,208
Mathematical provision	29,569,744	-	29,569,744	27,004,267	-	27,004,267
Claims provision						
Reported claims	8,309,573	226,020,796	234,330,369	5,618,892	217,682,292	223,301,184
Claims incurred but not reported (IBNR)	3,129,041	32,376,263	35,505,304	3,213,974	27,296,920	30,510,894
	11,438,614	258,397,059	269,835,673	8,832,866	244,979,211	253,812,077
Other technical provisions	-	34,958,549	34,958,549	-	22,544,992	22,544,992
	41,331,502	396,152,672	437,484,175	36,166,243	349,750,301	385,916,544

The Other technical provisions originated in the French Branch, in the accounting of PSNEM (Provision pour Sinistres Non Encore Manifestés), a mandatory provision for products related to third party liability related to construction. In the years 2022 and 2021, the sharp increase in the provision is essentially due to the adjustment of the previous year's PSNEM.

At 31 December 2022 and 2021, the provision for unearned premiums on reinsurance ceded was composed as follows:

(amounts in euros)

	Deferred premiums	2022 Deferred costs	Net	Deferred premiums	2021 Deferred costs	Net
Life insurance	323,145	-	323,145	330,495	(1,385)	329,110
Non-life insurance						
Personal accidents and passengers	11,191,136	(6,126,563)	5,064,573	6,643,183	(3,421,121)	3,222,062
Health	34,849,383	(338,954)	34,510,429	30,828,200	-	30,828,200
Fire and other damage	45,369,617	(7,392,451)	37,977,166	38,030,550	(6,295,275)	31,735,275
Motor	14,682	-	14,682	16,282	-	16,282
Marine, aviation and transport	1,047,832	(92,349)	955,483	1,135,320	(105,887)	1,029,433
Third party liability	24,173,243	(4,674,397)	19,498,845	13,021,172	(2,598,165)	10,423,007
Credit and suretyship	9,839	(232)	9,608	25,748	(1,404)	24,344
Legal protection	599	(117)	481	1,374	(117)	1,257
Assistance	45,261	(12,634)	32,627	64,012	(12,634)	51,378
Others	8,401,422	(3,668,253)	4,733,169	8,450,284	(3,555,425)	4,894,859
	125,103,014	(22,305,950)	102,797,064	98,216,124	(15,990,027)	82,226,097
	125,426,159	(22,305,950)	103,120,209	98,546,619	(15,991,412)	82,555,208

The movement in provisions for unearned premiums on reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021	Liabilities originated in the year	Others	Balance 31/12/2022
Provision for unearned premiums						
Life insurance	223,287	107,208	330,495	(7,351)	-	323,145
Non-life insurance						
Personal accidents and passengers	3,844,977	2,798,206	6,643,183	4,606,276	(58,323)	11,191,136
Health	33,529,314	(2,701,115)	30,828,200	4,021,184	-	34,849,383
Fire and other damage	26,385,399	11,645,150	38,030,550	7,757,250	(418,183)	45,369,617
Motor	23,161	(6,879)	16,282	(1,599)	-	14,682
Marine, aviation and transport	127,463	1,007,857	1,135,320	(87,488)	-	1,047,832
Third party liability	7,250,718	5,770,454	13,021,172	11,152,071	-	24,173,243
Credit and suretyship	43,886	(18,138)	25,748	(15,908)	-	9,839
Legal protection	1,159	215	1,374	-	(775)	599
Assistance	56,910	7,102	64,012	-	(18,751)	45,261
Others	5,416,296	3,033,989	8,450,284	(48,862)	-	8,401,422
	76,679,283	21,536,842	98,216,124	27,382,923	(496,033)	125,103,014
	76,902,570	21,644,050	98,546,619	27,375,572	(496,033)	125,426,159

(continuation)

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021	Liabilities originated in the year	Others	Balance 31/12/2022
Deferred acquisition costs						
Life insurance	(148)	(1,237)	(1,385)	1,385	-	-
Non-life insurance						
Personal accidents and passengers	(1,858,563)	(1,562,558)	(3,421,121)	(2,705,442)	-	(6,126,563)
Health	-	-	-	(338,954)	-	(338,954)
Fire and other damage	(4,844,926)	(1,450,348)	(6,295,275)	(1,143,416)	46,240	(7,392,451)
Motor	(1)	1	-	-	-	-
Marine, aviation and transport	(23,773)	(82,113)	(105,887)	13,538	-	(92,349)
Third party liability	(1,310,816)	(1,287,349)	(2,598,165)	(2,076,233)	-	(4,674,397)
Credit and suretyship	(1,358)	(45)	(1,404)	1,172	-	(232)
Legal protection	(117)	-	(117)	-	-	(117)
Assistance	(13,505)	871	(12,634)	-	-	(12,634)
Others	(2,265,774)	(1,289,652)	(3,555,425)	(112,828)	-	(3,668,253)
	(10,318,833)	(5,671,194)	(15,990,027)	(6,362,163)	46,240	(22,305,950)
	(10,318,981)	(5,672,431)	(15,991,412)	(6,360,778)	46,240	(22,305,950)
	66,583,589	15,971,619	82,555,208	21,014,794	(449,793)	103,120,209

The column "Other" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life lines of business in Seguradora Internacional de Moçambique, S.A.

Information on the claims provision for reinsurance ceded, at 31 December 2022 and 2021, is set out below:

(amounts in euros)

	2022			2021		
	Reported	Not reported	Total	Reported	Not reported	Total
Life insurance	8,309,573	3,129,041	11,438,614	5,618,892	3,213,974	8,832,866
Non-life insurance						
Personal accidents and passengers	1,051,932	1,347,345	2,399,277	1,360,239	1,163,239	2,523,478
Health	24,855,493	654,860	25,510,353	18,853,045	492,360	19,345,405
Fire and other damage	80,544,878	4,844,720	85,389,598	66,890,807	5,966,406	72,857,213
Motor	76,705,953	15,695,754	92,401,707	91,046,857	9,808,969	100,855,826
Marine, aviation and transport	10,401,885	2,011,814	12,413,699	10,078,659	3,308,659	13,387,318
Third party liability	1,757,679	204,046	1,961,725	3,199,818	166,649	3,366,467
Credit and suretyship	26,690,278	6,710,187	33,400,464	22,145,306	5,959,628	28,104,934
Legal protection	-	159	159	-	159	159
Assistance	-	-	-	-	5,358	5,358
Others	4,012,700	907,377	4,920,077	4,107,562	425,493	4,533,054
	226,020,796	32,376,263	258,397,059	217,682,292	27,296,920	244,979,211
	234,330,369	35,505,304	269,835,673	223,301,184	30,510,894	253,812,077

The movement occurred in the claims provision for reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Claims paid	Balance 31/12/2020	Liabilities originated in the year	Claims paid	Others	Balance 31/12/2021
Life insurance	7,105,569	11,013,835	(9,286,538)	8,832,866	32,911,000	(30,303,454)	(1,799)	11,438,614
Non-life insurance								
Personal accidents and passengers	3,841,090	(620,427)	(697,185)	2,523,478	1,061,156	(1,006,594)	(178,763)	2,399,277
Health	17,795,787	3,419,603	(1,869,985)	19,345,405	7,322,009	(1,149,329)	(7,732)	25,510,353
Fire and other damage	51,271,686	309,943,054	(288,357,528)	72,857,213	337,026,610	(324,397,027)	(97,197)	85,389,598
Motor	57,003,672	82,952,935	(39,100,781)	100,855,826	63,325,384	(71,220,526)	(558,977)	92,401,707
Marine, aviation and transport	9,585,790	5,038,239	(1,236,711)	13,387,318	(453,697)	(318,685)	(201,238)	12,413,699
Third party liability	1,513,908	2,758,767	(906,209)	3,366,467	1,800,194	(3,194,861)	(10,075)	1,961,725
Credit and suretyship	19,317,792	12,549,882	(3,762,741)	28,104,934	9,724,909	(4,417,175)	(12,203)	33,400,464
Legal protection	159	-	-	159	-	-	-	159
Assistance	6,025	(3,467)	2,799	5,358	(2,148)	(3,209)	-	-
Others	6,346,600	12,699,140	(14,512,686)	4,533,054	6,192,267	(5,805,244)	-	4,920,077
	166,682,509	428,737,727	(350,441,024)	244,979,211	425,996,685	(411,512,651)	(1,066,186)	258,397,059
	173,788,078	439,751,562	(359,727,563)	253,812,077	458,907,685	(441,816,105)	(1,067,985)	269,835,673

Liabilities originated in the year and the claims paid are not deducted from the reinsurers portion of the processed reimbursements.

The column "Others" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life branches in Seguradora Internacional de Moçambique, S.A.

Information on the mathematical provision for reinsurance ceded, at 31 December 2022 and 2021, is set out below:

(amounts in euros)

	2022	2021
Life insurance		
Insurance contracts		
Life individual risk	21,181,501	17,776,438
Life group risk	8,388,243	9,227,829
	29,569,744	27,004,267

The movement in the mathematical provision and in the provision for profit sharing from reinsurance ceded during the years 2022 and 2021 was as follows:

(amounts in euros)

	2022			Closing balance
	Opening balance	Liabilities originated in the year and interest allocated	Others	
Mathematical provision				
Life insurance				
Insurance contracts				
Life individual risk	17,776,438	3,432,684	(27,620)	21,181,501
Life group risk	9,227,829	(839,586)	-	8,388,243
	27,004,267	2,593,098	(27,620)	29,569,744

The column "Others" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life branch into Seguradora Internacional de Moçambique, S.A.

(amounts in euros)

	2021			
	Opening balance	Liabilities originated in the year and interest allocated	Profit/loss shared	Closing balance
Mathematical provision				
Life insurance				
Insurance contracts				
Life individual risk	12,193,293	5,583,145	-	17,776,438
Life group risk	9,342,111	(114,282)	-	9,227,829
	21,535,404	5,468,863	-	27,004,267
Provision for profit sharing				
Non-life insurance				
Assistance	3,494	11,229	(14,723)	-

15. OTHER DEBTORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accounts receivable for direct insurance operations		
Premiums pending collection	87,303,798	80,586,688
Brokers	58,150,253	55,946,249
Claims reimbursements	24,669,851	22,893,121
Co-insurers	12,969,873	18,076,704
Workers' compensation fund	2,070,478	2,167,786
Instituto de Financiamento de Agricultura e Pescas I.P. (IFAP)	413,761	49,972
Others	666,268	256,542
	186,244,283	179,977,063
(Adjustments to premiums pending collection - Note 39)	(4,932,195)	(11,154,855)
(IFAP Adjustments - Note 39)	(247,225)	-
(Adjustments for doubtful debts - Note 39)	(4,473,812)	(4,602,099)
	(9,653,232)	(15,756,954)
	176,591,051	164,220,109
Accounts receivable for other reinsurance operations		
Reinsurers' current accounts	22,060,376	32,245,438
Reinsureds' current accounts	2,261,174	1,367,289
	24,321,551	33,612,727

(continuation)

(amounts in euros)

	2022	2021
(Adjustments for doubtful debts – Note 39)	(7,257,888)	(7,116,203)
	17,063,663	26,496,524
Accounts receivable for other operations		
Aggregate tax	55,827,776	-
Mandate Contracts	13,688,905	4,312,663
Taxes to recover	4,765,438	3,503,144
Group companies	3,622,264	698,412
Internal adjustment accounts	1,927,526	2,224,462
Instituto de Financiamento de Agricultura e Pescas I.P. (IFAP)	1,691,447	1,464,985
Rental properties	1,622,995	1,781,181
Advance to suppliers	1,227,741	1,383,171
Clients – current accounts	957,954	5,332,746
Others	3,212,815	7,252,307
	88,544,861	27,953,072
(Adjustments for doubtful debts – Note 39)	(7,010,932)	(7,702,751)
	81,533,928	20,250,321
	275,188,642	210,966,954

The balances receivable from IFAP correspond essentially to bonuses and compensation for excess claims related to harvest insurance campaigns in 2022.

The balance of the heading “Aggregate tax” corresponds to the amount of tax receivable from Longrun resulting from the application of the Special Regime for the Taxation of Groups of Companies (RETGS).

16. TAX ASSETS AND LIABILITIES

The balances for tax assets and liabilities at 31 December 2022 and 2021 were as follows:

(amounts in euros)

	2022	2021
Current tax assets		
Others		
Value-added tax	6,184,787	-
Others	-	19,376
	6,184,787	19,376
Current tax liabilities		
Income tax payable	(10,916,478)	(12,249,932)
Others		
Stamp duty	(4,967,999)	(9,698,842)
Value-added tax	-	(1,834,499)
Motor insurance guarantee fund tax	(2,067,797)	(2,032,583)
Workers' compensation fund tax	(4,559,925)	(4,518,974)
National civil protection authority tax	(2,539,406)	(2,550,197)

(continuation)

(amounts in euros)

	2022	2021
Insurance and pension funds supervisory authority tax	(2,347,162)	(2,392,633)
National institute of medical emergency tax	(3,253,985)	(3,119,591)
Social Security	(3,086,420)	(3,064,382)
Withholdings	(3,918,624)	(3,644,139)
Others	(3,736,117)	(4,664,651)
	(41,393,912)	(49,770,423)
Deferred tax assets	378,530,097	148,419,178
Deferred tax liabilities	(126,189,106)	(87,374,791)
	252,340,991	61,044,388
	217,131,866	11,293,340

As of 31 December 2022 and 2021, the balances relating to current tax assets and liabilities on income for the year, recorded in the balance sheet account as amounts receivable from or payable to Longrun as evidenced in Notes 15 and 22, show the following breakdown:

(amounts in euros)

	2022	2021
Income tax estimate recognised as a charge to the Income Statement	(18,936,230)	(67,714,535)
Income tax estimate recognised as a charge to other comprehensive income	28,851,291	3,760,776
Withholding tax	2,290,182	2,197,237
Payments on account	35,556,087	19,637,556
Income tax on branches	(186,994)	415,143
Income tax from previous years	19,326,920	6,264,882
Tax liabilities	(21,989,959)	(12,201,057)
	44,911,298	(47,639,997)

On 31 December 2022 and 2021, the heading "Income tax estimate recognised as a charge to the Income Statement" corresponds to the amount of the estimate of CIT.

In 2022 and 2021, income tax recorded against other comprehensive income results from the variation of the fair value reserve of financial assets at fair value through other comprehensive income allocated to life insurance products with profit sharing, from the variation of actuarial deviations related to post-employment benefits granted to employees, as well as from the realised capital gains and losses on variable income securities with fair value variation by other comprehensive income.

At 31 December 2022, the heading "Income tax referring to previous years" corresponds, among others, to the estimate of the tax benefit of the System of Tax Incentives for Research and Business Development (SIFIDE II) for the fiscal year 2021 (3,229,145 Euros) and 2020 (4,831,006 Euros).

In fact, in 2021, the Company incurred expenses related to Research and Development ("R&D") projects, in the amount of 7,981,917 Euros, and in May 2022, it made an application to SIFIDE II in the total amount of 3,229,145 Euros.

At 31 December 2022, the submitted application relating to year 2021 is still under assessment by Agência Nacional de Inovação, S.A. (ANI), with the

Company accounting in 2022 the amount of 3,229,145 Euros, corresponding to 100% of the requested tax credit.

Movement under the deferred taxes heading during the years 2022 and 2021 was as follows:

(amounts in euros)

	2022			Closing balances
	Opening balances	Other comprehensive income	Income statement	
Assets				
Valuation of Financial assets at fair value through other comprehensive income	20,568,993	151,365,897	-	171,934,889
Financial assets at fair value through profit or loss	-	-	63,550,037	63,550,037
Expected credit losses	1	5,910,757	(5,910,757)	1
Properties				
Own use	8,127,475	-	(540,172)	7,587,303
Investment Properties	18,881,091	(228,272)	(10,759,102)	7,893,717
Provisions for impairment temporarily not allowed for tax purposes	92,999,728	(2,202,465)	21,611,614	112,408,877
Employee benefits	7,790,491	-	515,502	8,305,993
Leases	37,853	-	(37,853)	-
Tax losses carried forward	-	-	6,849,280	6,849,280
Other temporary differences	13,546	-	(13,546)	-
	148,419,178	154,845,916	75,265,003	378,530,097

(continuation)

(amounts in euros)

	2022			Closing balances
	Opening balances	Other comprehensive income	Change in Income statement	
Liabilities				
Valuation of Financial assets at fair value through other comprehensive income	(74,223,449)	41,698,587	1,393,768	(31,131,095)
Financial assets at fair value through profit or loss	-	-	(83,783,013)	(83,783,013)
Properties				
Own use	(11,377,452)	-	823,218	(10,554,234)
Investment Properties	(1,773,890)	320,589	732,537	(720,765)
	(87,374,791)	42,019,175	(80,833,491)	(126,189,106)
	61,044,387	196,865,091	(5,568,487)	252,340,991

(amounts in euros)

	2021			Closing balances
	Opening balances	Other comprehensive income	Change in Income statement	
Assets				
Valuation of financial assets at fair value through other comprehensive income	22,037,873	(1,468,880)	-	20,568,993
Expected credit losses	468,467	2,077,363	(2,545,829)	1
Properties				
Own use	8,052,706	-	74,769	8,127,475
Investment Properties	20,234,786	(493,063)	(860,631)	18,881,091
Provisions and impairment temporarily not accepted for tax purposes	89,312,361	43,868	3,643,499	92,999,728
Employee benefits	10,613,150	(839,887)	(1,982,772)	7,790,491
Leases	1,039,250	-	(1,001,396)	37,853
Other temporary differences	-	-	13,546	13,546
	151,758,592	(680,601)	(2,658,813)	148,419,178
Liabilities				
Valuation of financial assets at fair value through other comprehensive income	(130,997,721)	57,455,306	(681,034)	(74,223,449)
Properties				
Own use	(10,684,198)	-	(693,253)	(11,377,452)
Investment Properties	(1,640,273)	(62,753)	(70,865)	(1,773,890)
	(143,322,192)	57,392,553	(1,445,152)	(87,374,791)
	8,436,400	56,711,952	(4,103,966)	61,044,387

In 2022, the tax rate for deferred taxes was 31.5%, except for the part corresponding to tax losses, which are measured at a rate of 21%.

17. ACCRUALS AND DEFERRALS (ASSETS)

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accrued income		
Estimate of profit commissions	4,260,391	4,565,000
Others	235,516	87,238
Deferred expenses		
Software licences	6,209,467	4,561,122
Maintenance and repairs	1,958,525	428,266
Specialist work	721,168	18,358
Portuguese Insurers Association subscriptions	365,062	295,737
Commissions on the issue of financial products	360,860	2,455,794
Insurance	50,229	26,514
Rents and leases	37,880	32,311
Others	292,044	744,638
	14,491,141	13,214,978

The heading "Deferred expenses – Commissions on the issue of financial products" corresponds to commission charges made by Caixa Geral de Depósitos, S.A. on the commercialisation of capitalisation products recognised as financial liabilities, which are deferred during the lifetime of the contracts.

18. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 31 December 2021, the heading of profit or loss of non-current held for sale assets was as follows:

(amounts in euros)

	2021
Gains or losses on non-current assets classified as held for sale	
Gains	
Realised gains	3,890,250
	3,890,250

The profit realised in 2021 relates to the disposal of the property located at P. Guilherme Gomes Fernandes, 2 a 18, in Porto.

19. TECHNICAL PROVISIONS

On 31 December 2022 and 2021, the technical provisions for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	2022			2021		
	Life	Non-life	Total	Life	Non-life	Total
Provision for unearned premiums	2,618,438	356,907,033	359,525,471	2,363,593	319,470,334	321,833,928
Mathematical provision for life insurance	1,613,365,329	-	1,613,365,329	1,797,846,377	-	1,797,846,377
Claims provisions						
Reported claims	82,350,138	1,665,017,132	1,747,367,270	85,547,599	1,708,058,607	1,793,606,206
Claims incurred but not reported (IBNR)	28,897,901	116,530,466	145,428,367	27,876,359	100,128,755	128,005,114
	111,248,039	1,781,547,598	1,892,795,637	113,423,958	1,808,187,362	1,921,611,319
Provision for profit sharing	26,187,874	6,250	26,194,124	62,284,521	6,250	62,290,771
Provision for interest rate commitments	16,561,158	-	16,561,158	17,780,388	-	17,780,388
Provision for portfolio stabilising	24,110,995	-	24,110,995	25,803,587	-	25,803,587
Equalisation provision	-	35,173,070	35,173,070	-	32,960,468	32,960,468
Provision for unexpired risks	-	41,162,650	41,162,650	-	43,924,719	43,924,719
Other technical provisions	-	35,787,913	35,787,913	-	23,211,963	23,211,963
	1,794,091,833	2,250,584,514	4,044,676,347	2,019,502,424	2,227,761,096	4,247,263,520

The Other technical provisions originated in the French branch, in the accounting of PSNEM (Provision pour Sinistres Non Encore Manifestés), a mandatory provision for products related to third party liability related to construction. In the years 2022 and 2021, the sharp increase in the provision is essentially due to the adjustment of the previous year's PSNEM.

As at 31 December 2022 and 2021, the provisions for unearned premiums on direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Deferred premiums	2022 Deferred costs	Net	Deferred premiums	2021 Deferred costs	Net
Life insurance	2,618,438	-	2,618,438	2,366,363	(2,770)	2,363,593
Non-life insurance						
Workers' compensation	19,614,461	(3,915,996)	15,698,465	18,173,302	(3,700,161)	14,473,141
Personal accidents and passengers	17,239,201	(6,113,169)	11,126,032	12,518,081	(3,522,977)	8,995,104
Health	34,908,071	(4,419,539)	30,488,532	32,111,313	(3,666,605)	28,444,708
Fire and other damage	127,617,259	(27,661,671)	99,955,588	114,642,963	(26,726,786)	87,916,176
Motor	180,399,297	(40,155,929)	140,243,368	165,943,776	(36,386,753)	129,557,023
Marine, aviation and transport	3,291,415	(462,026)	2,829,389	3,310,232	(518,272)	2,791,960
Third party liability	38,434,174	(9,222,465)	29,211,709	27,887,786	(6,691,174)	21,196,612
Credit and suretyship	64,921	(7,680)	57,242	79,803	(8,562)	71,241
Legal protection	2,700,753	(1,141,666)	1,559,087	2,448,640	(1,132,928)	1,315,712
Assistance	18,346,926	(4,221,381)	14,125,545	16,771,368	(3,903,255)	12,868,114
Others	15,107,195	(3,495,120)	11,612,075	15,517,256	(3,676,711)	11,840,544
	457,723,674	(100,816,641)	356,907,033	409,404,520	(89,934,185)	319,470,334
	460,342,112	(100,816,641)	359,525,471	411,770,883	(89,936,955)	321,833,928

The movement in provisions for unearned premiums and deferred acquisition costs of direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021	Liabilities originated in the year	Others	Balance 31/12/2022
Provision for unearned premiums						
Life insurance	1,949,697	416,666	2,366,363	252,075	-	2,618,438
Non-life insurance						
Workers' compensation	16,617,602	1,555,700	18,173,302	1,567,580	(126,421)	19,614,461
Personal accidents and passengers	9,530,583	2,987,498	12,518,081	4,811,713	(90,594)	17,239,201
Health	34,358,122	(2,246,809)	32,111,313	4,019,661	(1,222,903)	34,908,071
Fire and other damage	100,451,137	14,191,826	114,642,963	13,515,393	(541,097)	127,617,259
Motor	158,674,072	7,269,704	165,943,776	15,046,503	(590,982)	180,399,297
Marine, aviation and transport	1,948,442	1,361,790	3,310,232	60,344	(79,161)	3,291,415
Third party liability	18,197,517	9,690,269	27,887,786	10,565,329	(18,941)	38,434,174
Credit and suretyship	116,294	(36,491)	79,803	(14,882)	-	64,921
Legal protection	2,251,765	196,875	2,448,640	253,115	(1,002)	2,700,753
Assistance	15,738,423	1,032,945	16,771,368	1,589,905	(14,348)	18,346,926
Others	11,680,483	3,836,773	15,517,256	(410,060)	-	15,107,195
	369,564,440	39,840,081	409,404,520	51,004,602	(2,685,448)	457,723,674
	371,514,137	40,256,747	411,770,883	51,256,677	(2,685,448)	460,342,112

(continuation)

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Balance 31/12/2021	Liabilities originated in the year	Others	Balance 31/12/2022
Deferred acquisition costs						
Life insurance	-	(2,770)	(2,770)	2,770	-	-
Non-life insurance						
Workers' compensation	(3,513,473)	(186,688)	(3,700,161)	(232,223)	16,388	(3,915,996)
Personal accidents and passengers	(3,105,820)	(417,157)	(3,522,977)	(2,596,739)	6,547	(6,113,169)
Health	(4,444,278)	777,673	(3,666,605)	(815,850)	62,917	(4,419,539)
Fire and other damage	(25,540,386)	(1,186,401)	(26,726,786)	(975,527)	40,643	(27,661,671)
Motor	(33,503,540)	(2,883,213)	(36,386,753)	(3,841,845)	72,669	(40,155,929)
Marine, aviation and transport	(298,569)	(219,703)	(518,272)	15,710	40,536	(462,026)
Third party liability	(5,237,360)	(1,453,814)	(6,691,174)	(2,531,920)	629	(9,222,465)
Credit and suretyship	(9,502)	940	(8,562)	883	-	(7,680)
Legal protection	(1,177,666)	44,738	(1,132,928)	(8,835)	97	(1,141,666)
Assistance	(3,774,520)	(128,735)	(3,903,255)	(319,906)	1,780	(4,221,381)
Others	(3,166,609)	(510,102)	(3,676,711)	181,591	-	(3,495,120)
	(83,771,723)	(6,162,463)	(89,934,185)	(11,124,662)	242,206	(100,816,641)
	(83,771,723)	(6,165,233)	(89,936,955)	(11,121,892)	242,206	(100,816,641)
	287,742,414	34,091,514	321,833,928	40,134,785	(2,443,242)	359,525,471

The column "Other" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life branches in Seguradora Internacional de Moçambique, S.A.

On 31 December 2022 and 2021, claims provisions for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Reported	2022 Not reported	Total	Reported	2021 Not reported	Total
Life insurance	82,350,138	28,897,901	111,248,039	85,547,599	27,876,359	113,423,958
Non-life insurance						
Workers' compensation						
Mathematical provision	701,416,192	1,198,947	702,615,139	721,628,962	1,212,253	722,841,215
Provision for lifetime assistance	196,611,585	7,957,760	204,569,345	206,705,696	7,978,518	214,684,214
Provision for temporary assistance	67,988,955	3,111,264	71,100,219	68,672,688	3,214,192	71,886,880
	966,016,732	12,267,971	978,284,702	997,007,346	12,404,963	1,009,412,309
Other insurance						
Personal accidents and passengers	34,435,440	7,808,189	42,243,630	27,864,203	7,120,790	34,984,993
Health	80,715,796	5,118,823	85,834,619	68,684,632	7,051,346	75,735,978
Fire and other damage	132,646,005	36,274,908	168,920,913	139,274,344	25,280,155	164,554,499
Motor	345,446,823	20,702,389	366,149,212	369,622,604	16,982,252	386,604,856

(continuation)

(amounts in euros)

	Reported	2022 Not reported	Total	Reported	2021 Not reported	Total
Marine, aviation and transport	4,399,308	2,979,029	7,378,337	5,384,515	2,694,325	8,078,840
Third party liability	92,110,367	29,086,553	121,196,920	92,286,710	26,529,625	118,816,335
Credit and suretyship	176,281	100,634	276,915	170,917	94,487	265,405
Legal protection	-	-	-	19,837	10,697	30,535
Assistance	3,828	375	4,203	151,385	89,366	240,750
Others	9,066,551	2,191,596	11,258,147	7,592,115	1,870,747	9,462,862
	699,000,401	104,262,495	803,262,896	711,051,261	87,723,791	798,775,053
	1,665,017,132	116,530,466	1,781,547,598	1,708,058,607	100,128,755	1,808,187,362
	1,747,367,270	145,428,367	1,892,795,637	1,793,606,206	128,005,114	1,921,611,319

The movement in claims provisions for direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Liabilities originated in the year	Claims paid	Balance 31/12/2021	Liabilities originated in the year	Claims paid	Other	Balance 31/12/2022
Life insurance	105,342,959	359,127,763	(351,046,764)	113,423,958	355,555,297	(357,728,446)	(2,770)	111,248,039
Non-life insurance								
Workers' compensation	943,271,218	224,565,701	(158,424,610)	1,009,412,309	152,344,936	(183,099,986)	(372,557)	978,284,702
Personal accidents and passengers	33,646,081	11,183,146	(9,844,235)	34,984,993	20,436,300	(13,172,126)	(5,537)	42,243,630
Health	53,341,369	317,462,359	(295,067,750)	75,735,978	338,214,594	(326,272,304)	(1,843,650)	85,834,619
Fire and other damage	120,876,897	170,465,134	(126,787,532)	164,554,499	162,079,623	(157,142,729)	(570,479)	168,920,913
Motor	367,433,743	334,908,806	(315,737,693)	386,604,856	355,752,900	(375,635,732)	(572,812)	366,149,212
Marine, aviation and transport	5,934,216	5,676,676	(3,532,052)	8,078,840	6,570,330	(7,263,413)	(7,420)	7,378,337
Third party liability	106,391,123	26,596,858	(14,171,645)	118,816,335	18,931,070	(16,539,592)	(10,892)	121,196,920
Credit and suretyship	304,045	(33,424)	(5,216)	265,405	15,721	(4,210)	-	276,915
Legal protection	21,782	18,959	(10,206)	30,535	(30,400)	-	(135)	-
Assistance	178,399	57,203	5,149	240,750	(215,945)	(6,518)	(14,084)	4,203
Others	10,927,535	24,076,090	(25,540,763)	9,462,862	17,454,857	(15,659,573)	-	11,258,147
	1,642,326,408	1,114,977,507	(949,116,553)	1,808,187,362	1,071,553,986	(1,094,796,183)	(3,397,566)	1,781,547,598
	1,747,669,367	1,474,105,270	(1,300,163,317)	1,921,611,319	1,427,109,283	(1,452,524,630)	(3,400,336)	1,892,795,637

The liabilities arising in the year and the claims paid do not include the costs allocated to the claims management function and are not deducted from the reimbursements processed by the Company.

The column "Other" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life branches in Seguradora Internacional de Moçambique, S.A.

At 31 December 2022 and 2021, the provisions for unexpired risks on direct insurance and reinsurance accepted were as follows:

(amounts in euros)

	2022	2021
Non-life insurance		
Workers' compensation	569,958	869,120
Personal accidents and passengers	82,928	221,649
Health	10,490,752	10,047,998
Fire and other damage	3,170,490	2,707,599
Motor	16,939,935	21,774,761
Marine, aviation and transport	1,510	81,065
Third party liability	6,658,818	4,787,340
Legal protection	478,345	648,005
Assistance	2,769,914	2,745,404
Others	-	41,780
	41,162,650	43,924,719

The movement in the provision for unexpired risks in direct insurance and reinsurance accepted during 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Appropriations / (Reversals) for the financial year	Balance 31/12/2021	Appropriations / (Reversals) for the financial year	Others	Balance 31/12/2022
Non-life insurance						
Workers' compensation	631,521	237,599	869,120	(299,162)	-	569,958
Personal accidents and passengers	1,194,634	(972,985)	221,649	(138,113)	(607)	82,928
Health	691,569	9,356,429	10,047,998	445,382	(2,628)	10,490,752
Fire and other damage	3,601,537	(893,938)	2,707,599	464,150	(1,259)	3,170,490
Motor	15,980,859	5,793,902	21,774,761	(4,832,240)	(2,585)	16,939,935
Marine, aviation and transport	-	81,065	81,065	(79,555)	-	1,510
Third party liability	3,025,260	1,762,080	4,787,340	1,871,478	-	6,658,818
Credit and suretyship	508	(508)	-	-	-	-
Legal protection	477,133	170,872	648,005	(169,658)	(2)	478,345
Assistance	1,974,627	770,777	2,745,404	24,515	(5)	2,769,914
Others	11,033	30,747	41,780	(41,780)	-	-
	27,588,681	16,336,038	43,924,719	(2,754,983)	(7,087)	41,162,650

For motor insurance, the change in the calculation method of the provision for unexpired risks, due to the impact of the Coronavirus – COVID-19 pandemic outbreak in fiscal year 2021 described in Note 2.15.j), gave rise to a reinforcement of the provision of 20,659,927 Euros.

The column "Others" corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life branches in Seguradora Internacional de Moçambique, S.A.

At 31 December 2022 and 2021, the mathematical provision and the provision for profit sharing in direct insurance and reinsurance accepted were as follows:

(amounts in euros)

	2022					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Life insurance						
Insurance contracts						
Life individual risk	113,585,698	-	113,585,698	978,603	13,839,244	14,817,847
Life group risk	111,199,455	-	111,199,455	1,961	5,726,296	5,728,258
	224,785,152	-	224,785,152	980,564	19,565,540	20,546,104
Investment contracts with a discretionary profit-sharing component						
Life individual capitalisation	71,155,205	(2,855)	71,152,350	-	1,337,430	1,337,430
Group individual capitalisation	365,327,650	-	365,327,650	195	4,185,022	4,185,217
Life individual PPR	952,108,000	(7,823)	952,100,177	-	119,122	119,122
	1,388,590,855	(10,678)	1,388,580,177	195	5,641,574	5,641,769
	1,613,376,008	(10,678)	1,613,365,329	980,759	25,207,115	26,187,874
Non-life insurance						
Fire and other damage	-	-	-	-	6,250	6,250
	-	-	-	-	6,250	6,250
	1,613,376,008	(10,678)	1,613,365,329	980,759	25,213,365	26,194,124

(amounts in euros)

	2022					
	Mathematical provision	Deferred acquisition costs	Total mathematical provision	Provision for profit sharing to be allocated	Provision for profit sharing allocated	Total provision for profit sharing
Life insurance						
Insurance contracts						
Life individual risk	108,210,257	(18,587)	108,191,670	2,111,992	15,195,265	17,307,257
Life group risk	120,425,103	-	120,425,103	97,048	18,837,448	18,934,495
Life individual capitalisation	2,861,942	-	2,861,942	60,258	9,661	69,919
Group individual capitalisation	2,544,934	-	2,544,934	29,504	15,032	44,536
	234,042,236	(18,587)	234,023,649	2,298,802	34,057,406	36,356,208
Investment contracts with a discretionary profit-sharing component						
Life individual capitalisation	77,136,924	(3,604)	77,133,321	712,118	4,919,880	5,631,998
Group individual capitalisation	342,463,504	-	342,463,504	2,068,569	3,201,337	5,269,906
Life individual PPR	1,144,235,750	(9,847)	1,144,225,903	12,986,335	2,040,075	15,026,409
	1,563,836,178	(13,450)	1,563,822,728	15,767,021	10,161,292	25,928,314
	1,797,878,414	(32,037)	1,797,846,377	18,065,824	44,218,698	62,284,521
Non-life insurance						
Fire and other damage	-	-	-	-	6,250	6,250
	-	-	-	-	6,250	6,250
	1,797,878,414	(32,037)	1,797,846,377	18,065,824	44,224,948	62,290,771

The movement in the mathematical provision and in the provision for profit sharing in direct insurance and reinsurance accepted during 2022 and 2021 was as follows:

(amounts in euros)

	2022							Closing balance
	Opening balance	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	Change in deferred acquisition costs	Portfolio recomposition	Profit shared	Others	
Mathematical provision								
Life insurance								
Insurance contracts	234,023,649	(3,837,058)	-	113	-	(5,259,417)	(142,136)	224,785,152
Investment contracts with a discretionary profit-sharing component	1,563,822,728	(189,049,547)	-	2,772	(66,194)	13,870,418	-	1,388,580,177
	1,797,846,377	(192,886,605)	-	2,886	(66,194)	8,611,002	(142,136)	1,613,365,329
Provision for profit sharing								
To Be Allocated								
Life insurance								
Insurance contracts	2,298,802	592,585	(1,821,061)	-	-	(89,762)	-	980,564
Investment contracts with a discretionary profit-sharing component	15,767,021	9,212,116	(25,160,093)	-	-	181,151	-	195
	18,065,824	9,804,701	(26,981,154)	-	-	91,389	-	980,759

(continuation)

(amounts in euros)

	2022							Closing balance
	Opening balance	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	Change in deferred acquisition costs	Portfolio recomposition	Profit shared	Others	
Allocated								
Life insurance								
Insurance contracts	34,057,406	(13,719,103)	-	-	-	(772,762)	-	19,565,540
Investment contracts with a discretionary profit-sharing component	10,161,292	3,818,926	-	-	-	(8,338,644)	-	5,641,574
	44,218,698	(9,900,177)	-	-	-	(9,111,406)	-	25,207,115
Non-life insurance								
Fire and other damage	6,250	4,217	-	-	-	(4,217)	-	6,250
Others	-	79,193	-	-	-	(79,193)	-	-
	6,250	83,410	-	-	-	(83,410)	-	6,250
	44,224,948	(9,816,767)	-	-	-	(9,194,816)	-	25,213,365
	62,290,771	(12,066)	(26,981,154)	-	-	(9,103,427)	-	26,194,124

The "Other" column corresponds to the portfolio outflow associated with the integration of the previous Mozambican life and non-life branches in Seguradora Internacional de Moçambique, S.A.

(amounts in euros)

	Opening balance	Liabilities originated in the year and interest allocated	Amount attributable to equity policyholders	2021 Change in deferred acquisition costs	Portfolio recomposition	Profit shared	Closing balance
Mathematical provision							
Life insurance							
Insurance contracts	228,386,729	4,263,955	-	6,911	-	1,366,054	234,023,649
Investment contracts with a discretionary profit-sharing component	1,751,056,925	(190,561,450)	-	3,796	(53,055)	3,376,512	1,563,822,728
	1,979,443,654	(186,297,495)	-	10,706	(53,055)	4,742,566	1,797,846,377
Provision for profit sharing							
To Be Allocated							
Life insurance							
Insurance contracts	2,040,346	40,072	218,384	-	-	-	2,298,802
Investment contracts with a discretionary profit-sharing component	29,220,882	6,082,864	(19,995,034)	-	-	458,310	15,767,021
	31,261,228	6,122,936	(19,776,650)	-	-	458,310	18,065,824

(continuation)

(amounts in euros)

	Saldo inicial	Responsabilidades originadas no exercício e juro atribuído	Montante atribuível aos segurados por capital próprio	2021 Variação dos custos de aquisição diferidos	Recomposição de carteira	Resultados distribuídos	Saldo final
Allocated							
Life insurance							
Insurance contracts	34,681,279	3,844,018	-	-	-	(4,467,891)	34,057,406
Investment contracts with a discretionary profit-sharing component	9,684,436	4,251,507	-	-	-	(3,774,651)	10,161,292
	44,365,715	8,095,525	-	-	-	(8,242,542)	44,218,698
Non-life insurance							
Fire and other damage	6,250	146,202	-	-	-	(146,202)	6,250
	6,250	146,202	-	-	-	(146,202)	6,250
	44,371,965	8,241,728	-	-	-	(8,388,745)	44,224,948
	75,633,193	14,364,664	(19,776,650)	-	-	(7,930,435)	62,290,771

The provisions for profit sharing to be allocated and already allocated are accounted for in line with the policy described in Note 2.15.f).

As of 31 December 2022 and 2021, the provision for interest rate commitments, the provision for portfolio stabilisation and the equalisation provision for direct insurance and reinsurance accepted are as follows:

(amounts in euros)

	Provision for interest rate commitments	2022 Provision for portfolio stabilising	Equalisation provision
Life insurance			
Insurance contracts			
Life group risk	-	24,110,995	-
	-	24,110,995	-
From investment contracts with profit sharing with discretionary component			
Life individual capitalisation	1,533,954	-	-
Life Group capitalisation	537,378	-	-
Life individual PPR	14,489,825	-	-
	16,561,158	-	-
	16,561,158	24,110,995	-
Non-life insurance			
Fire and other damage	-	-	32,472,481
Third party liability	-	-	61,681
Credit and suretyship	-	-	2,009,593
Others	-	-	629,315
	-	-	35,173,070
	16,561,158	24,110,995	35,173,070

(amounts in euros)

		2021	
	Provision for rate commitments	Provision for portfolio stabilising	Provisions for claims rate deviations
Life insurance			
Insurance contracts			
Life group risk	-	25,803,587	-
	-	25,803,587	-
From investment contracts with profit sharing with discretionary component			
Life individual capitalisation	2,804,509	-	-
Life Group capitalisation	744,111	-	-
Life individual PPR	14,231,768	-	-
	17,780,388	-	-
	17,780,388	25,803,587	-
Non-life insurance			
Fire and other damage	-	-	30,289,684
Third party liability	-	-	61,681
Credit and suretyship	-	-	2,009,593
Others	-	-	599,510
	-	-	32,960,468
	17,780,388	25,803,587	32,960,468

The provision for interest rate commitments is in line with the policy described in Note 2.15.g).

The movement occurred in the provision for interest rate commitments and in the provision for portfolio stabilisation of direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Reversals in the year	Balance 31/12/2021	Reversals in the year	Balance 31/12/2022
Provision for interest rate commitments					
Life insurance					
Investment contracts with a discretionary profit-sharing component					
Life individual capitalisation	5,648,440	(2,843,931)	2,804,509	(1,270,554)	1,533,954
Life Group capitalisation	1,800,637	(1,056,526)	744,111	(206,734)	537,378
Life individual PPR	21,562,945	(7,331,177)	14,231,768	258,057	14,489,825
	29,012,022	(11,231,634)	17,780,388	(1,219,231)	16,561,158
Provision for portfolio stabilisation					
Life insurance					
Insurance contracts					
Life group risk	26,345,782	(542,195)	25,803,587	(1,692,592)	24,110,995
	26,345,782	(542,195)	25,803,587	(1,692,592)	24,110,995

The movement occurred in the equalisation provision for direct insurance and reinsurance accepted during the years 2022 and 2021 was as follows:

(amounts in euros)

	Balance 31/12/2020	Appropriations for the financial year	Balance 31/12/2021	Appropriations for the financial year	Balance 31/12/2022
Non-life insurance					
Fire and other damage	28,318,333	1,971,351	30,289,684	2,182,797	32,472,481
Third party liability	61,681	-	61,681	-	61,681
Credit and suretyship	2,005,006	4,587	2,009,593	-	2,009,593
Others	574,205	25,305	599,510	29,805	629,315
	30,959,225	2,001,243	32,960,468	2,212,602	35,173,070

20. FINANCIAL LIABILITIES OF THE DEPOSIT COMPONENT OF INSURANCE CONTRACTS AND ON INSURANCE CONTRACTS AND OPERATIONS CONSIDERED FOR ACCOUNTING PURPOSES AS INVESTMENT CONTRACTS

Information on movements in this account heading for 2022 and 2021 is set out below:

(amounts in euros)

	2022					
	Opening balance	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	Closing balance
Valued at fair value						
Unit-linked contracts						
Unit-linked individual capitalisation	1,447,057,443	976,251,559	(98,320,361)	(222,177,509)	(601,726)	2,102,209,406
Unit-linked group capitalisation	721,245	-	-	-	-	721,245
Unit-linked PPR	312,491,275	98,980,283	(20,051,238)	(25,723,881)	(1,359,449)	364,336,990
	1,760,269,964	1,075,231,842	(118,371,599)	(247,901,390)	(1,961,176)	2,467,267,641
Valued at amortised cost						
Other investment contracts						
Life individual PPR fixed rate	4,369,811,692	151,827,823	(897,902,113)	3,287,222	1,425,643	3,628,450,267
Life individual fixed rate	1,881,617,869	388,672,441	(668,424,383)	3,353,734	602,016	1,605,821,677
Life group fixed rate	816,882	37,080	-	29,261	-	883,224
Capitalisation Op. Individual Fixed Rate	4,435,555	-	(994)	3,313	-	4,437,874
	6,256,681,997	540,537,344	(1,566,327,489)	6,673,530	2,027,659	5,239,593,041
	8,016,951,962	1,615,769,186	(1,684,699,088)	(241,227,860)	66,483	7,706,860,682

(amounts in euros)

		2021					Closing balance
		Opening balance	Issuances	Reimbursements	Income and expenditure	Portfolio recomposition	
Valued at fair value							
Unit-linked contracts							
Unit-linked individual capitalisation	436,425,650	1,042,531,268	(47,732,420)	16,009,090	(176,145)	1,447,057,443	
Unit-linked group capitalisation	721,245	-	-	-	-	721,245	
Unit-linked PPR	86,383,232	229,704,106	(7,906,181)	8,432,175	(4,122,056)	312,491,275	
523,530,127	1,272,235,374	(55,638,601)	24,441,265	(4,298,202)	1,760,269,964		
Valued at amortised cost							
Other investment contracts							
Life individual PPR fixed rate	5,404,155,924	181,613,064	(1,223,274,300)	3,141,892	4,175,111	4,369,811,692	
Life individual fixed rate	2,343,751,264	611,885,111	(1,088,940,538)	14,745,886	176,145	1,881,617,869	
Life group fixed rate	751,929	36,834	-	28,119	-	816,882	
Capitalisation Op. Individual Fixed Rate	4,435,555	-	-	-	-	4,435,555	
7,753,094,672	793,535,009	(2,312,214,838)	17,915,898	4,351,256	6,256,681,997		
8,276,624,799	2,065,770,383	(2,367,853,439)	42,357,163	53,055	8,016,951,962		

"Other investment contracts" corresponds, for the most part, to liabilities with contracts which guarantee the insured person a fixed yield throughout the whole of the contract, and these are recognised at amortised cost.

21. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND OTHER FINANCIAL LIABILITIES

At 31 December 2022 and 2021, these headings were composed as follows:

(amounts in euros)

	2022	2021
Financial liabilities at fair value through profit or loss		
Fair value hedge (Note 6)	39,978,362	182,884,109
Other derivatives (Note 6)	129,278,235	129,754,462
Other financial liabilities		
Subordinate liabilities	502,164,558	501,053,722
Deposits received from reinsurers		
Life	1,773,745	2,069,390
Non-life	147,849,004	128,077,301
	149,622,749	130,146,691
Leases	23,541,553	26,756,211
	675,328,860	657,956,624
	844,585,457	970,595,195

The heading "Other derivatives" includes a put option and a call option on all shares of Fidelidade Moçambique – Companhia de Seguros S.A.

The heading "Subordinate liabilities" refers to the issuance of debt by the Company on 4 June 2021, in the amount of 500,000,000 Euros, with a maturity of 10 years, with a 5-year call option and a remuneration rate of 4.25%.

In December 2021, Fidelidade sold investment units in a real estate fund in the amount of 40 million Euros. In the sales contract, (i) it was agreed that, within 12 months, if any investor acquires investment units in this real estate fund at a price below market value, on terms comparable to that of this contract, the purchaser is entitled to a price reduction and (ii) a Put Option was contracted in favour of the acquirer, whereby the latter can sell the entire position to Fidelidade at the end of 5 years without any conditions, or on each anniversary of the contract, if the market value at that date is less than the value on the contract date. If the Put Option is exercised, the exercise price is the higher of the market value and the value at the date of the contract, plus a return of 3% per year, adjusted in case of capital increases or distribution of income. The

transaction complies with the requirements of IFRS 9 for derecognition of the transferred asset, and Fidelidade has transferred substantially all the risks and benefits, since the exposure to its variability is no longer significant in relation to the total variability of the current value of future net cash flows associated with the units of the real estate fund.

On the same date, units of the same fund were issued in the amount of 25 million Euros, which have a guaranteed return of 3% per year, over a period of 5 years.

At the balance sheet date there was no reason to record any liability resulting from these guarantees.

The movements occurred in finance liabilities during the year 2022 were as follows:

(amounts in euros)

Balance at 31 December 2021	26,756,211
Increase in the Period	9,211,777
Additions	3,159,790
Interest	743,520
Others	5,308,467
Decrease in the Period	12,426,435
Payments	12,426,435
Balance at 31 December 2022	23,541,553

In the years ended 31 December 2022 and 2021, lease liabilities had the following maturities:

(amounts in euros)

	2022				Total
	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	
Leases	11,489,230	6,392,877	4,085,305	1,574,142	23,541,553
	11,489,230	6,392,877	4,085,305	1,574,142	23,541,553

(amounts in euros)

	2021				Total
	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	
Leases	13,176,057	8,066,189	3,457,584	2,056,382	26,756,211
	13,176,057	8,066,189	3,457,584	2,056,382	26,756,211

The amounts recorded during the year are recognised in accordance with the principles defined in IFRS 16 – “Leases”.

22. OTHER CREDITORS FOR INSURANCE OPERATIONS AND OTHER OPERATIONS

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Accounts payable for direct insurance operations		
Brokers	52,433,648	48,398,734
Policyholders	47,442,014	41,546,311
Co-Insurers	10,917,957	15,612,300
	110,793,618	105,557,345
Accounts payable for other reinsurance operations		
Reinsurers' current accounts	96,760,626	83,950,551
Reinsureds' current accounts	2,526,584	1,965,060
	99,287,210	85,915,611
Accounts payable for other operations		
Suppliers current account	9,428,387	14,758,970
Internal adjustment accounts	3,399,502	2,122,232
Transactions to be settled	2,070,873	3,191,151

(continuation)

(amounts in euros)

	2022	2021
Group companies	2,016,300	3,517,315
Aggregate tax	-	35,854,084
Others	6,158,454	2,254,967
	23,073,516	61,698,719
	233,154,345	253,171,674

The heading "Internal adjustment accounts" records several transactions carried out in the last days of December, whose financial settlement occurred in the first days of the following month.

The balance of the heading "Aggregate tax" corresponds to the amount of tax payable to Longrun resulting from the application of the Special Regime for the Taxation of Groups of Companies (RETGS).

23. ACCRUALS AND DEFERRALS (LIABILITIES)

At 31 December 2022 and 2021, the breakdown of this heading was as follows:

(amounts in euros)

	2022	2021
Deferred income		
Rents and leases	178,298	224,213
	178,298	224,213
Accrued expenses		
Commissions payable	67,343,109	73,447,619
Holidays and allowances payable	16,900,653	15,791,721
Company performance awards	11,246,585	12,015,359
Deferred payments -- Marketing	7,889,671	9,792,217
Invoices in conference	6,263,234	6,099,143
Insurance	4,522,793	4,388,673
Optional career benefits	2,378,351	1,736,236
Specialist work	1,948,281	2,924,214
Variable remuneration, including charges	1,282,487	794,487

(continuation)

(amounts in euros)

	2022	2021
Advertising	1,169,037	566,570
Audit	926,461	433,631
Municipal property tax	284,787	188,313
Other employee costs	181,030	290,640
Others	7,584,786	5,628,418
	129,921,266	134,097,241
	130,099,564	134,321,454

The heading "Commissions payable" includes:

- Estimation of over commissions, in the amounts of 35,999,518 Euros and 36,058,179 Euros, for the years 2022 and 2021, respectively;
- Estimated commissions payable to CGD, in the amounts of 26,242,212 Euros and 32,564,262 Euros, for the years 2022 and 2021, respectively.

24. OTHER PROVISIONS

The movement in the heading of "Other provisions" for 2022 and 2021 is set out below:

(amounts in euros)

	2022						
	Opening balances	Reinforcements	Replacements and cancellations	Uses	Others	Actuarial deviations by equity	Closing balances
Provisions for tax	7,125,154	2,881,566	(2,880,734)	-	-	-	7,125,986
Provisions for the cost of employee benefits (Note 32)							
Health benefits	25,903,684	-	(598,391)	-	-	(6,975,396)	18,329,897
Provision for the Workers' compensation Fund	55,136,302	1,200,000	-	-	-	-	56,336,302
Provision for restructuring	10,141,774	-	(7,473,446)	-	-	-	2,668,327
Provision for judicial contingencies	8,093,049	-	(3,076,682)	-	-	-	5,016,366
Others	16,296,292	-	(9,287,011)	(9)	(4,697,776)	-	2,311,497
	122,696,254	4,081,566	(23,316,264)	(9)	(4,697,776)	(6,975,396)	91,788,376

	2021					
	Opening balances	Reinforcements	Replacements and cancellations	Uses	Actuarial deviations by equity	Closing balances
Provisions for tax	-	7,125,154	-	-	-	7,125,154
Provisions for the cost of employee benefits (Note 32)						
Health benefits	27,006,755	-	(642,953)	(0)	(460,118)	25,903,684
Provision for the Workers' compensation Fund	53,936,302	1,200,000	-	-	-	55,136,302
Provision for restructuring	9,402,267	5,974,644	(5,235,138)	-	-	10,141,774
Provision for judicial contingencies	988,601	7,104,448	-	(0)	-	8,093,049
Others	18,102,711	-	(1,794,436)	(11,982)	-	16,296,292
	109,436,636	21,404,245	(7,672,526)	(11,983)	(460,118)	122,696,254

Fidelidade has established a provision, framed within the employee restructuring and rejuvenation programme that consists of the hiring of new qualified employees and of the negotiated departure of a group of employees before the normal retirement age.

In 2021, 234 employees left, which led to 5,235,138 Euros being used. In the same period, 331 employees were hired.

In 2022, 301 employees left, which led to 7,473,446 Euros being used. In the same period, 397 employees were hired.

Taking into account this strategy of continuity in the constant renewal of skills and new profiles, it was necessary to review the development of the plan and, on 31 December 2021, Fidelidade reinforced the provision by 5,974,644 Euros, respectively, considering the effective cost of recent negotiated employee departures, based on the legal retirement age of 66 years and 6 months in 2021.

The other amounts recognised in the heading "Others" are to respond to ongoing legal cases and other contingencies resulting from the Company's activity.

In 2022 and 2021, the "Other Provisions" heading includes the use of 9,305,011 Euros and 1,362,168 Euros respectively, which are recorded under the heading "Impairment Losses (net of reversals)".

The column "Others" refers to the liability associated with the Corporate Bodies' Long-Term Benefit Agreement in the amount of 4,697,776 Euros, which was reclassified from the heading "Other provisions - Others" to the heading "Liability for Employee Benefits", in January 2022.

The heading "Provisions for the cost of employee benefits - Health benefits" is intended to cover the liabilities assumed by the Company in relation to health benefits attributed to its employees. The heading "Provisions for costs with employee benefits - Pension costs" is intended to cover the liabilities assumed by the Company arising from the retirement supplement allocated to some of its employees and which is not covered by the pension fund established by the Company to cover the liabilities with post-employment benefits of the defined benefit pensions plan (Note 32).

25. CAPITAL AND OTHER EQUITY INSTRUMENTS

The share capital in the amount of 509,263,524 Euros consists of 161.7 million shares with the nominal unit value of 3.15 Euros and is fully paid up.

Other equity instruments are supplementary contributions, and repayment of these is not expected in the short term. According to the legislation in force, the refund depends on the resolution of the shareholders, which can only be approved if, as a result of it, the Company's net situation does not become lower than the sum of the share capital and the legal reserve.

In the financial year 2015, 13,300 own shares were acquired, in compliance with the provisions of heading 9 of the agenda of the General Meeting of 31 March 2015, at a unit price of 11.20 Euros, totalling 148,960 Euros. This acquisition was completed on 22 December 2015.

In May 2018, there was a capital increase of 76,230,000 Euros with an Issue Premium of 67,276,000 Euros.

In September 2020, there was a capital increase of 38,912,643 Euros by new contributions in kind, with subscription reserved for the holders of shares in the companies Multicare and Fidelidade Assistência.

In October 2020, there was an increase by new contributions in cash, in the remaining amount of 12,970,881 Euros. The capital was increased with an Issue Premium of 63,042,599 Euros.

The movement of Supplementary Contributions was as follows:

(amounts in euros)

	Constitutions/Refunds					Situation at 31 December 2022
	2015	2018	2020	2021	2022	
Longrun Portugal, SGPS, S.A.						
Constitutions	500,000,000	-	-	-	-	500,000,000
Redemptions	-	(121,980,100)	(63,042,599)	(150,000,000)	(164,977,301)	(500,000,000)
	500,000,000	(121,980,100)	(63,042,599)	(150,000,000)	(164,977,301)	-
Caixa Geral de Depósitos, S.A.						
Constitutions	21,530,515	-	-	-	-	21,530,515
Redemptions	-	(21,530,515)	-	-	-	(21,530,515)
	21,530,515	(21,530,515)	-	-	-	-

The Company's shareholder structure at 31 December 2022 and 2021 was as follows:

(amounts in euros)

Shareholders	2022		2021	
	Number of Shares	% Share	Number of Shares	% Share
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	137,402,839	84.9892%
Caixa Geral de Depósitos, S.A.	24,250,644	15.0000%	24,250,644	15.0000%
Employees and former employees of Fidelidade - Companhia de Seguros, S.A.	4,177	0.0026%	4,177	0.0026%
Own shares	13,300	0.0082%	13,300	0.0082%
	161,670,960	100%	161,670,960	100%

The Company became a part of the Fosun Group as of 15 May 2014 when Longrun acquired 80% of Fidelidade's share capital.

The income per share at 31 December 2022 and 2021 was as follows:

(amounts in euros)

	2022	2021
Net income for the year	112,443,017	212,282,911
Number of shares (at end of year)	161,670,960	161,670,960
Income per share (in Euros)	0.70	1.31

26. RESERVES, RETAINED EARNINGS AND INCOME FOR THE YEAR

At 31 December 2022 and 2021, reserves and retained earnings were composed as follows:

(amounts in euros)

	2022	2021
Revaluation reserves		
Fair value adjustments		
From debt instruments valued at fair value through other comprehensive income		
Gross gains (Note 7)	(650,299,888)	84,239,656
Amount attributable to policyholders	898,772	(23,971,448)
	(649,401,116)	60,268,208
From equity instruments valued at fair value through other comprehensive income		
Gross gains (Note 7)	(6,466,670)	(453,737)
Amount attributable to policyholders	0	(254,653)
	(6,466,670)	(708,391)
Revaluations of properties for own use	407,026	640,095
Provision for expected credit losses on debt instruments valued at fair value through other comprehensive income		
Gross gains (Note 38)	7,163,384	26,583,442
Amount attributable to policyholders	703	(1,690,142)
	7,164,087	24,893,300
	(648,296,673)	85,093,212

(continuation)

(amounts in euros)

	2022	2021
Deferred tax reserve		
From debt instruments valued at fair value through other comprehensive income	162,105,722	(23,824,973)
From equity instruments valued at fair value through other comprehensive income	(14,493,555)	(27,532,886)
Properties for own use	829,654	737,338
Actuarial gains and losses		
Retirement pensions	25,198,328	25,198,328
Health benefits	1,688,397	3,885,647
Tax (paid)/deducted from potential capital gains or losses on assets	18,982,044	(9,441,426)
	194,310,590	(30,977,971)
Profit or loss from the sale of equity instruments valued at fair value through reserves	(801,983)	(1,394,347)
Adjustment for the overlay approach		
Gross gains (Note 5)	15,681,970	59,545,843
Amount attributable to policyholders	-	(165,436)
	15,681,970	59,380,408

(continuation)

(amounts in euros)

	2022	2021
Other reserves		
Legal reserve	247,549,636	226,321,345
Issue premiums	382,666,154	382,666,154
Actuarial gains and losses		
Retirement pensions	(35,429,096)	(49,753,134)
Health benefits	(5,359,990)	(12,335,387)
Merger reserve	-	91,335,345
Other reserves	1,214,101,562	1,122,766,218
	1,803,528,267	1,761,000,541
Retained earnings	242,693,767	52,605,672
Income for the year	112,443,017	212,282,911
	1,719,558,954	2,137,990,425

In accordance with the legislation in force, at least 10% of net profits for each year must be transferred to the legal reserve, until it totals the amount of share capital. The legal reserve may not be distributed, but may be used to increase the share capital or to offset accumulated losses.

The "Merger reserve" corresponds to the free reserves originated in the merger by incorporation, in 2012, of Império Bonança - Companhia de Seguros, S.A. into Companhia de Seguros Fidelidade-Mundial, S.A. In 2022, this amount was transferred to the "Other reserves".

The profit/loss of 2021 and 2020 was applied as indicated below:

(amounts in euros)

	2021	2020
Application of income for the year		
Legal reserve	21,228,291	15,083,422
Free reserves	-	111,597,365
Retained earnings	190,088,095	24,153,430
Reservation by tax	(427,822)	-
Gains and losses from the sale of equity instruments valued at fair value through other comprehensive income	1,394,347	-
	212,282,911	150,834,217

27. EARNED PREMIUMS, NET OF REINSURANCE

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written						
Life insurance						
Insurance contracts without profit sharing	207,277,548	(27,863,788)	179,413,759	194,858,606	(22,483,524)	172,375,082
Insurance contracts with profit sharing	10,711,247	(1,026,475)	9,684,772	11,324,434	(1,268,009)	10,056,425
Investment contract with discretionary profit sharing component	48,334,388	-	48,334,388	40,038,289	-	40,038,289
	266,323,183	(28,890,264)	237,432,920	246,221,328	(23,751,533)	222,469,795
Non-life insurance						
Workers' compensation	286,922,548	(9,017,221)	277,905,327	257,176,162	(7,038,724)	250,137,437
Personal accidents and passengers	42,547,215	(16,885,107)	25,662,107	35,403,321	(12,611,777)	22,791,544
Health	420,852,326	(418,218,924)	2,633,403	387,386,779	(379,280,246)	8,106,534
Fire and other damage	345,397,935	(161,057,569)	184,340,365	307,489,136	(133,201,156)	174,287,980
Motor	500,274,153	(2,536,671)	497,737,482	467,392,058	(2,062,040)	465,330,018
Marine, aviation and transport	29,182,690	(16,995,976)	12,186,714	26,922,558	(16,625,920)	10,296,638
Third party liability	77,117,309	(41,209,525)	35,907,784	72,663,353	(35,440,283)	37,223,070
Credit and suretyship	319,505	(205,776)	113,729	344,600	(242,198)	102,402

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Legal protection	6,549,211	(5,032,897)	1,516,314	5,987,286	(4,568,334)	1,418,952
Assistance	48,314,366	(37,612,142)	10,702,224	44,877,945	(35,711,266)	9,166,679
Others	42,522,016	(19,005,203)	23,516,813	41,476,669	(18,009,602)	23,467,066
	1,799,999,275	(727,777,013)	1,072,222,262	1,647,119,865	(644,791,547)	1,002,328,318
	2,066,322,458	(756,667,276)	1,309,655,182	1,893,341,194	(668,543,080)	1,224,798,114
Change in the provision for unearned premiums						
Life insurance						
Insurance contracts without profit sharing	(280,914)	6,704	(274,210)	(310,965)	75,364	(235,601)
Insurance contracts with profit sharing	28,839	(14,055)	14,784	(109,479)	31,844	(77,635)
Investment contract with discretionary profit sharing component	-	-	-	3,778	-	3,778
	(252,075)	(7,351)	(259,425)	(416,666)	107,209	(309,458)
Non-life insurance						
Workers' compensation	(1,567,580)	0	(1,567,580)	(1,555,700)	(0)	(1,555,700)
Personal accidents and passengers	(4,811,713)	4,606,276	(205,438)	(2,987,499)	2,798,206	(189,293)
Health	(4,019,661)	4,021,184	1,523	2,246,809	(2,701,115)	(454,306)
Fire and other damage	(13,515,393)	7,757,250	(5,758,143)	(14,191,826)	11,645,150	(2,546,675)
Motor	(15,046,503)	(1,599)	(15,048,102)	(7,269,704)	(6,879)	(7,276,583)

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Marine, aviation and transport	(60,344)	(87,488)	(147,832)	(1,361,790)	1,007,857	(353,933)
Third party liability	(10,565,329)	11,152,071	586,742	(9,690,269)	5,770,454	(3,919,815)
Credit and suretyship	14,882	(15,908)	(1,026)	36,490	(18,138)	18,352
Legal protection	(253,115)	-	(253,115)	(196,874)	215	(196,659)
Assistance	(1,589,905)	-	(1,589,905)	(1,032,946)	7,102	(1,025,843)
Others	410,060	(48,862)	361,198	(3,836,773)	3,033,989	(802,784)
	(51,004,602)	27,382,923	(23,621,680)	(39,840,081)	21,536,842	(18,303,239)
	(51,256,677)	27,375,572	(23,881,105)	(40,256,747)	21,644,050	(18,612,697)
Earned premiums						
Life insurance						
Insurance contracts without profit sharing	206,996,634	(27,857,084)	179,139,550	194,547,641	(22,408,160)	172,139,481
Insurance contracts with profit sharing	10,740,086	(1,040,530)	9,699,556	11,214,954	(1,236,164)	9,978,790
Investment contract with discretionary profit sharing component	48,334,388	-	48,334,388	40,042,066	-	40,042,066
	266,071,109	(28,897,614)	237,173,494	245,804,662	(23,644,324)	222,160,338
Non-life insurance						
Workers' compensation	285,354,968	(9,017,221)	276,337,747	255,620,462	(7,038,725)	248,581,737
Personal accidents and passengers	37,735,501	(12,278,832)	25,456,670	32,415,822	(9,813,571)	22,602,251

(continuation)

(amounts in euros)

	2022			2021		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Health	416,832,665	(414,197,740)	2,634,925	389,633,588	(381,981,360)	7,652,228
Fire and other damage	331,882,542	(153,300,319)	178,582,222	293,297,310	(121,556,006)	171,741,304
Motor	485,227,650	(2,538,270)	482,689,380	460,122,354	(2,068,920)	458,053,435
Marine, aviation and transport	29,122,346	(17,083,464)	12,038,882	25,560,767	(15,618,063)	9,942,704
Third party liability	66,551,980	(30,057,454)	36,494,526	62,973,084	(29,669,829)	33,303,254
Credit and suretyship	334,387	(221,685)	112,703	381,090	(260,336)	120,754
Legal protection	6,296,096	(5,032,897)	1,263,199	5,790,412	(4,568,119)	1,222,293
Assistance	46,724,461	(37,612,142)	9,112,319	43,844,999	(35,704,163)	8,140,836
Others	42,932,077	(19,054,066)	23,878,011	37,639,896	(14,975,614)	22,664,282
	1,748,994,673	(700,394,090)	1,048,600,583	1,607,279,784	(623,254,705)	984,025,079
	2,015,065,781	(729,291,704)	1,285,774,077	1,853,084,446	(646,899,030)	1,206,185,417

In 2022 and 2021, premiums for life insurance contracts may be broken down as follows:

(amounts in euros)

	2022	2021
Direct insurance gross premiums written	265,929,462	245,996,266
Individual contracts	66,021,952	60,244,060
Group contracts	199,907,510	185,752,205
	265,929,462	245,996,266
Periodical	224,861,509	214,792,678
Non-periodical	41,067,952	31,203,588
	265,929,462	245,996,266
Contracts without profit sharing	206,883,826	194,633,544
Contracts with profit sharing	59,045,636	51,362,722
	265,929,462	245,996,266
Gross premiums written from reinsurance accepted	393,721	225,062
Gross premiums written from direct insurance and reinsurance accepted	266,323,183	246,221,328
Reinsurance balance	192,256,891	789,440

28. FEES FROM INSURANCE CONTRACTS AND OPERATIONS CONSIDERED FOR ACCOUNTING PURPOSES AS INVESTMENT CONTRACTS OR AS SERVICE CONTRACTS

In the years 2022 and 2021, the commissions received for insurance contracts and operations considered for accounting purposes as investment contracts amounted to 1,171,456 Euros and 1,076,679 Euros, respectively.

29. CLAIMS COSTS, NET OF REINSURANCE

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	Claims paid	2022 Change in claims provision	Total	Claims paid	2021 Change in claims provision	Total
Life insurance						
Direct insurance and reinsurance accepted						
Insurance contracts	115,793,055	770,381	116,563,437	112,160,209	(33,804)	112,126,405
Investment contracts with a discretionary profit-sharing component	251,535,582	(2,471,720)	249,063,862	239,584,205	7,723,476	247,307,681
	367,328,637	(1,701,338)	365,627,299	351,744,414	7,689,672	359,434,087
Reinsurance ceded						
Insurance contracts	(11,706,418)	(2,607,792)	(14,314,210)	(8,154,881)	(1,757,052)	(9,911,933)
	355,622,219	(4,309,130)	351,313,089	343,589,533	5,932,621	349,522,154
Non-life insurance						
Direct insurance and reinsurance accepted						
Workers' compensation	180,718,159	(30,472,579)	150,245,579	155,203,401	64,666,593	219,869,993
Personal accidents and passengers	15,643,262	7,262,057	22,905,319	13,284,076	1,343,272	14,627,348

(continuation)

(amounts in euros)

	2022			2021		
	Claims paid	Change in claims provision	Total	Claims paid	Change in claims provision	Total
Health	312,996,730	11,595,046	324,591,775	282,194,031	22,225,603	304,419,634
Fire and other damage	163,425,792	4,840,451	168,266,242	132,571,797	44,051,666	176,623,464
Motor	340,186,193	(21,554,044)	318,632,148	292,004,194	16,791,079	308,795,273
Marine, aviation and transport	7,429,149	(695,037)	6,734,112	3,478,848	2,146,275	5,625,123
Third party liability	17,793,474	2,543,761	20,337,235	15,621,736	12,444,623	28,066,359
Credit and suretyship	27,654	11,260	38,914	35,896	(38,641)	(2,744)
Legal protection	-	(30,400)	(30,400)	147,963	8,753	156,715
Assistance	9,410	(222,463)	(213,053)	1,010,696	62,352	1,073,048
Others	14,532,614	1,794,778	16,327,392	21,822,693	(1,461,406)	20,361,286
	1,052,762,435	(24,927,171)	1,027,835,264	917,375,331	162,240,170	1,079,615,500
Reinsurance ceded						
Workers' compensation	(1,006,594)	(12,965)	(1,019,559)	(517,224)	1,317,612	800,389
Personal accidents and passengers	(1,149,329)	(6,164,861)	(7,314,190)	(1,756,123)	(1,549,617)	(3,305,740)
Health	(310,896,734)	(12,243,951)	(323,140,685)	(275,234,448)	(21,411,241)	(296,645,689)
Fire and other damage	(67,691,069)	7,995,403	(59,695,667)	(35,395,620)	(43,846,587)	(79,242,207)
Motor	(314,403)	878,157	563,754	(1,190,484)	(3,801,531)	(4,992,016)

(continuation)

(amounts in euros)

	2022			2021		
	Claims paid	Change in claims provision	Total	Claims paid	Change in claims provision	Total
Marine, aviation and transport	(3,041,438)	1,404,855	(1,636,583)	(820,477)	(1,852,558)	(2,673,035)
Third party liability	(3,292,743)	(5,450,546)	(8,743,289)	(2,971,505)	(8,834,414)	(11,805,919)
Assistance	(3,209)	5,358	2,148	2,799	667	3,467
Others	(6,202,471)	(387,023)	(6,589,494)	(10,734,029)	1,813,546	(8,920,483)
	(393,597,990)	(13,975,573)	(407,573,562)	(328,617,111)	(78,164,123)	(406,781,235)
	659,164,445	(38,902,743)	620,261,702	588,758,219	84,076,047	672,834,266
	1,014,786,664	(43,211,874)	971,574,791	932,347,752	90,008,667	1,022,356,420

"Claims paid" includes costs charged to the claims management function and refunds processed by the Company.

The following is a breakdown of costs with changes in other technical provisions in 2022 and 2021:

(amounts in euros)

	2022			
	Other technical provisions	Mathematical provision	Profit sharing	Total
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(1,692,592)	(3,837,058)	(13,126,518)	(18,656,168)
Investment contracts with a discretionary profit-sharing component	(1,219,231)	(189,049,547)	13,031,042	(177,237,736)
	(2,911,822)	(192,886,605)	(95,476)	(195,893,903)
Reinsurance ceded				
Insurance contracts	-	(2,593,098)	-	(2,593,098)
	-	(2,593,098)	-	(2,593,098)
Net				
Insurance contracts	(1,692,592)	(6,430,155)	(13,126,518)	(21,249,265)
Investment contracts with a discretionary profit-sharing component	(1,219,231)	(189,049,547)	13,031,042	(177,237,736)
	(2,911,822)	(195,479,702)	(95,476)	(198,487,001)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	(299,162)	-	-	(299,162)
Personal accidents and passengers	(138,113)	-	-	(138,113)
Health	445,382	-	-	445,382

(continuation)

(amounts in euros)

	2022			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Fire and other damage	2,646,947	-	4,217	2,651,164
Motor	(4,832,240)	-	-	(4,832,240)
Marine, aviation and transport	(79,555)	-	-	(79,555)
Third party liability	14,447,429	-	-	14,447,429
Legal protection	(169,658)	-	-	(169,658)
Assistance	24,515	-	-	24,515
Others	(11,975)	-	79,193	67,218
	12,033,570	-	83,410	12,116,979
Reinsurance ceded				
Third party liability	(12,413,556)	-	-	(12,413,556)
	(12,413,556)	-	-	(12,413,556)
Net				
Workers' compensation	(299,162)	-	-	(299,162)
Personal accidents and passengers	(138,113)	-	-	(138,113)
Health	445,382	-	-	445,382
Fire and other damage	2,646,947	-	4,217	2,651,164
Motor	(4,832,240)	-	-	(4,832,240)

(continuation)

(amounts in euros)

	2022			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Marine, aviation and transport	(79,555)	-	-	(79,555)
Third party liability	2,033,872	-	-	2,033,872
Legal protection	(169,658)	-	-	(169,658)
Assistance	24,515	-	-	24,515
Others	(11,975)	-	79,193	67,218
	(379,987)	-	83,410	(296,577)
	(3,291,809)	(195,479,702)	(12,066)	(198,783,578)

(amounts in euros)

	2021			
	Other technical provisions	Mathematical provision	Profit sharing	Total
Life insurance				
Direct insurance and reinsurance accepted				
Insurance contracts	(542,195)	4,263,955	3,884,090	7,605,850
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(190,561,450)	10,334,371	(191,458,713)
	(11,773,829)	(186,297,495)	14,218,461	(183,852,863)
Reinsurance ceded				
Insurance contracts	-	(5,468,863)	-	(5,468,863)
	-	(5,468,863)	-	(5,468,863)
Net				
Insurance contracts	(542,195)	(1,204,907)	3,884,090	2,136,988
Investment contracts with a discretionary profit-sharing component	(11,231,634)	(190,561,450)	10,334,371	(191,458,713)
	(11,773,829)	(191,766,358)	14,218,461	(189,321,725)
Non-life insurance				
Direct insurance and reinsurance accepted				
Workers' compensation	237,599	-	-	237,599
Personal accidents and passengers	(972,985)	-	-	(972,985)
Health	9,356,429	-	-	9,356,429

(continuation)

(amounts in euros)

	2021			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Fire and other damage	1,077,413	-	6,115	1,083,528
Motor	5,793,901	-	-	5,793,901
Marine, aviation and transport	81,065	-	-	81,065
Third party liability	16,004,846	-	-	16,004,846
Credit and suretyship	4,080	-	-	4,080
Legal protection	170,872	-	-	170,872
Assistance	770,777	-	-	770,777
Others	56,052	-	140,087	196,139
	32,580,048	-	146,202	32,726,251
Reinsurance ceded				
Third party liability	(14,127,741)	-	-	(14,127,741)
Assistance	-	-	(11,229)	(11,229)
	(14,127,741)	-	(11,229)	(14,138,970)
Net				
Workers' compensation	237,599	-	-	237,599
Personal accidents and passengers	(972,985)	-	-	(972,985)
Health	9,356,429	-	-	9,356,429

(continuation)

(amounts in euros)

	2021			Total
	Other technical provisions	Mathematical provision	Profit sharing	
Fire and other damage	1,077,413	-	6,115	1,083,528
Motor	5,793,901	-	-	5,793,901
Marine, aviation and transport	81,065	-	-	81,065
Third party liability	1,877,105	-	-	1,877,105
Credit and suretyship	4,080	-	-	4,080
Legal protection	170,872	-	-	170,872
Assistance	770,777	-	(11,229)	759,548
Others	56,052	-	140,087	196,139
	18,452,307	-	134,973	18,587,280
	6,678,478	(191,766,358)	14,353,435	(170,734,445)

The variation of the other technical provisions for life insurance includes the reversal of the provision for portfolio stabilisation in the amount of 1,692,592 Euros in 2022 and in the amount of 542,195 Euros in 2021.

In 2022 and 2021, this heading also includes the reversal of 1,219,231 Euros and 11,231,634 Euros respectively to the provision for interest rate commitments.

30. NET OPERATING COSTS AND EXPENSES, BY TYPE AND FUNCTION

In 2022 and 2021, the Company's operating costs by type were as follows:

(amounts in euros)

	2022	2021
Employee costs (Note 31)	166,909,704	156,651,625
External supplies and services		
Specialist work	65,909,482	71,038,433
Advertising and promotion	16,575,321	15,422,157
Software licences	15,486,064	14,785,156
Maintenance and repairs	5,631,133	5,984,485
Communication	5,593,390	5,573,064
Representation expenses	5,139,954	410,604
Rents and leases	4,514,200	4,699,783
Travel and accommodation	2,635,127	1,447,951
Cleaning, Hygiene and Comfort	1,550,046	1,527,848
Expenses with premium collections	1,420,564	1,411,593
Surveillance and security	1,369,990	1,358,109
Contributions	1,263,743	1,765,491
Insurance	866,211	667,189

(continuation)

(amounts in euros)

	2022	2021
Electricity	770,998	1,146,989
Fuel	739,041	601,267
Expenses with self-employed workers	667,119	430,411
Training of mediators	608,194	94,514
Expenditure on condominiums	566,976	428,093
Workplace meals	274,486	282,105
Forms	253,367	230,289
Litigation and notarial services	217,650	151,806
Office supplies	161,055	117,917
Water	147,521	121,654
Others	1,994,916	1,868,702
	134,356,545	131,565,609

(continuation)

(amounts in euros)

	2022	2021
Taxes and charges	12,789,145	12,277,723
Depreciation and amortisation for the year (Notes 9, 12 and 13)	20,323,793	21,948,539
Other provisions	(9,929,687)	9,119,243
Commissions	10,211,954	8,484,070
Interest paid	24,539,914	14,250,383
	359,201,367	354,297,190

In 2022 and 2021, the depreciation and amortisation headings for the year are as follows:

(amounts in euros)

	2022			2021		
	Assets without a lease	Leased assets	Total	Assets without a lease	Leased assets	Total
Properties (Note 9)	614,594	10,067,480	10,682,074	638,942	9,399,834	10,038,776
Depreciation of other tangible assets (Note 12)	4,023,201	1,615,434	5,638,635	4,370,594	3,109,172	7,479,766
Depreciation of other intangible assets (Note 13)	4,003,084	-	4,003,084	4,429,997	-	4,429,997
	8,640,879	11,682,915	20,323,793	9,439,533	12,509,006	21,948,539

In the years 2022 and 2021, there were also the following charges related to leases:

(amounts in euros)

	2022			2021		
	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets	Depreciation of right-of-use assets	Expenses relating to short-term leases	Expenses relating to low-value assets
Properties	10,067,480	-	-	9,399,834	-	-
Machinery and Equipment	-	-	11,597	-	-	3,226
IT Equipment	732,238	-	166,311	1,914,443	-	100,347
Transport Equipment	883,197	7,058	-	1,194,729	17,966	-
Other Equipment	-	-	198,933	-	-	216,173
	11,682,915	7,058	376,840	12,509,006	17,966	319,745

In 2022 and 2021, the interest paid heading was set out as follows:

(amounts in euros)

	2022			2021		
	Leases	Other charges	Total	Leases	Other charges	Total
Properties	700,779	-	700,779	163,657	-	163,657
Computer equipment	25,320	-	25,320	17,816	-	17,816
Transport equipment	17,421	-	17,421	27,650	-	27,650
Reinsurer deposits	-	1,429,909	1,429,909	-	1,262,685	1,262,685
Subordinate Liabilities	-	22,360,836	22,360,836	-	12,773,005	12,773,005
Others	-	5,648	5,648	-	5,571	5,571
	743,520	23,796,393	24,539,914	209,123	14,041,260	14,250,383

The increase in interest borne is due to the issuance of subordinated liabilities in June 2021 and is recognised under the heading "Other financial liabilities" (Note 21).

In the years 2022 and 2021, the headings of commissions and participation in reinsurance results show the following detail:

(amounts in euros)

	2022			2021		
	Commissions	Reinsurance profit-sharing	Total	Commissions	Reinsurance profit-sharing	Total
Relating to life insurance	3,931,525	4,421,769	8,353,294	2,975,667	6,077,302	9,052,969
Relating to non-Life insurance	75,645,140	4,826,548	80,471,687	72,217,951	3,301,507	75,519,457
	79,576,664	9,248,317	88,824,981	75,193,617	9,378,809	84,572,426

In 2022 and 2021, the headings of the Income Statement, where these costs are recorded, are as follows:

(amounts in euros)

	2022			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	11,478,872	54,046,267	-	65,525,139
Technical costs	355,849,765	998,716,168	-	1,354,565,933
	367,328,637	1,052,762,435	-	1,420,091,072
Acquisition costs				
Cost allocations	25,018,103	105,261,849	-	130,279,953
Brokerage commissions	71,288,321	240,434,240	-	311,722,561
Others	143,298	794,354	-	937,652
	96,449,722	346,490,443	-	442,940,166

(continuation)

(amounts in euros)

	2022			Total
	Life technical account	Non-life technical account	Non-technical account	
Administrative expenses				
Cost allocations	26,217,119	83,952,243	-	110,169,362
Brokerage commissions	95,864	5,583,992	-	5,679,856
Others	543,349	4,907,012	-	5,450,361
	26,856,332	94,443,247	-	121,299,579
Financial expenses (Note 34)				
Cost allocations	16,407,491	6,666,207	30,153,215	53,226,913
Others	1,312,244	174,214	3,594,853	5,081,311
	17,719,735	6,840,422	33,748,068	58,308,224
Total operating cost allocations	79,121,586	249,926,566	30,153,215	359,201,367

(amounts in euros)

	2021			Total
	Life technical account	Non-life technical account	Non-technical account	
Claims costs - amounts paid				
Cost allocations	10,010,874	55,345,282	-	65,356,155
Technical costs	341,733,541	862,030,049	-	1,203,763,590
	351,744,414	917,375,331	-	1,269,119,745
Acquisition costs				
Cost allocations	25,997,192	99,914,419	-	125,911,611
Brokerage commissions	67,423,490	219,283,641	-	286,707,131
Others	159,809	1,075,940	-	1,235,748
	93,580,490	320,274,000	-	413,854,490
Administrative expenses				
Cost allocations	23,857,446	75,565,715	-	99,423,161
Brokerage commissions	82,967	4,927,578	-	5,010,545
Others	250	2,948,021	-	2,948,272
	23,940,663	83,441,314	-	107,381,977
Financial expenses (Note 34)				
Cost allocations	19,751,038	13,270,282	30,584,943	63,606,264
Others	1,687,728	168,028	1,204,141	3,059,897
	21,438,767	13,438,310	31,789,084	66,666,161
Total operating cost allocations	79,616,549	244,095,698	30,584,943	354,297,190

31. EMPLOYEE COSTS

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Salaries		
Corporate bodies	5,748,255	5,435,336
Personnel	106,816,330	105,348,056
Administrative expenses	25,376,364	23,939,858
Post-employment benefits	3,489,401	2,764,162
Other long-term benefits	1,265,494	-
Employment termination benefits	6,765,692	5,297,076
Compulsory insurance	2,187,544	2,000,781
Social action costs	12,758,802	9,379,215
Other personnel expenses	2,501,823	2,487,141
	166,909,704	156,651,625

In 2022 and 2021, the heading "Salaries- Personnel" includes an estimate of optional career benefits in the amount of 505,930 Euros and 469,940 Euros, respectively.

The existence of transversal structures to some Group companies leads to the need to allocate common costs between the various companies, based on distribution keys subordinated to the cost-benefit principle. Consequently, in 2022 and 2021, personnel expenses include the impact arising from the following movements with related entities:

(amounts in euros)

	2022	2021
Costs with Company employees who perform work for		
Multicare - Seguros de Saúde, S.A.	(3,410,317)	(3,419,460)
Fidelidade - Property Europe, S.A.	(586,171)	(1,013,626)
Fidelidade Assistência - Companhia de Seguros, S.A.	(293,884)	(440,415)
GEP - Gestão de Peritagens Automóveis, S.A.	(181,593)	(372,392)
Fidelidade - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	(325,407)
FID I&D, S.A.	(412,803)	(176,561)
Others	13,433	(117,533)
	(4,871,335)	(5,865,395)

In 2022 and 2021, the costs of post-employment benefits were as follows:

(amounts in euros)

	2022	2021
Post-employment benefits		
Defined benefit plan (Note 32)	1,244,229	716,083
Individual retirement plan	1,325,375	1,286,895
Transfer of personnel	(67,448)	(72,774)
Other employee costs	987,245	833,958
	3,489,401	2,764,162

In 2022 and 2021, the heading "Post-employment benefits - Employee transfer" corresponds to the cost of post-employment benefits for employees of the Company who were transferred to other entities in the Group.

In 2022 and 2021, the number of employees working for the Company by category was as follows:

	2022	2021
Senior management	52	57
Line management	350	343
Technicians	1,777	1,653
Assistants	675	775
Support workers	11	14
	2,865	2,842

32. RETIREMENT PENSIONS AND OTHER LONG-TERM BENEFITS

At 31 December 2022 and 2021, the headings "Assets for post-employment benefits and other long-term benefits" and "Liabilities for post-employment benefits and other long-term benefits" were as follows:

(amounts in euros)

	2022	2021
Assets		
Defined benefit plan	25,211,651	12,122,242
Liabilities		
Defined contribution plan	(90,099)	(88,245)
Other long-term benefits	(5,963,270)	-
	(6,053,370)	(88,245)
	19,158,281	12,033,997

For the 2022 financial year, in the "Defined contribution plan" Fidelidade had a cost of 1,320,890 Euros, with the amount of 90,099 Euros remaining pending payment, which corresponds to the December 2022 contributions that were paid in January 2023.

"Other long-term benefits" refer to the variable remuneration of the Governing Bodies, under the terms set out in the Remuneration Policy for the Company's Governing Bodies, and of the employees, as decided by the Personnel Committee and the Executive Committee. This remuneration is deferred and paid after 3 years from the date of allocation. In the year ended 31 December 2022, the reinforcement of this incentive plan was 1,244,256 Euros for payment in 2025 and the amount paid was 2,553,392 Euros.

This liability has been reclassified from the "Other provisions" heading to the "Employee benefit liability" heading with effect from 1 January 2022.

Defined contribution plan

Under the new collective employment agreements for the insurance activity, published on 15 January 2012, 29 January 2016 and 8 February 2019, all workers in active employment, with indefinite employment contracts, covered by these Instrument for Collective Labour Regulation ("ICLR"), are entitled to a retirement plan ("IRP"), a defined contribution plan that replaces the retirement pensions system provided for in the previous ICLR.

In accordance with the new ICLR rules in force, the capitalised amount of the payments into the IRP can be claimed by the employee, in accordance with the law, on the date he/she retires through the Social Security system due to disability or old age, and there is a capital guarantee on the amounts of the initial transfer and the contributions made by the Company and by the beneficiaries themselves.

In the event of the death of an employee, the capitalised amount of the payments reverts to the beneficiaries named by the employee or, where these are not named, to his/her legal heirs.

The Company's contributions to the individual retirement plan are made in accordance with the provisions of the CEA 2019, corresponding to the amount resulting from the application of 3.25% on the employee's annual base salary.

At 31 December 2022 and 2021, the liabilities and assets of the Individual Retirement Plan of Fidelidade were:

(amounts in euros)

Liabilities at 31 December 2021	28,857,521
Expenses for the year	1,320,890
Liabilities at 31 December 2022	30,178,411
Assets at 31 December 2021	28,769,276
Contributions to fund	1,319,035
Assets at 31 December 2022	30,088,311
Difference	(90,099)
Funding level	99.70%

Defined benefit plan

In accordance with the collective employment agreement previously in force in the insurance sector (CEA 2008), the Company granted to its employees, admitted to the insurance activity until June 1995, cash benefits to complement the reforms granted by Social Security. Briefly, the amount of these benefits varies according to the employee's remuneration, the contributory history, the history of remuneration with incidence for Social Security and also, in case of disability, the seniority in the insurance activity. Currently, this Plan covers pension fund beneficiaries (retired) and employees who have transitioned to the pre-retirement situation and who at that time were covered by the CEA 2008.

In addition, the former Império Bonança also attributed the following benefits:

- Between 1999 and 2005, he assumed, in early retirement situations, the payment of a lifetime pension that corresponded to the difference between 80% of the last remuneration and the amount paid by Social Security;

- It assumed the commitment to extend the benefits set out in the collective employment agreement to employees hired up to June 2005 and also to grant to the beneficiaries of the pensions fund, the additional benefits guaranteed by the complementary plan which was in force at the Millennium BCP Group, to which the Company belonged until 31 January 2005. The liabilities associated with the supplementary plan are financed through the related pension fund "Fundo de Pensões do Pessoal da Império Bonança";
- For a very restricted group of workers (4), with "internal salary levels XVII", from the former Empire, there is a commitment to, in the transition to retirement, be attributed a supplement to the Social Security pension, for 80% of the remuneration earned at the date of the transition to this situation. Any pension benefits arising from other pension schemes shall be deducted from the supplement to the social security pension.

Determination of liabilities with defined benefit plans

Liabilities for current payments of retirement pensions and past services of current employees, at 31 December 2022 and 2021, were determined by Fidelidade's life insurance actuarial department.

The assumptions and technical bases used in the calculation of liabilities were as follows:

	2022	2021
Actuarial method	Projected	Projected
	Unit Credit	Unit Credit
Mortality table		
Men	TV 73/77 (-2)	TV 73/77 (-2)
Women	TV 88/90 (-2)	TV 88/90 (-2)
Discount rate	4.00%	1.25%
Salary growth rate	2.40%	2.40%
Pension growth rate	0.75%	0.75%
Pre-retirement growth rate	1.25%	1.25%
Exits table	n/a	n/a

The comparison between the actuarial and financial assumptions used in determining pension costs for the years 2022 and 2021 and the values actually verified is presented in the following table:

(amounts in euros)

	2022		2021	
	Assumptions	Real	Assumptions	Real
Salary growth rate	2.40%	2.63%	2.40%	2.30%
Pension growth rate	0.75%	0.39%	0.75%	0.19%

At 31 December 2022 and 2021, Fidelidade's liabilities for past services, based on the actuarial studies performed, and the funds and provisions available to hedge them, were as follows:

(amounts in euros)

	2022	2021
Liabilities for past services		
Active employees	4,921,161	12,117,031
Retired and pre-retired	97,327,085	123,522,484
	102,248,246	135,639,515
Autonomous pension funds	95,935,565	113,610,233
Mathematical Provisions	31,524,332	34,151,524
	127,459,897	147,761,757
Differential	25,211,651	12,122,242
Funding level	124.66%	108.94%

Pursuant to ASF Regulatory Standard No.5/2007-R, of 27 April, insurance companies must ensure at the end of each year:

- a) The full funding of the present value of the liability with current pensions, including pre-retirement and early retirement benefits up to and after the normal retirement age; and
- b) The funding of at least 95% of the current amount of the liability for past services of active employees, excluding those who are pre-retired or in early retirement.

At 31 December 2022 and 2021, Fidelidade's liabilities for past services were fully funded.

The pension plan in question is non-contributory and independent of social security, being funded by the Company's pension fund, excluding the Ex Império pension fund (Levels XVII and XVIII) which is dependent on social security.

The Company's defined benefit pension funds have the following average durations:

Fidelidade Pension Fund	6.8 years
Mundial Confiança Pension Fund	5.58 years
Império Bonança Pension Fund	8.15 years
Ex-Império Pension Fund	11.61 years

At 31 December 2022 and 2021, the number of beneficiaries was as follows:

	2022	2021
Active employees	813	860
Retired and pre-retired	1,661	1,779
Annuity holders	307	339
	2,781	2,978

The movements in the pension funds and in the mathematical provisions during 2022 and 2021 were as follows:

(amounts in euros)

Balances at 31 December 2020	163,273,594
Contributions	190,000
Change in mathematical provisions	(2,487,062)
Pensions paid	(15,514,447)
(Payments)/ Receipts related to other benefits	(535,885)
Net income of pension funds	2,835,557
Balances at 31 December 2021	147,761,757

(continuation)

(amounts in euros)

Contributions	9,599
Variation in mathematical provisions	(2,627,192)
Pensions paid	(14,236,345)
(Payments)/ Receipts related to other benefits	(514,557)
Net income of pension funds	(2,933,365)
Balances at 31 December 2022	127,459,897

On 31 December 2022 and 2021, Fidelidade's Pension Funds were managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, S.A.

At 31 December 2022 and 2021, the pension fund assets were composed as follows, according to the respective valuation sources:

(amounts in euros)

	2022			2021		
	Market price	Others	Portfolio value	Market price	Others	Portfolio value
Equity instruments	1,594,378	-	1,594,378	738,658	-	738,658
Debt instruments						
From public issuers	24,616,067	-	24,616,067	6,865,923	8,383,105	15,249,028
From other issuers	32,018,549	-	32,018,549	30,572,942	29,151,059	59,724,001
	56,634,616	-	56,634,616	37,438,865	37,534,164	74,973,029
Property	17,688,301	-	17,688,301	16,427,374	-	16,427,374
Investment funds						
Domestic shares	17,240	-	17,240	-	-	-
European shares	5,939,599	-	5,939,599	2,562,868	-	2,562,868
Other shares	22,477	-	22,477	-	-	-
Real estate	3,161,833	-	3,161,833	2,990,365	-	2,990,365
Bonds						
Other issuers	2,743,455	-	2,743,455	5,012,063	-	5,012,063
Treasury	-	-	-	3,921,164	-	3,921,164
Others	23,121	-	23,121	189,815	-	189,815
	11,907,725	-	11,907,725	14,676,275	-	14,676,275
Others	8,110,545	-	8,110,545	6,794,897	-	6,794,897
	95,935,565	-	95,935,565	76,076,069	37,534,164	113,610,233

On these dates, the pension fund portfolio contained the following assets issued or managed by entities in the CGD Group:

(amounts in euros)

	2022	2021
Debt instruments	97,848	808,055
Investment funds		
Real estate	2,866,996	2,700,061
Bonds		
Other issuers	-	5,012,063
Others	23,121	189,815
	2,890,117	7,901,939
	2,987,965	8,709,994

The change in the difference between the Company's liabilities for past services and the respective cover, and the corresponding impact on the financial statements at 31 December 2022 and 2021, can be demonstrated as follows:

(amounts in euros)

	Liabilities	Hedge	Difference
Position at 31 December 2020	156,455,725	163,273,594	6,817,869
Impact of change to retirement age	-	-	-
Current service expenses	179,523	-	(179,523)
Net defined benefit interest	870,541	923,073	52,532
Costs for the year	1,050,063	923,073	(126,990)
Increased liabilities due to early retirements	25,116	-	(25,116)
Other changes in the income statement	-	(563,977)	(563,977)
Changes with impact on income statement (Note 31)	1,075,179	359,096	(716,083)
Actuarial gains and losses			
return on plan assets not included in interest income	-	1,940,576	1,940,576
resulting from changes in financial assumptions	(4,636,614)	-	4,636,614
resulting from differences between the assumptions and the actual amount	746,734	-	(746,734)
Changes with impact on shareholders' equity	(3,889,880)	1,940,576	5,830,456
Contributions to the plan:			
paid by the entity	-	190,000	190,000
Change in mathematical provisions	(2,487,062)	(2,487,062)	-

(continuation)

(amounts in euros)

	Liabilities	Hedge	Difference
Payments made by the plan:			
pensions paid	(15,514,447)	(15,514,447)	-
Position at 31 December 2021	135,639,515	147,761,757	12,122,242
Impact of change to retirement age	-	-	-
Current service expenses	159,913	-	(159,913)
Net defined benefit interest	1,171,172	1,315,445	144,273
Expenditure for the year	1,331,086	1,315,445	(15,641)
Increased liabilities due to early retirements	742,120	-	(742,120)
Other changes in the income statement	-	(486,468)	(486,468)
Changes with impact on income statement (Note 31)	2,073,206	828,977	(1,244,229)
Actuarial gains and losses			
return on plan assets not included in interest income	-	(4,276,899)	(4,276,899)
resulting from changes in financial assumptions	(15,536,061)	-	15,536,061
resulting from differences between the assumptions and the actual amount	(3,064,877)	-	3,064,877
Changes with impact on shareholders' equity	(18,600,938)	(4,276,899)	14,324,039
Contributions to the plan			
paid by the entity	-	9,599	9,599
Change in mathematical provisions	(2,627,192)	(2,627,192)	-
Payments made by the plan:			
pensions paid	(14,236,345)	(14,236,345)	-
Position at 31 December 2022	102,248,246	127,459,897	25,211,651

Medical Assistance

The Company contributes part of the cost of health insurance provided for its retired and pre-retired employees. In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in Retirement or Pre-retirement who had switched to that status between June 1998 and July 2005, bearing almost all the respective costs.

At 31 December 2022 and 2021, these liabilities totalled 18,329,897 Euros and 25,903,684 Euros respectively, and were covered by provisions (Note 24). The actuarial deviations calculated on 31 December 2022 and 2021 related to this benefit were 6,975,396 Euros and 460,118 Euros, respectively.

Liabilities for past services with medical assistance were determined on the basis of actuarial studies performed by Fidelidade's life actuarial department, using actuarial assumptions identical to those presented above for liabilities with pensions.

Sensitivity analysis

At 31 December 2022, the sensitivity of the defined benefit liabilities assumed by the Company, due to significant changes in the assumptions, excluding the liabilities covered by whole life annuities, corresponds to:

Scenarios	2022	A	B	C
Financial Assumptions				
Discount Rate		4.00%	4.50%	3.50% 4.00%
Salary Growth Rate	2.40%	2.40%	2.40%	2.40%
Pre-Retirement Salary Growth Rate	1.25%	1.25%	1.25%	1.25%
Pension Growth Rate	0.75%	0.75%	0.75%	0.75%
Demographic Assumptions				
Mortality table				
> Women	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)	TV 88/90 (-2)
> Men	TV 73/77 (-2)	TV 73/77 (-2)	TV 73/77 (-2)	TV 88/90 (-2)

Liabilities as of 31 December 2022					
Scenarios		2022	A	B	C
Retirees	Old age	33,300,542	32,290,257	34,371,547	35,997,161
	Early Retirement	9,777,226	9,468,706	10,103,698	10,519,122
	Disability	5,050,447	4,799,281	5,324,361	5,262,476
Pensioners	Widower	3,006,754	2,909,700	3,110,318	3,027,092
	Orphan	92,629	86,654	99,304	93,302
Pre-retirees	Pension up to INR	10,990,232	10,881,881	11,100,856	11,019,269
	Costs up to retirement age	2,935,195	2,905,929	2,965,080	2,943,024
	Pension after INR				
	> CCT Plan	575,175	543,504	609,661	609,733
	> Complementary Plan	74,553	70,606	78,849	79,310
Active Workers	CCT Plan	2,127,306	1,939,769	2,338,775	2,213,219
	Complementary Plan	2,793,855	2,605,718	3,002,693	2,898,810
Totals		70,723,914	68,502,005	73,105,142	74,662,518

The preparation of the information included in the table above was based on the calculation method used for the assessment of liabilities used for accounting purposes, not including mathematical provisions in the amount of 31,524,332 Euros.

33. INCOME

In the years 2022 and 2021, the heading "Income" is composed as follows:

(amounts in euros)

	2022			Total
	Interest	Dividends	Rents	
Investments allocated to life technical provisions				
Financial assets at fair value through profit or loss	1,403,664	1,612,616	-	3,016,280
Financial assets at fair value through other comprehensive income	35,481,274	1,029,375	-	36,510,649
Financial assets at amortised cost	33,464	-	-	33,464
	36,918,402	2,641,991	-	39,560,393
Investments related to contracts considered for accounting purposes as investment contracts				
Investments in subsidiaries, associates and joint ventures	-	4,093,105	-	4,093,105
Financial assets at fair value through profit or loss	14,611,957	27,373,086	-	41,985,044
Financial assets at fair value through other comprehensive income	77,826,396	274,625	-	78,101,021
Financial assets at amortised cost	6,981,981	-	-	6,981,981
Sight deposits	124,353	-	-	124,353
	99,544,687	31,740,816	-	131,285,504
	136,463,090	34,382,807	-	170,845,896
Investments allocated to non-life technical provisions				
Properties	-	-	4,381,161	4,381,161
Investments in subsidiaries, associates and joint ventures	-	2,478,394	-	2,478,394
Financial assets at fair value through profit or loss	3,164,853	34,369,358	-	37,534,211

(continuation)

(amounts in euros)

	2022			Total
	Interest	Dividends	Rents	
Financial assets at fair value through other comprehensive income	27,182,302	2,130,000	-	29,312,302
Financial assets at amortised cost	16,309	-	-	16,309
	30,363,464	38,977,752	4,381,161	73,722,377
Investments not allocated				
Properties	-	-	2,449,978	2,449,978
Investments in subsidiaries, associates and joint ventures	-	5,679,332	-	5,679,332
Financial assets at fair value through profit or loss	442,751	-	-	442,751
Financial assets at fair value through other comprehensive income	561,569	-	-	561,569
Financial assets at amortised cost	3,109,276	-	-	3,109,276
Sight deposits	379,174	-	-	379,174
	4,492,770	5,679,332	2,449,978	12,622,080
	171,319,324	79,039,890	6,831,139	257,190,353

	2021			Total
	Interest	Dividends	Rents	
Investments allocated to life technical provisions				
Investments in subsidiaries, associates and joint ventures	-	66,615	-	66,615
Financial assets at fair value through profit or loss	1,488,691	1,585,600	-	3,074,291
Financial assets at fair value through other comprehensive income	34,577,457	-	-	34,577,457
Financial assets at amortised cost	113,300	-	-	113,300
Sight deposits	20	-	-	20
	36,179,468	1,652,215	-	37,831,683
Investments related to contracts considered for accounting purposes as investment contracts				
Investments in subsidiaries, associates and joint ventures	-	6,761,757	-	6,761,757
Financial assets at fair value through profit or loss	3,959,755	44,054,942	-	48,014,697
Financial assets at fair value through other comprehensive income	96,436,199	-	-	96,436,199
Financial assets at amortised cost	8,921,957	-	-	8,921,957
Sight deposits	1,469	-	-	1,469
	109,319,380	50,816,699	-	160,136,079
	145,498,848	52,468,914	-	197,967,762

(continuation)

(amounts in euros)

	2021			Total
	Interest	Dividends	Rents	
Investments allocated to non-life technical provisions				
Properties	-	-	5,106,895	5,106,895
Investments in subsidiaries, associates and joint ventures	-	2,647,810	-	2,647,810
Financial assets at fair value through profit or loss	2,235,189	37,367,910	-	39,603,099
Financial assets at fair value through other comprehensive income	17,685,921	-	-	17,685,921
Financial assets at amortised cost	374,997	-	-	374,997
	20,296,107	40,015,720	5,106,895	65,418,722
Investments not allocated				
Properties	-	-	2,677,178	2,677,178
Investments in subsidiaries, associates and joint ventures	-	1,477,849	-	1,477,849
Financial assets at fair value through profit or loss	148,950	-	-	148,950
Financial assets at fair value through other comprehensive income	210,307	-	-	210,307
Financial assets at amortised cost	65,287	-	-	65,287
Sight deposits	80,634	-	-	80,634
	505,178	1,477,849	2,677,178	4,660,205
	166,300,133	93,962,483	7,784,073	268,046,690

In 2022 and 2021, the income obtained from subleasing right-of-use assets was 1,226,917 Euros and 1,349,491 Euros respectively.

34. FINANCIAL EXPENSES

In 2022 and 2021, the “Financial expenses” heading was composed as follows:

(amounts in euros)

	2022				2021			
	Life technical account	Non-life technical account	Non-technical account	Total	Life technical account	Non-life technical account	Non-technical account	Total
Investment expenses (Note 30)								
Cost allocations	16,407,491	6,666,207	30,153,215	53,226,913	19,751,038	13,270,282	30,584,943	63,606,263
Other investment expenses	1,312,244	174,214	3,594,853	5,081,311	1,687,729	168,028	1,204,141	3,059,898
	17,719,735	6,840,422	33,748,068	58,308,224	21,438,767	13,438,310	31,789,084	66,666,161

35. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES NOT VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	Gains	2022 Losses	Net
Investments allocated to life technical provisions			
Financial assets at fair value through other comprehensive income	7,108,745	(4,882,424)	2,226,321
	7,108,745	(4,882,424)	2,226,321
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	15,962,052	(14,479,971)	1,482,081
Financial assets at amortised cost	454,172	(189,573)	264,599
Financial liabilities at amortised cost	415,013	(7,088,543)	(6,673,530)
	16,831,237	(21,758,087)	(4,926,850)
	23,939,982	(26,640,511)	(2,700,529)
Investments allocated to non-life technical provisions			
Financial assets at fair value through other comprehensive income	3,068,463	(4,622,642)	(1,554,179)
	3,068,463	(4,622,642)	(1,554,179)
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	198	(36,294)	(36,096)
Financial assets at fair value through other comprehensive income	-	(25,653)	(25,653)
	198	(61,947)	(61,749)
	27,008,642	(31,325,100)	(4,316,458)

(amounts in euros)

	Gains	2021 Losses	Net
Investments allocated to life technical provisions			
Financial assets at fair value through other comprehensive income	3,962,882	(1,669,434)	2,293,448
Financial assets at amortised cost	17,123	-	17,123
	3,980,005	(1,669,434)	2,310,571
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets at fair value through other comprehensive income	18,070,743	(8,572,210)	9,498,533
Financial assets at amortised cost	133,983	(123,588)	10,395
Financial liabilities at amortised cost	613	(17,916,511)	(17,915,898)
	18,205,339	(26,612,309)	(8,406,970)
	22,185,344	(28,281,743)	(6,096,399)
Investments allocated to non-life technical provisions			
Financial assets at fair value through other comprehensive income	1,919,684	(2,895,394)	(975,710)
	1,919,684	(2,895,394)	(975,710)
Investments not allocated			
Investments in subsidiaries, associates and joint ventures	209	-	209
Financial assets at fair value through other comprehensive income	1,010	-	1,010
	1,219	-	1,219
	24,106,248	(31,177,137)	(7,070,889)

36. NET INCOME ON FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	Gains	2022 Losses	Net
Investments allocated to life technical provisions			
Financial assets and liabilities at fair value through profit or loss	38,171,009	(79,284,693)	(41,113,684)
	38,171,009	(79,284,693)	(41,113,684)
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	691,521,700	(803,814,080)	(112,292,380)
	691,521,700	(803,814,080)	(112,292,380)
	729,692,709	(883,098,772)	(153,406,064)
Investments allocated to non-life technical provisions			
Financial assets and liabilities at fair value through profit or loss	97,761,191	(183,740,270)	(85,979,079)
	97,761,191	(183,740,270)	(85,979,079)
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	49,153,181	(55,326,201)	(6,173,020)
	49,153,181	(55,326,201)	(6,173,020)
Net gains at fair value through profit or loss	876,607,081	(1,122,165,243)	(245,558,163)
Overlay approach adjustment	(78,136,473)	121,908,957	43,772,485
	798,470,608	(1,000,256,286)	(201,785,678)

	Gains	2021 Losses	Net
Investments allocated to life technical provisions			
Financial assets and liabilities at fair value through profit or loss	10,678,741	(41,814,328)	(31,135,587)
	10,678,741	(41,814,328)	(31,135,587)
Investments related to contracts considered for accounting purposes as investment contracts			
Financial assets and liabilities at fair value through profit or loss	226,020,959	(396,427,110)	(170,406,151)
	226,020,959	(396,427,110)	(170,406,151)
	236,699,700	(438,241,438)	(201,541,738)
Investments allocated to non-life technical provisions			
Financial assets and liabilities at fair value through profit or loss	87,721,818	(113,218,180)	(25,496,362)
	87,721,818	(113,218,180)	(25,496,362)
Investments not allocated			
Financial assets and liabilities at fair value through profit or loss	97,447,966	(105,642,515)	(8,194,549)
	97,447,966	(105,642,515)	(8,194,549)
Net gains at fair value through profit or loss	421,869,484	(657,102,133)	(235,232,649)
Overlay approach adjustment	(43,225,872)	194,473,734	151,247,862
	378,643,612	(462,628,399)	(83,984,787)

37. EXCHANGE DIFFERENCES

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Investments allocated to life technical provisions		
Financial assets at fair value through profit or loss	(1,183,197)	4,529,735
Financial assets at fair value through other comprehensive income	19,630,465	28,142,421
Financial assets at amortised cost	257,734	501,168
Sight deposits	313,999	(174,696)
Others	(44)	38
	19,018,957	32,998,666
Investments related to contracts considered for accounting purposes as investment contracts		
Financial assets at fair value through profit or loss	19,402,300	27,913,049
Financial assets at fair value through other comprehensive income	(12,583,702)	146,409,621
Financial assets at amortised cost	607,007	1,666,541
Sight deposits	6,265,090	3,012,871
Others	275	388,981
	13,690,970	179,391,063
	32,709,927	212,389,729

	2022	2021
Investments allocated to non-life technical provisions		
Financial assets at fair value through profit or loss	11,916,709	17,574,561
Financial assets at fair value through other comprehensive income	30,530,089	17,644,921
Financial assets at amortised cost	950,497	1,374,544
Sight deposits	(973,550)	62,595
Others	(62)	295
	42,423,683	36,656,916
Investments not allocated		
Investments in subsidiaries, associates and joint ventures	125	-
Financial assets at fair value through profit or loss	(3,670,867)	161,089
Financial assets at amortised cost	(2,034,693)	88,675
Sight deposits	4,376,568	2,990,443
Others	(1)	-
	(1,328,866)	3,240,207
	73,804,743	252,286,852

38. NET INCOME ON THE SALE OF NON-FINANCIAL ASSETS WHICH HAVE NOT BEEN RECOGNISED AS NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

Realised gains and losses	2022			2021		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to non-life technical provisions						
Properties for own use	137,964	-	137,964	-	-	-
Investment properties	10,318,472	(369,976)	9,948,496	1,500,791	(229,304)	1,271,487
	10,456,435	(369,976)	10,086,459	1,500,791	(229,304)	1,271,487
Investments not allocated						
Investment properties	134,092	(119,850)	14,242	3,234	(17,234)	(14,000)
	134,092	(119,850)	14,242	3,234	(17,234)	(14,000)
	10,590,527	(489,826)	10,100,701	1,504,026	(246,539)	1,257,487

(amounts in euros)

Unrealised gains and losses	2022			2021		
	Gains	Losses	Net (Note 10)	Gains	Losses	Net (Note 10)
Investments allocated to non-life technical provisions						
Investment properties	3,724,040	(3,785,853)	(61,813)	4,881,325	(3,968,707)	912,618
	3,724,040	(3,785,853)	(61,813)	4,881,325	(3,968,707)	912,618
Investments not allocated						
Investment properties	956,890	(1,190,107)	(233,217)	1,711,069	(947,514)	763,555
	956,890	(1,190,107)	(233,217)	1,711,069	(947,514)	763,555
	4,680,930	(4,975,960)	(295,030)	6,592,394	(4,916,222)	1,676,173

(amounts in euros)

Total	2022			2021		
	Gains	Losses	Net	Gains	Losses	Net
Investments allocated to non-life technical provisions						
Properties for own use	137,964	-	137,964	-	-	-
Investment properties	14,042,511	(4,155,829)	9,886,683	6,382,116	(4,198,012)	2,184,105
	14,180,475	(4,155,829)	10,024,647	6,382,116	(4,198,012)	2,184,105
Investments not allocated						
Investment properties	1,090,982	(1,309,957)	(218,975)	1,714,303	(964,749)	749,555
	1,090,982	(1,309,957)	(218,975)	1,714,303	(964,749)	749,555
	15,271,457	(5,465,786)	9,805,671	8,096,420	(5,162,760)	2,933,659

39. IMPAIRMENT LOSSES (NET OF REVERSALS)

Information on impairment losses movements in 2022 and 2021 is set out below:

(amounts in euros)

	Opening balances	Reinforcements	2022		Closing balances
			Recoveries and cancellations	Uses	
Impairment of investments in subsidiaries (Note 4)	35,895,040	2,158,814	(2,551,478)	(10,402,600)	25,099,775
Impairment of investments in associates (Note 4)	66,821	1,313	-	-	68,134
Expected credit loss on financial assets at fair value through other comprehensive income					
Debt instruments					
Stages 1 and 2 (Note 26)	26,583,442	3,648,191	(23,068,249)	-	7,163,384
Stage 3 (Note 7)	57,939,838	20,540,386	-	-	78,480,224
Expected credit loss on financial assets at amortised cost (Note 8)					
Debt instruments	2	2	(1)	-	2
Other instruments	385,752	1,865	-	(377,020)	10,597
Impairment of properties for own use (Note 9)	4,275,530	102,659	-	(201,345)	4,176,844
Adjustments to premiums pending collection (Note 15)	11,154,855	-	(5,832,361)	(390,298)	4,932,195
IFAP Adjustments (Note 15)	-	247,225	-	-	247,225
Adjustments for doubtful debts (Note 15)	19,421,053	-	(644,243)	(34,178)	18,742,632
	155,722,332	26,700,454	(32,096,333)	(11,405,441)	138,921,012

(amounts in euros)

	2021					Closing balances
	Opening balances	Reinforcements	Recoveries and cancellations	Uses	Others	
Impairment of investments in subsidiaries (Note 4)	19,672,139	21,416,913	(5,193,679)	(333)	-	35,895,040
Impairment of investments in associates (Note 4)	-	66,821	-	-	-	66,821
Expected credit loss on financial assets at fair value through other comprehensive income						
Debt instruments						
Stages 1 and 2 (Note 26)	34,538,815	8,137,482	(16,092,855)	-	-	26,583,442
Stage 3 (Note 7)	49,979,822	7,960,016	-	-	-	57,939,838
Expected credit loss on financial assets at amortised cost (Note 8)						
Debt instruments	1,487,195	-	(1,487,194)	-	-	2
Other instruments	1,378	3,859	-	-	380,515	385,752
Impairment of properties for own use (Note 9)	3,200,231	1,237,619	-	(162,320)	-	4,275,530
Adjustments to premiums pending collection (Note 15)	16,284,062	-	(5,127,509)	(1,699)	-	11,154,855
Adjustments for doubtful debts (Note 15)	18,352,207	1,184,991	-	(116,144)	-	19,421,053
	143,515,849	34,880,192	(22,773,728)	(280,497)	380,515	155,722,332

In 2022 and 2021, the heading “Impairment losses (net of reversals)” includes uses of 9,305,011 Euros and 1,362,168 Euros of “Other provisions” (Note 24), respectively.

At 31 December 2022 and 2021 the breakdown by rating and stage of expected credit losses based on the gross balance sheet value was the following:

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	19,539,958	-	-	19,539,958
AA- to AA+	59,034,315	-	-	59,034,315
A- to A+	1,560,412,691	-	-	1,560,412,691
BBB- to BBB+	3,877,692,275	3,385,102	2,002,288	3,883,079,665
BB- to BB+	467,617,650	9,930,801	-	477,548,451
B- to B+	41,556,157	12,954,705	-	54,510,862
Not rated	-	511,641	77,645,893	78,157,534
	6,025,853,046	26,782,249	79,648,181	6,132,283,476
Financial assets at amortised cost				
BBB- to BBB+	540,027,045	-	-	540,027,045
	540,027,045	-	-	540,027,045

(amounts in euros)

	2021			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AAA	2,523,456	-	-	2,523,456
AA- to AA+	75,004,448	-	-	75,004,448
A- to A+	1,896,547,569	-	-	1,896,547,569
BBB- to BBB+	4,925,223,635	5,562,633	-	4,930,786,268
BB- to BB+	901,975,516	13,218,735	-	915,194,251
B- to B+	45,374,282	22,215,215	-	67,589,497
CCC- to CCC+	26,896,824	-	-	26,896,824
Not rated	41,167,061	-	63,300,060	104,467,121
	7,914,712,791	40,996,583	63,300,060	8,019,009,434
Financial assets at amortised cost				
BBB- to BBB+	822,265,288	-	-	822,265,288
	822,265,288	-	-	822,265,288

The movement between 31 December 2021 and 31 December 2022 of expected credit losses based on the gross balance sheet value was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2021	7,914,712,792	40,996,583	63,300,060	8,019,009,435
New assets originated or purchased	573,064,152	(1,146,712)	11,272,541	583,189,981
Assets derecognised or matured	(1,681,069,087)	(20,363,900)	(12,144,443)	(1,713,577,430)
Accrued capitalised interest	(49,366,248)	129,578	(171,933)	(49,408,603)
Change in fair value	(721,643,040)	(3,754,600)	(191,193)	(725,588,833)
Net exchange expense / (income)	15,883,944	1,101,570	1,673,412	18,658,926
Movement between 12mECL and LTECL	(25,729,467)	9,819,730	15,909,737	-
Balances at 31 December 2022	6,025,853,046	26,782,249	79,648,181	6,132,283,476
Financial assets at amortised cost				
Balances at 31 December 2021	822,265,288	-	-	822,265,288
Assets derecognised or matured	(283,197,809)	-	-	(283,197,809)
Accrued capitalised interest	959,566	-	-	959,566
Balance at 31 December 2022	540,027,045	-	-	540,027,045

As of 31 December 2022 and 2021, the breakdown by rating and stage of expected credit losses based on expected credit losses was as follows:

(amounts in euros)

	2022			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AA- to AA+	11,681	-	-	11,681
A- to A+	600,948	-	-	600,948
BBB- to BBB+	2,818,817	14,534	862,233	3,695,584
BB- to BB+	2,168,157	428,914	-	2,597,071
B- to B+	875,249	165,817	-	1,041,066
Not rated	-	79,267	77,617,992	77,697,259
	6,474,852	688,532	78,480,225	85,643,609

(amounts in euros)

	2021			
	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
AA- to AA+	13,605	-	-	13,605
A- to A+	805,687	-	-	805,687
BBB- to BBB+	3,048,391	29,961	-	3,078,352
BB- to BB+	4,362,506	101,381	-	4,463,887
B- to B+	800,590	724,280	-	1,524,870
CCC- to CCC+	6,491,776	-	-	6,491,776
Not rated	10,205,265	-	57,939,838	68,145,103
	25,727,820	855,622	57,939,838	84,523,280

The movement in expected credit losses based on expected credit losses in the years 2022 and 2021 was as follows:

(amounts in euros)

	12-month expected credit losses	Lifetime expected credit losses	Default	Total
Financial assets at fair value through other comprehensive income				
Balance at 31 December 2021	25,727,821	855,622	57,939,838	84,523,281
New assets originated or purchased	594,719	-	-	594,719
Assets derecognised or matured	(3,588,331)	(181,455)	-	(3,769,786)
Re-measurement of expected credit loss	(16,092,879)	(132,325)	20,520,599	4,295,395
Movement between 12mECL and LTECL	(166,477)	146,690	19,788	1
Balance at 31 December 2022	6,474,852	688,532	78,480,225	85,643,609

As of 31 December 2022, the amount recorded under the heading "Allowance for expected credit losses in debt instruments at fair value through other comprehensive income", referring to securities whose used reference rating corresponds to an internal rating amounts to 342,958 Euros. The provision corresponding to these securities, if considered as unrated, would amount to 25,275,018 Euros.

40. OTHER TECHNICAL INCOME/EXPENSES, NET OF REINSURANCE

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022			2021		
	Income	Expenses	Net	Income	Expenses	Net
Related to life insurance						
Co-insurance management fees	12,360	(1,411)	10,948	12,723	(5,836)	6,887
Others	-	-	-	239,314	(190,283)	49,030
	12,360	(1,411)	10,948	252,037	(196,120)	55,917
Related to non-life insurance						
Co-insurance management fees	385,469	(121,300)	264,169	368,400	(67,097)	301,303
Others	1,207,130	(286,374)	920,756	11,912,528	(470,524)	11,442,004
	1,592,599	(407,674)	1,184,925	12,280,928	(537,621)	11,743,307
	1,604,958	(409,085)	1,195,873	12,532,965	(733,741)	11,799,224

41. OTHER INCOME/EXPENSES

In the years 2022 and 2021, this heading was composed as follows:

(amounts in euros)

	2022	2021
Non-current income and gains		
Pro-rata VAT Credit	8,094,875	-
Tax rebates	-	31,935
Others	115,099	855,514
	8,209,974	887,449
Financial income and gains		
Exchange rate gains	20,337,057	20,560,002
Interest earned	60,094	53,317
Others	1,031,980	295,290
	21,429,131	20,908,610
Other non-technical income		
Provision of services	1,019,755	2,099,426
Adjustments to balances	613,138	568,651
Gains on other tangible assets	85,642	50,079
Others	188,465	530,240
	1,907,000	3,248,396

(continuation)

(amounts in euros)

	2022	2021
Non-current expenses and losses		
Miscellaneous contributions	(78,206)	(97,571)
Adjustments to balances	(115,348)	(103,776)
Corrections to previous years	(441,535)	(237,129)
Patronage	(487,150)	(95,256)
Bad debts	(569,936)	(844,876)
Offers to costumers	(706,798)	(95,418)
Fines and penalties	(848,988)	(21,531)
Indemnities	(1,150,000)	(19,384)
Donations	(2,664,681)	(1,173,428)
Others	(575,850)	(377,358)
	(7,638,492)	(3,065,727)
Financial expenses and losses		
Interest paid	(102,146)	(211,340)
Banking services	(222,227)	(253,132)
Exchange rate losses	(19,991,784)	(21,766,229)
Others	(1,215,447)	(489,374)
	(21,531,604)	(22,720,075)

(continuation)

(amounts in euros)

	2022	2021
Losses in other assets		
Losses on other tangible assets	(56,814)	(65,143)
	(56,814)	(65,143)
	2,319,196	(806,490)

The heading "Provision of services" in 2022 and 2021 essentially refers to the sale of the "Fixed" project to Fidelidade – Serviços de Assistência, S.A. in the amounts of 610,895 Euros and 1,367,571 Euros, respectively.

At 31 December 2022 and 2021, the breakdown of the provision of services to customers was as follows:

(valores em euros)

	2022	2021
Provision of services		
Helpdesk	8,428	34,720
Actuarial studies	93,211	106,694
Financial and accounting services	109,829	170,946
Other services provided	808,287	1,787,066
	1,019,755	2,099,426

42. INCOME TAX

The costs/gains with income tax recognised in profits and losses, and the tax burden, measured as the ratio between the appropriation for income tax and the profit in the year before tax, may be represented as follows:

(amounts in euros)

	2022	2021
Current tax		
For the year	17,111,598	42,586,640
Municipal and State tax	-	24,446,201
Autonomous taxation	1,824,632	681,694
	18,936,230	67,714,535
Others		
Branches	59,234	(17,173)
Excess / insufficient IRC estimate	(1,071,792)	(2,276,706)
Tax liabilities	8,816,590	9,078,331
SIFIDE II	(4,268,954)	(4,100,710)
Tax paid abroad	3,934,097	2,625,365
	26,405,405	73,023,642
Deferred tax	5,616,506	3,533,462
Total tax in income statement	32,021,911	76,557,104
Pre-tax profit	144,464,928	288,840,015
Tax burden	22.17%	26.51%

The heading "Others" corresponds, among others, to (i) the tax liability in the amount of 8,816,590 Euros related to IFRIC 23, (ii) SIFIDE II in the amount of 4,268,954 Euros, still to be reimbursed, with the amount of 1,039,810 Euros referring to the 2020 tax credit and the amount of 3,229,145 Euros related to the 2021 tax credit and (iii) the excess/insufficient IRC estimate of

previous years in the amount of 1,071,792 Euros, which has already been fully reimbursed, with the exception of the amount of 86,536 Euros referring to IRC of 2018.

Reconciliation between the nominal tax rate and the effective tax rate in 2022 and 2021 can be demonstrated as follows:

(amounts in euros)

	2022		2021	
	Rate	Tax	Rate	Tax
Income before tax		144,464,928		288,840,015
Income tax calculated at nominal rate	21.00%	30,337,635	21.00%	60,656,403
Permanent differences to be deducted				
Dividends from equity instruments	(5.76%)	(8,324,470)	(2.54%)	(7,329,245)
Capital gains and losses for tax purposes	(0.82%)	(1,179,956)	-	-
Corrections related to previous years	(0.68%)	(978,752)	(0.44%)	(1,272,387)
Permanent differences to be added				
Capital gains and losses for tax purposes	-	-	0.26%	746,425
Tax liabilities	4.29%	6,194,392	4.05%	11,696,459
Others	0.62%	888,976	0.19%	545,733
Tax benefits				
Net job creation	(0.08%)	(115,980)	(0.07%)	(198,877)
International double taxation	(0.71%)	(1,021,741)	(0.20%)	(563,892)
SIFIDE II	(2.96%)	(4,268,954)	(1.31%)	(3,791,196)
Others	(0.21%)	(297,295)	(0.10%)	(287,412)

(continuation)

(amounts in euros)

	2022		2021	
	Rate	Tax	Rate	Tax
Tax paid abroad	2.72%	3,934,097	0.91%	2,625,365
Withholding tax	-	-	(4.39%)	(12,692,648)
Autonomous taxation	1.26%	1,824,632	0.24%	681,694
Municipal Tax	-	-	1.36%	3,919,410
State Tax	-	-	7.59%	21,921,462
Deferred tax assets and liabilities - Effect of tax rate change	3.48%	5,029,328	(0.03%)	(100,191)
	22.17%	32,021,911	26.51%	76,557,104

The tax authorities have the possibility to review the tax situation for a defined period of time, which in Portugal is four years (except in years in which a tax loss is calculated), and may result due to different interpretations of the legislation, any corrections to the taxable profit of previous years. Given the nature of any corrections that may be made, it is not possible to quantify them at this time. However, in the opinion of the Company's Board of Directors, it is unlikely that any correction concerning the years referred to above will be significant for the attached financial statements.

43. SEGMENT REPORTING

The Company presents operating segments based on internally produced management information. Operating results are regularly reviewed by the principal operational decision maker for the purpose of allocating resources to the segment and evaluating performance.

The results may be segmented by activity since there is distinct financial information.

An operating segment is an identifiable component that is intended to provide an individual product or service or a group of related products or services, within a specific economic environment, from which it may derive revenues and incur expenses, that are subject to risks and benefits that are distinguishable from others.

The Company considers the insurance segment as its main segment, exploring life and non-life insurance.

Life insurance includes the following sub-segments:

- “Risk”, which comprises contracts whereby the insurer undertakes to pay the sum insured in the event of the death of the insured person (insurance in the event of death) or survival of the insured person (insurance in the event of life);

- “Capitalisation with profit sharing”, which comprises contracts through which a life insurance company undertakes to pay a certain capital sum at the end of the contracts and the right of the policyholder, insured or beneficiary to receive part of the results generated by the contract; and
- “Investment contracts” means financial instruments in the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts.

Non-life insurance includes the following lines of business:

- “Workers’ compensation”, which aims to insure workers in the event of damage arising at the place and time of work or on the way to or from work, resulting in bodily injury, functional disturbance or Health that causes reduction in the ability to work or earn a salary, or death;
- “Motor”, which covers the risks to which land motor vehicles (cars, motorcycles, etc.) are exposed, including third party liability arising from their circulation, as well as optional coverages, such as own damages, travel assistance and legal protection;
- “Health”, which covers the risks related to the provision of healthcare in the modalities of agreed benefits, indemnity benefits and combinations of the two types of benefits;

- "Property", which covers the risks related to loss of property caused by "Fire and other damages" that damage property, "Credit and suretyship", related to damages suffered in the event of default on obligations guaranteed by personal guarantee and "Miscellaneous pecuniary losses arising from other property risks";
- "Third-Party", which covers the risk of the insured having to indemnify third parties for damages resulting in bodily or material injuries for which the same is responsible, including "General Third-Party Liability", "Family Third-Party Liability" insurance, "Animals Third-Party Liability", "Operational Third-Party Liability", "Professional Third-Party Liability" and "Products Third-Party Liability"; "Transported Goods", which covers risks related to the transport of goods or other goods by land, sea and air; and
- "Others", which covers the damages suffered by "Personal accidents", "Legal protection - other", "Assistance - other" and miscellaneous insurance not mentioned above.

The distribution of income by lines of business in 2022 and 2021 was as follows:

(amounts in euros)

2022	Non-life lines of business				
	Workers' compensation	Motor	Health	Property	Other
Gains and losses					
Earned premiums, net of reinsurance	276,337,747	502,412,696	2,634,925	192,398,172	74,817,043
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	-	-	-	-	-
Claims costs, net of reinsurance	(149,298,914)	(322,306,163)	(2,237,048)	(115,116,365)	(32,258,788)
Other technical provisions, net of reinsurance	299,162	4,602,242	(736,812)	(2,774,586)	(1,952,577)
Mathematical provision for life insurance and profit sharing, net of reinsurance	-	-	-	(83,410)	-
Net operating costs and expenses	(62,126,308)	(160,311,775)	(20,180,270)	(73,751,409)	(32,967,580)
Financial income	33,033,941	18,646,306	4,702,138	9,466,177	7,857,263
Financial expenses and net income on financial assets and liabilities	(15,592,252)	(11,677,464)	(5,623,107)	(4,475,507)	(4,626,042)
Impairment losses (net reversal)	(2,317,783)	1,424,784	(162,183)	464,213	1,073,263
Overlay approach adjustment	4,106,967	-	-	-	-

(continuation)

(amounts in euros)

2022	Non-life lines of business				
	Workers' compensation	Motor	Health	Property	Other
Other income/expenses	172,878	959	(146,230)	1,197,307	(39,988)
Current income tax	-	-	-	-	-
	84,615,438	32,791,585	(21,748,586)	7,324,591	11,902,594
Assets					
Total assets	1,222,930,909	677,079,295	275,887,267	570,233,482	406,205,997
Of which:					
Investments associates and joint ventures	397,692,780	230,851,362	54,371,751	110,398,099	64,132,170
Liabilities					
Total liabilities	1,105,158,613	622,054,495	289,722,858	441,176,554	310,953,493

(amounts in euros)

2022	Risk	Life Insurance Capitalisation with profit sharing	Financial liabilities	Not allocated	Total
Gains and losses					
Earned premiums, net of reinsurance	188,839,106	48,334,388	-	-	1,285,774,077
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	-	-	1,171,456	-	1,171,456
Claims costs, net of reinsurance	(102,249,125)	(249,063,964)	-	955,576	(971,574,791)
Other technical provisions, net of reinsurance	1,692,592	1,219,231	-	942,558	3,291,809
Mathematical provision for life insurance and profit sharing, net of reinsurance	19,556,673	176,018,505	-	-	195,491,769
Net operating costs and expenses	(46,071,823)	(8,614,438)	(60,272,155)	-	(464,295,758)
Financial income	7,950,947	31,608,606	131,285,504	12,639,471	257,190,353
Financial expenses and net income on financial assets and liabilities	(3,008,162)	(19,781,692)	(118,332,587)	(41,455,618)	(224,572,430)
Impairment losses (net of reversals)	4,366,587	(1,400,079)	(2,645,780)	13,897,868	14,700,889
Overlay approach adjustment	2,157,104	(383,790)	41,538,376	(3,646,173)	43,772,485
Other income/expenses	10,948	-	-	2,319,196	3,515,069
Current income tax	-	-	-	(32,021,911)	(32,021,911)
	73,244,848	(22,063,233)	(7,255,186)	(46,369,034)	112,443,017

(continuation)

(amounts in euros)

2022	Risk	Life Insurance Capitalisation with profit sharing	Financial liabilities	Not allocated	Total
Assets					
Total assets	439,588,996	1,598,635,754	8,472,077,060	1,790,342,897	15,452,981,658
Of which:					
Investments associates and joint ventures	52,037,094	-	1,018,802,983	1,211,696,162	3,139,982,402
Non-current					
Total liabilities	383,166,114	1,465,942,732	7,859,829,654	746,303,627	13,224,308,140
Total segments					2,116,230,501
Share capital, other comprehensive income, retained earnings and uncontrolled interests					2,116,230,501

(amounts in euros)

2021	Non-life lines of business				
	Occupational accidents	Motor	Health	Property	Other
Gains or losses					
Earned premiums, net of reinsurance	248,581,737	475,531,194	7,652,228	185,283,424	66,976,496
Claims costs, net of reinsurance	(220,670,382)	(307,457,650)	(7,773,945)	(106,403,144)	(30,529,146)
Other technical provisions, net of reinsurance	(237,599)	(6,689,980)	(9,356,429)	(1,137,544)	(1,030,754)
Mathematical provision for life insurance and profit sharing, net of reinsurance	-	-	-	(146,202)	11,229
Net operating costs and expenses	(55,164,268)	(145,529,905)	(20,666,831)	(70,399,313)	(30,273,076)
Financial income	36,948,834	13,597,234	3,048,311	6,388,057	5,436,286
Financial expenses and net income on financial assets and liabilities	14,901,967	(7,319,919)	(3,033,556)	(3,236,197)	(2,381,658)
Impairment losses (net reversal)	(1,255,839)	352,199	1,141,688	346,761	(880,822)
Overlay approach adjustment	42,121,647	-	-	-	-
Other income/expenses	123,813	10,066,107	43,166	1,523,191	(12,970)
Profit or loss on non-current assets (or groups for disposal)					
classified as held for sale	-	-	-	-	-
Income tax for the year	-	-	-	-	-
	65,349,911	32,549,281	(28,945,368)	12,219,033	7,315,585

(continuation)

(amounts in euros)

2021	Non-life lines of business				
	Occupational accidents	Motor	Health	Property	Other
Assets					
Total assets	1,093,495,911	693,608,058	271,746,409	523,400,084	332,116,148
Of which:					
Associated investments and joint ventures	364,905,453	187,825,041	37,221,314	77,815,935	49,687,000
Non-current					
Total liabilities	1,123,593,849	638,743,385	268,508,584	413,130,765	277,442,304

(amounts in euros)

2021	Risk	Life Insurance Capitalisation with profit sharing	Financial liabilities	Not allocated	Total
Gains or Losses					
Earned premiums, net of reinsurance	181,831,997	40,328,340	-	-	1,206,185,417
Fees from insurance contracts and operations considered for accounting purposes as investment contracts or as service contracts	-	-	1,076,679	-	1,076,679
Claims costs, net of reinsurance	(101,907,240)	(247,614,914)	-	-	(1,022,356,420)
Other technical provisions, net of reinsurance	542,195	11,231,634	-	-	(6,678,478)
Mathematical provision for life insurance and profit sharing, net of reinsurance	(2,625,038)	180,172,935	-	-	177,412,923
Net operating costs and expenses	(38,004,316)	(8,568,646)	(61,903,159)	-	(430,509,514)
Financial income	7,526,747	30,304,936	160,136,079	4,660,204	268,046,690
Financial expenses and net income on financial assets and liabilities	(2,414,544)	3,102,056	(17,374,685)	(35,992,651)	(53,749,188)
Impairment losses (net of reversals)	(4,233,642)	1,423,813	(12,924,025)	(689,073)	(16,718,940)
Overlay approach adjustment	4,531,506	1,071,879	93,242,103	10,280,728	151,247,862
Other income/expenses	(9,749)	33,803	31,863	(806,490)	10,992,734
Profit or loss on non-current assets (or groups for disposal) classified as held for sale	-	-	-	3,890,250	3,890,250
Current income tax	-	-	-	(76,557,104)	(76,557,104)
	45,237,915	11,485,835	162,284,855	(95,214,136)	212,282,911

(continuation)

(amounts in euros)

2021	Risk	Life Insurance Capitalisation with profit sharing	Financial liabilities	Not allocated	Total
Assets					
Total assets	537,955,314	1,897,216,207	10,465,713,320	886,806,819	16,702,058,270
Of which:					
Investments in associates and joint ventures	50,500,914	-	1,458,794,705	506,251,428	2,733,001,790
Liabilities					
Total liabilities	412,842,218	1,678,381,270	8,254,012,287	823,321,319	13,889,975,980
Total segments					2,599,799,379
Share capital, reserves, retained earnings and uncontrolled interests					2,599,799,379

The "Others" column includes the operating segments "Transported Goods", "Third Party Liability" and "Miscellaneous" as they do not meet the quantitative thresholds defined in IFRS 8 in order to produce a reportable segment.

The total assets and liabilities have a different breakdown when compared to the Financial Statements, due to the fact that the segment distribution process gives rise to a breakdown of different balances.

In the years 2022 and 2021, the premiums acquired net of reinsurance are as follows by region:

(amounts in euros)

	2022	2021
Earned premiums, net of reinsurance		
Portugal	1,219,091,496	1,143,104,533
Rest of European Union	66,682,581	55,424,228
Africa	-	7,656,656
Total	1,285,774,077	1,206,185,417

Earned premiums net of reinsurance are allocated based on the location of each company

In 2022 and 2021, non-current assets were composed as follows by region:

(amounts in euros)

	2022	2021
Non-current assets		
Portugal	160,843,776	179,752,028
Rest of European Union	3,303,861	4,161,684
Africa	-	750,702
Asia	1,424	2,282
Total	164,149,060	184,666,697

Non-current assets include the headings "Properties", "Other tangible assets" and "Other intangible assets".

44. RELATED PARTIES

As defined in IAS 24, subsidiaries, associates and joint ventures of the Fosun Group, Caixa Geral de Depósitos, S.A. and their respective management bodies are considered related parties of the Company.

Note 4 provides information on the structure of the Group, including details of subsidiaries and associates.

As of 31 December 2022 and 2021, the financial statements include the following balances and transactions with related parties, excluding management bodies:

2022

(amounts in euros)

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Subsidiaries	Associates	Fosun International Holdings Ltd Group	Total
Income Statements						
Gross premiums written	-	3,782,384	871,710	-	-	4,654,094
Reinsurance ceded premiums	-	-	(467,303,286)	-	(10,498,980)	(477,802,266)
Provision for unearned premiums (change)	-	475,757	(209,186)	-	-	266,571
Provision for unearned premiums, reinsurers' share (variation)	-	-	3,870,840	-	(191,358)	3,679,482
Claims costs, net of reinsurance	-	(201,623)	172,444,628	-	1,933,056	174,176,061
Net operating costs and expenses	(1,530)	(76,992,880)	44,266,401	10,652	1,679,197	(31,038,161)
Financial Income	-	5,552,788	15,207,657	325,744	13,315,014	34,401,203
Financial expenses and net income on financial assets and liabilities	-	(7,915,548)	(19,268,147)	-	(10,909,446)	(38,093,141)
Exchange differences	-	(738,229)	(973,803)	-	(1,422,794)	(3,134,826)
Impairment losses (net of reversals)	-	232,628	392,664	(1,313)	1,827,778	2,451,757
Overlay approach adjustment	-	-	(4,013,700)	-	-	(4,013,700)
Other income/expenses	4,964	(141,953)	(3,705,480)	-	(38)	(3,842,508)
	3,434	(75,946,677)	(258,419,703)	335,083	(4,267,570)	(338,295,433)
Assets						
Cash and cash equivalents and sight deposits	-	264,845,359	-	-	19,205,605	283,781,927
Investments in associates and joint ventures	-	-	3,138,261,966	1,720,435	-	3,139,982,402
Financial assets at fair value through profit or loss	-	27,577,981	176,545,719	-	30,562,857	234,686,556
Financial assets at fair value through other comprehensive income	-	67,807,922	-	-	67,802,100	135,610,022
Financial assets at amortised cost	-	142,283,005	33,196,595	-	-	175,479,600
Properties for own use	-	18,931	718,588	-	-	737,519
Technical provisions for reinsurance ceded	-	-	121,753,586	-	8,076,494	129,830,080
Accounts receivable for direct insurance operations	-	22,005,207	1,113,470	-	-	23,118,677
Accounts receivable for other reinsurance operations	-	-	4,143,425	-	264,551	4,407,977
Accounts receivable for other operations	55,827,776	-	21,440,316	-	1,212	77,269,304
	55,827,776	524,538,404	3,497,173,665	1,720,435	125,912,819	4,204,904,062

(continuation)

(amounts in euros)

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Subsidiaries	Associates	Fosun International Holdings Ltd Group	Total
Liabilities						
Provision for unearned premiums	-	(9,315,816)	1,092,573	-	-	(8,223,243)
Claims provision	-	(242,825,705)	25,098,928	-	55,972	(217,670,804)
Financial liabilities	-	(26,331)	127,728,265	-	4,089,822	131,791,756
Accounts payable for direct insurance operations	-	39,700,230	912,705	-	-	40,612,935
Accounts payable for other reinsurance operations	-	-	18,751,320	-	1,675,450	20,426,770
Accounts payable for other operations	-	10,841,156	5,012,200	-	-	15,853,356
Accruals and deferrals	-	26,912,872	1,546,708	-	1,311,500	29,771,081
	-	(174,713,594)	180,142,701	-	7,132,743	12,561,851

	Longrun Portugal, SGPS, S.A.	Caixa Geral de Depósitos, S.A.	Subsidiaries	Associates	Fosun International Holdings Ltd Group	Total
Income Statements						
Gross premiums written	-	3,351,333	218,631	-	-	3,569,963
Reinsurance ceded premiums	-	-	(425,611,410)	-	(12,571,816)	(438,183,226)
Provision for unearned premiums (change)	-	345,809	209,898	-	-	555,707
Provision for unearned premiums, reinsurers' share (variation)	-	-	(2,928,108)	-	(17,293)	(2,945,400)
Claims costs, net of reinsurance	-	(123,366)	165,976,577	(4,305)	7,838,578	173,687,484
Net operating costs and expenses	-	(70,810,665)	44,698,844	28,210	2,399,373	(23,684,238)
Financial Income	-	7,413,878	39,524,071	466,296	15,023,343	62,427,587
Financial expenses and net income on financial assets and liabilities	-	(5,738,151)	76,988,977	-	(5,240,638)	66,010,188
Exchange differences	-	1,949,380	349,256	-	478,501	2,777,137
Impairment losses (net of reversals)	-	49,122	(16,227,241)	(66,821)	192,449	(16,052,491)
Overlay approach adjustment	-	-	79,403,634	-	-	79,403,634
Other income/expenses	4,920	(286,126)	(1,207,363)	-	30,570	(1,457,999)
	4,920	(63,848,786)	(38,604,234)	423,379	8,133,067	(93,891,654)
Assets						
Cash and cash equivalents and sight deposits	-	321,143,261	-	-	72,544,599	393,687,859
Investments in associates and joint ventures	-	-	2,713,171,102	19,830,688	-	2,733,001,790
Financial assets at fair value through profit or loss	-	56,331,343	175,857,355	-	31,538,104	263,726,802
Financial assets at fair value through other comprehensive income	-	77,800,897	-	-	341,129,651	418,930,549
Financial assets at amortised cost	-	2,052,382	279,065	-	3,763,208	6,094,656
Properties for own use	-	33,930	486,984	-	-	520,915
Technical provisions for reinsurance ceded	-	-	106,713,075	-	8,121,544	114,834,619
Accounts receivable for direct insurance operations	-	11,830,915	1,651,183	-	-	13,482,098
Accounts receivable for other reinsurance operations	-	-	5,155,445	-	390,207	5,545,652
Accounts receivable for other operations	-	191	10,752,017	28,210	-	10,780,417
	-	469,192,920	3,014,065,619	19,858,897	457,487,313	3,960,604,749
Liabilities						
Provision for unearned premiums	-	(3,521,651)	881,137	-	-	(2,640,514)
Claims provision	-	(182,101,516)	21,815,980	-	55,972	(160,229,564)
Financial liabilities	-	(5,793,327)	98,143,202	-	3,847,794	96,197,670
Accounts payable for direct insurance operations	-	13,585,767	1,290,706	-	-	14,876,473
Accounts payable for other reinsurance operations	-	-	18,216,699	-	1,536,720	19,753,419
Accounts payable for other operations	35,854,084	-	3,627,717	4,305	23,366	39,509,472
Accruals and deferrals	-	33,384,923	905,580	-	1,568,499	35,859,002
	35,854,084	(144,445,804)	144,881,021	4,305	7,032,352	43,325,958

Transactions with the related parties are performed on the basis of the market values on the respective dates.

Remuneration of Corporate Bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Corporate Bodies, according to criteria established by the shareholder.

The remuneration and benefits paid to the members of the Corporate Bodies during the year 2022 were as follows:

(amounts in euros)

Board of Directors	Fixed remuneration	Variable remuneration	Meal Allowance	Health Insurance	Life Insurance
Non-executive members					
Chairman					
Jorge Manuel Baptista Magalhães Correia	420,000	362,615	-	-	-
Vice-Chairman					
José Manuel Alvarez Quintero	105,000	287,555	-	-	-
Executive members					
Chairman of Executive Committee					
Rogério Miguel Antunes Campos Henriques	420,000	453,833	2,735	2,429	134
Members of the Executive Committee					
António Manuel Marques de Sousa Noronha	369,600	412,412	2,735	1,111	134
Wai Lam William Mak	369,600	412,412	2,735	1,989	134
André Simões Cardoso	369,600	398,370	2,735	2,868	134
Hui Chen	290,000	101,338	2,735	671	134
Juan Ignacio Arsuaga Serrats	369,600	124,857	2,735	1,550	134
Miguel Barroso Abecasis	277,290	-	2,011	1,821	101

Supervisory Board	Fixed remuneration	Variable remuneration	Meal Allowance	Health Insurance	Life Insurance
Chairman					
Pedro Nunes de Almeida	50,000	-	-	-	-
Members					
João Filipe Gonçalves Pinto	50,000	-	-	-	-
Vasco Jorge Valdez Ferreira Matias	50,000	-	-	-	-

The fees of Ernst & Young, SROC, S.A., the Company's Statutory Auditor, related to 2022, are 853,557 Euros, of which 711,324 Euros are related to the Statutory Audit and legal review of accounts and 142,234 Euros to compliance and assurance services.

Other assurance services basically include: (i) Certification of the annual solvency and financial position report, (ii) Opinion on procedures and controls in matters of ML&TF prevention, (iii) Opinion on the specific procedures for the prevention, detection and reporting of insurance fraud situations and (iv) Opinion on the specific procedures for the remuneration policy.

45. DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS

FINANCIAL POSITION

At 31 December 2022 and 2021, the financial instruments had the following balance sheet value:

(amounts in euros)

	2022		Balance Sheet value
	Recognised at fair value	Not recognised at fair value	
Assets			
Cash and cash equivalents and sight deposits	-	267,048,385	267,048,385
Investments in subsidiaries, associates and joint ventures	-	3,139,982,402	3,139,982,402
Financial assets at fair value through profit or loss	3,867,906,794	-	3,867,906,794
Financial assets at fair value through other comprehensive income	6,084,732,332	-	6,084,732,332
Financial assets at amortised cost	-	792,554,208	792,554,208
Accounts receivable from direct insurance and reinsurance operations	-	190,504,207	190,504,207
	9,952,639,126	4,390,089,202	14,342,728,328
Liabilities			
Mathematical provision for life insurance	-	1,388,580,177	1,388,580,177
Financial liabilities at fair value through profit or loss	169,256,597	-	169,256,597
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	2,467,267,641	5,239,593,041	7,706,860,682

(continuation)

(amounts in euros)

	2022		Balance Sheet value
	Recognised at fair value	Not recognised at fair value	
Deposits received from reinsurers	-	149,622,749	149,622,749
Other financial liabilities	-	23,541,553	23,541,553
Accounts payable for direct insurance and reinsurance operations	-	210,080,829	210,080,829
	2,636,524,237	7,011,418,349	9,647,942,587

(amounts in euros)

	2021		Balance Sheet value
	Recognised at fair value	Not recognised at fair value	
Assets			
Cash and cash equivalents and sight deposits	-	521,902,520	521,902,520
Investments in subsidiaries, associates and joint ventures	-	2,733,001,790	2,733,001,790
Financial assets at fair value through profit or loss	3,535,753,742	1,855,452	3,537,609,194
Financial assets at fair value through other comprehensive income	8,006,813,593	-	8,006,813,593
Financial assets at amortised cost	-	939,661,097	939,661,097
Accounts receivable from direct insurance and reinsurance operations	-	188,242,333	188,242,333
	11,542,567,335	4,384,663,192	15,927,230,527

(continuation)

(amounts in euros)

	2021		Balance Sheet value
	Recognised at fair value	Not recognised at fair value	
Liabilities			
Mathematical provision for life insurance	-	1,563,822,728	1,563,822,728
Financial liabilities at fair value through profit or loss	312,638,571	-	312,638,571
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	1,760,269,964	6,256,681,998	8,016,951,962
Deposits received from reinsurers	-	130,146,691	130,146,691
Other financial liabilities	-	26,756,211	26,756,211
Accounts payable for direct insurance and reinsurance operations	-	191,472,956	191,472,956
	2,072,908,535	8,168,880,583	10,241,789,118

The amount in the heading “Mathematical provision for life insurance” corresponds to the value of the mathematical provisions of capitalisation products in the life insurance business with profit sharing.

The amounts considered under the headings “Other debtors” and “Other creditors” correspond essentially to the balances receivable and payable from insureds, reinsurers, reinsureds, brokers, agents and other external entities.

GAINS AND LOSSES

In the years ended on 31 December 2022 and 2021, the net gains or losses on financial instruments had the following breakdown:

(amounts in euros)

	2022		
	Income	As a charge to own capital	Total
Earned premiums, net of reinsurance	48,334,388	-	48,334,388
Claims costs, net of reinsurance	(249,063,862)	-	(249,063,862)
Mathematical provision for life insurance, net of reinsurance	189,049,547	-	189,049,547
Income from financial instruments			
Financial assets at fair value through profit or loss	82,978,286	-	82,978,286
Financial assets at fair value through other comprehensive income	144,485,541	-	144,485,541
Financial assets at amortised cost	10,141,030	-	10,141,030
of sight deposits	503,527	-	503,527
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	2,128,569	(733,156,816)	(731,028,247)
Financial assets at amortised cost	264,599		264,599
Financial liabilities at amortised cost	(6,673,530)	-	(6,673,530)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities recognised at fair value through profit and loss	(245,558,163)	-	(245,558,163)
Exchange differences	73,804,743	-	73,804,743

(continuation)

(amounts in euros)

	2022		
	Income	As a charge to own capital	Total
Impairment losses (net of reversals)			
Financial assets at fair value through other comprehensive income	(1,120,328)	-	(1,120,328)
Financial assets at amortised cost	(1,865)	-	(1,865)
Others	15,823,082		15,823,082
Interest on subordinate liabilities	(22,360,836)	-	(22,360,836)
Interest on deposits received from reinsurers	(1,429,909)	-	(1,429,909)
	41,268,724	(733,156,816)	(691,888,093)

(amounts in euros)

	2021		
	Income	As a charge to own capital	Total
Earned premiums, net of reinsurance	40,042,066	-	40,042,066
Claims costs, net of reinsurance	(247,307,681)	-	(247,307,681)
Mathematical provision for life insurance, net of reinsurance	190,561,450	-	190,561,450
Income from financial instruments			
Financial assets at fair value through profit or loss	104,006,004	-	104,006,004
Financial assets at fair value through other comprehensive income	148,909,885	-	148,909,885
Financial assets at amortised cost	9,003,220	-	9,003,220
Sight deposits	82,123	-	82,123

(continuation)

(amounts in euros)

	2021		
	Income	As a charge to own capital	Total
Net income on financial assets and liabilities not recognised at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	10,817,283	(105,916,127)	(95,098,844)
Financial assets at amortised cost	27,517		27,517
Financial liabilities at amortised cost	(17,915,898)	-	(17,915,898)
Net income on financial assets and liabilities recognised at fair value through profit or loss			
Financial assets and liabilities at fair value through profit and loss	(235,232,649)	-	(235,232,649)
Exchange differences	252,286,852	-	252,286,852
Impairment losses (net of reversals)			
Financial assets at fair value through other comprehensive income	(4,643)	-	(4,643)
Financial assets at amortised cost	1,483,335	-	1,483,335
Others	(18,197,632)		(18,197,632)
Interest on deposits received from reinsurers	(1,262,685)	-	(1,262,685)
	237,298,547	(105,916,127)	131,382,420

In the years ended on 31 December 2022 and 2021, the income and expenses with interest, calculated according to the effective interest rate method, relating to financial assets and liabilities not recognised at fair value through profit or loss, had the following breakdown:

(amounts in euros)

	2022	2021
Assets		
Financial assets at fair value through other comprehensive income	141,051,541	144,246,026
Financial assets at amortised cost	10,141,030	9,475,541
Sight deposits	503,527	82,123
	151,696,098	153,803,690
Liabilities		
Mathematical provision for life insurance	(19,061,735)	(20,785,753)
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	(6,673,530)	(17,915,898)
Subordinate liabilities	(22,360,836)	(12,773,005)
Deposits received from reinsurers	(1,429,909)	(1,262,685)
	(49,525,260)	(52,737,341)

OTHER DISCLOSURES

Fair value of financial instruments

At 31 December 2022 and 2021, the method for assessing the fair value of the financial instruments reflected in the Company's financial statements can be summarised as follows:

(amounts in euros)

	2022			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	267,048,385	267,048,385
Investments in subsidiaries, associates and joint ventures	-	-	-	3,139,982,402	3,139,982,402
Financial assets at fair value through profit or loss	2,323,696,425	202,237,537	1,341,972,832	-	3,867,906,794
Financial assets at fair value through other comprehensive income	5,596,007,239	322,425,243	166,299,850	-	6,084,732,332
Financial assets at amortised cost	-	-	-	792,554,208	792,554,208
Accounts receivable from direct insurance and reinsurance operations	-	-	-	190,504,207	190,504,207
	7,919,703,664	524,662,780	1,508,272,682	4,390,089,202	14,342,728,328

(continuation)

(amounts in euros)

	2022			Not recognised at fair value	Total
	Fair value calculation method				
	Level 1	Level 2	Level 3		
Liabilities					
Mathematical provision for life insurance	-	-	-	1,388,580,177	1,388,580,177
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	-	2,467,267,641	-	5,239,593,041	7,706,860,682
Financial liabilities at fair value through profit or loss	1,684,862	38,293,501	129,278,234	-	169,256,597
Deposits received from reinsurers	-	-	-	149,622,749	149,622,749
Other financial liabilities	-	-	-	23,541,553	23,541,553
Accounts payable for direct insurance and reinsurance operations	-	-	-	210,080,829	210,080,829
	1,684,862	2,505,561,142	129,278,234	7,011,418,349	9,647,942,587
	7,918,018,802	-1,980,898,362	1,378,994,448	(2,621,329,147)	4,694,785,741

(amounts in euros)

	2021			Not recognised at fair value	Total
	Level 1	Level 2	Level 3		
Assets					
Cash and cash equivalents and sight deposits	-	-	-	521,902,520	521,902,520
Investments in subsidiaries, associates and joint ventures	-	-	-	2,733,001,790	2,733,001,790
Financial assets at fair value through profit or loss	2,477,985,551	164,723,430	893,044,761	1,855,452	3,537,609,194
Financial assets at fair value through other comprehensive income	7,091,867,775	442,291,276	472,654,542	-	8,006,813,593
Financial assets at amortised cost	-	-	-	939,661,097	939,661,097
Accounts receivable from direct insurance and reinsurance operations	-	-	-	188,242,333	188,242,333
	9,569,853,326	607,014,706	1,365,699,303	4,384,663,192	15,927,230,527
Liabilities					
Mathematical provision for life insurance	-	-	-	1,563,822,728	1,563,822,728
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	-	1,760,269,964	-	6,256,681,998	8,016,951,962
Financial liabilities at fair value through profit or loss	93,650,431	92,359,251	126,628,889	-	312,638,571
Deposits received from reinsurers	-	-	-	130,146,691	130,146,691
Other financial liabilities	-	-	-	26,756,211	26,756,211
Accounts payable for direct insurance and reinsurance operations	-	-	-	191,472,956	191,472,956
	93,650,431	1,852,629,215	126,628,889	8,168,880,583	10,241,789,118
	9,476,202,895	(1,245,614,509)	1,239,070,414	(3,784,217,392)	5,685,441,408

The tables above present the classification according to the fair value hierarchy, as provided for by IFRS 13, of the financial instruments held by the Company on 31 December 2022 and 2021 that are valued at fair value, according to the following assumptions:

- Level 1 – Financial instruments valued on the basis of quoted prices in active markets to which the Company has access. Included in this category are securities valued on the basis of executable prices (with immediate liquidity) published by external sources.

- Level 2 – Financial instruments whose valuation is based on observable data, directly or indirectly, in active markets. Included in this category are securities valued on the basis of bids supplied by external counterparties and internal valuation techniques which only use observable market data.

- Level 3 – All financial instruments measured at fair value that do not fall under levels 1 and 2.

The movement between 31 December 2021 and 2022 in the financial instruments classified within Level 3 of the fair value hierarchy can be broken down as follows:

(amounts in euros)

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Balance at 31 December 2021	472,654,542	893,044,760	(126,628,889)
Acquisitions	-	459,118,430	(116,448,908)
Revaluations			
as a charge to the income statement	948,506	12,523,590	7,418,044
as a charge to shareholders' equity	(27,276,895)	(15,680,538)	-
ECL Reinforcements / Reversals in Exercise	(6,314,054)	-	-
Transfers			
from level 2 to level 3	-	519,810	1,638,223
Disposals	(273,712,249)	(7,553,220)	104,743,296
Balance at 31 December 2022	166,299,850	1,341,972,832	(129,278,234)

As of 31 December 2022 and 2021, the balance sheet value and fair value of Financial Assets valued at amortised cost or at fair value were as follows:

(amounts in euros)

	2022		
	Balance Sheet Value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	267,048,385	267,048,385	-
Financial assets at fair value through profit or loss	3,867,906,794	3,867,906,794	-
Financial assets at amortised cost	792,554,208	769,683,523	22,870,685
Accounts receivable from direct insurance and reinsurance operations	190,504,207	190,504,207	-
	5,118,013,595	5,095,142,910	22,870,685

(amounts in euros)

	2021		
	Balance Sheet Value	Fair value	Difference
Assets			
Cash and cash equivalents and sight deposits	521,902,520	521,902,520	-
Financial assets at fair value through profit or loss	1,855,452	1,855,452	-
Financial assets at amortised cost	939,661,097	959,787,083	(20,125,986)
Accounts receivable from direct insurance and reinsurance operations	188,242,333	188,242,333	-
	1,651,661,402	1,671,787,388	(20,125,986)

The main assumptions used to calculate the fair value of these financial assets were:

- The fair value of financial investments recorded under the heading “Cash and cash equivalents and sight deposits” is similar to their balance sheet value, since they mainly correspond to short-term deposits;
- The fair value of time deposits recorded under the heading “Financial assets at fair value through profit or loss” is similar to their balance sheet value, since they mainly correspond to short-term deposits; and
- Under the heading “Financial assets at amortised cost” the fair value of mortgage loans was not calculated, given their immateriality and the fact that they are essentially loans made to employees, with real guarantees.

Financial risk management policies inherent to Fidelidade’s activity

The Company’s objectives, rules and procedures on market risk management are governed by means of its Investments Policy.

This Policy, which is reviewed annually, without prejudice to any other reviews that must be carried out in light of the development of the legal framework, asset market trends or changes in the company’s investment guidelines and / or risk profile, defines:

- the main investment management guidelines and how the Company evaluates, approves, implements, controls and monitors its investment activities and the risks arising from these activities;
- the activities related to the Company’s investment process, ranging from Strategic Asset Allocation (SAA) to Tactical Asset Allocation (TAA), including the decision 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.

Establishing an appropriate assets portfolio is, at any time, the result of a well-structured, disciplined and transparent investment process, which includes the following components:

- an investment strategy designed to create value, yet in line with the Company’s business profile and risk appetite;
- an investment policy reflecting that strategy, implemented by investment managers with appropriate knowledge and resources;
- a continuous and independent control of the investment activity;
- appropriate reporting procedures;

Bearing these aspects in mind, the Company’s investment management cycle is composed of the following fundamental activities:

- **Define** – Definition and approval of the general investment management cycle, including the overall investment strategy, investment policies, asset and liability management and liquidity, as well as the strategic asset allocation (SAA);
- **Invest** – Carrying out all investment activities, in accordance with the defined strategies and policies (identification, evaluation and approval of investment opportunities, as well as execution, settlement and allocation of investments);

- **Monitor** – Monitoring the evolution of the assets portfolio in terms of performance, liquidity and credit quality;
- **Manage** – Review of strategies, policies, benchmarks and limits according to current and future market conditions/ expectations and internal risk capacity;
- **Control** – Ensure that all assigned strategies, policies, procedures and responsibilities are adhered to.

The following items are also decisive within the scope of the Company's investment activity:

1. Definition of the portfolio objective

The main objective of the Company's investment portfolio management is to optimise its return in a sound and prudent manner, ensuring that all stakeholders are protected, in particular the interests of policyholders, insured people and beneficiaries. Accordingly, the portfolio must be systematically optimised according to the nature of the business subscribed, the Company's risk appetite and its liquidity needs.

2. Rules for investment in assets

On one hand, the Company's assets are invested appropriately, taking into account both the nature and duration of the responsibilities assumed by the Company and the capacity to ensure the security, quality, availability, liquidity and profitability of the portfolio as a whole.

On the other hand, the assets are well diversified in order to avoid excessive concentration of risk in the portfolio as a whole.

Lastly, the assets are invested in order to guarantee a regular cash return, thereby enabling the Company to adequately manage its liquidity.

3. Asset classes

As a general rule, the Company's portfolio is mainly composed of liquid assets (in line with the liquidity criteria set out in the ALM and Liquidity Policy), participation units in investment funds and real estate.

The asset classes eligible for investment by the Company are:

- Treasury (cash, deposits and equivalent);
- Fixed income (medium and long-term debt instruments);
- Variable income (instruments that provide variable gains);
- Real estate (including, whether for own use or for investment);
- Alternative investments

Derivatives can be used, exceptionally, and in a simple format (swaps, forwards, futures, etc.), to hedge specific positions or for asset-liability management purposes.

4. Exposure limits

In order to allow the Company, in the face of changes in the markets, to pursue its investment objectives without, however, taking excessive levels of risks, a set of targets and maximum and minimum limits were defined, according to the following criteria:

- Asset class;
- Credit quality and duration;
- Operating sector;
- Geographical location;
- Concentration by position;
- Currency.

5. Risk management and control process

The Risk Management Division (DGR) is responsible for **controlling and monitoring the allocation of assets**, in view of the targets and limits established.

In this sense, the procedures are defined, and those responsible for them, when there are non-compliances with the targets and/or established limits.

Regarding **asset losses control mechanisms**, DGR provides information on the evolution of the most important risks related with investments, in particular, their impact on the solvency capital requirements.

Thus, based on the evolution of the time weighted return (TWR) and the estimates of the Solvency Capital Requirement, the DGR regularly reports the estimated coverage of the solvency position, and the procedures to be adopted when certain alert levels are reached are defined.

A regular **reporting process** has been set up for the various levels of the Company involved in investment management, in order to enable adequate supervision and the activation of risk mitigation management mechanisms.

Accordingly, the information which should be produced has been defined, including the type of report, its content, its frequency and the body responsible for producing it.

Credit risk

On 31 December 2022 and 2021, the Company's exposure to credit risk was as follows:

(amounts in euros)

	2022		
	Gross book value	Impairment	Net book value
Sight deposits	266,831,084	-	266,831,084
Financial assets at fair value through profit or loss	1,369,313,956	-	1,369,313,956
Financial assets at fair value through other comprehensive income	6,053,803,252	-	6,053,803,252
Financial assets at amortised cost	792,554,208	-	792,554,208
Accounts receivable from direct insurance and reinsurance operations	207,415,327	(16,911,120)	190,504,207
Maximum exposure to credit risk	8,689,917,827	(16,911,120)	8,673,006,707

(amounts in euros)

	2021		
	Gross book value	Impairment	Net book value
Sight deposits	521,528,995	-	521,528,995
Financial assets at fair value through profit or loss	963,933,976	-	963,933,976
Financial assets at fair value through other comprehensive income	7,961,069,597	-	7,961,069,597
Financial assets at amortised cost	939,661,097	-	939,661,097
Accounts receivable from direct insurance and reinsurance operations	211,115,489	(22,873,157)	188,242,333
Maximum exposure to credit risk	10,597,309,154	(22,873,157)	10,574,435,998

Credit quality

In the risk ratings presented, the corresponding rating was considered according to the methodology identified in Note 2.4. The following tables present the breakdown of the balance sheet value which is presented according to a scale equivalent to those of Standard & Poor's and Fitch.

The following table shows the breakdown of the balance sheet value of financial investments at 31 December 2022 and 2021:

(amounts in euros)

Asset class	2022			Total
	Country of origin			
	Portugal	Rest of the European Union	Other	
Deposits in Credit Institutions				
AA- to AA+	-	-	110,650	110,650
A- to A+	424,785	24,440,854	2,061,995	26,927,634
BBB- to BBB+	407,168,349	4,431,335	9,944,582	421,544,266
BB- to BB+	431,446	-	3,406,227	3,837,673
B- to B+	1,747,840	-	-	1,747,840
Not rated	554,015	30,260,984	-	30,814,999
	410,326,435	59,133,173	15,523,454	484,983,062
Deposits in ceding companies				
A- to A+	-	-	292,216	292,216
Not rated	907,868	-	-	907,868
	907,868	-	292,216	1,200,084
	411,234,303	59,133,173	15,815,670	486,183,146

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Deposits in Credit Institutions					
AA- to AA+	-	-	-	106,470	106,470
A- to A+	215,629	201,086,985	2,680,665	8,609,603	212,592,882
BBB- to BBB+	34,048,505	2,791,642	-	4,436,950	41,277,097
BB- to BB+	339,930,281	-	-	6,395,117	346,325,398
B- to B+	1,858,990	-	-	-	1,858,990
CCC- to CCC+	4,201	-	-	-	4,201
Not rated	556,877	32,314,018	-	1,899,445	34,770,340
	376,614,483	236,192,645	2,680,665	21,447,585	636,935,378
Deposits in ceding companies					
A- to A+	891,416	-	-	279,066	1,170,482
	891,416	-	-	279,066	1,170,482
	377,505,899	236,192,645	2,680,665	21,726,651	638,105,860

At 31 December 2022 and 2021, the balance sheet value of the debt instruments in the portfolio, net of impairment, has the following breakdown:

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial assets at fair value through profit or loss					
Corporate					
AA- to AA+	-	3,906,800	1,103,903	-	5,010,703
A- to A+	-	16,899,159	1,490,155	6,425,051	24,814,365
BBB- to BBB+	34,554,290	167,918,309	38,970,109	40,123,752	281,566,460
BB- to BB+	34,164,051	157,764,117	36,203,894	10,578,766	238,710,828
B- to B+	-	-	-	8,129,009	8,129,009
Not rated	70,501,242	5,821,832	7,493,160	34,096,029	117,912,263
	139,219,583	352,310,217	85,261,221	99,352,607	676,143,628
Governments and other local authorities					
AAA	-	3,654,794	-	-	3,654,794
AA- to AA+	-	3,223,861	-	-	3,223,861
A- to A+	-	30,280,114	-	957,251	31,237,365
BBB- to BBB+	46,208,015	34,247,684	-	967,434	81,423,133
BB- to BB+	1,402,886	-	-	-	1,402,886
	47,610,901	71,406,453	-	1,924,685	120,942,039

(continuation)

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial Institutions					
AAA	-	-	5,788,507	-	5,788,507
AA- to AA+	-	7,192,187	2,244,746	-	9,436,933
A- to A+	-	72,067,334	32,560,816	6,244,429	110,872,579
BBB- to BBB+	23,012,340	74,303,757	16,120,679	5,522,668	118,959,444
BB- to BB+	24,508,136	103,234,800	-	-	127,742,936
B- to B+	17,581,393	4,265,819	-	-	21,847,212
Not rated	-	-	106,696,722	51,456,375	158,153,097
	65,101,869	261,063,897	163,411,470	63,223,472	552,800,708
Other issuers					
AAA	-	19,427,581	-	-	19,427,581
	-	19,427,581	-	-	19,427,581
	251,932,353	704,208,148	248,672,691	164,500,764	1,369,313,956

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial assets at fair value through profit or loss					
Corporate					
A- to A+	-	2,389,432	-	1,401,876	3,791,308
BBB- to BBB+	47,713,505	79,980,358	14,813,763	99,849,922	242,357,548
BB- to BB+	40,150,371	105,362,327	17,534,039	32,529,719	195,576,456
B- to B+	-	2,816,262	2,405,449	1,905,730	7,127,441
Not rated	41,511,798	4,800,219	7,228,363	43,285,466	96,825,846
	129,375,674	195,348,598	41,981,614	178,972,713	545,678,599
Governments and other local authorities					
AAA	-	2,898,860	-	-	2,898,860
AA- to AA+	-	3,625,256	-	-	3,625,256
A- to A+	-	240,461	-	-	240,461
BBB- to BBB+	19,016,660	2,186,793	-	-	21,203,453
BB- to BB+	1,689,744	-	-	-	1,689,744
	20,706,404	8,951,370	-	-	29,657,774

(continuation)

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial Institutions					
AA- to AA+	-	3,007,913	-	-	3,007,913
A- to A+	-	23,565,002	114,647,801	53,169,906	191,382,709
BBB- to BBB+	983,858	18,746,933	15,277,101	3,470,983	38,478,875
BB- to BB+	48,481,072	80,747,043	-	-	129,228,115
B- to B+	20,837,116	5,370,296	-	-	26,207,412
	70,302,046	131,437,187	129,924,902	56,640,889	388,305,024
Other issuers					
AAA	-	-	-	292,580	292,580
	-	-	-	292,580	292,580
	220,384,124	335,737,155	171,906,516	235,906,182	963,933,977

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	5,136,762	1,128,376	736,645	7,001,783
A- to A+	-	48,018,495	43,523,658	259,861,414	351,403,567
BBB- to BBB+	9,742,903	343,507,756	398,432,532	468,224,011	1,219,907,202
BB- to BB+	12,638,100	86,288,290	177,258,785	62,849,104	339,034,279
B- to B+	5,640,180	-	5,045,333	15,317,152	26,002,665
Not rated	511,641	-	-	27,901	539,542
	28,532,824	482,951,303	625,388,684	807,016,227	1,943,889,038
Governments and other local authorities					
AAA	-	4,297,723	-	-	4,297,723
AA- to AA+	-	893,385	-	4,170,701	5,064,086
A- to A+	-	61,574,523	-	4,895,809	66,470,332
BBB- to BBB+	327,387,250	1,486,029,747	3,499,128	7,882,958	1,824,799,083
BB- to BB+	13,138,653	-	-	-	13,138,653
	340,525,903	1,552,795,378	3,499,128	16,949,468	1,913,769,877

(continuation)

(amounts in euros)

Asset class	2022				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial Institutions					
AAA	-	4,475,426	2,646,137	891,730	8,013,293
AA- to AA+	6,763,786	5,873,582	29,742,643	4,588,435	46,968,446
A- to A+	-	353,176,360	140,232,938	649,129,495	1,142,538,793
BBB- to BBB+	5,481,033	296,058,300	87,421,777	447,409,981	836,371,091
BB- to BB+	70,691,711	8,366,796	2,844,790	43,472,222	125,375,519
B- to B+	28,508,198	-	-	-	28,508,198
	111,444,728	667,950,464	262,888,285	1,145,491,863	2,187,775,340
Other issuers					
AAA	-	7,228,942	-	-	7,228,942
BBB- to BBB+	-	-	-	1,140,055	1,140,055
	-	7,228,942	-	1,140,055	8,368,997
	480,503,455	2,710,926,087	891,776,097	1,970,597,613	6,053,803,252

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial assets at fair value through other comprehensive income					
Corporate					
AA- to AA+	-	4,819,984	1,474,051	951,795	7,245,830
A- to A+	-	55,593,570	55,005,514	280,736,632	391,335,716
BBB- to BBB+	-	385,094,728	350,703,034	600,718,632	1,336,516,394
BB- to BB+	-	106,017,117	197,229,656	325,103,183	628,349,956
B- to B+	5,848,320	-	18,175,746	7,824,485	31,848,551
Not rated	23,753,992	-	-	22,773,293	46,527,285
	29,602,312	551,525,399	622,588,001	1,238,108,020	2,441,823,732
Governments and other local authorities					
AAA	-	526,387	-	-	526,387
AA- to AA+	-	1,002,090	-	-	1,002,090
A- to A+	-	87,095,305	-	10,662,149	97,757,454
BBB- to BBB+	785,049,619	1,850,192,741	4,682,592	5,221,346	2,645,146,298
BB- to BB+	47,052,021	-	-	-	47,052,021
CCC- to CCC+	-	-	-	1,668,181	1,668,181
	832,101,640	1,938,816,523	4,682,592	17,551,676	2,793,152,431

(continuation)

(amounts in euros)

Asset class	2021				Total
	Portugal	Rest of the European Union	Country of origin North America	Other	
Financial Institutions					
AAA	-	-	-	1,892,837	1,892,837
AA- to AA+	17,242,848	11,105,497	33,768,787	4,639,396	66,756,528
A- to A+	-	355,233,967	160,261,850	891,958,581	1,407,454,398
BBB- to BBB+	-	348,603,982	75,269,042	523,245,595	947,118,619
BB- to BB+	69,593,457	9,120,796	4,441,373	156,636,648	239,792,274
B- to B+	35,740,946	-	-	-	35,740,946
CCC- to CCC+	-	-	-	25,228,644	25,228,644
	122,577,251	724,064,242	273,741,052	1,603,601,701	2,723,984,246
Other issuers					
AAA	-	-	-	104,232	104,232
BBB- to BBB+	-	-	-	2,004,955	2,004,955
	-	-	-	2,109,187	2,109,187
	984,281,203	3,214,406,164	901,011,645	2,861,370,584	7,961,069,596

(amounts in euros)

Asset class	2022		Total
	Portugal	Country of origin Rest of the European Union	
Financial assets at amortised cost			
Governments and other local authorities			
BBB- to BBB+	249,104,270	290,922,775	540,027,045
	249,104,270	290,922,775	540,027,045

(amounts in euros)

Asset class	2021		Total
	Portugal	Country of origin Rest of the European Union	
Financial assets at amortised cost			
Governments and other local authorities			
BBB- to BBB+	341,039,300	481,225,988	822,265,288
	341,039,300	481,225,988	822,265,288

The Company periodically undertakes a collective analysis of the debt recovery risk of premiums pending collection recognised in the balance sheet, in order to identify and quantify impairment losses to be recognised as "Adjustments for premiums pending collection" (Note 39). At 31 December 2022 and 2021, the balance sheet value of premiums from insured people pending collection was as follows:

(amounts in euros)

	Overdue receipts less than 30 days ago	Overdue receipts between 30 and 90 days	Overdue receipts between 90 and 180 days	2022 Overdue receipts between 180 days and 1 year	Overdue receipts over 1 year	Impairment losses	Net balance sheet value
Life insurance							
Capitalisation products	11,474,811	19,179	(2,524,253)	3,275,880	1,424,476	-	13,670,093
Life risk products	1,960,764	525,584	(878,503)	(902,444)	2,297,914	(227,395)	2,775,920
Non-life insurance							
Motor	9,086,709	760,128	669,181	94,407	112,946	(884,904)	9,838,467
Workers' compensation	3,534,527	1,443,618	384,125	179,514	639,753	(1,137,932)	5,043,605
Domestic Animals assistance	7,192	95	42	(104)	124	-	7,349
Health	9,828,286	5,010,478	129,858	192,363	905,138	(1,522,161)	14,543,962
Fire and other damage	11,645,495	2,377,593	(534,086)	818,117	4,965,730	(451,613)	18,821,236
Transport	1,478,038	16,231	67,414	56,959	31,775	(122,138)	1,528,279
Third party liability	3,093,273	(238,399)	1,383,044	(573,449)	3,798,315	(125,100)	7,337,684
Others (includes Personal Accidents)	(2,471,220)	6,162,452	116,634	(588,724)	6,046,818	(460,952)	8,805,008
	49,637,875	16,076,959	(1,186,544)	2,552,519	20,222,989	(4,932,195)	82,371,603

(amounts in euros)

	2021						
	Overdue receipts less than 30 days ago	Overdue receipts between 30 and 90 days	Overdue receipts between 90 and 180 days	Overdue receipts between 180 days and 1 year	Overdue receipts over 1 year	Impairment losses	Net balance sheet value
Life insurance							
Capitalisation products	3,492,733	79,851	3,281,822	273,411	1,162,012	-	8,289,829
Life risk products	1,638,614	254,024	150,758	(864,482)	1,178,501	(211,119)	2,146,297
Non-life insurance							
Motor	8,513,967	741,374	1,005,608	368,092	180,714	(2,479,818)	8,329,937
Workers' compensation	3,987,250	2,169,947	2,187,256	370,120	725,520	(3,974,220)	5,465,873
Domestic Animals assistance	4,715	107	82	84	177	-	5,165
Health	3,804,348	7,215,042	927,255	731,233	1,021,833	(1,519,689)	12,180,024
Fire and other damage	11,069,038	760,440	1,079,473	1,052,061	4,320,039	(1,101,998)	17,179,052
Transport	1,123,577	92,447	105,794	33,288	286,803	(156,724)	1,485,186
Third party liability	2,788,485	1,242,435	496,124	(1,124,601)	3,944,200	(634,755)	6,711,887
Others (includes Personal Accidents)	2,362,952	(73,718)	77,114	1,613,765	4,735,001	(1,076,530)	7,638,584
	38,785,680	12,481,950	9,311,287	2,452,971	17,554,801	(11,154,855)	69,431,834

Liquidity risk

At 31 December 2022 and 2021, the estimated undiscounted cash flows of financial instruments, according to the respective contractual maturity, were as follows:

(amounts in euros)

	2022									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Assets										
Cash and cash equivalents and sight deposits	267,048,385	-	-	-	-	-	-	-	-	267,048,385
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	3,139,982,402	3,139,982,402
Financial assets at fair value through profit or loss	7,585,630	12,755,446	30,134,743	19,320,123	292,930,014	777,443,099	191,826,285	262,548,591	1,277,966,012	2,872,509,944
Hedge Derivatives	-	-	-	-	-	-	-	-	(88,451,920)	(88,451,920)
Financial assets at fair value through other comprehensive income	87,059,079	157,628,431	215,722,078	705,754,775	2,281,345,718	1,941,619,626	1,080,442,228	257,228,942	1,375,086,725	8,101,887,602
Financial assets at amortised cost	131,650,737	665,419,215	11,185,971	43,608,190	118,314,425	93,349,925	68,781,800	-	-	1,132,310,262
Accounts receivable from direct insurance and reinsurance operations	190,504,207	-	-	-	-	-	-	-	-	190,504,207
	683,848,038	835,803,092	257,042,792	768,683,088	2,692,590,157	2,812,412,650	1,341,050,313	519,777,533	5,704,583,219	15,615,790,882

(continuation)

(amounts in euros)

	2022									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Liabilities										
Mathematical provision										
for life insurance	846,195	422	220,227	90,791	384,216	92,158	163,576	313,035	20,927,269	1,555,166,870
Financial liabilities at fair value										
through profit or loss	-	3,639,651	128,941,709	-	13,196,904	8,691,601	-	-	-	154,469,865
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes										
as investment contracts	140,727	-	-	-	-	883,224	-	-	2,954,916	8,127,847,813
Deposits received from reinsurers	155,857	779,285	2,337,855	8,883,851	-	-	-	-	-	12,156,848
Other financial liabilities	673,381	-	-	10,814,164	8,235,539	2,242,643	1,574,142	-	-	23,539,868
Accounts payable for direct insurance and reinsurance operations										
	210,080,829	-	-	-	-	-	-	-	-	210,080,829
	211,896,989	4,419,357	131,499,792	19,788,805	21,816,658	11,909,625	1,737,718	313,035	23,882,185	427,264,165

(amounts in euros)

	2021									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Assets										
Cash and cash equivalents										
and sight deposits	267,048,385	-	-	-	-	-	-	-	-	267,048,385
Investments in subsidiaries,										
associates and joint ventures	-	-	-	-	-	-	-	-	3,139,982,402	3,139,982,402
Financial assets at fair value										
through profit or loss	7,585,630	12,755,446	30,134,743	19,320,123	292,930,014	777,443,099	191,826,285	262,548,591	1,277,966,012	2,872,509,944
Hedge Derivatives	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through										
other comprehensive income	87,059,079	157,628,431	215,722,078	705,754,775	2,281,345,718	1,941,619,626	1,080,442,228	257,228,942	1,375,086,725	8,101,887,602
Financial assets at amortised cost	131,956,765	27,570,985	9,348,295	39,099,335	26,421	56,197	326,851	170,862	-	208,555,711
Accounts receivable from										
direct insurance and										
reinsurance operations	190,504,207	-	-	-	-	-	-	-	-	190,504,207
	684,154,067	197,954,862	255,205,116	764,174,233	2,574,302,153	2,719,118,922	1,272,595,364	519,948,395	5,793,035,139	14,780,488,251

(continuation)

(amounts in euros)

	2021									Total
	Up to 1 month	From 1 to 3 months	From 3 months to 6 months	From 6 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Indefinite	
Liabilities										
Mathematical provision										
for life insurance	27,683,767	34,220,580	31,172,338	126,139,892	414,956,325	230,608,846	248,504,986	246,206,988	21,650,327	1,381,144,049
Financial liabilities at fair value										
through profit or loss	146,977	110,010,441	877,647	132,230,476	45,214,605	23,859,178	299,248	-	-	312,638,571
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes										
as investment contracts	249,663,346	270,213,408	323,999,760	820,020,259	2,543,908,403	1,616,390,118	1,224,918,087	551,743,121	4,286,718	7,605,143,221
Deposits received from reinsurers	188,425	376,850	565,275	182,018,447	-	-	-	-	-	183,148,997
Other financial liabilities	1,661,716	-	-	11,514,341	9,636,861	1,886,912	2,056,382	-	-	26,756,211
Accounts payable for direct insurance and reinsurance operations										
	191,472,956	-	-	-	-	-	-	-	-	191,472,956
	470,817,186	414,821,279	356,615,019	1,271,923,415	3,013,716,194	1,872,745,054	1,475,778,703	797,950,110	25,937,046	9,700,304,004

The amounts presented in the tables above are not comparable with the accounting balances as they relate to projected cash flows.

The determination of the estimated cash flows of financial instruments was based on the principles and assumptions used by Fidelidade in the management and control of liquidity within its business, with the necessary adjustments in order to comply with the applicable disclosure requirements. The main assumptions used in the calculation of the estimated flows were as follows:

- Cash and sight deposits were classified as demand liabilities, included in the maturity "Up to 1 month";
- The amounts included in the headings "Other debtors" and "Other creditors" are payable on demand, and classified with maturity of "Up to 1 month";
- The equity instruments were classified with "Indefinite" maturity;
- In debt instruments, the earliest of the following dates was considered as the contractual maturity: call, put or maturity;
- The amounts recorded under the heading "Deposits received from reinsurers" correspond to provisions withheld from reinsurers under the existing reinsurance treaty and are renewable for annual periods. The cash-flow estimates were calculated on the basis of the next due date;
- The "Hedge Derivatives" were classified with "Indefinite" maturity, as they are futures contracts and exchange forwards;
- For the calculation of the estimated cash flows of the "Financial liabilities at fair value through profit or loss", the maturity dates of the contracts were considered;
- In determining the estimated cash flows of the mathematical provision for life insurance and financial liabilities of the deposit component of insurance contracts and investment contracts, the following assumptions were considered:
 - Mortality was determined according to the history of the last five years;
 - The estimate of future outflows by redemption of capitalisation contracts was based on a generalised linear model with four factors: type of product, initial duration of the contract and difference between the market interest rate, parent company and technical rate;
 - Expected yields were determined based on the rates of the interest rate curve, the duration of the liability and plus/minus unrealised gains;
 - The expected costs were estimated based on the values recorded in the year.

Market risk

Interest rate risk

At 31 December 2022 and 2021, the breakdown of financial instruments by type of exposure to interest rate risk was as follows:

(amounts in euros)

	2022			Total
	Exposure to Fixed rate	Variable rate	Not subject to interest rate risk	
Assets				
Cash and cash equivalents and sight deposits	-	266,831,084	217,301	267,048,385
Investments in subsidiaries, associates and joint ventures	-	-	3,139,982,402	3,139,982,402
Financial assets at fair value through profit or loss	930,338,058	445,362,497	2,492,206,239	3,867,906,794
Financial assets at fair value through other comprehensive income	5,633,071,452	451,660,880	-	6,084,732,332
Financial assets at amortised cost	713,277,866	-	79,276,342	792,554,208
Accounts receivable from direct insurance and reinsurance operations	-	-	190,504,207	190,504,207
	7,276,687,376	1,163,854,461	5,902,186,491	14,342,728,328

(continuation)

(amounts in euros)

	2022			Total
	Exposure to Fixed rate	Exposure to Variable rate	Not subject to interest rate risk	
Liabilities				
Mathematical provision for life insurance	-	1,388,580,177	-	1,388,580,177
Financial liabilities at fair value through profit or loss	20,401,155	-	148,855,442	169,256,597
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	5,239,593,041	2,467,267,641	-	7,706,860,682
Deposits received from reinsurers	-	149,622,749	-	149,622,749
Other financial liabilities	-	23,541,553	-	23,541,553
Accounts payable for direct insurance and reinsurance operations	-	-	210,080,829	210,080,829
	5,259,994,196	4,029,012,120	358,936,271	9,647,942,587

(amounts in euros)

	2021			Total
	Exposure to Fixed rate	Exposure to Variable rate	Not subject to interest rate risk	
Assets				
Cash and cash equivalents and sight deposits	-	521,528,995	373,525	521,902,520
Investments in subsidiaries, associates and joint ventures	-	-	2,733,001,790	2,733,001,790
Financial assets at fair Value through profit or loss	718,042,870	269,541,678	2,550,024,646	3,537,609,194
Financial assets at fair Value through other comprehensive income	7,508,122,221	498,691,372	-	8,006,813,593
Financial assets at amortised cost	848,721,788	-	90,939,309	939,661,097
Accounts receivable from direct insurance and reinsurance operations	-	-	188,242,333	188,242,333
	9,074,886,879	1,289,762,045	5,562,581,603	15,927,230,527
Liabilities				
Mathematical provision for life insurance	-	1,563,822,728	-	1,563,822,728
Financial liabilities at fair value through profit or loss	69,373,031	-	243,265,540	312,638,571
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	6,256,681,998	1,760,269,964	-	8,016,951,962
Deposits received from reinsurers	-	130,146,691	-	130,146,691
Other financial liabilities	-	26,756,211	-	26,756,211
Accounts payable for direct insurance and reinsurance operations	-	-	191,472,956	191,472,956
	6,326,055,029	3,480,995,594	434,738,496	10,241,789,118

At 31 December 2022 and 2021, the sensitivity of the fair value of the Company's financial instruments with exposure to interest rate risk, to positive and negative changes of 50, 100 and 200 basis points (bps), respectively, was:

(amounts in euros)

	2022					
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
Assets						
Financial assets at fair Value through profit or loss	(10,788,380)	(5,522,098)	(2,794,509)	2,864,768	5,803,496	11,919,850
Financial assets at fair Value through other comprehensive income	(376,546,756)	(202,080,090)	(105,521,882)	117,777,584	252,683,510	606,440,753
Financial assets at amortised cost	(20,006,893)	(10,232,484)	(5,175,378)	5,297,593	10,721,509	21,965,589
	(407,342,029)	(217,834,672)	(113,491,769)	125,939,946	269,208,515	640,326,192
Liabilities						
Other financial liabilities	849,049	430,558	216,818	(219,959)	(443,122)	(899,332)
	849,049	430,558	216,818	(219,959)	(443,122)	(899,332)

(amounts in euros)

	2021					
	Change +200 bps	Change +100 bps	Change +50 bps	Change -50 bps	Change -100 bps	Change -200 bps
Assets						
Financial assets at fair value through profit or loss	(23,222,803)	(11,974,590)	(6,082,559)	6,282,842	12,776,452	26,442,023
Financial assets at fair value through other comprehensive income	(595,139,772)	(314,193,270)	(162,223,076)	175,546,269	368,943,939	839,837,385
Financial assets at amortised cost	(91,430,834)	(46,747,191)	(23,640,172)	24,191,551	48,953,528	100,269,319
	(709,793,409)	(372,915,050)	(191,945,807)	206,020,662	430,673,919	966,548,727
Liabilities						
Other financial liabilities	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	(2,876,391)
	2,641,215	1,348,381	681,328	(696,009)	(1,407,118)	(2,876,391)

The determination of the sensitivity of the fair value of financial assets was made considering the future cash flows discounted the respective YTM, with positive and negative variations of 50, 100 and 200 bps, in the respective yields.

Currency risk

At 31 December 2022 and 2021, the financial instruments present the following detail by currency:

(amounts in euros)

	Euros	US Dollars	2022 Hong Kong Dollars	Other currencies	Total
Assets					
Cash and cash equivalents and sight deposits	253,991,995	-	438,243	12,618,147	267,048,385
Investments in subsidiaries, associates and joint ventures	2,708,301,797	24,932,979	0	406,747,626	3,139,982,402
Financial assets at fair value through profit or loss	3,318,301,036	347,600,659	174,010,055	27,995,044	3,867,906,794
Financial assets at fair value through other comprehensive income	3,965,712,877	1,278,737,927	-	840,281,527	6,084,732,332
Financial assets at amortised cost	590,460,650	173,483,823	-	28,609,735	792,554,208
Accounts receivable from direct insurance and reinsurance operations	189,644,041	100,461	-	759,704	190,504,207
	11,026,412,396	1,824,855,851	174,448,298	1,317,011,784	14,342,728,328
Liabilities					
Mathematical provision for life insurance	1,388,580,177	-	-	-	1,388,580,177
Financial liabilities at fair value through profit or loss	(662,754,906)	5,709,357	-	826,302,145	169,256,597
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	7,706,860,682	-	-	-	7,706,860,682
Deposits received from reinsurers	149,622,749	-	-	-	149,622,749
Other financial liabilities	23,541,553	-	-	-	23,541,553
Accounts payable for direct insurance and reinsurance operations	207,699,114	2,381,715	-	-	210,080,829
	8,813,549,369	8,091,072	-	826,302,145	9,647,942,587

(amounts in euros)

	Euros	US Dollars	2021 Hong Kong Dollars	Other currencies	Total
Assets					
Cash and cash equivalents and sight deposits	355,331,225	157,680,591	16,885	8,873,820	521,902,520
Investments in subsidiaries, associates and joint ventures	2,437,803,028	19,143,718	-	276,055,044	2,733,001,790
Financial assets at fair value through profit or loss	2,862,491,089	366,545,095	270,014,600	38,558,411	3,537,609,194
Financial assets at fair value through other comprehensive income	5,480,539,332	1,521,200,832	-	1,005,073,429	8,006,813,593
Financial assets at amortised cost	899,335,514	32,528,097	-	7,797,486	939,661,097
Accounts receivable from direct insurance and reinsurance operations	186,720,033	340,646	-	1,181,655	188,242,333
	12,222,220,220	2,097,438,978	270,031,485	1,337,539,845	15,927,230,528
Liabilities					
Mathematical provision for life insurance	1,563,822,728	-	-	-	1,563,822,728
Financial liabilities at fair value through profit or loss	(734,216,564)	96,979,252	-	949,875,883	312,638,571
Financial liabilities of the deposit component of insurance contracts and insurance contracts and operations considered for accounting purposes as investment contracts	8,016,951,962	-	-	-	8,016,951,962
Deposits received from reinsurers	130,146,691	-	-	-	130,146,691
Other financial liabilities	26,250,704	-	-	505,508	26,756,211
Accounts payable for direct insurance and reinsurance operations	188,627,088	1,772,649	-	1,073,218	191,472,956
	9,191,582,609	98,751,901	-	951,454,608	10,241,789,118

As described in Note 6, the Company carries out operations with derivatives within the scope of its activity, essentially with the aim of reducing its exposure to fluctuations in the exchange rate risk for EUR/USD, EUR/GBP, EUR/JPY, and EUR/USD. Thus, the impact of the sensitivity of the fair value of the Company's financial instruments with exposure to exchange rate risk to positive and negative variations is reduced.

The headings "Other debtors" and "Other creditors" are broken down differently between Assets and Liabilities, when compared with the Financial Statements due to the fact that the currency distribution process can lead to a different breakdown of balances.

46. DISCLOSURES RELATING TO INSURANCE CONTRACT RISKS

Below is a summary of the acceptance and risk management policies in force.

46.1. Underwriting of risks

The principles of risk acceptance are described in the Underwriting Policy, approved on 01/24/2023, which responds to the requirements established for the management of underwriting risks in the Legal Regime for Access and Exercise of the Insurance and Reinsurance Activity (RJASR), approved by Law No. 147/2015, of 9 September.

The Underwriting Policy divides risks into two categories at a first level:

- Non-Acceptable Risks: those that, under no circumstances, the Company will be available to accept and that are listed in the Policy;
- Acceptable Risks: those that the Company may accept, after adequate evaluation of its characteristics, under the conditions defined by an entity with delegation to do so.

Taking into account the diversity of risk typology, the underwriting and management of acceptable risks is structured into two types of acceptance:

- Technical underwriting;
- Delegated acceptance in Internal and External Distribution Channels.

The delegation of powers model includes up to a maximum of 12 levels of acceptance (maximum of 9 technical levels, which includes the Subscription Policy Acceptance and Monitoring Committee (CAAPS), 4 levels of delegation in internal commercial channels and/or 1 level of delegated acceptance in external channels). However, an acceptance process is intended to be agile, so there should be no intervention of more than 4 levels. The process must, however, ensure knowledge of the risk by all levels of the structure involved.

Each level of acceptance has, according to its competences, specific methodologies and procedures, allowing the interconnection and harmonisation between them.

In the second type of risk acceptance, committed to commercial networks, the competence delegated to internal and external distribution channels, duly framed by written standards and procedures, is based, in particular, on the following criteria:

- Products with standard clauses;
- Risks or activities with a stable claims history;
- Universe of homogeneous risk and easy identification;
- Small amounts of capital allowing dilution of higher risk;
- Risks with known and controllable accumulation, regarding cover and/or geographical spread;
- Premiums according to a product tariff, adjustable by delegated discount of reduced amplitude.

It has at its disposal the following instruments: tariffs, simulators, underwriting manuals, algorithms that identify risks that require careful technical analysis and delegation of powers standards, product manuals, general conditions and pre-contractual information, insurance proposals, standardised declarations, technical questionnaires and standards related to circuits and procedures.

The first type of risk acceptance, that of Technical Underwriting, corresponds to the Business Departments – structure bodies responsible for the management of business areas, from product design to claims management, through underwriting and portfolio management – and to the CAAPS, which have additional instruments for risk analysis.

The Business Departments are equipped with a multidisciplinary technical staff strongly specialised by insurance lines of business, assisted by specialists in actuaries integrated in a team that provides support in the estimation of technical risk to all the different Departments. When the characteristics of the risk so justify, they use risk analyses performed by specialist companies.

The acceptance of risks is based on strict technical standards, aiming at the identification of risks with high potential losses (severity and frequency), the application of adjusted contractual conditions and the definition of premiums appropriate to the specific risk, in order to obtain a sustained growth of the portfolio and a balanced technical result. All risks that are not covered by the Reinsurance Treaties are analysed by the Business Departments, and optional reinsurance is placed when the conditions for accepting the risk are considered to be met.

When the risks under analysis do not fall under the Reinsurers' Pricing Manuals or under the acceptance conditions defined by the company, they are sent to the Reinsurers' Underwriting Offices so that proposals for conditions of acceptance of these risks are presented.

The Business Departments also have at their disposal technical and actuarial reports and analyses that allow them to have a knowledge of the evolution of the technical operation of the line of business and the behaviour of the risk by coverage and main characteristics of the insurable objects.

There is a set of situations, with particularly high risk and/or with a high degree of uncertainty identified in the Risk Acceptance Policy, which are not delegated to the Business Divisions, and the competence for their acceptance is reserved to the Underwriting Policy Acceptance and Supervision Committee, which meets whenever it is necessary to assess risks with these characteristics.

46.2. Technical management

The technical management of the Lines of Business includes the design of products, the definition of clauses and prices, the definition and control of the underwriting policy, the selection and review of policy portfolio conditions, the assessment of risk accumulations and also the control of technical results, namely the monitoring of the evolution of processed revenue, the number of insurance contracts, the distribution of the portfolio by risk and guarantee segments, average premiums, risk characteristics, claims and technical margin. For the control referred to above, reports with management indicators are periodically prepared and, on a recurring basis, information is prepared to provide the Reinsurance Division with elements of the portfolio profiles in order to support the negotiation of the Reinsurance Treaties.

With the specific objective of defining and reviewing tariff policies and adjusting discount delegation and portfolio management criteria, meetings are held on a monthly basis in which members of the Executive Committee and those responsible for the Business, Commercial, Operations, Marketing and Pricing areas participate.

46.3. Risk control management instruments

Internal risks of the organisation

In order to control and minimise the internal risk of the organisation, the acceptance standards and procedures and the product manuals are published and are of general access and knowledge, and the application process is properly monitored by the competent areas.

Portfolio profile studies

Regular studies are prepared on the risk profile of the portfolios, by classes of capital / liabilities assumed, by types of activities, types of insured objects and coverages.

Studies are also regularly carried out into the claims rate behaviour of products according to the most important characteristics for defining the risk.

This type of study allows us to obtain a qualitative and quantitative analysis of the claims rate of the portfolio (by categories of insured capital, types of insured objects, types of activities, coverages), aiming at the measurement of existing delegations and the correction of possible distortions, as well as correlating the main factors of price formation and deciding on the alteration of products on sale or the creation of new ones.

Periodic analysis of portfolio evolution

The portfolio under management is subject to periodic monitoring of its evolution, analysing, in particular, the behaviour of the movement of policies, both in terms of the number of policies and in terms of new and cancelled production, changes in premiums/average rates and changes in the distribution of contracts between the various business segments.

These studies also include analysis of claims behaviour, and monitor the respective frequency and rate of claims. This analysis is produced not only in terms of groups of business, but mainly in terms of products being managed.

In specific cases in the motor insurance line of business, extensive and detailed diagnoses are made regarding the portfolio's evolution, with the aim of identifying operational problems in the business, together with their causes, both from a commercial and technical perspective. As a result of these diagnoses, proposals are developed.

Portfolio selection and remediation

This function aims to improve the profitability of the portfolio under management, either by remedying loss-making risks (high frequency and/or loss ratio), or by introducing changes to the contractual conditions (coverages, deductibles, premiums), or by advising the Client (recommendation for implementation of prevention and safety measures that improve the quality of the risk).

This function also includes the assessment of irregularities that are detected in contracts or claims, which may lead to the implementation of measures that, depending on the severity of the irregularity, may lead to the cancellation of the contract or the insured's portfolio.

Insurance risk concentrations

When regular studies are prepared on the risk profile of the portfolios, by classes of capital/liabilities assumed, by activities and objects to be insured and by coverages, indicators are obtained that allow to estimate the impact of possible changes to coverages, evaluate the impact of possible changes to the reinsurance treaties and the Company's retention policy. In some cases, specific studies are carried out to assess these impacts.

These studies are also focused on a specific coverage, a geographical area, the type of liabilities assumed or the type of insured object, allowing the determination and quantification of risk accumulations by classes, as well as the assessment of the impact of catastrophic claims scenarios on the portfolio.

Non-life portfolio behaviour - direct insurance

Direct Insurance

(amounts in euros)

	2022			2021		
	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios	Gross Premiums Earned	Claims and Expenses Ratios	Post-Investment Claims and Expenses Ratios
Accidents	322,748,709	0.79	0.78	287,758,197	1.07	1.05
Health	416,723,349	0.93	0.91	389,552,103	0.95	0.94
Fire and Other Damage	325,709,238	0.82	0.79	287,842,870	0.95	0.94
Motor	483,930,091	0.97	0.96	459,218,832	0.98	0.97
Marine	7,173,294	0.45	0.44	6,515,459	0.39	0.37
Aviation	12,552,906	0.14	0.13	11,194,824	0.28	0.27
Transported Goods	9,278,194	0.60	0.58	7,807,781	0.63	0.62
Third party Liability	65,572,054	1.04	1.03	62,147,268	1.20	1.19
Other Lines of Business (Credit and Suretyship + Miscellaneous)	96,190,255	0.57	0.56	87,576,814	0.67	0.65

Note: Ratios related to the years of occurrence of 2022 and 2021 of the company Fidelidade.

In the last 12 months, some variations in the post-investment claims/expenses ratio were seen. Only the Marine line of business registered a worsening of the ratio by 17.5%, as all other lines of business registered a decrease in their ratios.

From the analysis of the previous table, it can be seen that in the last 12 months only the premiums of the Third Party Liability lines of business were not sufficient to offset the liabilities.

Fidelidade's pre-tax technical results for non-life were positive at 31 December 2022, reaching approximately 116.15 million Euros.

Premium sufficiency and creation of a provision for unexpired risks

Direct insurance

In Fidelidade, direct non-life insurance premiums for the Third Party liability proved insufficient to meet the liabilities associated with claims, operating costs and investments. A 2.7% reduction in costs would be needed to eliminate the premium shortfall in this line of business.

For the remaining lines of business, direct insurance premiums were sufficient to meet the liabilities assumed.

In the non-life lines of business, in the last 12 months, the operating result of direct insurance was overall sufficient to meet the liabilities associated with its operation.

Net of reinsurance

Since the Provision for Unexpired Risks is calculated separately for each geography, we indicate for each whether we need to establish this provision in 2022.

In Portugal, with the exception of the Marine and Transport, Aviation and Transported Goods lines of business, the insurance company's premiums net of reinsurance proved, in the 2022 annuity, insufficient to cover the costs associated with the operation of the lines of business.

In Spain, it was necessary to establish a provision for unexpired risks for all lines of business except Marine and Transport, Aviation and Others.

In France, it was only the Fire and Other lines of business that required the establishment of a provision for unexpired risks.

A provision for unexpired risks was established, in accordance with the regulations in force, which shows a decrease compared to the provision established in the same period of 2021 for all lines of business.

Provision for unearned premiums

The provision is calculated in line with the rules in force, and tests are carried out in order to determine the adequacy of the level of provisions.

Equalisation provision

The calculation of the equalisation provision is defined in ASF regulations that are applied, both with regard to algorithms and with regard to the lines of business to be considered. The criteria set out are followed by the Company.

Claims provision

Claims provisions are calculated according to the description in the accounting policies. Throughout the year, actuarial monitoring of the levels of provisions is carried out, and statistical methodologies appropriate to the nature of the used risks are used, namely the estimation by stochastic methods of future cash flows associated with the liabilities assumed.

Risk concentration and mitigation

At Fidelidade, the Accidents, Health, Fire and Other Damage and Motor lines of business represent approximately 89.0% of Gross Premiums Earned and 93.6% of claims costs.

In order to control the risks assumed, the Company has underwriting and acceptance rules to select and control the level of exposure to which the Company is subject to.

In non life lines of business, risk mitigation is mostly by means of specific reinsurance programmes for each type of risk, and high demands are placed on the quality of the reinsurers involved.

The following table presents the rating of the main reinsurers that was updated at the end of December 2022.

Rating	% Reinsurers	
	2022	2021
A -	7.7%	16.0%
A	34.6%	32.0%
A +	34.7%	16.0%
AA -	11.6	-
AA	3.8%	28.0%
AA +	3.8%	4.0%
Not rated	4.0%	4.0%

There is an unrated reinsurer, with a share of 5% in Personal Accidents, Third Party Liability, Motor and Workers' Compensation lines of business.

There is a specific "Excess of Loss" treaty to guarantee catastrophic risks, with a retention of 63,000,000 Euros and a capacity of 600,000,000 Euros.

At Fidelidade 60.94% of the sums insured retained for cover for Seismic Phenomena are located in Zone I, the most serious in terms of seismic risk. The retained insured capital considered in this analysis was obtained by approximation.

Comparison between estimated and actual claims

Fidelidade's claims provision at 31 December 2021 totalled 1.808 billion Euros. During 2022, for claims that occurred in 2021 and previous years, 377,042,912 Euros were paid.

In December 2022, natural consumption would lead to a provision of 1,431,144,449 Euros. However, there was a positive readjustment of more than 116.7 million Euros, with the provision, at the end of December 2022, amounting to 1,314,398,059 Euros.

For all lines of business except Marine and Transport and Others there were negative adjustments. The most significant, in absolute terms, was the one made in Motor, which was around 60.3 million Euros.

Development of the Claims Provision Relating to Claims Occurred in Previous Years and their Readjustments (Corrections)

(amounts in euros)

	Claims provisions at 31 December 2021	Claims Paid in the Year *	Claims provisions at 31 December 2022 *	Readjustments
Accidents and Health	1,120,133,280	162,172,636	902,885,104	(55,075,540)
Fire and Other Damage	164,554,499	79,725,074	81,279,147	(3,550,277)
Motor	386,604,856	114,354,177	211,956,131	(60,294,548)
Marine and Transport	1,710,494	656,839	1,277,325	223,671
Aviation	1,591,473	432,706	1,135,563	(23,204)
Transported Goods	4,776,874	3,406,799	2,719,231	1,349,157
Third party Liability	118,816,335	9,996,453	104,840,614	(3,979,268)
Credit and suretyship	265,405	(25,845)	269,564	(21,686)
Legal Protection	30,535	0	0	(30,535)
Assistance	240,750	(35)	4,203	(236,582)
Others	9,462,862	6,324,109	8,031,176	4,892,424
	1,808,187,362	377,042,912	1,314,398,059	116,746,391

* Claims occurred in the year N-1 and previous years

Insurance Risks

The Company underwrites contracts of all non-life lines segments, in which the most significant risks derive from:

- Changes in the length of life of pensioners in the Workers' Compensation line of business and in income rates associated with assets allocated to the respective mathematical provisions;
- Climate change and natural disasters;
- Inflation risk, in the lines of business that take longer to be fully regularised;
- In health insurance, the most significant risks stem from lifestyle changes and scientific and technological developments.

Exposure to these risks is mitigated through the diversification obtained given the size of the Company's policy portfolio and the scope of underwritten risks in all non-life lines segments. Variability of the risks is improved by the selection of risks to be underwritten and the implementation of underwriting strategies and policies which are defined so as to ensure that the risks are diversified in terms of the type of risk and the level of guarantees taken out.

In addition, claims review policies and claim management procedures are defined. These policies are regularly checked to ensure they reflect the practices in course and form the basis of the control carried out. Claims under management are periodically reviewed and all those suspected of being fraudulent are investigated. The Company carries out active and timely management of claims in order to reduce its exposure to unforeseen developments that may negatively impact its liabilities.

In the whole life benefits of the Workers' compensation line of business, the mortality table applied is regularly evaluated, in order to reflect the real length of life of the beneficiaries of these guarantees.

The Company also limits exposure to risk either by imposing maximum amounts of indemnifiable amounts across contracts or by using reinsurance programmes that limit exposure, namely to catastrophic events.

The assessment of exposure, in particular to seismic risk, is studied by the reinsurers of the insurer, and its conclusions are considered when acquiring and renewing reinsurance treaties.

Risk Assessment Assumptions

Non-Life lines of business, except annuities

The main assumption assumed in estimating the insurer's liabilities is that the future development of claims and indemnities will follow a pattern similar to the known past experience for these variables. These assumptions include assumptions regarding average claims costs, claims management costs, inflation factors and number of claims in each of the years of occurrence.

In addition, qualitative judgments are used to assess the adequacy of past trends and whether or not they can be applied to the future, such as:

- Changes in market conditions, such as clients' attitudes regarding reporting claims;
- Economic conditions
- Internal factors, such as the composition of the portfolios of policies, policy guarantees, and procedures, and greater or lesser speed in managing claims;

- External factors, namely changes to legislation or rules and court decisions and relevant regulations or legislation that may affect the cost estimate.

The following table shows the impact on the insurer's liabilities of reasonably possible changes in the indicated assumptions, keeping all others constant.

Annuities and whole life assistance in the field of Workers' compensation line of business

In the whole life assistance in the Workers' Compensation line of business, assumptions are made regarding the longevity of the beneficiaries of these benefits, discount rates and management charges.

Assumption	Factor	Increased Liability
Longevity	+20%	5.34%
Expense	10%	0.69%
Revision	4%	2.29%
Interest Rate	-1%	11.69%

Sensitivity analysis

Sensitivity analyses were performed for reasonable changes in assumptions, with all other variables constant, identifying the impact on liabilities, earnings before tax and equity. The impact of the sensitivity analysis on reinsurance corresponds to the proportional effect of the current reinsurance coverage.

The correlation of assumptions will have a significant effect in determining the claims provision, but to demonstrate the impact due to changes in assumptions, variables had to be changed on an individual basis. It should

be noted that the changes in the assumptions are not linear. Sensitivity information also varies according to the current economic situation, mainly due to the impact of changes in the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

(amounts in euros)

Assumptions	Change in assumption	2022			2021		
		Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
Number of claims	+10%	84,234,290	(84,234,290)	(66,545,089)	54,770,770	(54,770,770)	(37,517,977)
Average cost per claim	+10%	77,425,063	(77,425,063)	(77,425,063)	49,110,003	(49,110,003)	(33,640,352)
Average claim reserve	+10%	33,065,666	(33,065,666)	(33,065,666)	20,178,581	(20,178,581)	(13,822,328)
Longevity	+10%	781,941	(781,941)	(781,941)	23,218,592	(23,218,592)	(15,904,735)
Longevity	-10%	(1,728,550)	1,728,550	1,728,550	(23,915,918)	23,915,918	16,382,404
Discount rate	+1%	(7,072,027)	7,072,027	7,072,027	(99,393,798)	99,393,798	68,084,751
Discount rate	-1%	8,017,511	(8,017,511)	(8,017,511)	217,125,619	(217,125,619)	(148,731,049)

46.4. Reinsurance policies

The decisive factors for limiting or transferring the risk insured are the nature of the business and the amounts of the risks to be insured, and a distinction is made mainly between those which are considered mass lines of business (Motor, Workers' Compensation, Personal Accidents and Multi-risks Home Insurance) and those which are dealt with more on a case-by-case basis, such as the remaining lines of business of Property, Engineering and Machinery, Marine, Transported Goods, Third Party Liability and Other risks.

Compliance with Underwriting Standards is intrinsically associated with the contracts available and in force in Reinsurance, being decisive for the acceptance or refusal of risks and their pricing.

Risks involving significant amounts insured or serious situations are subject to prior analysis and their acceptance is strictly interdependent with and supported by Reinsurance.

In compliance with its Reinsurance policy, the Company has resorted to the transfer of risks via Proportional and Non-Proportional Reinsurance Treaties, as well as Optional Reinsurance, and other Reinsurance modalities when they are necessary for adequate Reinsurance protection from accepted risks.

In the Fire and Other Damage, Engineering and Aviation lines of business, the Company works with Proportional Treaties.

The coverage of Reinsurance in the main asset classes, as well as the respective retention, takes into account the relationship between the portfolio structure in terms of insurance capital and the respective premium volume of each line of business and also takes into account the statistical monitoring of the profitability of that portfolio, the Retention/Premiums ratio at the end of an annuity or cycle and the Company's financial capacity, considered sufficiently important for the absorption of frequent claims.

The accumulations resulting from the "Coverage of Seismic Phenomena and Risks of Nature", of a catastrophic nature in the Withholdings, are reinsured in Excess of Losses, and the Withholdings is determined by the Company's financial capacity.

In determining the Event Retention, the low frequency of the occurrence of disasters of this type in Portugal is taken into account, so the retention reflects what is technically expected from the point of view of the impact of a catastrophe on the Company's capital and its absorption over a defined period, working in a scenario with a return period of 500 years, which is unusual in markets with catastrophic exposure.

Accumulations resulting from natural disasters that do not relate to seismic phenomena are protected by an Excess Loss Treaty, with Retention and Capacity defined based on the history of events that have occurred in the last 15 years and the Company's financial capacity.

The Motor, Workers' compensation, Personal Accidents, Marine Hull, Transported Goods and Third Party Liability lines of business are protected by Excess Loss treaties, which is more appropriate to the nature of the risks and the portfolio as well as the Company's financial capacity. To establish the priority, the statistical behaviour of the claims rate and quotes for different levels of this are taken into consideration.

The selection criteria for Reinsurers shall take into account their reliability and financial solvency, their ability to provide services. The selection process requires their constant observation and monitoring.

The information obtained in the International Market, namely that disclosed by the Rating Agencies, are fundamental references for the follow-up of the Reinsurers' good financial health.

Thus, we use as a selection factor of the Reinsurers, the rating analysis assigned to each Reinsurer by the S&P Rating Agency or another equivalent (A.M. Best, Fitch or Moody's). The minimum rating required for a Reinsurer to be part of our Panel of Reinsurers is "A-".

46.5. Life insurance

In the Life Insurance line of business there are three major groups of insurance contracts, covered by IFRS 4, in relation to which the nature of risks covered is characterised as follows:

Risk products

For these products, the greatest risk factor is mortality, with a large number of contracts that have also associated the risk of disability, and part of them being transferred to Reinsurers.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Variation in Mathematical Provision} - \text{Possible Negative Balance of the previous year}) \times \text{Profit Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Annuity products

The greatest risk factor for these products is length of life.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Premiums} + \text{Income} - \text{Claims} - \text{Management Expenses} - \text{Variation in Mathematical Provision} - \text{Possible Negative Balance of the previous year}) \times \text{Profit Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and in the profit-sharing coefficient, given that the plans for awarding it only define minimum amounts for the latter figure.

Capitalisation products

The greatest risk factor for these products is interest rate risk.

Only the contracts with profit sharing are covered by IFRS 4, so the income awarded to the insured people has a fixed component and a variable component which depends on the profitability of a given portfolio of assets partially dependent on the Company's discretion.

Profit sharing typically follows a technical/financial account, such as:

$(\text{Percentage of Income} - \text{Technical Income} - \text{Management Charges} - \text{Possible Negative Balance of the previous year}) \times \text{Profit Sharing Coefficient}$.

The discretionary nature of this profit sharing is associated with its use in determining income and the profit-sharing coefficient, the percentage of income and the management costs, given that the plans for awarding it only define minimum amounts for these figures.

For each of these product families, cash inflows and outflows are presented, expected for the next three years (PS – Profit sharing).

(amounts in euros)

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2023	152,373,659	117,831,123	0	13,971,032	13,760,042	202,445,499
2024	127,887,975	98,456,219	0	13,023,772	12,282,109	218,953,287
2025	117,128,908	89,909,350	0	12,211,817	10,952,123	168,359,157

The following tables present the change in these cash inflows and outflows, considering a 5% increase in expected redemptions.

(amounts in euros)

Year	Risk		Annuities		Capitalisation with PS	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
2023	148,770,513	116,003,730	0	13,971,032	13,415,658	245,589,583
2024	117,858,420	92,374,521	0	13,023,772	11,371,794	240,061,657
2025	102,016,130	80,448,341	0	12,211,817	9,629,450	176,034,674

Sensitivity analysis

Sensitivity analyses were performed for reasonable changes in assumptions, with all other variables constant, identifying the impact on liabilities, earnings before tax and equity.

The correlation of assumptions will have a significant effect in determining the claims provision, but to demonstrate the impact due to changes in assumptions, variables had to be changed on an individual basis. It should

be noted that the changes in the assumptions are not linear. Sensitivity information also varies according to the current economic situation, mainly due to the impact of changes in the intrinsic cost and time value of options and guarantee. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis was performed for the Portuguese insurance business:

(amounts in euros)

Assumptions	Change in assumption	Increase/ (decrease) in net liabilities	2022	Increase/ (decrease) in equity	Increase/ (decrease) in net liabilities	2021	Increase/ (decrease) in equity
			Increase/ (decrease) in profit before tax			Increase/ (decrease) in profit before tax	
Mortality	+10%	(5,345,239)	5,345,239	5,334,014	(5,625,517)	5,625,517	3,853,479
Mortality	-10%	6,046,731	(6,046,731)	(6,046,731)	6,362,429	(6,362,429)	(4,358,264)
Expected rate of return	+0.5%	(10,504,256)	10,504,256	10,504,256	(10,868,333)	10,868,333	7,444,808
Expected rate of return	-0.5%	13,694,052	(13,694,052)	(13,694,052)	16,274,772	(16,274,772)	(11,148,219)
Claims incurred not reported	+10%	2,637,353	(2,637,353)	(2,637,353)	2,594,417	(2,594,417)	(1,777,176)

47. CAPITAL MANAGEMENT

The new solvency regime (Solvency II), approved by Directive 2009/138/EC of the European Parliament and of the Council, of 25 November, and transposed into Portuguese Law by Law 147/2015, of 9 September, came into force on 1 January 2016.

The Solvency II rules are divided into three pillars.

Pillar I - Quantitative requirements

The Solvency II rules define criteria for determining own funds eligible through an economic assessment of the assets and liabilities. They also define two levels of capital requirements: The Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

The SCR is calculated taking into account all the risks that an insurance companies may be exposed to, namely market risks, credit risks, specific insurance risks and operational risks. The SCR aims to guarantee the existence of eligible funds in an amount which is sufficient to absorb significant losses resulting from risks which insurance Companies may be exposed.

The MCR establishes the minimum level of own funds that must be kept, so as not to jeopardise the insurance companies' compliance with its liabilities.

If it is detected that the SCR or the MCR are no longer being complied with or if there is a risk of non-compliance in the following three months, even if circumstantial or temporary non-compliance, it shall immediately inform the ASF. In the event of failure to comply with the SCR, it shall send this Authority a recovery plan within two months and take the measures necessary to ensure that, within six months, a level of own funds eligible to cover the SCR has been restored or the Company's risk profile has been reduced.

In the event of failure to comply with the MCR or where a risk of non-compliance is detected, it shall send to the ASF, within one month, a short-term financing plan, with a view to avoiding non-compliance or restoring the eligible own funds, at least to the level of the MCR, or with a view to reducing the Company's risk profile.

Pillar II - Qualitative requirements and supervision

This pillar establishes qualitative requirements related to the existence and maintenance of effective governance systems, including adequate risk management, internal control and systems that ensure the suitability and qualification of people who effectively direct insurance undertakings, supervise them or are responsible for key functions (risk management, internal audit, compliance and actuarial).

One of the main requirements of this pillar is the own risk and solvency assessment (ORSA), which must be performed at least once a year. Through this exercise, the insurance companies must conduct a prospective assessment of the sufficiency of the capital available to achieve its business objectives, taking into account its risk profiles and conduct a solvency analysis considering stress scenarios. The resulting report must be sent to the ASF.

Pillar III - Prudential reporting and public disclosures

Pillar III sets out the obligations for disclosing public information and information to the Supervisor.

In this context, the objectives of capital management in Fidelidade comply with the following general principles:

- Comply with the legal requirements to which Fidelidade is obliged;

- Generate adequate profitability, create value for the shareholder and provide remuneration for the capital invested;
- Sustain the development of the operations that Fidelidade is legally authorised to practice, maintaining a solid capital structure, capable of responding to the growth of the activity and the risks arising from it.

To achieve the objectives described, Fidelidade has defined a set of policies and processes.

On the one hand, it has implemented a risk management system that is an integral part of the Company's daily activities and an integrated approach is applied to ensure that its strategic objectives (customer interests, financial strength and process efficiency) are maintained. This integrated approach also ensures the creation of value by identifying the appropriate balance between risk and return, while ensuring the Company's obligations to its stakeholders.

Risk management aids the Company in identifying, assessing, managing and monitoring risks, enabling appropriate and immediate actions to be adopted in the event of material changes in its risk profile.

In this sense, the Company, in order to draw its risk profile, identifies the various risks to which it is exposed, then proceeds to its assessment. 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 in order to classify the foreseeable impact on capital needs.

On the other hand, the ORSA enables risk, capital and return to be related, in a prospective vision, in the context of the Company's business strategy.

The ORSA exercise, coinciding with the time horizon of the Company's strategic planning (never less than 3 years), assumes a fundamental role in the Company's Capital Management, supporting its main activities, namely:

- Assessment, together with risk management, of the risk appetite structure in relation to the business and capital management strategy;
- Contribute to the start of the strategic planning process by carrying out a capital adequacy assessment in the most recent period;
- Monitoring capital adequacy in line with the regulatory capital requirements and internal capital needs.

Taking into account the results obtained in the ORSA, and if the capital requirements differ from those defined, both in terms of the regulations and other limits defined internally, corrective actions to be implemented are prepared, in order to restore the capital level to the adequate or intended level.

Lastly, the obligations regarding public information, in particular, the obligation to disclose an annual "Solvency and Financial Condition Report", enable detailed information to be provided on the Company's activities and performance, governance system, risk profile, solvency assessment and capital management.

Given the time lag between the disclosure of these financial statements and the prudential information contained in the "Solvency and Financial Condition Report", it is important to state that the Company complies comfortably with the capital requirements, considering the preliminary data reported to the ASF on a quarterly basis and the information available on this date.

In order to respond to compliance with policies and processes, the Company has implemented an appropriate governance system involving, among other things, an organisational structure that incorporates several bodies that perform key functions in risk management and internal control: Risk Management Division, Compliance Division, Audit Division, Capital Planning and Financial Optimisation Department, Risk Committee, Underwriting Policy Acceptance and Supervisory Committee and Life and Non-Life Products Committee, and Assets and Liabilities Management Committee.

48. SUBSEQUENT EVENTS

After the date of the Statement of Financial Position, there were no events affecting the value of assets and liabilities and disclosures of the financial statements for the period.



**REPORT AND
OPINIONS ON
THE SEPARATE
ACCOUNTS**



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

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Fidelidade – Companhia de Seguros, S.A. (the Company), which comprise the Separate Statement of Financial Position as at 31 December 2022 (which establishes a total of 15,453,474,676 euros and total equity of 2,228,673,518 euros, including a net profit for the year of 112,443,017 euros), the Separate Income Statement, the Separate Statement of Comprehensive Income, the Separate Statement of Changes in Equity and the Separate Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the separate financial position of Fidelidade – Companhia de Seguros, S.A. as at 31 December 2022, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by the Supervisory Authority for insurance and pension funds in Portugal ("ASF").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Company in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Measurement of technical provisions for life insurance and of financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as investment contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Notes 19 and 20 of separate financial statements, as at 31 December 2022, the technical provisions for life insurance and the financial liabilities of the deposit component of insurance contracts and on insurance contracts and operations considered for accounting purposes as	Our approach to the risk of material misstatements in the measurement of technical provisions for life insurance and financial liabilities included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following: <ul style="list-style-type: none"> ▶ Understanding of the Company's internal control procedures and execution of specific audit procedures to assess the

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
investment contracts amounted to 1,794 and 7,707 million euros ("m€"), respectively, representing approximately 72% of the total liabilities. This matter was considered to be as a key audit matter based on materiality to the separate financial statements and the fact that it represents a significant estimate of management. To determine it, management needs to establish assumptions about future events, including the timing and total value of liabilities to policyholders and the income of the assets portfolio underlying these obligations. As described in subparagraph e) in Note 2.15, the liabilities for insurance contracts are determined based on actuarial assumptions, historical data and other methods accepted in the sector, and the actual amounts to be disbursed in the future may be significantly different from the estimates made.	operational effectiveness of the controls identified as significant in the measurement of technical provisions for life insurance and financial liabilities; <ul style="list-style-type: none"> ▶ Analytical review procedures, recalculation and analysis of the methodologies for the projection of future cash flows, including the underlying financial and demographic assumptions (when applicable), with special attention to the obligations for products with guaranteed rates; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the Company's actuaries for the measurement of liabilities arising from life insurance and investment contracts, including an analysis of their consistency with those used in the previous year and using as reference the specific terms of the products, regulatory requirements and practices in the insurance sector; and ▶ Review the completeness and consistency of the disclosures in the separate financial statements of the Technical Provisions for Life Insurance and Financial Liabilities with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

2. Measurement of claims provisions (non-life)

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Note 19 to the separate financial statements as at 31 December 2022, the claims provisions arising from non-life insurance contracts amounted to 1,782 m€ (13% of total liabilities). These provisions are determined using actuarial assumptions and methodologies and are based on the history of the Company's loss ratio by business and they present the estimated value of damages to pay for claims already incurred, including claims incurred but not reported (IBNR), and administrative costs related to future settlement. These provisions include estimates for long-term claims provisions of workers' compensation, requiring assumptions based on judgments, in particular the discount rate, mortality tables and expenses to be incurred (see details in subparagraph d) in Note 2.15). In view of the materiality of these liabilities to the separate financial statements and since it	Our approach to the risk of material misstatements in the measurement of claims provisions (non-life) included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following: <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Company and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the measurement of claims provisions (non-life); ▶ Analytical review procedures on the separate financial statements line items relating to claims provisions (non-life) to understand the annual changes and of the main factors contributing to the most significant variations; ▶ With the involvement of our actuarial experts, we analysed the methodologies and assumptions used by the actuaries of the Company for the measurement of the claims liabilities (non-life), including analysis of consistency with those used in the previous years and with the default payment history by segment, having as reference the specifics of the Company's

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
is a significant estimate based on assumptions and actuarial techniques applied to information currently available, the actual amounts payable in the future may be different from recorded amounts, we considered the claims provisions (non-life) to be a key audit matter.	<p>products regulatory requirements and practices in the insurance sector;</p> <ul style="list-style-type: none"> ▶ Recalculation of claims provisions with the support of our actuarial specialists for the segments representing the most significant share of the liabilities of the Company (Auto and Workers' compensation), on the basis of actuarial methods recognised in the insurance sector, to assess their adequacy. Additionally, for Workers' compensation segment, we examined the financial and demographic assumptions used in the estimation of the long-term obligations; ▶ Review the completeness and consistency of disclosures in the separate financial statements for Claims Provisions (non-life) with the respective accounting and technical data, actuarial reports and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

3. Valuation of financial instruments at fair value

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As detailed in Note 45, the assets and liabilities include financial instruments valued at fair value amounting to 9,953 m€ and 2,637 m€, respectively, which represent about 64% of the total assets and 20% of the total liabilities.</p> <p>The determination of the fair value of the financial instruments was primarily based on quotes in active markets. In the case of instruments with reduced liquidity in these markets, valuation models were used and other information involving judgment, such as information provided by specialised entities, observable and unobservable market assumptions and other estimates.</p> <p>The total value of instruments with reduced liquidity, recognised in the assets and liabilities of the Company, amounting to about 1,508 m€ (10% of the assets) and 129 m€ (1% of the liabilities), respectively, which were classified under the fair value hierarchy defined in the accounting framework as level 3 (Note 45).</p> <p>The consideration of this matter as significant to the audit was based on their materiality to the financial statements and the risk of judgment associated with the methodologies</p>	<p>Our approach to the risk of material misstatements in the valuation of financial instruments at fair value included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the internal control procedures of the Company and execution of specific audit procedures to assess the operational effectiveness of the controls identified as significant to the valuation of financial instruments at fair value; ▶ Analytical review of the financial statements line items relating to financial instruments and recalculation of fair value financial instruments by comparing the rates used by the Company with those observed in external sources of information; ▶ Analysis of the methodologies and assumptions used by the Company in determining fair value, using as reference the details of its investment policy, regulatory requirements and sector practices; and ▶ Review the completeness and consistency of disclosures of financial instruments at fair value in the separate financial statements with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

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Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of the fair value of financial instruments.	

4. Impairment in investments in subsidiaries, associates and joint ventures

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The separate financial statements of the Company as at 31 December 2022 include in the statement of financial position as more fully disclosed in Note 4, investments in subsidiaries, associates and joint ventures, net of impairment, of 3,140 m€, representing 20% of the assets.</p> <p>These assets are subject to impairment tests at least annually. This impairment assessment is a process that requires judgment and is based on assumptions regarding economic and financial market conditions of the subsidiaries (such as discount rates, inflation, growth rates/profit margins and prospective financial information, among others).</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the valuation models and assumptions used, since the use of different techniques and valuation assumptions can result in different estimates of impairment losses.</p>	<p>Our approach to the risk of material misstatements in the valuation of investments in subsidiaries, associates and joint ventures included a specific response by performing the following procedures:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the existing internal control procedures in the process for determining impairment losses of these investments; ▶ Review of the assumptions used in the valuation models approved by the management, in particular the cash flow projections, the discount rate, the rate of inflation, the growth rate in perpetuity and the sensitivity analysis, supported by internal corporate finance experts; ▶ Review of the consistency of the assumptions used in the construction of the business plan with previous years, comparison with historical data and with external sources. We tested the calculations of the models used; and ▶ Review of the completeness and consistency of disclosures of Investments in Subsidiaries, Associates and Joint Ventures in the financial statements with the respective accounting data and the requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

5. Application of IFRS 9 - Financial Instruments, with overlay approach as provided for in IFRS 4 - Insurance Contracts

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>The Company applies IFRS 9 with overlay approach, as provided for in IFRS 4, reclassifying between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if the Company had</p>	<p>Our approach to the risk of material misstatements in the recognition and measurement of impairment losses of financial assets included a specific strategy consisting of a combination of controls evaluation and substantive procedures, including the following:</p> <ul style="list-style-type: none"> ▶ Understanding of the existing internal control procedures and execution of specific audit procedures to assess the operational effectiveness of the controls identified as

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Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>applied IAS 39 to the designated financial assets. On 31 December 2022, the amount of financial assets eligible for the application of overlay approach amounts to 837 m€ (Note 5) and, for them, the Company carried out impairment tests as if IAS 39 were applicable and the impairment losses were recognised on evidence of impairment such as, among others, financial difficulties of the issuer or a significant or prolonged decline in the fair value of financial assets below cost price.</p> <p>The consideration of this matter as significant for the audit was based on the risk of judgment associated with the recognition and measurement of impairment losses on financial assets, since they are based on assumptions taking into account impairment indicators observable at a given time and that the use of different assumptions or obtaining additional information may result in different estimates of impairment losses.</p> <p>The details of the accounting policies, methodologies, concepts and assumptions used are disclosed in Note 2.4 of the Annex to the separate financial statements.</p>	<p>significant in the process of valuation of financial instruments and recognition of impairment losses for the Company;</p> <ul style="list-style-type: none"> ▶ Review the eligibility of financial assets to apply overlay approach and tested the valuation and impairment for a sample of capital instruments, thus ensuring the correct reclassification of amounts between profit or loss and other comprehensive income; ▶ Analytical review tests on the separate financial statements line items related to financial assets and recalculation of impairment losses on a sample basis; and ▶ Review the completeness and consistency of disclosures in the separate financial statements on recognition of impairment losses on financial assets with the respective accounting data and requirements of accounting principles accepted in Portugal for the insurance sector established by the ASF.

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Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- ▶ the preparation of the financial statements which present a true and fair view of financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in Portugal for the insurance sector as issued by Autoridade de Supervisão de Seguros e Fundos de Pensões;
- ▶ the preparation of the Sole Integrated Management Report in accordance with the applicable laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit;

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- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or what safeguards were applied.

Our responsibility includes the verification of the consistency of the Sole Integrated Management Report with financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Sole Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Sole Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Company, we have not identified any material misstatement.

On additional items set out in article 10^o of Regulation (EU) nr. 537/2014

Pursuant to article 10^o of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Fidelidade – Companhia de Seguros, S.A. for the first time in the shareholders' general meeting held on 15 May 2014 for the year 2014. We were reappointed for a second mandate in the shareholders' general meeting held on 31 March 2015 for the period between 2015 and 2017. On 29 March 2017, we renounced that mandate, between 2015 and 2017, and were appointed at the shareholders' meeting held on 31 March for the mandate between 2017 and 2019. We were appointed at the shareholders' meeting held on 30 June 2020 for the term between 2020 and 2022;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with the ISA we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatements to the financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Company; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and the Council of 16 April 2014 and we have remained independent of the Company in conducting the audit.

Lisbon, 13 March 2023

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

(signed)

Ricardo Nuno Lopes Pinto - ROC nr. 1579
Registered with the Portuguese Securities Market Commission under license nr. 20161189

FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
REPORT AND OPINION OF THE SUPERVISORY BOARD

2022

In compliance with the applicable legal provisions, articles of association and our instructions we hereby submit the report on our inspection and opinion on the accounting documents produced by the Board of Directors for which the Board is responsible.

We have monitored the company's activity during this accounting period, taking all the necessary steps to comply with the duties by which we are bound, and noted the regularity of its accounting records and compliance with the applicable legal and statutory regulations, having made the checks considered expedient.

We were provided with regular information and clarifications on the operation of the company and its corporate business by the Board of Directors and other governing bodies.

We have examined the Integrated Management Report that includes the corporate governance report, the non-financial information, the individual and consolidated financial statements and the proposal for the distribution of individual net profit presented by the Board of Directors, in addition to the Statutory Auditor's Report, with which we are in agreement.

In consideration of the above, the Supervisory Board issues the following

OPINION

- That the Integrated Management Report and other separate accounting documents for the year, as submitted by the Board of Directors, should be approved;
- That the proposal for the distribution of net profit set out in the Integrated Management Report should be approved;

The Supervisory Board wishes to express its gratitude to the Board of Directors and other governing bodies for their excellent collaboration during the course of the year.

Lisbon, 14 March 2023.

SUPERVISORY BOARD,

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

**DECLARATION OF COMPLEMENTARY LIABILITY
TO THE REPORT AND OPINION OF THE SUPERVISORY BOARD
OF FIDELIDADE – COMPANHIA DE SEGUROS, S.A.
FOR 2022**

In compliance with the provisions of Article 420(6) of the Commercial Companies Code, the members of the Supervisory Board hereby declare that, to the best of their knowledge, the separate accounts and other accounting documents for the year have been produced in conformity with the applicable accounting standards and are a true and fair reflection of the company's assets and liabilities, its financial situation and its results.

They also declare that, to the best of their knowledge, the Management Report provides a faithful account of the evolution of the company's business, performance and position, and that this report refers to the risks and uncertainties attached to the activity.

Lisbon, 14 March 2023.

SUPERVISORY BOARD

Vasco Jorge Valdez Ferreira Matias – Chairman

João Filipe Gonçalves Pinto – Member

Pedro Antunes de Almeida – Member

CORPORATE GOVERNANCE REPORT



INTRODUCTION

Fidelidade – Companhia de Seguros, S.A., (hereinafter “Company” or “Fidelidade”) prepares its Corporate Governance Report in a clear and transparent manner, according to the rules in force, observing the best practices and applicable recommendations, in order to make public the principles and regulatory regulations within the scope of Corporate Governance.

This Corporate Governance Report for the 2022 financial year was prepared in compliance with the provisions of article 70, paragraph 2, point b) of the Commercial Companies Code and point iv), point a) of paragraph 1 of article 32 of Regulatory Standard No. 8/2016 – R, of August 16.

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. CAPITAL STRUCTURE

Fidelidade’s share capital, in the amount of 509,263,524.00 euros, is represented by 161,670,960 nominative shares, with a par value of 3.15 euros each, fully subscribed and paid up. All the shares confer identical rights and are fungible with each other.

According to its bylaws, Fidelidade, in addition to the common shares, may issue preferred shares with no voting rights, up to the amount of 20% of the share capital. Fidelidade only issued ordinary shares.

The Company’s shareholder structure is as follows:

Shareholder	% of Capital	No. of shares
Longrun Portugal, SGPS, S.A.	84.9892%	137,402,839
Caixa Geral de Depósitos, S.A.	15.0000%	24,250,644
Employees	0.0026%	4,177
Own Shares	0.0082%	13,300
TOTAL:	100%	161,670,960

2. RESTRICTIONS ON TRANSFERABILITY OF SHARES

There are no restrictions on the transferability of shares.

3. NUMBER OF OWN SHARES, PERCENTAGE OF CORRESPONDING SHARE CAPITAL AND PERCENTAGE OF VOTING RIGHTS TO WHICH THE OWN SHARES WOULD CORRESPOND

As of December 31, 2022, Fidelidade held 13,300 own shares, which correspond to 0.0082% of the share capital and percentage of votes.

4. REGIME SUBJECT TO THE RENEWAL OR REVOCATION OF DEFENSIVE MEASURES, IN PARTICULAR THOSE PROVIDING FOR THE LIMITATION OF THE NUMBER OF VOTES THAT MAY BE HELD OR EXERCISED BY A SINGLE SHAREHOLDER INDIVIDUALLY OR IN CONCERT WITH OTHER SHAREHOLDERS

The Company's bylaws do not include limitations on the number of votes that can be held or exercised by a single shareholder individually or jointly.

5. SHAREHOLDER AGREEMENTS WHICH ARE KNOWN TO THE COMPANY AND WHICH MAY LEAD TO RESTRICTIONS ON THE TRANSFER OF SHARES OR VOTING RIGHTS

See paragraph 2 above.

II. Shareholdings held

6. IDENTIFICATION OF NATURAL OR LEGAL PERSONS HOLDING QUALIFYING HOLDINGS, INDICATING THE PERCENTAGE OF CAPITAL AND VOTES ATTRIBUTABLE AND THE SOURCE AND CAUSES OF IMPUTATION

Qualified holdings in the Company's capital stock as of December 31, 2022, indicating the percentage of capital and votes attributable and the source and causes of imputation are shown in the following Table:

Shareholder	No. of Shares	% of Share Capital	% of Voting Rights	Source and Causes of Imputation
Longrun Portugal, SGPS, S.A.	137,402,839	84.9892%	84.9892%	Purchase
Caixa Geral de Depósitos, S.A.	24,250,644	15%	15%	Purchase

7. INDICATION OF THE NUMBER OF SHARES AND BONDS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As of December 31, 2022, the members of the management and supervisory bodies did not hold shares in the Company.

As of December 31, 2022, the members of the management and supervisory bodies did not hold bonds in the Company.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Composition of the General Meeting Board

8. IDENTIFICATION AND POSITION OF THE MEMBERS OF THE GENERAL MEETING BOARD AND THEIR TERM OF OFFICE

The General Meeting Board had, on December 31, 2022, the following members:

Position	Name
President	Nuno Azevedo Neves
Secretary	Nuno Ricardo Santos Jorge Pena

b) Exercise of voting rights

9. POSSIBLE RESTRICTIONS ON VOTING RIGHTS, SUCH AS LIMITATIONS ON THE EXERCISE OF VOTING DEPENDING ON THE OWNERSHIP OF A NUMBER OR PERCENTAGE OF SHARES, DEADLINES IMPOSED FOR THE EXERCISE OF VOTING RIGHTS OR SYSTEMS OF PROMINENCE OF PROPERTY RIGHTS

Pursuant to Article 10 of the Company's bylaws, 100 (one hundred) shares corresponds to one vote. Shareholders holding a number of shares that does not reach that minimum number may group together, and be represented by one of the group members, to gather together the number necessary to exercise the vote.

Fidelidade's shareholders may only participate, discuss and vote at the General Meeting, in person or through a representative, if, on the registration date, corresponding to 0 hours (GMT) of the fifth trading day prior to the General Meeting, they hold shares that grant them, according to the law and the bylaws, at least one vote and that comply with the applicable legal formalities, as described in the corresponding call.

No shareholder may be represented by two or more persons.

Correspondence voting is not allowed.

10. INDICATION OF THE MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS WHO ARE IN ANY OF THE RELATIONSHIPS DESCRIBED IN PARAGRAPH 1 OF ARTICLE 20 OF THE SECURITIES CODE

The bylaws do not include any maximum percentage of voting rights that may be exercised by a single shareholder or by a shareholder who is in any of the relationships described in paragraph 1 of article 20 of the Securities Code.

11. IDENTIFICATION OF SHAREHOLDER RESOLUTIONS THAT, BY STATUTORY IMPOSITION, CAN ONLY BE TAKEN WITH A QUALIFIED MAJORITY, IN ADDITION TO THOSE LEGALLY PROVIDED FOR, AND INDICATION OF THESE MAJORITIES

The resolutions of the General Meeting are taken by a majority vote of the shareholders present or represented at the General Meeting, whenever the law or the bylaws do not require a greater number (paragraph 3 of article 11 of the Statutes).

Resolutions relating to any amendments to the bylaws of the Company, including amendment of the corporate purpose, increase and reduction of the share capital, merger, spin-off, transformation and dissolution of the Company, the suppression or reduction of the preemptive right of the shareholders of the Company in increases in the share capital, the amortization of shares representing the share capital, the suspension or cessation of the exercise of the main activity included in the corporate purpose of the Company, the authorization to buy and sell own shares when it is not carried out on a pro-rata basis, as well as the appointment of the supervisory body of the Company and its external auditor when it is not one of the four largest international audit companies, can only be approved provided that the favorable vote of a majority corresponding to more than 95% of the voting rights representing the totality of the share capital is obtained.

II. Administration

Board of Directors

Composition

12. IDENTIFICATION OF THE ADOPTED GOVERNANCE MODEL

Fidelidade's corporate governance structure comprises a Board of Directors that includes an Executive Committee and a supervisory body that integrates a Supervisory Board and a SROC (Statutory Auditor).

13. STATUTORY RULES ON THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors are elected by the General Meeting. The chairman and vice-chairman of the Board of Directors are chosen by the Board of Directors itself, except when they are appointed by the General Meeting of shareholders that elects the Board of Directors.

Vacancies or impediments occurring on the Board of Directors are filled by co-option until the first General Meeting makes the final decision.

14. COMPOSITION OF THE BOARD OF DIRECTORS, INDICATING THE MINIMUM AND MAXIMUM STATUTORY NUMBER OF MEMBERS, STATUTORY TERM OF OFFICE, NUMBER OF MEMBERS, DATE OF APPOINTMENT AND TERM OF OFFICE OF EACH MEMBER

Pursuant to the bylaws of the Company, the Board of Directors is composed of a minimum of five and a maximum of seventeen members, elected for renewable three-year terms.

The Board of Directors, as of December 31, 2022, is composed of fifteen members, appointed to hold office in the three-year period 2020/2022, of which eight are non-executive members and seven are executives, a situation that is reflected in the following Table:

Board of Directors (BD)	Position	Date of Appointment in Office	Term of Office	Observations
Jorge Manuel Baptista Magalhães Correia	Chairman	30-06-2020	2020/2022	Non-executive*
José Manuel Alvarez Quintero	Vice-Chairman	30-06-2020	2020/2022	Non-executive*
Lingjiang XU	Member of the Board	30-06-2020	2020/2022	Non-executive
José João Guilherme	Member of the Board	30-06-2020	2020/2022	Non-executive
António Manuel Marques de Sousa Noronha	Member of the Board	30-06-2020	2020/2022	Executive
Rogério Miguel Antunes Campos Henriques	Member of the Board	30-06-2020	2020/2022	Executive
Wai Lam William MAK	Member of the Board	30-06-2020	2020/2022	Executive
André Simões Cardoso	Member of the Board	30-06-2020	2020/2022	Executive
Tao LI	Member of the Board	30-06-2020	2020/2022	Non-executive
Hui CHEN	Member of the Board	30-06-2020	2020/2022	Executive
Andrew John Zeissink	Member of the Board	30-06-2020	2020/2022	Non-executive
Yulong PENG	Member of the Board	30-06-2020	2020/2022	Non-executive
Juan Ignacio Arsuaga Serrats	Member of the Board	30-06-2020	2020/2022	Executive
Maria João Borges Carioca Rodrigues	Member of the Board	31-03-2022	2020/2022	Non-executive
Miguel Barroso Abecasis	Member of the Board	31-03-2022	2020/2022	Executive

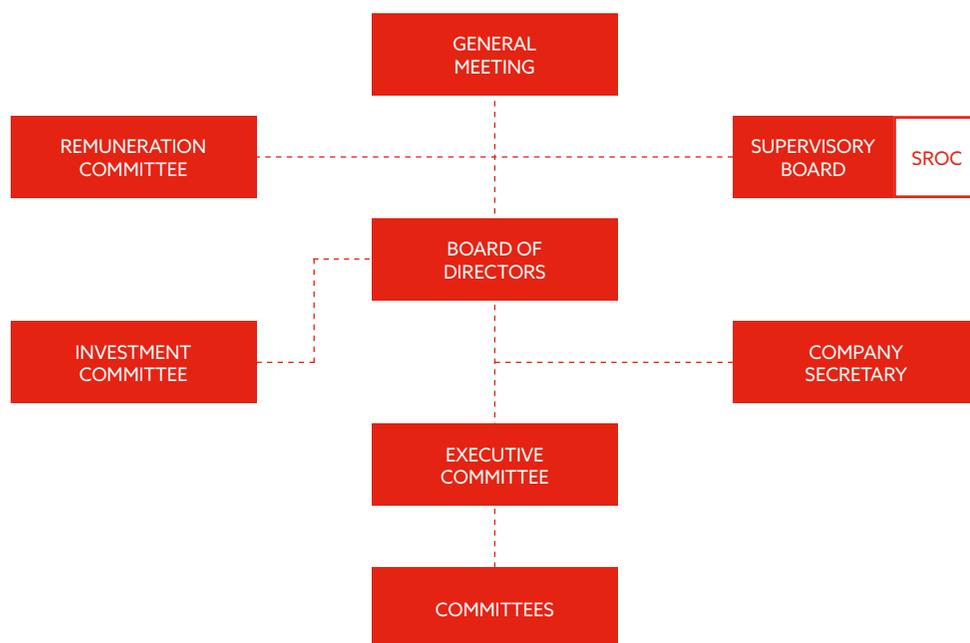
* Non-executive Director although with the special charge of monitoring certain matters.

The Executive Committee has, as of December 31, 2022, the following composition:

Executive Committee (EC)	Position	Date of Appointment in Office	Term of Office
Rogério Miguel Antunes Campos Henriques	Chairman	30-06-2020	2020/2022
António Manuel Marques de Sousa Noronha	Member of the Board	30-06-2020	2020/2022
Wai Lam William MAK	Member of the Board	30-06-2020	2020/2022
André Simões Cardoso	Member of the Board	30-06-2020	2020/2022
Hui CHEN	Member of the Board	30-06-2020	2020/2022
Juan Ignacio Arsuaga Serrats	Member of the Board	30-06-2020	2020/2022
Miguel Barroso Abecasis	Member of the Board	31-03-2022	2020/2022

15. ORGANISATION CHART ON THE DIVISION OF POWERS BETWEEN THE VARIOUS GOVERNING BODIES, INCLUDING INFORMATION ON DELEGATIONS OF POWERS

The following table represents the Corporate Governance structure of Fidelidade during the fiscal year 2022:



Board of Directors

The Board of Directors, as the Company's governing body, has the broadest powers of management and representation of the Company. Pursuant to paragraph 1 of article 15 of the Company's Bylaws, the Board of Directors is responsible, in addition to the general duties conferred on it by law:

- a) To manage the corporate business and perform all acts and operations related to the corporate purpose that do not fall within the competence attributed to other bodies of the Company;
- b) Represent the Company in and out of court, actively and passively, being able to give up, compromise and confess in any claims, as well as enter into arbitration agreements;
- c) Acquire, sell or otherwise dispose of or encumber rights and movable and immovable property;
- d) Incorporate companies, subscribe, acquire, encumber and dispose of shareholdings;
- e) To establish the technical-administrative organization of the Company, the internal operating rules, namely on staff and their remuneration;
- f) Establish trustees with powers it deems appropriate, including those of substitutes.

The deliberations of the Board of Directors dealing with the following matters may only be taken by a majority of 6/7 of its members:

- a) Material change in the business, including the disposition of all or a substantial part of the assets of the Company;

b) Execution, amendment or termination of any contract between the Company and any shareholder, as well as with companies that are in a controlling or group relationship pursuant to article 21 of the Securities Code with any shareholder;

c) Definition of the voting sense to be adopted by the Company's representatives at general meetings and on the board of directors of commercial companies in which the Company holds a majority of the voting rights or the right to appoint a majority of the members of the management body, when a resolution concerns the following matters:

i. amendments to the bylaws, including amendment of the corporate purpose, increase and reduction of the share capital, merger, spin-off, transformation and dissolution of the Company;

ii. suppression or reduction of shareholders' preemptive rights in capital increases;

iii. amortization of shares representing the capital stock;

iv. suspension or termination of the exercise of main activity included in the corporate purpose;

v. authorization for the purchase and sale of own shares when it is not carried out on a pro-rata basis;

vi. appointment of the supervisory body and its external auditor when it is not one of the four largest international audit firms;

vii. material change in the business, including the disposition of all or a substantial part of the assets of the Company concerned;

viii. execution, amendment or termination of any contract between the Company concerned and any shareholder of the Company, as well as with companies that are in a controlling or group relationship pursuant to article 21 of the Securities Code with any shareholder of the Company.

The Chairman of the Board of Directors has its own powers, and, pursuant to Article 16 of the bylaws:

a) Represent the Board of Directors in and out of court;

b) Coordinate the activity of the Board of Directors and convene and conduct the respective meetings;

c) Ensure the correct execution of the Board of Directors' resolutions.

Executive Committee

Without prejudice to the possibility of invoking powers on any matter delegated to the Executive Committee, the Board of Directors delegated to it the day-to-day management of the Company, comprising the following powers:

a) All insurance and reinsurance operations and operations related to or complementary to insurance or reinsurance operations, in particular with regard to acts and contracts relating to salvage, the re-building and repair of buildings, the repair of vehicles, and the application of provisions, reserves and capital;

b) Representation of the Company before supervisory entities and sectoral associations;

- c) Acquisition of services;
- d) Admissions, definition of levels, categories, remuneration conditions and other employee perks, as well as assignment of management positions;
- e) Exercise of disciplinary power and application of any sanctions;
- f) Representation of the Company before the representative structures of the employees;
- g) Opening or closing branches or agencies;
- h) Designation of who shall represent the Company at the general meetings of the companies in which it holds interests, fixing the sense of vote expressed therein;
- i) Designation of the persons who shall hold the corporate positions for which the Company shall be elected, as well as the persons whom the Company shall appoint to hold corporate positions in companies in which it holds an interest;
- j) Issuance of binding instructions to companies that are with the Company in a group relationship constituted by total domain;
- k) Representation of the Company in or out of court, actively and passively, comprising the initiation of and reply to any judicial or arbitration proceedings, as well as the confession, withdrawal or transaction in any actions and the assumption of arbitration commitments;

l) Constitution of agents, with or without power of attorney, for the practice of certain acts, or categories of acts, defining the extent of their mandates. The delegation of powers to the Executive Committee does not cover matters held within the exclusive competence of the Board of Directors.

Investment Committee

All investment decisions of the Company are subject to the supervision of the Investment Committee, and the Executive Committee shall report transactions carried out to the Investment Committee.

It is incumbent upon the Investment Committee to define the investment guidelines and decisions that require its prior approval.

The members of the Investment Committee are appointed by the Board of Directors, and their mandates shall coincide.

III. Supervision

Supervisory Board and Statutory Auditor

Composition

16. IDENTIFICATION OF THE SUPERVISORY BODY AND POWERS

The Company's supervision, pursuant to Article 413 (1) (a) of the Commercial Companies Code, is the responsibility of an Supervisory Board and a Statutory Auditor Firm, with the powers provided for by law and whose current mandate corresponds to the period 2020/2022.

The Company's Bylaws refer the powers of the Supervisory Board to those provided for by law.

17. COMPOSITION OF THE SUPERVISORY BOARD, INDICATING THE POSITION OF EACH MEMBER, DATE OF APPOINTMENT AND STATUTORY TERM OF OFFICE

The Supervisory Board is composed of three effective members and an alternate, with three-year terms, renewable, having, on December 31, 2022, the following composition:

Members of the Supervisory Board	Position	Date of Appointment in Office	Term of Office
Vasco Jorge Valdez Ferreira Matias	Chairman	30-06-2020	2020/2022
João Filipe Gonçalves Pinto	Member of the Board	30-06-2020	2020/2022
Pedro Antunes de Almeida	Member of the Board	30-06-2020	2020/2022
Anabela de Jesus Nunes Prates	Substitute	30-06-2020	2020/2022

IV. Statutory Auditor Firm

18. IDENTIFICATION OF THE AUDIT FIRM AND THE AUDIT PARTNER REPRESENTING IT

The Statutory Auditor Firm as of December 31, 2022, is Ernst & Young Audit & Associados – SROC, S.A., represented by Ricardo Nuno Lopes Pinto, Statutory Auditor No. 1579, registered with the CMVM (Portuguese Securities Market Commission) under license No. 20161189.

19. INDICATION OF THE NUMBER OF YEARS IN WHICH THE AUDIT FIRM EXERCISES FUNCTIONS CONSECUTIVELY WITH THE COMPANY AND/OR GROUP

The Statutory Auditor Firm has been in office since 15 May 2014 and was reappointed on 30 June 2020 to hold office until the end of the 2020/2022 three-year period.

20. DESCRIPTION OF OTHER SERVICES PROVIDED BY STATUTORY AUDITOR TO THE COMPANY

In addition to the statutory audit and audit work, Ernst & Young Audit & Associados – SROC, S.A. recurrently provides the following services required by law:

- Certification of the Annual Report on Solvency and Financial Situation under Regulatory Standard No. 2/2017-R, of March 24 from ASF;

- Opinion on the regular evaluation of the effectiveness of policies, procedures, and controls on the prevention of money laundering and financing of terrorism, as per paragraph 2 of article 32 of Regulatory Standard No. 8/2016-R of August 16 (in its present form) from ASF;
- Opinion on the Risk Management and Internal Control Systems, in terms of the mechanisms and procedures specifically adopted within the scope of the prevention, detection, and reporting policy for insurance fraud situations, as per paragraph 4 of article 36 of Regulatory Standard No. 4/2022-R of April 26, from ASF; and
- Opinion on the suitability of the remuneration policy, as per paragraph 4 of article 90 of Regulatory Standard No. 4/2022-R of April 26, from ASF.

In addition to the aforementioned work, Ernst & Young Audit & Associados – SROC, S.A. does not provide, on a recurring basis, any other type of services to the Company or to companies that are in a domain relationship with it. However, when other services are provided to the Company or to companies that are in a controlling relationship with it, this will occur in strict accordance with the legally defined procedures.

C. INTERNAL ORGANIZATION

I. Bylaws

21. RULES APPLICABLE TO THE AMENDMENT OF THE BYLAWS OF THE COMPANY

Any amendment to the bylaws of the Company shall require a resolution of the General Meeting with the favorable vote of a majority corresponding to more than 95% of the voting rights representing the entire share capital.

II. Irregularity Reporting and corruption prevention mechanisms

22. IRREGULARITY REPORTING POLICY AND CORRUPTION PREVENTION MECHANISMS

Fidelidade has a culture of responsibility and compliance, from an early age recognizing the importance of the appropriate framework for the communication and processing of irregularities, as an instrument of good corporate practice.

Considering the entry into force, in 2022, of Law No. 93/2021, of 20 December, which approved the general regime for the protection of whistleblowers, transposing into the national legal order Directive (EU) 2019/1937 of the European Parliament and of the Council, of 23 October 2019, on the protection of whistleblowers from infractions and the implementation of internal reporting channels and procedures, a review of the already established means of receiving, processing and filing communications of irregularities, allegedly committed by members of the governing bodies and by employees of the Company or of the companies included in the Fidelidade Group, was carried out in the light of the legal obligations arising from the general regime for the protection of whistleblowers.

From the outset, the Irregularity Reporting Policy was approved, which is duly disclosed on the Company's website, as well as the Fidelidade Group's Whistleblowing Channel, materialized in the establishment of an internal platform, an electronic address and a postal address, intended to receive the irregularities provided for in the general regime for the protection of whistleblowers.

All employees with an employment relationship, regardless of modality, trainees and trainees, volunteers, former employees, mediators, service providers, suppliers, consultants, holders of shareholdings and persons belonging to administrative or management bodies or supervisory or supervisory bodies may report irregularities.

Reporting irregularities triggers a process of receiving, processing and investigating them, in accordance with the general principles and legal guarantees of the whistleblower (described in the Irregularities Communication Policy), which culminates in the production of a report, and the whistleblower receiving a response to the complaint made, under the terms and deadlines established in the Law and in the Irregularities Communication Policy.

The Company ensures the training mechanisms, in relation to the Irregularity Reporting Policy, in order to build a culture of responsibility and professional, personal and business ethics.

It should also be noted that considering the entry into force, on June 7, 2022, of Decree-Law No. 109-E/2021, of December 9, which creates the National Anti-Corruption Mechanism and establishes the General Corruption Prevention Regime, the Company:

- Adopted a plan to prevent the risks of corruption and related infractions in order to identify risk-enhancing situations, including those of fraud and corruption, as well as listing the prevention measures aimed at minimizing their likelihood of occurrence and impact, as well as the respective persons responsible for their implementation.
- Consolidated the existing Code of Conduct, which contemplates and systematizes the general principles and rules of conduct applicable to all employees, disclosed internally through the institutional media.

III. Internal control and risk management

23. BODIES RESPONSIBLE FOR INTERNAL AUDIT AND/OR IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS

The Legal Regime for Access and Exercise of Insurance and Reinsurance Activity (RJASR), approved by Law No. 147/2015, of September 9, which transposes the Solvency II Directive into internal legal order, entered into force on January 1, 2016.

In this context, the Company has implemented a global risk management system in order to meet the requirements set forth therein.

The implementation of this system, in addition to complying with the regulations applicable to the insurance activity, is understood as an opportunity to improve the risk assessment and management processes, thus contributing to the maintenance of the solidity and stability of the insurance group, where Fidelidade operates.

Thus, the risk management system is an integral part of the Company's daily activities, and an integrated approach is applied to ensure that its strategic objectives (customer interests, financial strength and process efficiency) are maintained.

On the other hand, the performance of the risk and solvency self-assessment exercise (ORSA) allows us to relate, in a prospective vision, risk, capital and return, in the context of the business strategy established by the Company.

Regarding the governance system, the Company has policies, processes and procedures appropriate to its business strategy and operations, ensuring a sound and prudent management of its activity. In terms of the organizational structure, the management of risk management and internal control systems shall also be ensured by the following bodies: Risk Management Department, Audit Department, Compliance Department, Risk Committee, Underwriting

Policy Acceptance and Monitoring Committee and Life and Non-Life Products Committee, and Assets and Liabilities Management Committee.

The other Structural Bodies are responsible for promoting the risk management and internal control process, in order to ensure that the management and control of operations are carried out in a healthy and prudent manner, and they are also responsible for ensuring the existence and updating of documentation related to their business processes, respective risks and control activities.

As part of the set of prudential recommendations of the supervisory authorities, in order to ensure the operational continuity of the processes, systems and communications, the Fidelidade Group has a Business Continuity Plan ("BCP") in order to ensure the realization of a structured damage assessment and an agile decision making on the type of recovery to be undertaken.

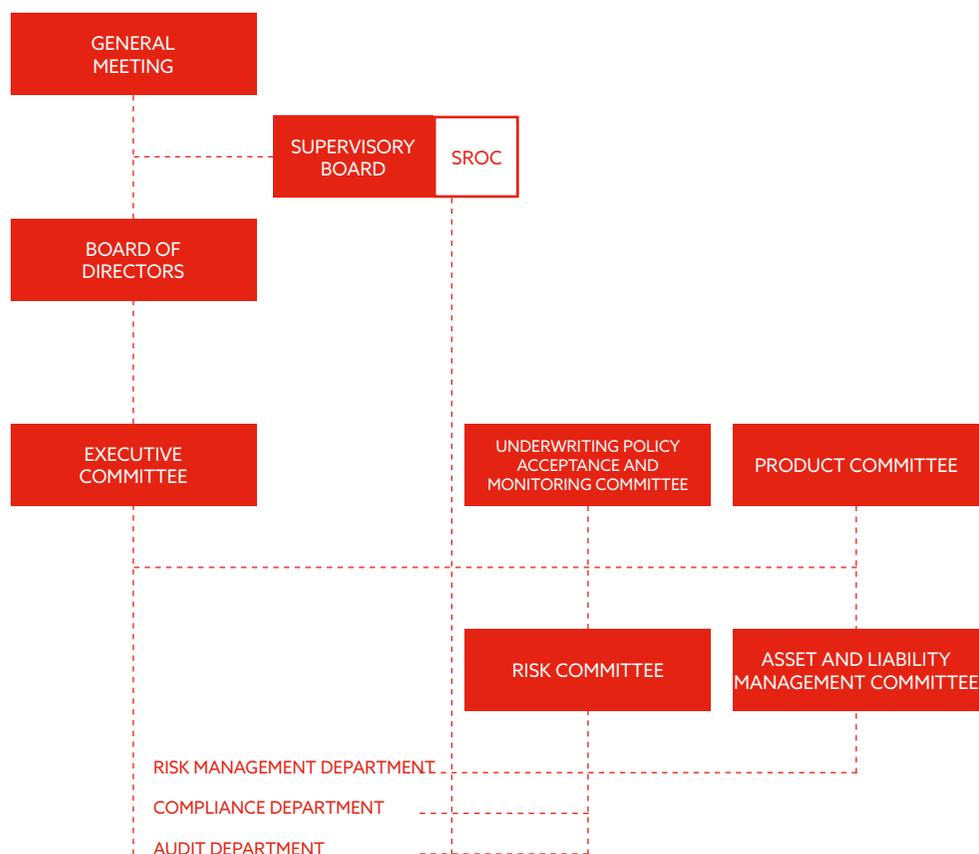
Regarding public information obligations, in 2022, the Company prepared and disclosed, on its website, the "2021 Solvency and Financial Situation Report" containing detailed information related to activities and performance, governance system, risk profile, valuation for solvency purposes and capital management for the year 2021. This report, together with the annual quantitative reporting statements submitted to the ASF, has been subject to certification by a statutory auditor and responsible actuary.

Also during 2022, the Company carried out the annual self-assessment of risk and solvency ("ORSA") exercise, having reported its results to ASF by sending its supervisory report, and provided quarterly quantitative information for supervisory purposes.

Thus, the measures adopted during the preparation phase for the application of the solvency II regime, as well as its consolidation over the first years of its validity, put Fidelidade at a comfortable level of compliance with this new regime.

24. EXPLANATION OF HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCY RELATIONSHIPS VIS-À-VIS OTHER BODIES OR COMMITTEES OF THE COMPANY

The hierarchical and/or functional dependence of the Risk Management Department, the Audit Department and the Compliance Department, in relation to other bodies or committees of the Company, is reflected in the following Table:



25. EXISTENCE OF OTHER FUNCTIONAL AREAS WITH COMPETENCES IN RISK CONTROL

In addition to the areas with key functions within the scope of risk management and internal control systems, and the legal risk control carried out by the Legal Affairs Department, there is an information and communication system that supports decision-making and control processes, both internally and externally, within the competence of the Strategic Planning and Business Development Department and the Accounting and Financial Information Department that ensure the existence of substantive, current, coherent, timely and reliable information, allowing a global and comprehensive view of the financial situation, the development of the activity, compliance with the strategy and defined objectives, the identification of the Company's risk profile and the behaviour and prospects of market developments.

The financial reporting and management process is supported by the accounting and management support systems that record, classify, associate and file in a systematic, timely, reliable, complete and consistent manner all transactions carried out by the institution and subsidiaries, in accordance with the determinations and policies issued by the Executive Committee.

Thus, the Risk Management Department, the Compliance Department, the Audit Department, the Accounting and Financial Information Department and the Strategic Planning and Business Development Department ensure the implementation of the procedures and means necessary to obtain all the relevant information for the consolidation and information process at the Company level – both of an accounting nature, as well as to support the management and monitoring and control of risks – which must include, inter alia:

- The definition of the content and format of the information to be reported by the entities included in the scope of consolidation, in accordance with the accounting policies and guidelines defined by the management body, as well as the dates on which the reports are required;
- The identification and control of intra-Company transactions; and
- Ensuring that management information is consistent between the various entities, so that it is possible to measure and monitor the evolution and profitability of each business and verify compliance with the established objectives, as well as assess and control the risks that each entity incurs, both in absolute and relative terms.

26. IDENTIFICATION AND DESCRIPTION OF THE MAIN TYPES OF RISKS (ECONOMIC, FINANCIAL AND LEGAL) TO WHICH THE COMPANY IS EXPOSED IN THE EXERCISE OF THE ACTIVITY

Refer at this point to the Notes to the Separate (Notes 45, 46 and 47) and Consolidated Financial Statements (Notes 50, 51 and 52).

27. DESCRIPTION OF THE PROCESS OF IDENTIFICATION, EVALUATION, MONITORING, CONTROL AND RISK MANAGEMENT

The risk management system supports the Company in the identification, evaluation, management and monitoring of risks, allowing the adoption of appropriate and immediate actions in case of material changes in its risk profile.

In establishing its risk profile, the Company identifies the different risks to which it is exposed and then assesses those risks. 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 chooses to use a qualitative analysis in order to classify the foreseeable impact on its capital needs.

The ORSA exercise plays a key role in monitoring the Company's risk profile and capital adequacy according to regulatory capital requirements and internal capital needs.

IV. Website

28. ADDRESS(ES)

Fidelidade's website is:
www.fidelidade.pt

29. PLACE WHERE INFORMATION ON THE COMPANY, GOVERNING BODIES AND ACCOUNTABILITY DOCUMENTS IS FOUND

The information on the Company, on the governing bodies and the accounting documents, is available on the Company's website, at the Internet address indicated above.

30. PLACE WHERE THE STATUTES AND OPERATING REGULATIONS OF THE GOVERNING BODIES ARE FOUND

The bylaws and regulations governing the functioning of bodies and committees are available at the Registered Office of the Company – Company Secretariat.

31. PLACE WHERE THE CALL FOR THE MEETING OF THE GENERAL MEETING AND ALL PREPARATORY AND SUBSEQUENT INFORMATION RELATED TO IT ARE DISCLOSED

The notices for meetings of the General Meeting and all preparatory and subsequent information related thereto are available at the Registered Office of the Company – Company Secretariat.

32. PLACE WHERE THE HISTORICAL COLLECTION IS MADE AVAILABLE WITH THE RESOLUTIONS TAKEN AT THE MEETINGS OF THE GENERAL MEETINGS OF THE COMPANY, THE CAPITAL STOCK REPRESENTED AND THE RESULTS OF THE VOTES, WITH REFERENCE TO THE PREVIOUS 3 YEARS

The historical collection with the resolutions taken at the meetings of the Company's General Meetings, the capital stock represented and the results of the votes, with reference to the previous 3 years, are available at the Company's Headquarters – Company Secretariat.

D. REMUNERATION

I. Competence for determination

33. INDICATION AS TO THE COMPETENCE FOR DETERMINING THE REMUNERATION OF GOVERNING BODIES, MEMBERS OF THE EXECUTIVE COMMITTEE AND DIRECTORS OF THE COMPANY

The remuneration of the members of the governing bodies shall be determined by the Remuneration Committee.

The determination of the remuneration of other employees is the responsibility of the Executive Committee.

II. Remuneration Committee

34. COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee was appointed on March 31, 2022, to hold office until the end of the current mandate corresponding to the three-year period 2020-2022, with the following composition on 31 December 2022:

Position	Name
Chairman:	Faye Jiefei WANG
Member of the Board:	Min GAO

35. KNOWLEDGE AND EXPERIENCE OF MEMBERS OF THE REMUNERATION COMMITTEE IN THE FIELD OF REMUNERATION POLICY

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

III. Structure of remuneration

36. DISCLOSURE OF THE REMUNERATION POLICY OF THE CORPORATE BODIES

The Remuneration Committee submitted to the General Meeting of March 31, 2022, a statement on Remuneration Policy of the members of the respective management and supervisory bodies that was unanimously approved by the shareholders present or represented.

According to said statement, the Remuneration Policy was then based on the following principles:

“The remuneration of the members of the Company’s management and supervisory bodies is fixed by the Remuneration Committee in the light of the Remuneration Policy in force, which has as reference the applicable legal and regulatory rules, as well as the guiding principles of the remuneration policy of the members of the governing bodies of the Group companies.

In order to ensure alignment with the interests of the Company, the remuneration of the executive members of the management body consists of a fixed component and a variable component.

The fixed component is defined with reference to the values practiced in companies of similar size, nature and complexity.

The fixed remuneration shall be paid in 14 monthly instalments, including the corresponding holiday and Christmas allowances, in accordance with the legislation in force.

The variable component shall be determined on the basis of the performance measured on the basis of a set of defined objectives, namely financial, operational, risk and strategic objectives, and shall be allocated, individually and annually, for the year ended and shall not represent more than a percentage of the gross fixed remuneration in force at the end of that year, in order to be adequately balanced.

The members of the Board of Directors without executive functions may receive a fixed remuneration, if so decided.

The members of the Supervisory Board only receive fixed remuneration. There are no plans for the allocation of shares, nor options for the acquisition of shares, by the members of the Company’s management and supervisory bodies.”

The information on the annual amount of remuneration received by the members of the governing bodies is contained in this Corporate Governance Report.

The Remuneration Policy of the Governing Bodies was, in compliance with the provisions of paragraph c) of paragraph 6 of article 89 of Regulatory Standard No. 4/2022-R, of April 26, subject to annual review, approved by resolution of the Remuneration Committee of September 30, 2022, and has the following objectives and guidelines:

- Encourages effective risk management and control by maintaining an adequate capital base, avoiding excessive exposure to risk and potential conflicts of interest and ensuring consistency with the long-term objectives, values and interests of the Company, including the prospects for sustainable growth and profitability and the protection of the interests of policyholders and beneficiaries;
- It is appropriate to the size, nature, scope and complexity of the activity developed or to be developed by the Company and also in view of the risks assumed or to be assumed;
- It is structured in a clear, transparent manner with regard to its definition, implementation and monitoring;
- Ensures a competitive and equitable total remuneration, in line with trends at national and European level, in particular with the Company’s peers;

- Incorporates, as regards the executive directors, a fixed component, adjusted to the functions and responsibility of the directors, adequately balanced with a variable component with a short-term and medium-term portion, both conditioned to individual and organizational performance, in accordance with the achievement of concrete and quantifiable objectives, of a financial and non-financial nature, based on the long-term sustainability of the Company and on the effective management and control of the risks assumed by it, and aligned with the interests of the Company, its shareholders, as well as policyholders, insured and beneficiaries;
- Integrates indicators related to sustainability, in accordance with best practices, taking into account the strategic objective defined in this regard;
- The variable component takes into account the benefits to the organisation and, therefore, in exceptional cases, namely: (i) there is no adequate capital base; (ii) its allocation unduly limits the Company's ability to strengthen its own capital; (iii) where it is found that its allocation does not comply with applicable laws, regulations or guidelines, it may not be allocated.
- On the other hand, variable remuneration is subject to reduction or reversal mechanisms whenever it is proven that an executive director with intent or gross negligence participated or was responsible for an action that resulted in significant losses for the Group. The application of the reversal mechanisms is supplementary to the reduction mechanism in such a way that in the event of a significant event the application of the reduction mechanism will be a priority and only when it is exhausted, insufficient or results from the verification that the executive director has contributed significantly to the Group's financial performance being negative, or to the application of regulatory sanctions or in the event of fraud, intent or serious negligence that has caused significant losses, recourse to the reversal mechanism should be considered.

Based on these principles, the remuneration of members of the governing bodies was structured as follows:

The Chairman of the General Meeting Board shall receive a fixed annual remuneration for the exercise of his office, paid in one fell swoop until 30 June of each year. The Secretary of the General Meeting Board does not receive any remuneration.

The members of the Supervisory Board receive a fixed monthly remuneration, paid fourteen times a year.

The non-executive members of the Board of Directors will only receive, when so decided by the Remuneration Committee, a fixed remuneration, and the remuneration, if any, may be different between them and even some be remunerated and others not.

In order to allow the alignment of the interests of the executive directors with the long-term interests of the Company, the remuneration of the executive directors incorporates a fixed component, adjusted to the functions and responsibility of the directors, adequately balanced with a variable component with a short-term and medium-term portion, both conditioned to individual and organizational performance, in accordance with the achievement of concrete and quantifiable objectives, of a financial and non-financial nature, based on the long-term sustainability of the Company and on the effective management and control of the risks assumed by it, and aligned with the interests of the Company, its shareholders and as well as policyholders, insured and beneficiaries.

The fixed component of the executive directors' remuneration will tend to represent between 50% and 52% of the total annual remuneration.

The remaining part of the annual remuneration, attributed as variable remuneration, when the respective assumptions are verified, comprises:

a. A component associated with short-term performance, which will represent, at the time of allocation, between 38% and 50% of the annual fixed remuneration value; and

b. A component associated with long-term performance, which will represent, at the time of its allocation, between 50% and 62% of the value of the annual fixed remuneration.

The fixed component of the remuneration is paid in cash, in 14 monthly instalments, including those corresponding to holiday and Christmas allowances in accordance with the legislation in force.

The variable component is divided into two instalments, called Short-Term Variable Remuneration ("STVR") and Long-Term Variable Remuneration ("LTVR"), being assigned after the approval of the accounts for each year and once the fulfilment of predefined objectives has been verified, both conditioned to the individual performance of each executive and organizational administrator.

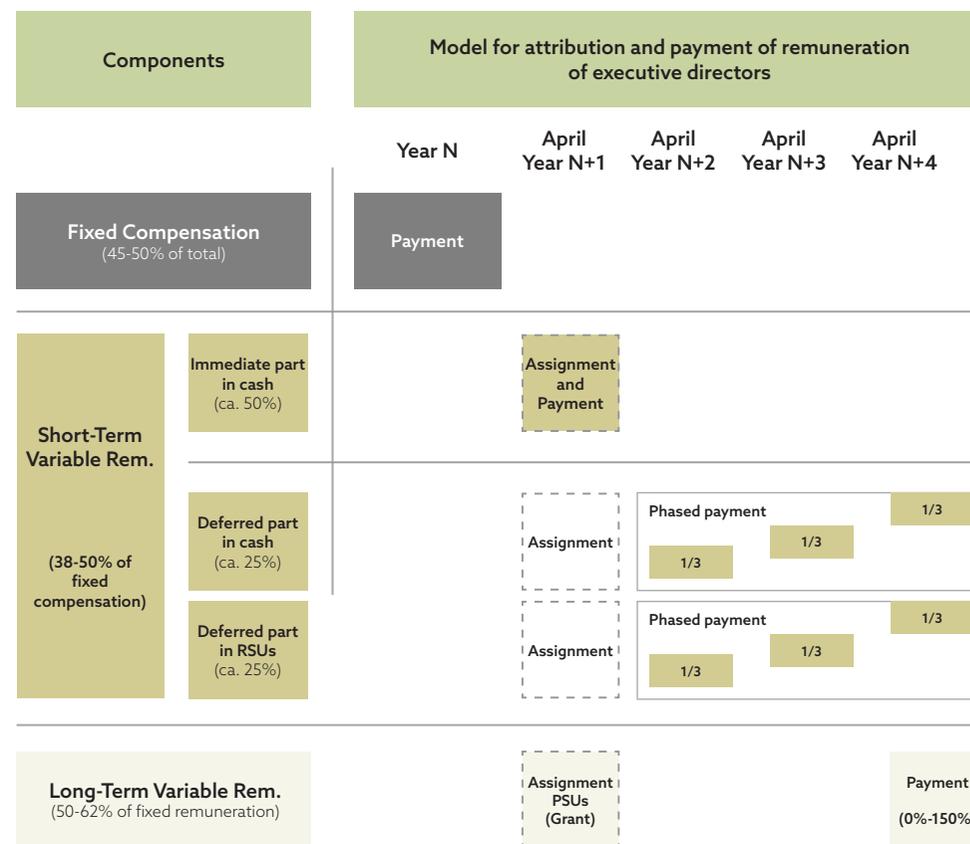
For the purposes of assigning the STVR, the annual budget of the insurance group, prepared on a consolidated basis, annually defines a set of financial indicators, as well as the respective targets to be achieved, based on the long-term sustainability of the Company and on the effective management and control of the risks assumed by it.

The financial indicators included in the budget include non-financial indicators, including Environmental, Social and Governance ("ESG") indicators, as well as operational and strategic indicators, set annually.

The STVR is calculated at the beginning of each year, by the Remuneration Committee, according to the achievement of the targets defined for this set of indicators, with reference to December 31 of the previous year.

The STVR includes an immediate cash payment instalment, to take place in April of the year following the reference year, and a deferred payment instalment for a period of 3 years, which should tend to represent 50% of the STVR, and contemplate two forms of allocation: one in cash (tending to represent 25% of the STVR) and another in remuneration units ("Restricted Stock Units" or "RSU's") (tending to represent 25% of the STVR).

The table below summarizes the model for the attribution and payment of executive directors' remuneration:



The number of remuneration units to be allocated corresponds to the monetary value associated with this component divided by the value of the RSU at the date of allocation, calculated in accordance with the formula defined for this purpose, based on the indicators and the method for calculating them. In April of each subsequent year, to the one in which they were allocated, 1/3 of the units previously allocated are converted and paid in cash, according to their value at the end of the previous year's financial year.

The LTVR aims to strengthen the alignment of the interests of executive officers with the interests of the Company, as well as to retain and encourage officers to contribute to the long-term growth and results of the Company.

The LTVR shall represent indicatively between 50 and 60% of the Annual Fixed Remuneration, being attributed through remuneration units ("Performance Stock Units" or "PSUs"), whose unit value is calculated under the terms previously referred to the RSUs, but its payment is subject to future verification of additional medium-long term performance conditions.

The LTVR is calculated at the beginning of each year by the Remuneration Committee in terms identical to those defined for the STVR, depending on the achievement of the targets defined by reference to 31 December of the previous year.

The assignment of the LTVR will be communicated to each executive director, through a Certificate issued by the Company, describing the following:

- The Granting Date;
- The total number of PSUs assigned;
- The Vesting Date;
- The performance conditions that condition the exercise of the PSUs on the acquisition date;
- Any other terms and conditions which, in the opinion of the Remuneration Committee, are relevant.

The definitive number of PSUs to be assigned at the end of the performance period (3 years) will be calculated based on the Return on Equity ("ROE"), considering the average ROE over this three-year period. The initial number of PSUs will be weighted by a performance multiplier, which is defined based on the Company's ROE, compared to a set of other reference insurance companies (peers), Non-Life and Life, with a global presence on the market, mostly European (excluding reinsurers), as defined in the Remuneration Policy of the Governing Bodies.

The PSUs will be automatically converted and paid in cash after 3 years ("Vesting Period") on the date of assignment, and therefore their concrete value will be calculated in year N+4, in which N is the year to which the LTVR in question refers.

If any executive director, during the period of deferral of the STVR or the LTVR, ceases to be a director for reasons not attributable to him or her, namely illness, death, incapacity, or for non-renewal of the mandate, the time of maturity of the amounts allocated for the date on which the termination of functions occurs shall be anticipated, and the RSUs and PSUs shall be previously allocated, converted and paid in cash on that date.

If during the period of deferral of the STVR or of the LTVR any executive director resigns from the position of director on his own initiative, except when this occurs in the context of normal rotation between the companies of the Group, or if the mandate ceases due to fault that is attributable to him or her, the component of the LTVR not yet acquired is cancelled.

In the event of a change in shareholding control that determines a change in the Group in which the Company is integrated, the managers benefiting from RSUs and PSUs may choose to bring forward to the date on which such change occurs the time of maturity of the accumulated amounts, with RSUs and PSUs, previously assigned, converted and paid in cash on that date.

Taking into account the objectives considered in the remuneration model, executive directors should not enter into contracts aimed at mitigating the risk inherent in the variability of their remuneration.

In addition, variable remuneration units or any rights related thereto may not be sold, assigned, transferred, pledged or encumbered in any way.

There are no other forms of remuneration, in relation to executive directors, other than the fixed and variable remuneration described above.

There are no other payments foreseen, in case of dismissal of directors, and any termination of office, by agreement, requires, as regards the amounts involved, approval by the Remuneration Committee.

The amounts allocated by the Company, when applicable, as profit sharing, are considered, for the purposes of the Remuneration Policy, for the calculation of short-term variable remuneration, although they do not have such a nature. A set of non-remuneration benefits are also assigned to the executive directors, as follows:

- Use of mobile phones and computer equipment under the conditions at all times in force;
- Vehicle use: integrating, in addition to the use of a vehicle, under a rental agreement under the conditions at any time in force, associated costs and insurance;
- Health insurance: with the same coverage as those of the current "Premium" policy for employees of the Company;
- Life Insurance: with the same conditions as those applicable to the other employees of the Company;

- Personal Accident Insurance: with the coverage of death by accident and permanent disability by accident;

- Other contractual and extra-contractual conditions and benefits, in the exact terms in which, at any time, they are applicable to the Company's other employees.

The executive directors also benefit from a Supplementary Reform Plan, through an insurance contract, approved, on a proposal from the Remuneration Committee, at the General Meeting of September 25, 2020. The pension supplement for old age and invalidity and survival shall be that which results from the value of the contributions paid while performing functions as executive directors of the Company, plus their remuneration.

The above disclosed aspects, within the scope of the Remuneration Policy of Governing Bodies, in compliance with the provisions of article 91 of Regulatory Standard No. 4/2022-R, of April 26, must be complemented, with regard to employees, with the information contained in the Remuneration Policy of the Fidelidade Group Employees, whose content is reproduced herein, whose revision was approved by resolution of the Executive Committee of December 20, 2022 and which is available at www.fidelidade.pt

IV. Disclosure of remuneration

37. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE COMPANY'S MANAGEMENT BODIES, FROM THE COMPANY, INCLUDING FIXED AND VARIABLE REMUNERATION AND, IN RELATION TO THIS, MENTION OF THE DIFFERENT COMPONENTS THAT GAVE RISE TO IT

Non-executive members of the Board of Directors, when remunerated, only receive a fixed remuneration.

The annual amount of gross remuneration earned, in aggregate and individually, by non-executive members of the Company's management body, is shown in the following Table:

Non-executive members of the Board of Directors	Fixed Remuneration for 2022 (EUR)	Observations
Jorge Manuel Baptista Magalhães Correia	420,000	01.01.2022 to 31.12.2022
José Manuel Alvarez Quintero	105,000	01.01.2022 to 31.12.2022
TOTAL	525,000	

The annual amount of gross remuneration earned, in aggregate and individually, in the exercise of the position of executive director, is shown in the following tables:

Non-executive members of the Board of Directors	Fixed Remuneration for 2022 (EUR)	Observations
Rogério Miguel Antunes Campos Henriques	420,000	01.01.2022 to 31.12.2022
António Manuel Marques de Sousa Noronha	369,600	01.01.2022 to 31.12.2022
Wai Lam William Mak	369,600	01.01.2022 to 31.12.2022
André Simões Cardoso	369,600	01.01.2022 to 31.12.2022
Hui CHEN	290,000	01.01.2022 to 31.12.2022
Juan Ignacio Arsuaga Serrats	369,600	01.01.2022 to 31.12.2022
Miguel Barroso Abecasis	277,290	31.03.2022 to 31.12.2022
TOTAL	2,465,690	

Members of the Board of Directors	Short-term and deferred variable remuneration paid in 2022 and related to previous years (EUR)				Notes
	2018	2019	2020	2021	
Jorge Manuel Baptista Magalhães Correia *	43,443	39,245	22,079	0	
José Manuel Alvarez Quintero *	26,066	23,547	13,246	0	
Rogério Miguel Antunes Campos Henriques	28,549	25,789	32,172	124,209	
António Manuel Marques de Sousa Noronha	26,066	23,547	28,790	109,313	
Wai Lam William Mak	26,066	23,547	28,790	109,313	
André Simões Cardoso	24,825	22,426	28,160	109,313	
Hui CHEN	-	-	12,617	88,721	
Juan Ignacio Arsuaga Serrats	-	-	15,544	109,313	
Miguel Barroso Abecasis	-	-	-	-	
TOTAL	175,015	158,101	181,398	650,182	

Members of the Board of Directors	Long-term variable remuneration paid in 2022 and related to previous years (EUR)					Notes
	2017	2018	2019	2020	2021	
Jorge Manuel Baptista Magalhães Correia *	-	257,848	-	-	-	
José Manuel Alvarez Quintero *	-	224,696	-	-	-	
Rogério Miguel Antunes Campos Henriques	-	243,114	-	-	-	
António Manuel Marques de Sousa Noronha	-	224,696	-	-	-	
Wai Lam William Mak	-	224,696	-	-	-	
André Simões Cardoso	-	213,646	-	-	-	
Hui CHEN	-	0	-	-	-	
Juan Ignacio Arsuaga Serrat	-	0	-	-	-	
Miguel Barroso Abecasis	-	0	-	-	-	
TOTAL	-	1,388,696	-	-	-	

* Remuneration paid in the exercise of functions as executive director.

38. COMPENSATION PAID OR DUE TO FORMER EXECUTIVE DIRECTORS IN RESPECT OF THE TERMINATION OF THEIR DUTIES DURING THE FINANCIAL YEAR

No executive director ceased to hold office during the financial year 2022.

39. INDICATION OF THE ANNUAL AMOUNT OF REMUNERATION RECEIVED, IN AGGREGATE AND INDIVIDUALLY, BY THE MEMBERS OF THE SUPERVISORY BODIES OF THE COMPANY

The amount of gross remuneration earned in 2022, on an aggregate and individual basis, by the members of the Company's supervisory body, is shown in the following Table:

Members of the Supervisory Board	Amount (EUR)	Observations
Vasco Jorge Valdez Ferreira Matias	50,000	
João Filipe Gonçalves Pinto	50,000	
Pedro Antunes de Almeida	50,000	
Anabela de Jesus Nunes Prates	0	Substitute
TOTAL	150,000	

40. INDICATION OF THE REMUNERATION IN THE REFERENCE YEAR OF THE CHAIRMAN OF THE GENERAL MEETING

The Chairman of the General Meeting Board shall receive a gross annual remuneration of EUR 7,000.

V. Agreements with remuneration implications

41. REFERENCE TO THE EXISTENCE AND DESCRIPTION, INDICATING THE AMOUNTS INVOLVED, OF AGREEMENTS BETWEEN THE COMPANY AND THE HOLDERS OF THE MANAGEMENT BODY PROVIDING FOR COMPENSATION IN THE EVENT OF DISMISSAL, UNJUSTIFIED DISMISSAL OR TERMINATION OF THE EMPLOYMENT RELATIONSHIP FOLLOWING A CHANGE OF SHAREHOLDING CONTROL OF THE COMPANY

There are no agreements between the Company and the holders of the management body providing for compensation in the event of dismissal, unjustified dismissal or termination of the employment relationship following a change of control of the Company.

VI. Stock options or stock options allocation plans

42. IDENTIFICATION OF THE PLAN AND ITS RECIPIENTS

There are no plans with these characteristics.

43. OPTION RIGHTS GRANTED FOR THE ACQUISITION OF SHARES ('STOCK OPTIONS') TO WHICH THE COMPANY'S WORKERS AND EMPLOYEES ARE ENTITLED

There are no option rights granted for the acquisition of shares to which the employees or members of the governing bodies are beneficiaries.

E. TRANSACTION WITH RELATED PARTIES

I. Control mechanisms and procedures

44. MECHANISMS IMPLEMENTED BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES

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

45. INDICATION OF THE TRANSACTIONS THAT WERE SUBJECT TO CONTROL IN THE REFERENCE YEAR

All transactions with related parties have been subject to control.

46. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE INTERVENTION OF THE SUPERVISORY BODY FOR THE PURPOSE OF THE PRIOR EVALUATION OF THE BUSINESS TO BE CARRIED OUT BETWEEN THE COMPANY AND HOLDERS OF QUALIFIED INTERESTS OR ENTITIES THAT ARE IN A CONTROLLING OR GROUP RELATIONSHIP WITH THEM, PURSUANT TO ARTICLE 21 OF THE SECURITIES CODE

The transactions to be carried out between the Company and holders of qualified interests or entities that are in a controlling or group relationship with them are subject to consideration and deliberation by a qualified majority of the Board of Directors, and these transactions, like all others carried out by the Company, are subject to the supervision of the Supervisory Board.

II. Elements relating to transactions

47. INDICATION OF THE LOCATION OF THE ACCOUNTABILITY DOCUMENTS WHERE INFORMATION ON BUSINESS WITH RELATED PARTIES IS AVAILABLE

Information on business with related parties is contained in the Notes to the Separate (Note 44) and Consolidated (Note 49) Financial Statements.

FIDELIDADE
SEGUROS DESDE 1808