



FIDELIDADE

SEGUROS DESDE 1808

INVESTOR PRESENTATION

Fidelidade – Companhia de Seguros

April 2023

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I.

Fidelidade overview



214 years at the forefront of the Portuguese market...

History and Key Milestones

1808

- Creation of Seguros Bonança



2000 - 2013

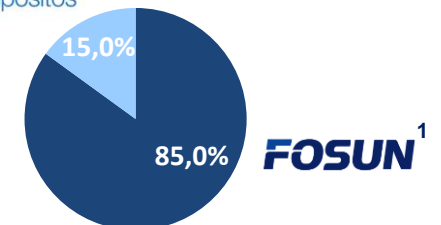
- Mergers among largest insurers (including Bonança) and launch of single brand Fidelidade



2014 - today

- 2014: Fosun acquires 85% stake of Fidelidade from CGD
 - As part of the transaction, Fidelidade signs an exclusive bancassurance agreement with CGD for 25 years


Caixa Geral de Depósitos



1. Fosun owns 84.99%, with the remaining 0.01% held by employees

...playing a fundamental role in the Portuguese financial ecosystem

Clear leadership



30%

Overall market share in Portugal
#1 in Life
#1 in Non-life



€5.1 B¹

Written Premiums

49% Life *70% Portugal*
51% Non-life *30% International*



>8 M

Customers globally including 2.3 M in Portugal



>8,000

Employees in Fidelidade Group with 3,500+ in Portugal



€16.4 B

Assets under management², amongst largest investors in the country



€220 M

Net Income

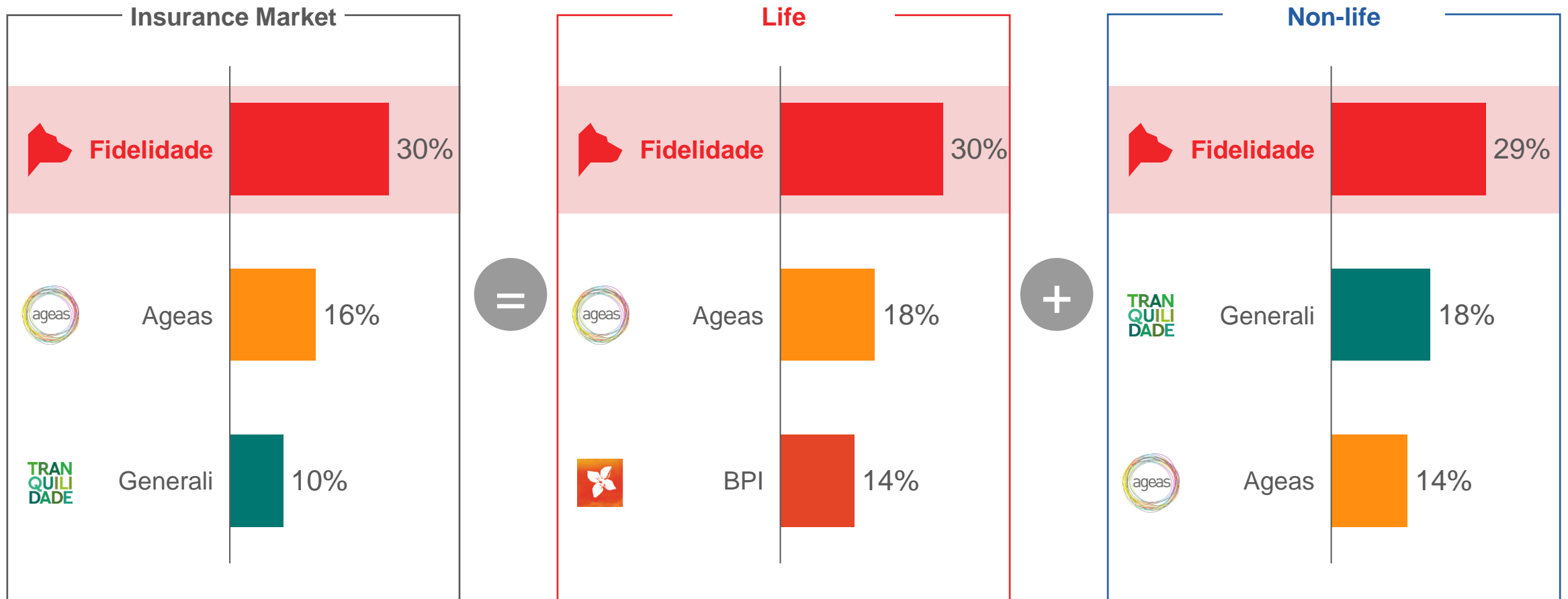
Source: Company information as of December 2022

1. Including investment contracts

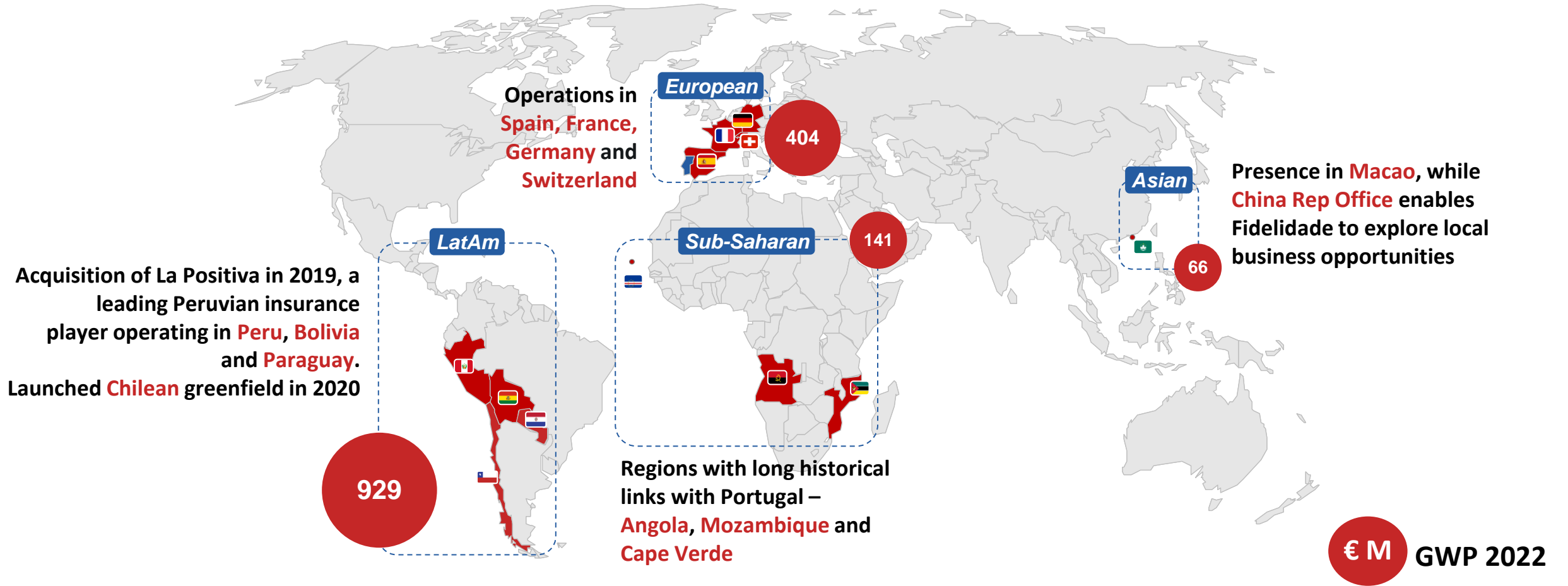
2. Assets under management including treasury, fixed income securities, equity and real estate investments (excluding property for own use)

Undisputed national champion across segments...

Portugal – 2022 Premium Market Shares



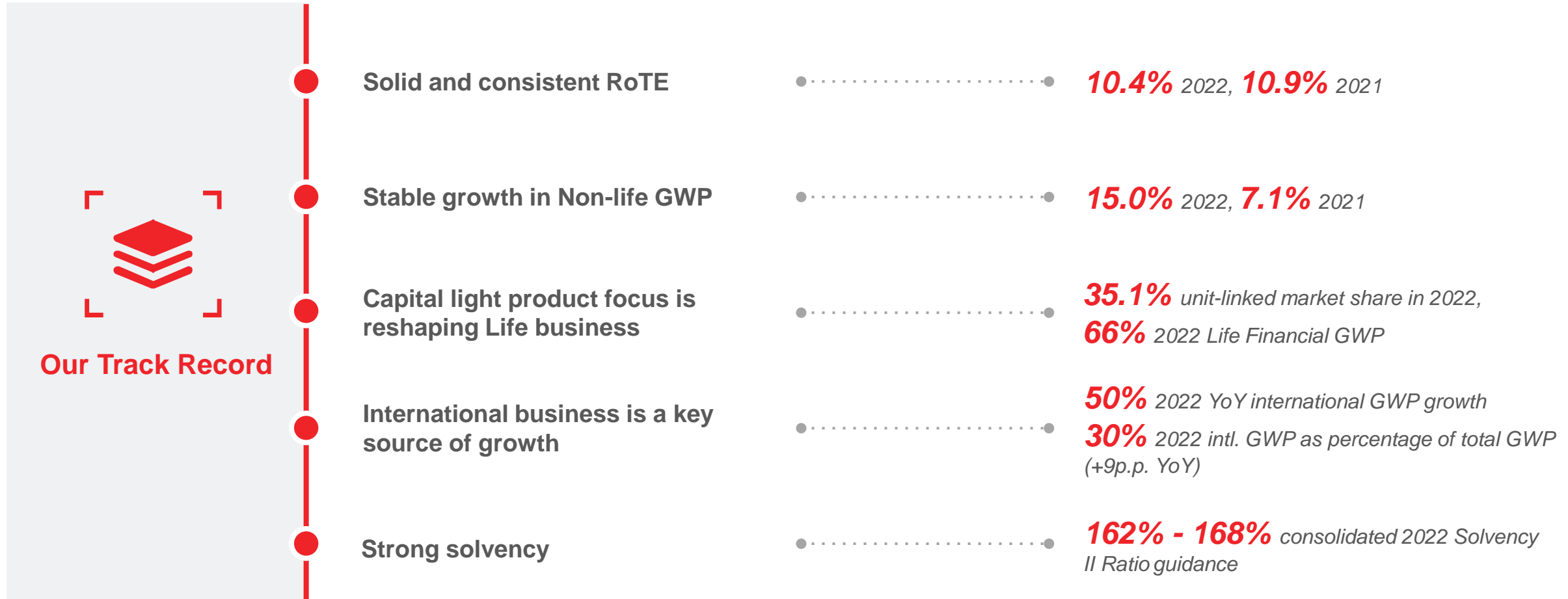
...complemented with sustainable international operations structured around 4 regional clusters



€ M GWP 2022

Source: Company information as of December 2022

Track record of profitability and strengthening of balance sheet



Fidelidade's A rating positions the company at the frontline of Portuguese corporates

Issuer Default Rating



A-
Stable



Investment Grade Rating

- Fitch **reaffirmed**¹ the top-tier rating in **November 2022**, confirming Fidelidade's strong capacity to honor its financial commitments under a challenging market environment.

Fitch highlights:



Positive corporate strategy



Strong capitalization, with robust solvency



Undisputed leadership in Portuguese market

Top-tier rating within Portugal

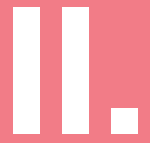
Rating outcome above the Portuguese sovereign rating and among the top-rated corporations in Portugal

Capital markets credibility

Access to reduced direct financing costs and a reinforcement of Fidelidade's credibility on the capital markets

Business opportunities

Unlocked potential business opportunities regarding reinsurance and cooperation with other business counterparts



Investment highlights



Investment highlights

Fidelidade's main competitive advantages



Undisputed leadership

Largest client base with significant potential for increased penetration



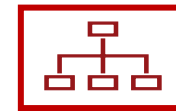
Technical and innovation capabilities

Proven technical expertise and distinctive claims management platform; solid innovation capabilities



Leading brand

Both in value and client recognition, several top-of-mind brands in the market



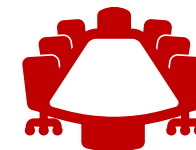
Sound corporate governance

Strong corporate governance structure, capital decisions process and shareholder relationship



Unique distribution position

Leadership and top partnerships in growth channels and unique position in agents and brokers



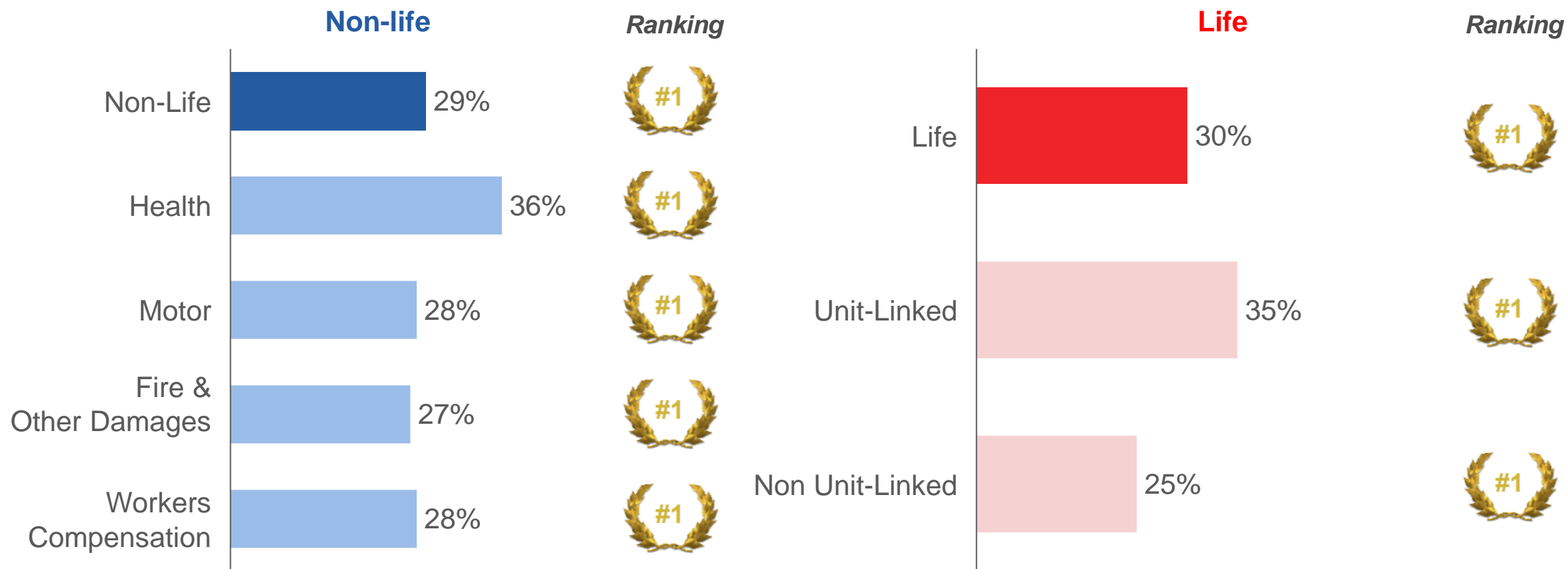
Experienced management team

Solid track record, complementary skill sets and substantial business experiences



Leading competitive position across all insurance business lines in Portugal

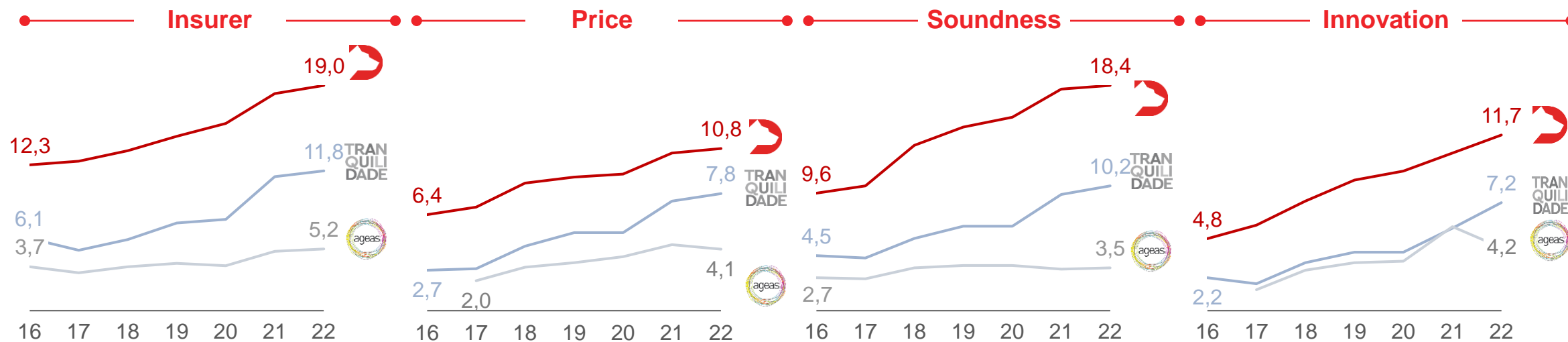
Market Shares by Written Premiums (% GWP, Dec 2022)





Fidelidade has developed consistently over time the strongest insurance brand in Portugal

BASEF market study – TOP Players 2016-2022 (Global)



Escolha do Consumidor '23
Best satisfaction and reputable insurer



Reader's Digest Trusted Brands '22
21st consecutive time as best reputable insurer



Portugal Digital Awards '22
Best Insurance Project - Just in Case



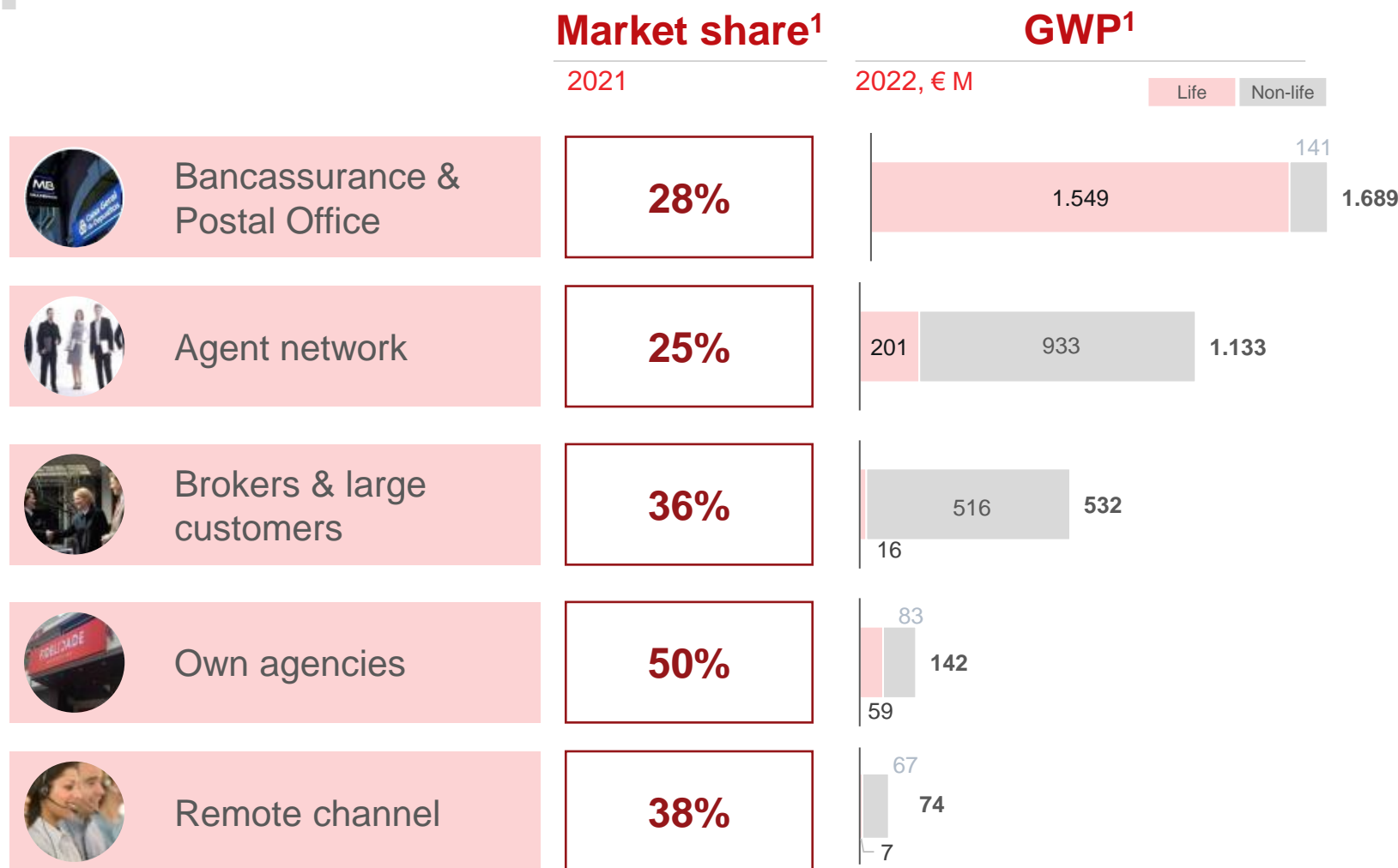
Marktest Reputation Index '22
Most reputable insurance brand in Portugal



Superbrands '22
Top-of-Mind insurance brands in Portugal



First class distribution network through an omnichannel approach



1,311 bank branches & post offices

CGD, EuroBic and Post Offices selling Fidelidade products through distribution agreements

3,137 agents

selling its products with a personalised service to its clients in Portugal

69 brokers

supporting a high-profile client base

49 own agency locations

make Fidelidade the leader of this distribution channel

Fidelidade is the leader in the remote channel in Portugal

Source: Company information as of 2022, ASF as of 2021.
 1. Market shares and GWP in Portugal. Latest figures available



Fidelidade is building 5 digitally-enabled core ecosystems serving clients beyond insurance

Fidelidade's strategy evolution has originated value propositions leveraged on partners who add layers to traditional insurance offers

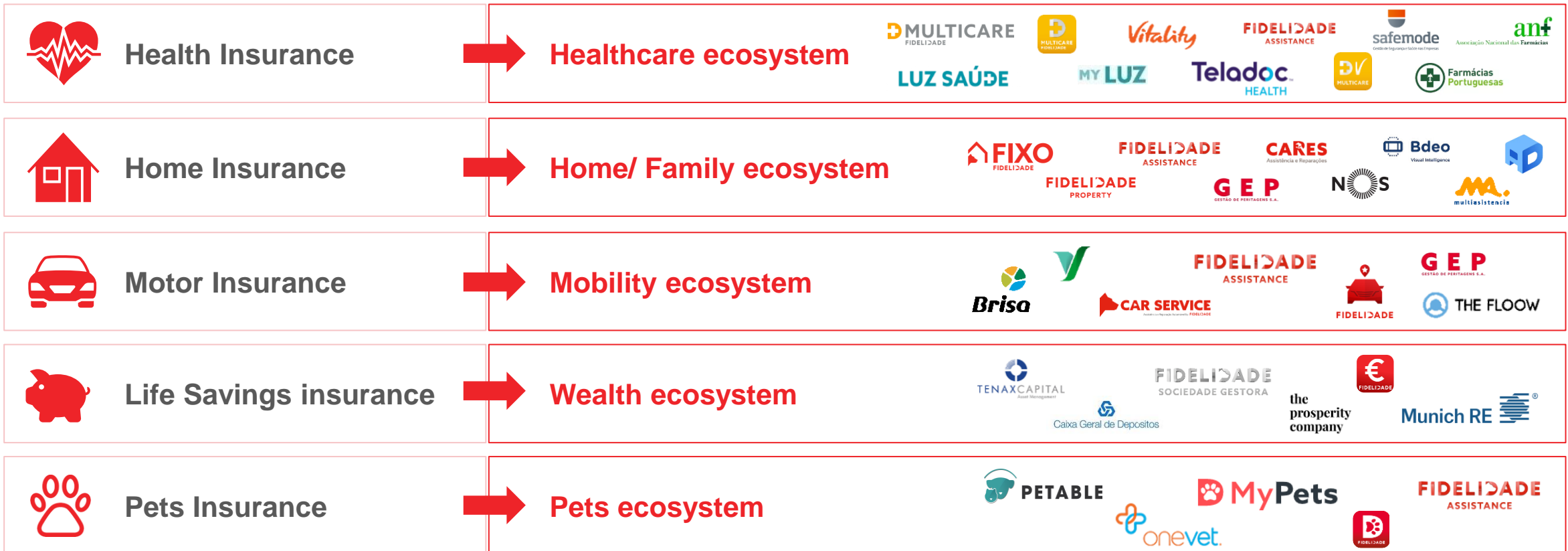
From risk taker ...



... to risk manager

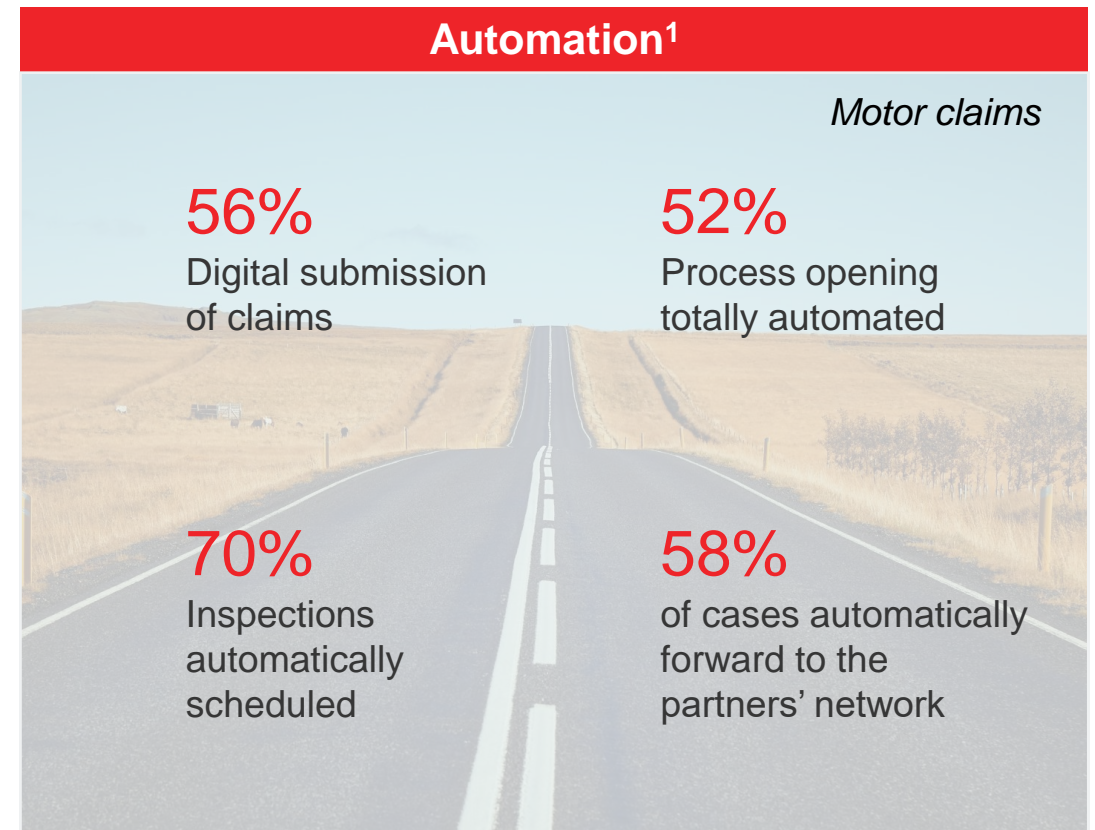
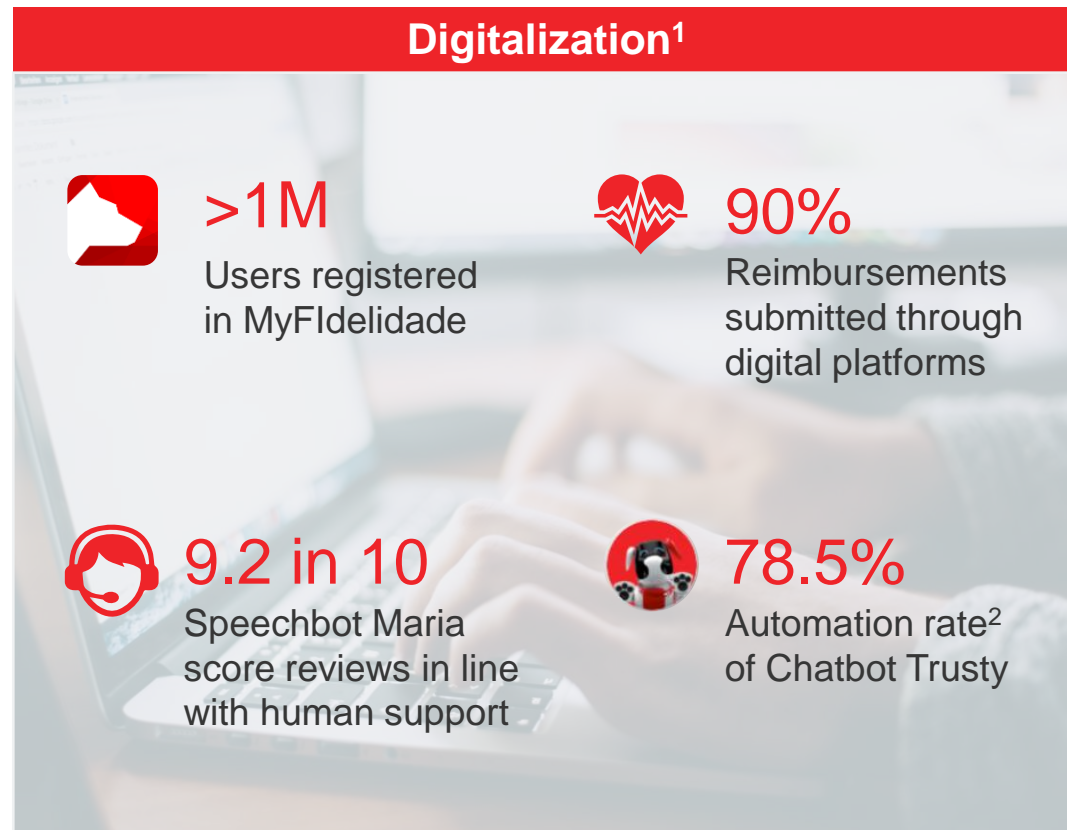
From pure insurance offer...

... to valued added ecosystems with high service levels





Digitization of Fidelidade's processes supports both client experience and overall efficiency



1. Values as of December 2022
2. Sessions without human interaction



Sound corporate governance is ingrained in Fidelidade's business model

5 Policies & Processes

- RISK APPETITE FRAMEWORK and INVESTMENT POLICY
- Annual appreciation of policies by regulator; breaches brought to the EC on a weekly basis

1 Regulators

- EIOPA and ASF
- Relevant guidance in critical matters such as dividends

2 Shareholders

- FOSUN and CGD
- Balanced relationship with CGD being involved in relevant matters (e.g. Related Party Transactions)



4 Internal Committees















- ALM, RISK and INVESTMENT COMMITTEES
- Management of capital efficiency and allocation, monitoring of ALM

3 Social Bodies

- Board incl. 7 executives and 9 non-exec. (6 Fosun +3 CGD)
- Executive Committee with 7 independent members
- Supervisory Board with 3 independent members



Executive Committee with extensive industry experience

| | Years in Industry/Fidelidade | Previous experience | | Years in Industry/Fidelidade | Previous experience |
|--|--|---|---|---|---|
|  <p>Rogério Henriques Chief Executive Officer</p> | <ul style="list-style-type: none"> • 15 years in the industry • 15 years at Fidelidade |  |  <p>André Cardoso International Operations, Strategic Planning & Business Development</p> | <ul style="list-style-type: none"> • 9 years in the industry • 9 years at Fidelidade |  |
|  <p>Juan Arsuaga Serrats Underwriting & Operations Non-life Business</p> | <ul style="list-style-type: none"> • >25 years in the industry • 3 years at Fidelidade |  |  <p>William Mak Investments</p> | <ul style="list-style-type: none"> • >25 years in the industry • 9 years at Fidelidade |  |
|  <p>António Noronha Commercial Departments & Life Business</p> | <ul style="list-style-type: none"> • >25 years in the industry • >25 years at Fidelidade |  |  <p>Thomas Chen Risk & Accounting</p> | <ul style="list-style-type: none"> • 18 years in the industry • 4 years at Fidelidade |  |
|  <p>Miguel Abecasis Motor Business and Innovation</p> | <ul style="list-style-type: none"> • >20 years in the industry • 1 year at Fidelidade |  | | | |



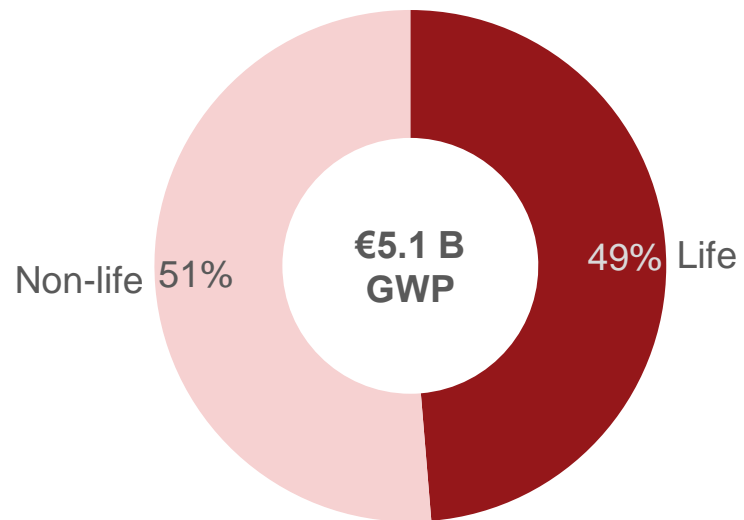
2022 Update



A well balanced, growing business

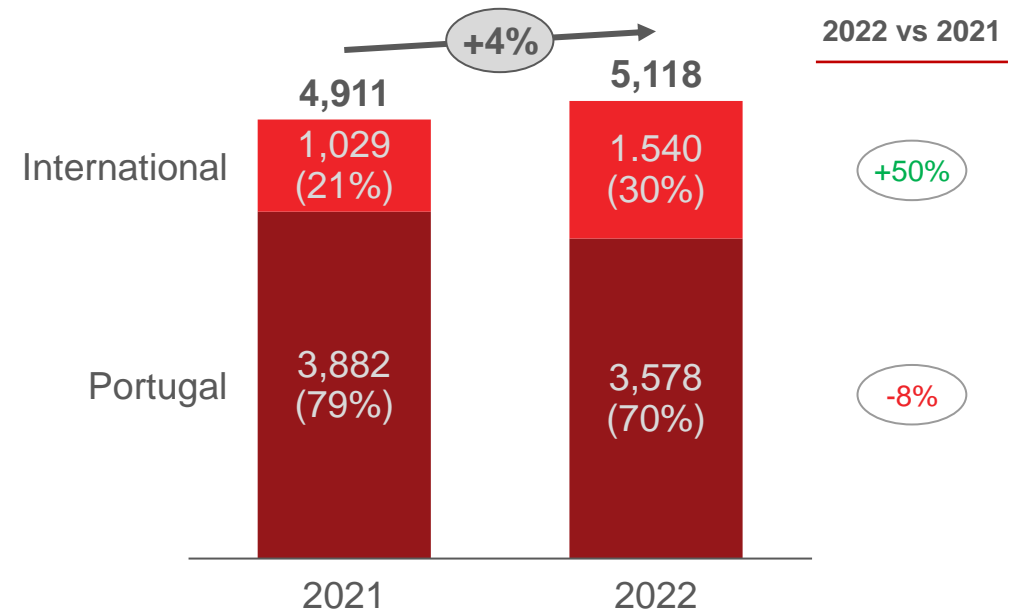
Breakdown by Line of Business

2022 GWP



Total GWP

€ M



- Total GWP grew 4.2%, fueled by a strong International GWP expansion and the Portuguese Non-life business
- Portuguese operations reported a dual reality:
 - The Portuguese Non-life business delivered a solid performance (+8.7%)
 - Life GWP registered a -19.6% reduction, driven by a generalized market decline of unit-linked sales

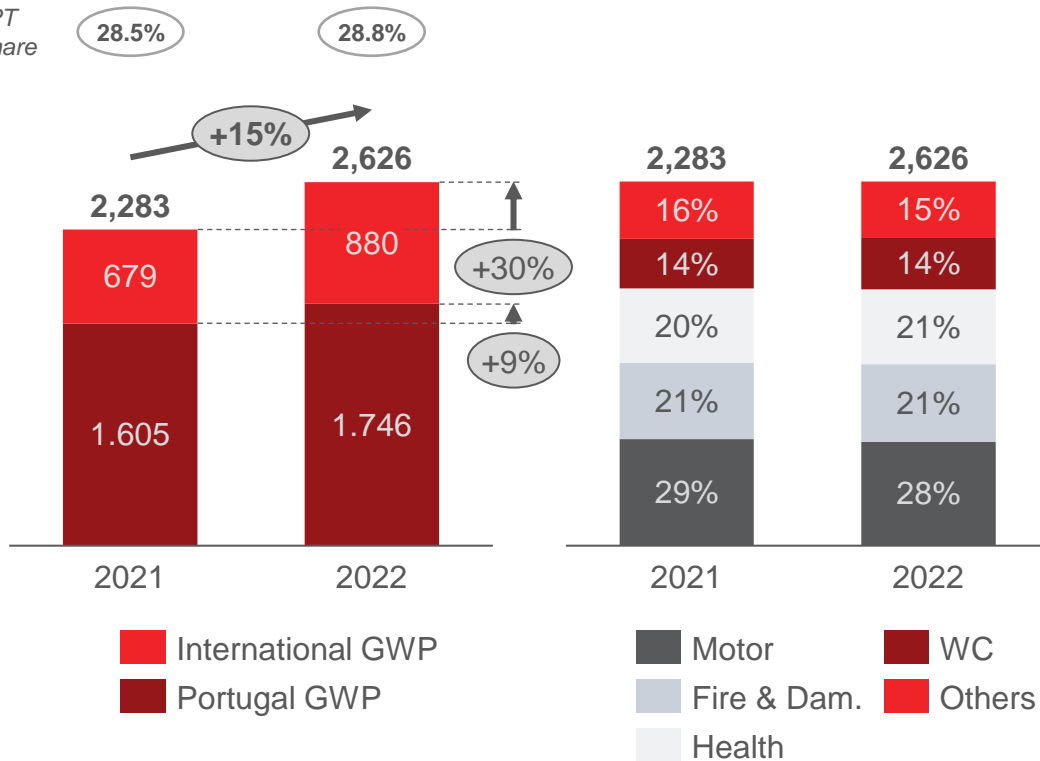
Despite the macroeconomic uncertainty, sales were bolstered by international and Portuguese Non-life growth

GWP Non-life

€ M

Split by line of business (%)

Non-life PT market share

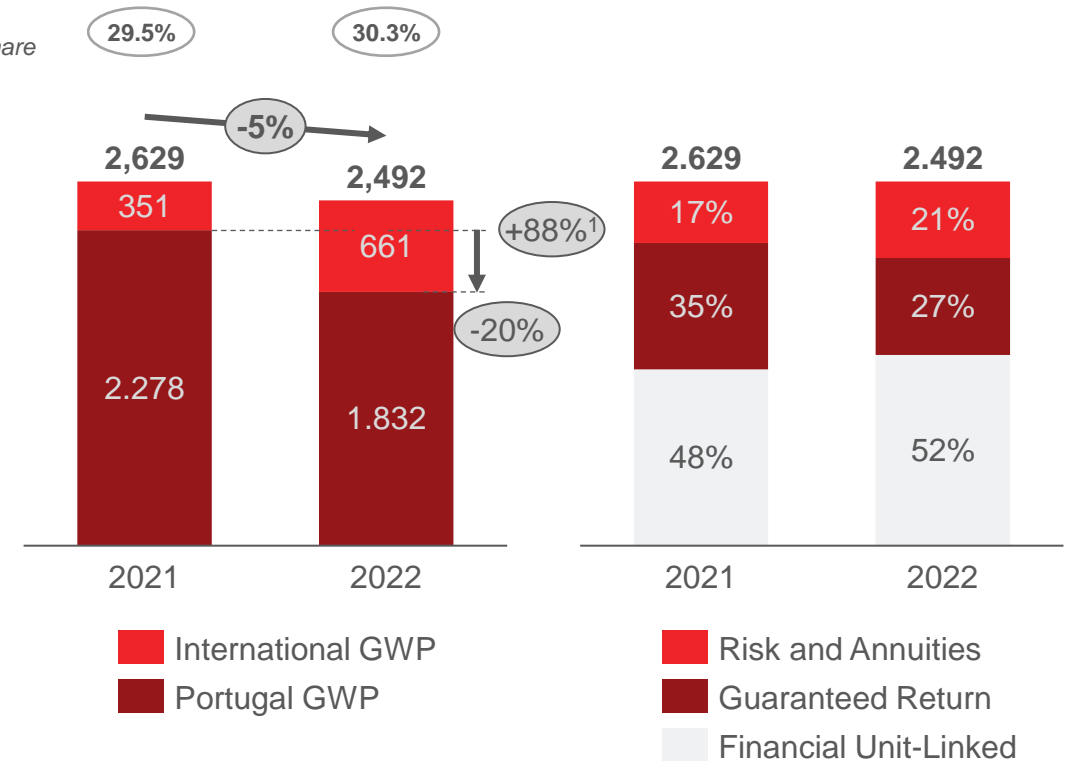


GWP Life

€ M

Split by line of business (%)

Life PT market share

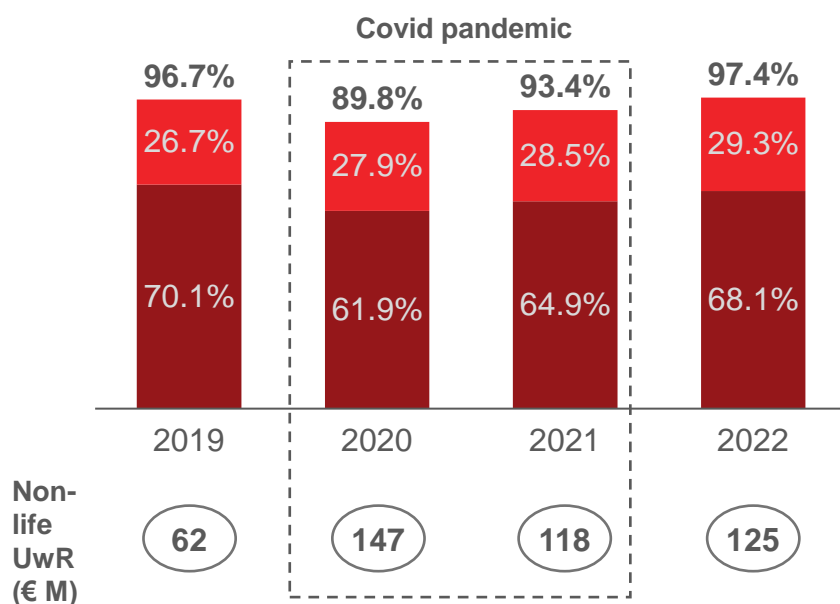


Source: Company information as of December 2022

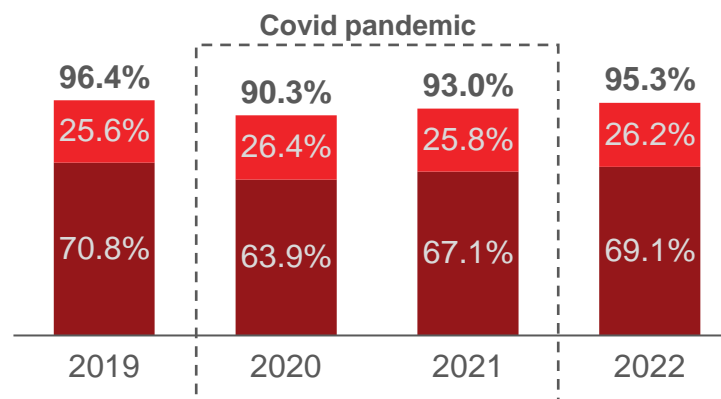
1 International operations' GWP include the effect of the acquisitions of SIM and TPC. Excluding them, overall international business' growth would have been +23%.

CoR returning to pre-pandemic levels, price increases ongoing in several lines of business

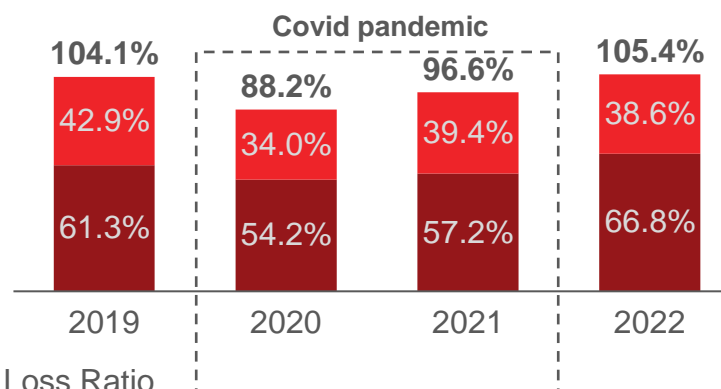
Group Non-life Combined Ratio (CoR) (%)



Portugal Non-life Combined Ratio (CoR) (%)



International Non-life Combined Ratio (CoR) (%)



Expense Ratio Loss Ratio

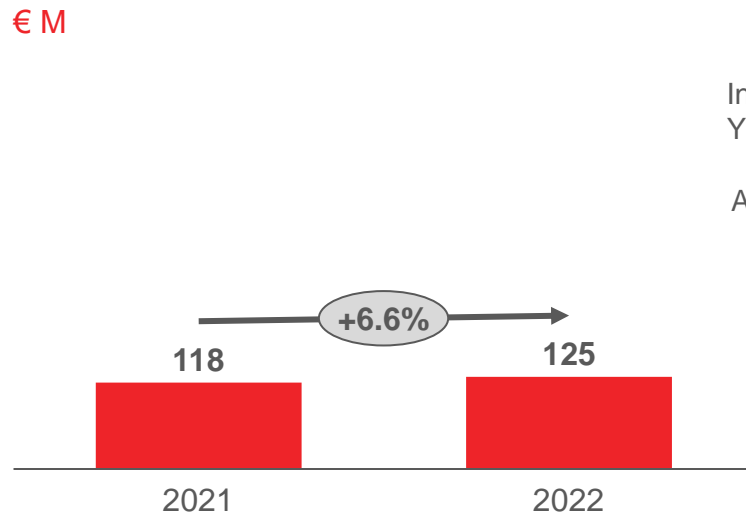
- Frequency and claim costs pressured underwriting result in 2022.
- Measures to counter these trends:
 - Price revisions implemented in all major Non-life LoB.
 - Price adjustments especially important for Corporate segment.
 - Digitalization across LoB and motor claim cost optimization.

- International CoR suffered a significant non-recurring event.
- In 2022 Workers' Comp. provision reinforcements in Peru¹ increased international CoR in 6.7 p.p.
 - 1.5 p.p. on consolidated CoR.

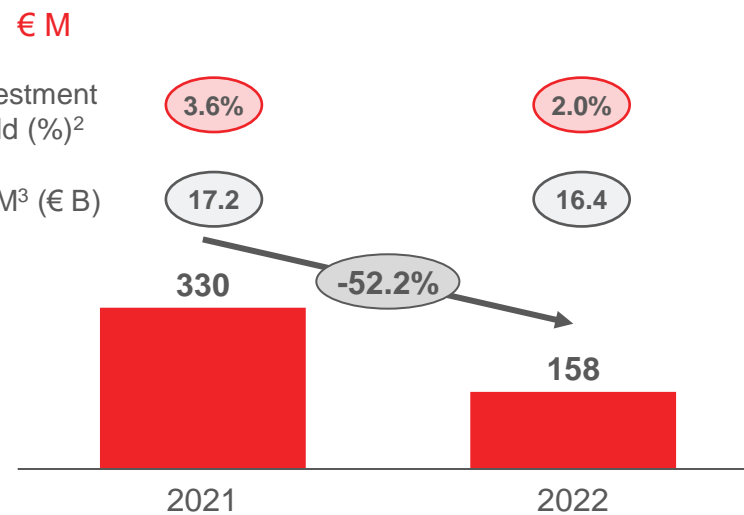
1. Local regulator suggested release of IBNR in 2021, to be compensated in the following years

Performance kept resilient despite the pressures on both technical and investment fronts

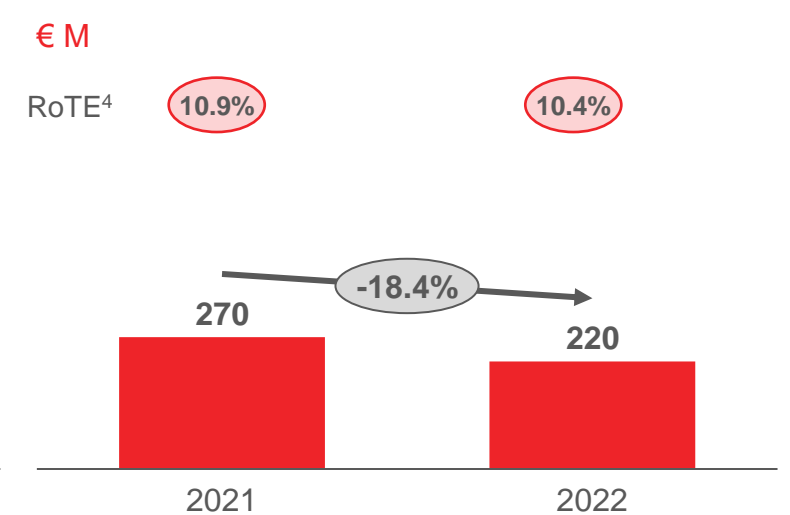
Insurance Business Underwriting Result¹



Investment Result



Net Income



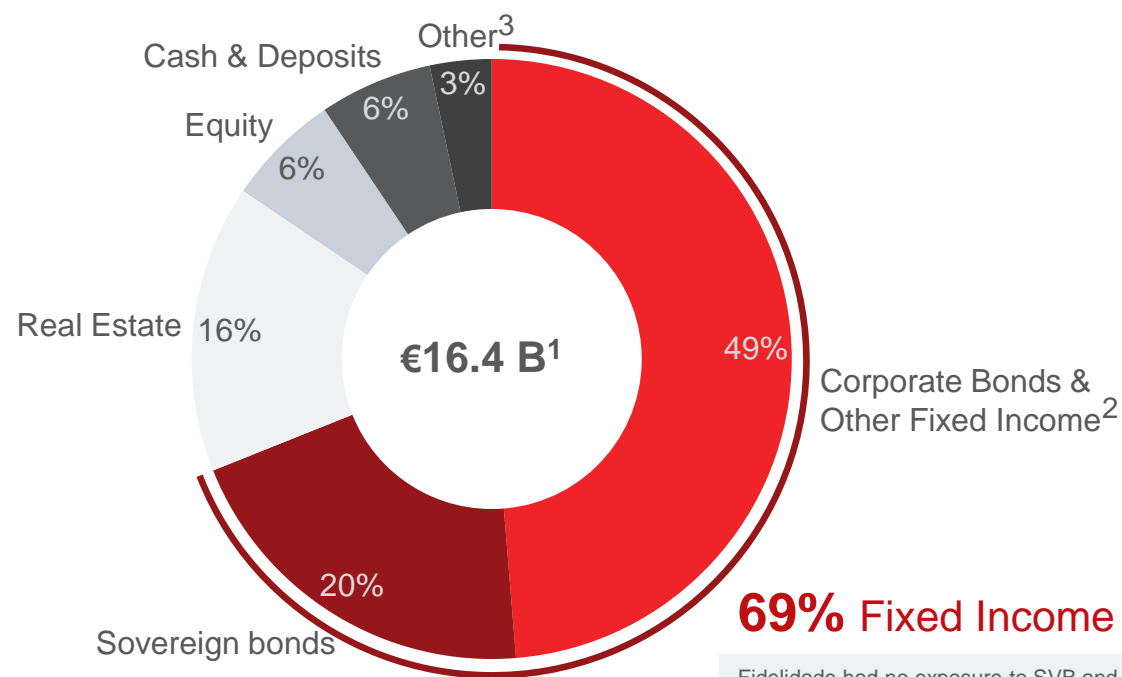
- Diversification strategy is yielding positive results. E.g., Luz Saúde achieved €26.7 M in net income before minority interests and the international business contributed with €37 M to consolidated net profit.

Source: Company information as December 2022

1. Non-life & Life Risk
2. Excluding unit-linked portfolios
3. Assets Under Management excluding properties for own use
4. Return on Tangible Equity

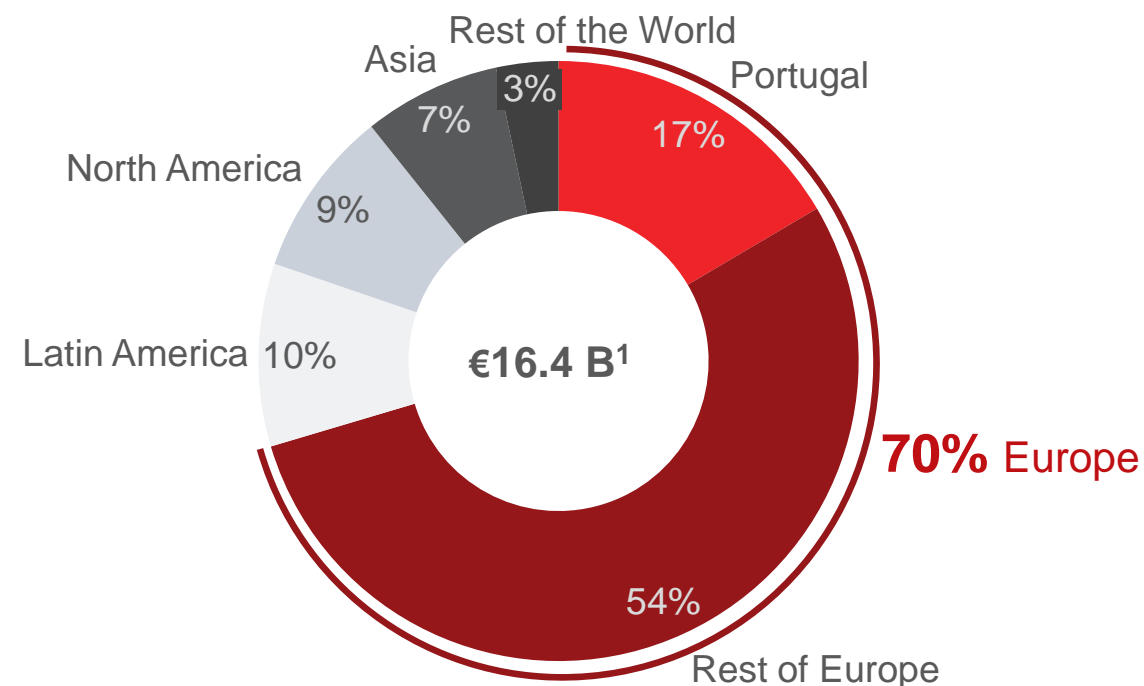
Prudent investment strategy, with c.70% of total portfolio allocated to fixed income

Breakdown by Asset Class



Fidelidade had no exposure to SVB and Credit Suisse AT1. The position in other CS bonds is approximately €5 M.

Breakdown by Geography



Source: Company information (31 December 2022)

1. Total assets under management excluding own use real estate assets

2. Includes corporate bonds, bond investment funds, loans, commercial paper and perpetual fixed income

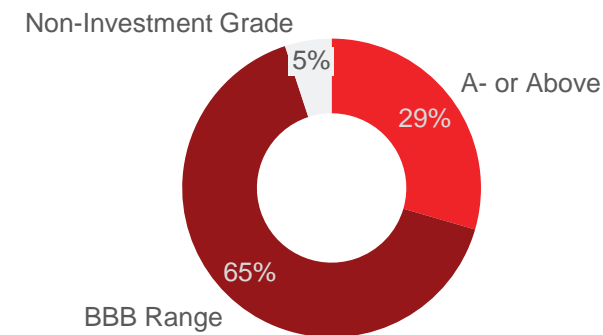
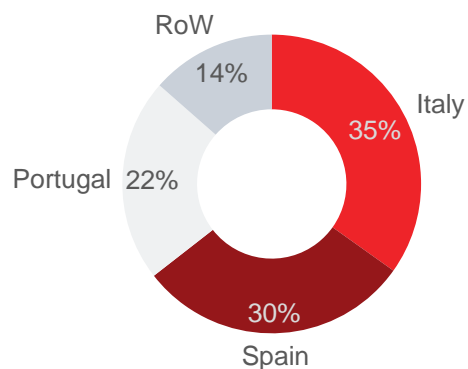
3. Includes €395 M in unit-linked investments from Liechtenstein Life Assurance AG

Diversified fixed income portfolio

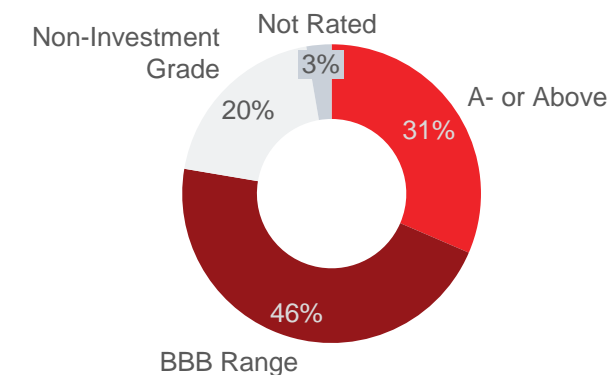
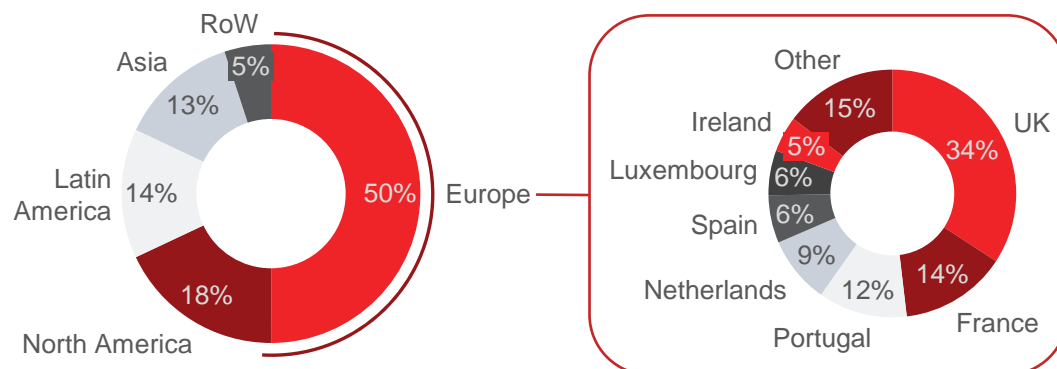
Breakdown by geography

Breakdown by rating

Sovereign bonds
(€3.3 B)



Corporate bonds¹
(€5.9 B)



Fidelidade's exposure to Caixa Geral de Depósitos was about €98 M in bonds and nil to Fosun at YE 2022

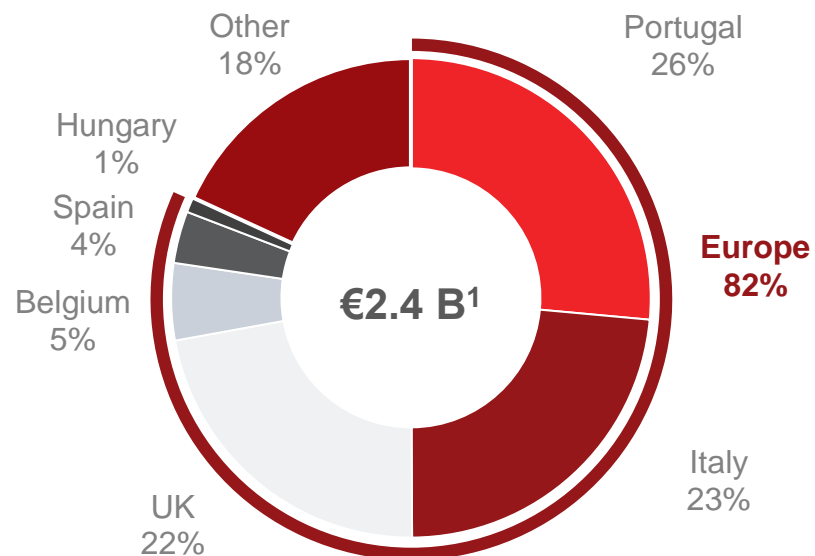
Source: Company information as of 31 December 2022

1. Excludes bond investment funds, loans, commercial paper & perpetual fixed income assets

Real estate portfolio: focus on premium assets

Breakdown by Region¹

% of Real estate investments



Top Real Estate Exposures^{1,2}

€ M, investments above €100 M

| | € M | Country | % of real estate | Sector focus | Occupancy level |
|-------------------------------------|--------------|----------|------------------|-----------------------------------|-------------------|
| Asset 1 | 574 | Italy | 23% | Office & Retail Development | 57% ³ |
| Asset 2 | 344 | UK | 14% | Office Complex | 80% |
| Asset 3 | 315 | Portugal | 13% | Mixed Use Development | n.a. ³ |
| Asset 4 | 172 | UK | 7% | Office Complex | 76% |
| Asset 5 | 127 | Belgium | 5% | Office Complex & Development Land | 75% |
| Asset 6 | 104 | Japan | 4% | Office Complex | 100% |
| Total RE >€100 M Projects | 1,637 | | 67% | | |

Source: Company information (31 December 2022)

1. Excludes own use real estate assets and investments in real estate funds (€98 M)

2. Projects with a book value over €100 M

3. Assets under development

Reduced equity exposure with limited co-investments with shareholders

Key considerations on equity exposure¹

- **Limited equity investments, c.6% of portfolio**
 - ✓ *Equity Investments sum up to €1.0 B.*
- **Well diversified investment portfolio**
 - ✓ *Geographical diversification with exposures to Europe, Asia, Latam and North America.*
- **More focused co-investments with Fosun**
 - ✓ *Approximately 66% reduction, from €756 M invested in 2017 to €252 M in December 2022.*

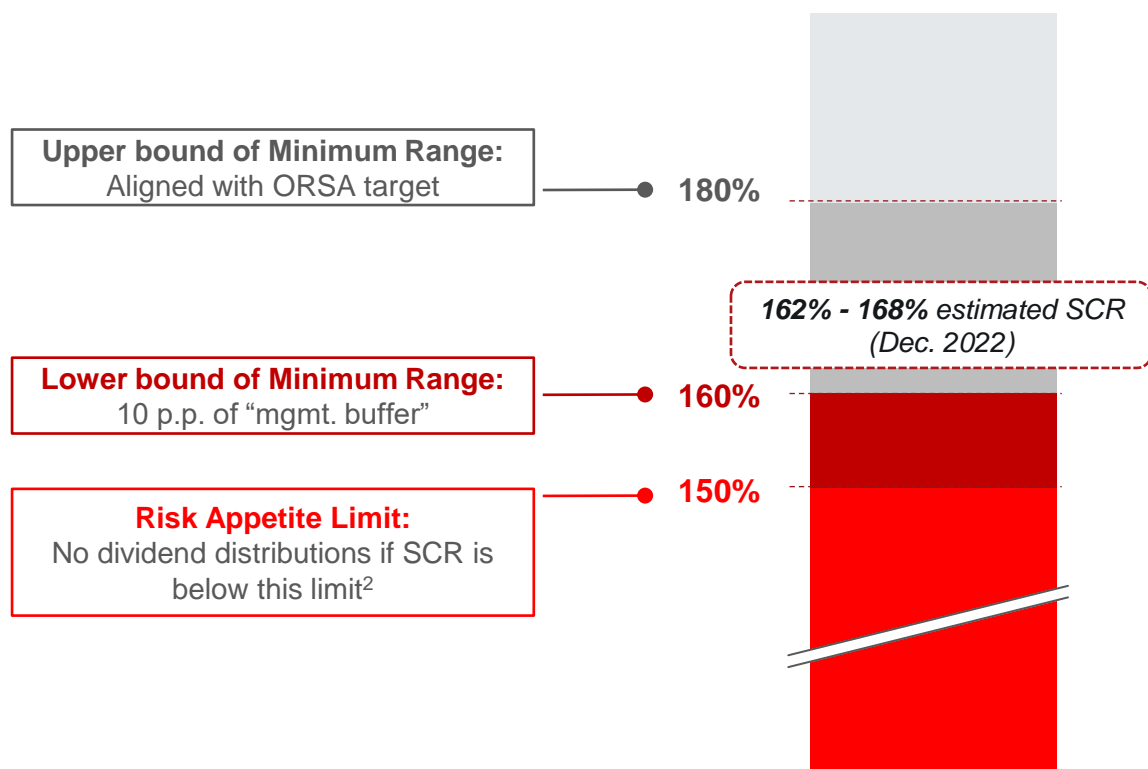
Equity Co-Investments with Fosun

€ M, Current book-value co-investments above €10M

| | € M | Country | Listed |
|-----------------------------------|------------|-----------|--------|
| New China Life Insurance | 143 | China | ✓ |
| Ageas | 85 | Belgium | ✓ |
| Chongqing Rural Commercial | 19 | Hong Kong | ✓ |
| Total Top 3 Co-Investments | 247 | - | - |
| Total Co-Investments | 252 | - | - |

Solvency II ratio buffers defined by Fidelidade as part of its risk appetite framework, validated by Fitch

Fidelidade Group Solvency Ratio¹



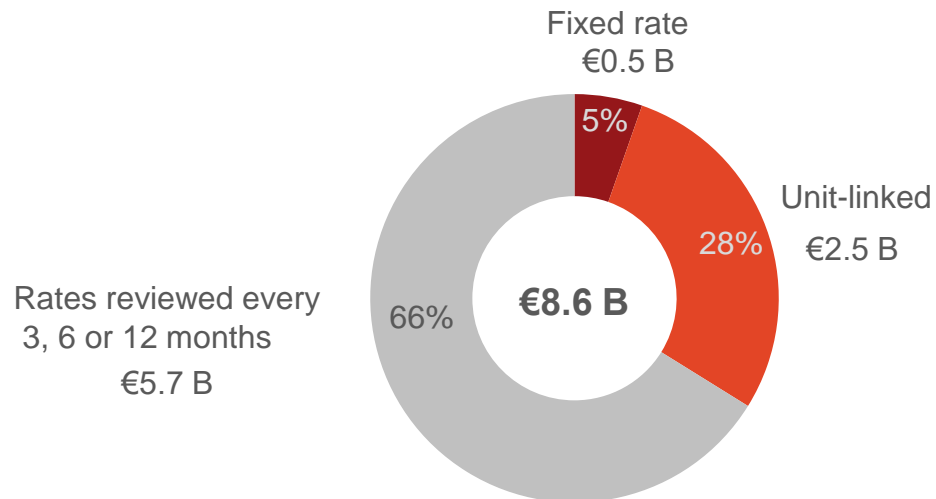
- Solid and sustainable capital position, validated by Fitch **reaffirmation of Fidelidade's A- rating in November 2022**
- **162% to 168% YE 2022 SCR guidance**, even after 2 one-off events:
 - The outstanding supplementary capital of €165 M was fully repaid in June. It had a -9 p.p. impact.
 - The acquisition of 49% of Luz Saúde in September. It reduced the SCR in approximately 10 p.p.
- **High organic capital generation short-term:**
 - Maturities of the Life guaranteed portfolio
 - Net Income generation
 - Optimization of subsidiaries capital efficiency

Source: Company information

1. Thresholds defined considering TMTP (Transitional Measure on Technical Provisions)
2. Unless measures to increase Solvency ratio above 150% in a period of no more than 3 months are put in place

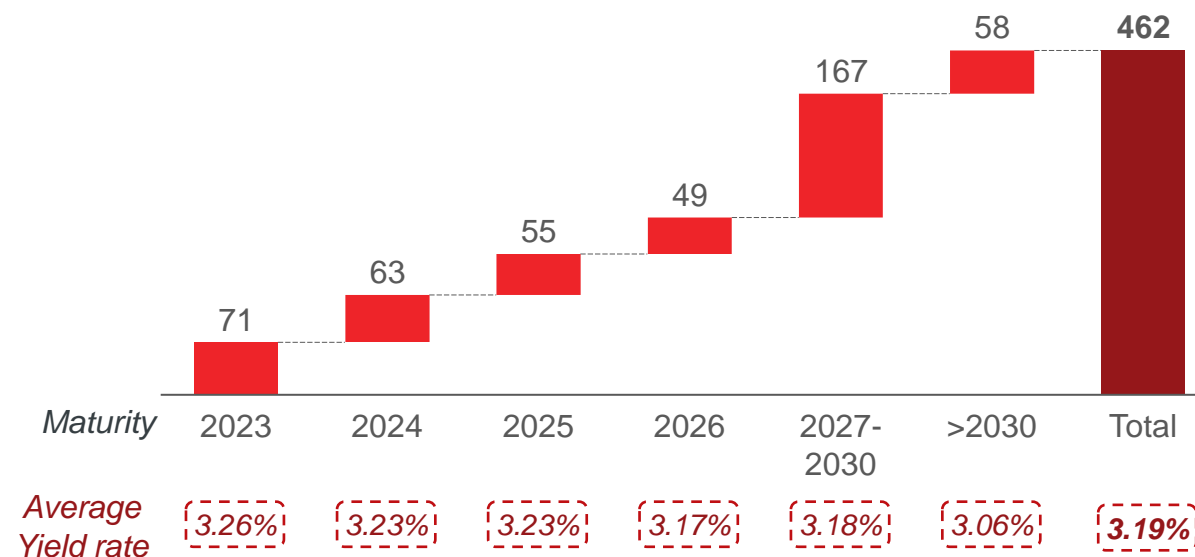
The Life Financial reshaping effort has been de-risking reserves

Portugal Life Financial Mathematical Reserves by Product



Fixed Rate Portfolio Maturities

Mathematical Reserves (€ M) maturity per year



- Cautious underwriting of Life products in 2020-2022 has been focused on non-guaranteed products.
- The 17% reserve decrease in the last 3 years reflects the reshaping of the Financial Life business.

IV.

2023 Outlook



Corporate strategy built on 4 key imperatives

1 PROPEL GROWTH



Ensure **commercial proactiveness** via omnichannel approach

Capture SME segment potential


Boost overall **customers' loyalty**

2 STEP CHANGE PROFITABILITY



Improve **operational efficiency**

Transform **Life Savings** business

Protect **business margin** optimizing capital 

3 PUT CUSTOMERS AT THE CENTER



Boost **Customer Experience** through **Digitalization**

Ensure a suitable and **differentiating offer**

Scale-up **ecosystems** by entering business beyond insurance

4 MOBILIZE THE ORGANIZATION



Develop & retain **talent** while fostering a **faster organization**

Boost **analytics** with clear **data strategy**

Foster sustainability via an **ESG strategy** 

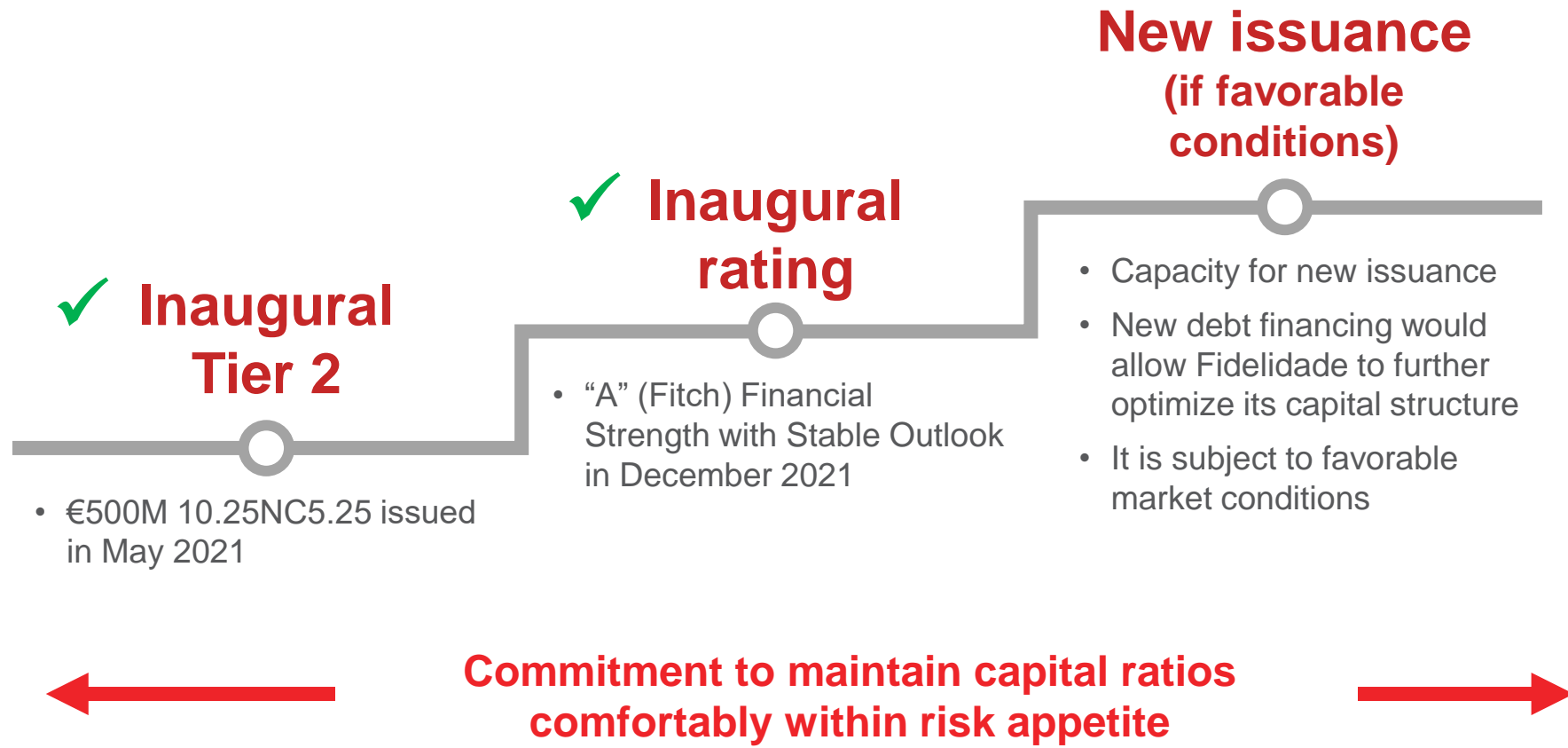


International

Expand and grow organically international operations, while exploring **opportunistic M&A opportunities**



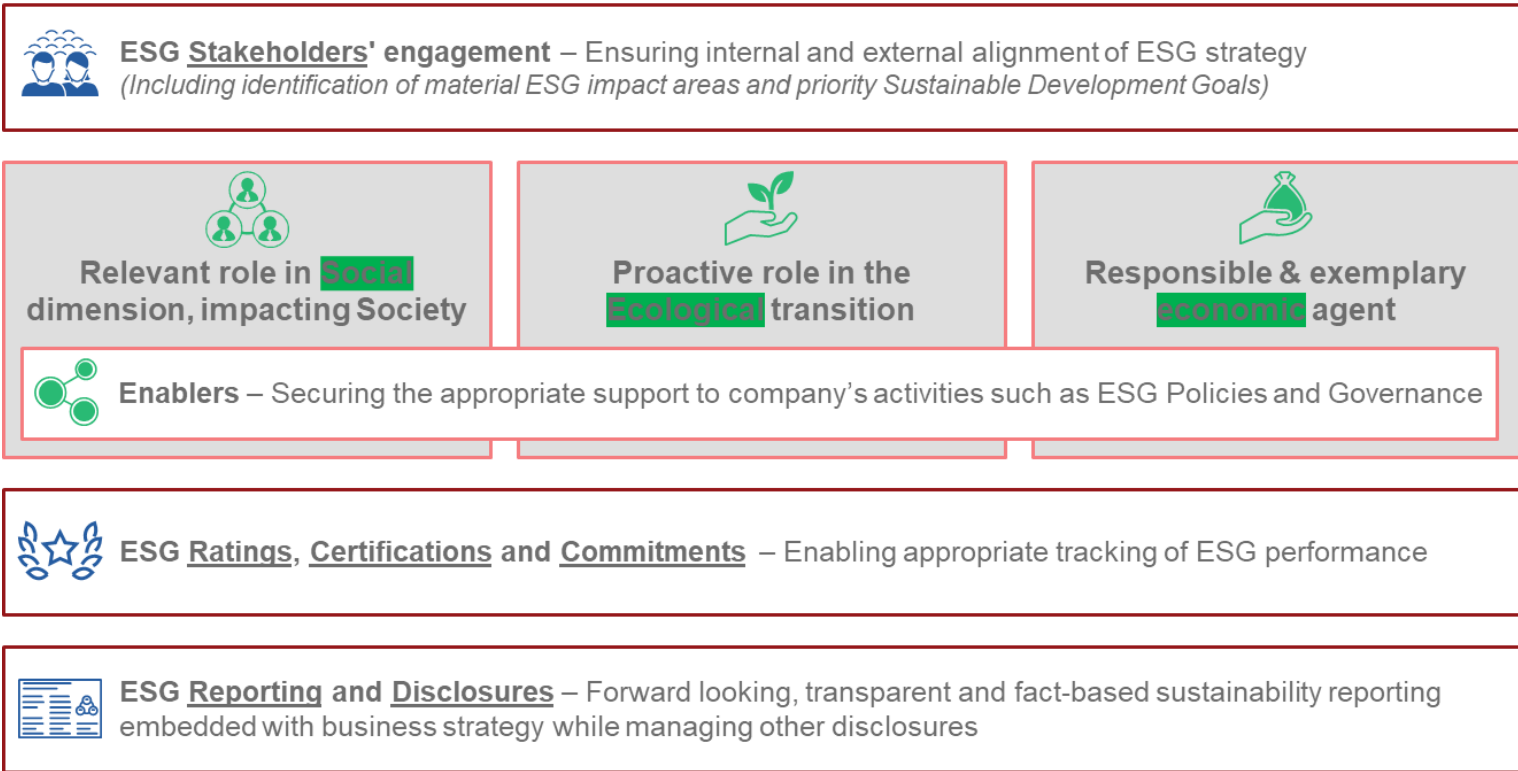
Fidelidade's proactive capital plan provides flexibility going forward



We have adopted a transparent and measurable ESG approach which is embedded in the organization

ESG Vision

Prepare the future, contribute for Society resilience, positively impacting all our stakeholders



Examples of measures implemented under this vision

- Initiated **external ESG rating**. Sustainalitics' 24.7, medium risk has become a baseline.
- Adjusted **governance structure**:
 - ✓ New **Sustainability Department**, reporting to Executive Committee.
 - ✓ New **Sustainability Committee**.
 - ✓ ESG-related **objectives** included in the personal balance score cards of all employees.
- Improved **reporting process**: Sustainability Report included as part of the Annual Report.

