

9M2024 Results

Lisbon, November 18, 2024

Unaudited figures

Net Income reached 152M€, down 4.9% YoY, while consolidated 9M2024 Gross Written Premiums (GWP) reached 4,345M€, a 15.8% increase YoY, underpinned by Portuguese operations (+20.0%) and international Life operations (+15.2%).

Key Figures (M€, otherwise noted)	9M2023	9M2024	Change YoY
Gross Written Premiums	3,752	4,345	15.8%
Net Income	160	152	-4.9%

Rogério Henriques, Fidelidade's Chief Executive Officer, commented on the main highlights of 9M2024:

"Fidelidade's recent credit rating upgrade and last May's RT1 issuance are two events closely related to three key strategic priorities aimed at bolstering Fidelidade's return on equity: optimizing capital and improving solvency, strengthening profitability, and adjusting our investment portfolio asset allocation."

"The credit rating upgrade reflects clear progress in these areas. Specifically, Fitch's rationale for the upgrade highlighted improvements in Fidelidade's strategic asset allocation and increased solvency - boosted by the RT1 issuance - as key drivers of the rating change."

"At the same time, the upgrade contributes to developing a profitability-strengthening virtuous cycle. For example, it reinforces Fidelidade's efforts to become a key player in the savings and retirement market and allows for the optimization of the reinsurance programs of our international businesses."

"Our management team remains focused on executing additional strategic measures already identified to drive further capital efficiency and profitability for Fidelidade."

Gross Written Premiums

The year-to-date consolidated GWP reached 4,345M€, reflecting a 15.8% growth compared to the same period in 2023, driven by the expansion of Portuguese operations and the international Life business.

Consolidated Life GWP rose by 25.0% to €1,958M, supported by growth in both Portuguese and international operations. Continuing a year-long trend, The Prosperity Company's unit-linked business growth and a consolidated double-digit expansion of the foreign Life Risk business drove the YoY increase in Life International premiums (+15.2%). Portugal Life premiums recorded a 30.0% YoY growth, on the back of successful Life Financial commercial campaigns in bancassurance, fast-growing Fidelidade Savings App, and traditional agent network channels during 3Q2024.

Total Gross Premiums Written (M€)	9M2023	9M2024	Change YoY
Portugal	2,516	3,018	20.0%
<u>Non-Life</u>	<u>1,473</u>	<u>1,662</u>	<u>12.9%</u>
Workers' Compensation	257	293	14.0%
Health	369	434	17.7%
Motor	500	549	9.7%
Fire and Other Damages	252	282	11.9%
Other	95	105	10.7%
<u>Life</u>	<u>1,043</u>	<u>1,356</u>	<u>30.0%</u>
Risk & Annuities	150	142	-5.5%
Life Financial – Guaranteed	593	939	58.3%
Unit-Linked	300	275	-8.4%
International	1,236	1,327	7.3%
<u>Non-Life</u>	<u>713</u>	<u>724</u>	<u>1.6%</u>
Workers' Compensation	83	84	0.5%
Health	98	93	-5.2%
Motor	163	168	3.2%
Fire and Other Damages	220	234	6.1%
Other	149	146	-2.0%
<u>Life</u>	<u>523</u>	<u>603</u>	<u>15.2%</u>
Risk & Annuities	248	286	15.0%
Life Financial – Guaranteed	80	69	-14.4%
Unit-Linked	195	248	27.5%
Total Premiums Management Accounts	3,752	4,345	15.8%

Consolidated Non-Life premiums reached 2,386M€, a 9.2% YoY growth, on the back of a 12.9% increase in Portuguese operations, whose four main lines of business, Workers' Compensation, Health, Motor, and Fire and Other Damages, exhibited significant expansions due to continuing repricing efforts and organic market growth. International Non-Life GWP grew by 1.6%. Peru's

Non-Life GWP saw a slight decrease over the first nine months of the year, due to 5% declines in both the Motor and Health businesses, generated by underwriting discipline in the former case and pricing and condition adjustments in the latter. Additionally, currency depreciation impacted euro-denominated volumes in Angola and Chile. Despite the exchange rate effect, Chile (up 27.7% in euros) was the main driver behind the International Non-Life GWP growth.

Total Gross Premiums Written (M€)	9M2023	9M2024	Change YoY
Non-Life	2,185	2,386	9.2%
Workers' Compensation	340	376	10.7%
Health	467	527	12.9%
Motor	663	717	8.1%
Fire and Other Damages	472	516	9.2%
Other	244	251	2.9%
Life	1,566	1,958	25.0%
Risk & Annuities	398	427	7.3%
Life Financial – Guaranteed	673	1,008	49.7%
Unit-Linked	495	523	5.7%
Total Premiums Management Accounts	3,752	4,345	15.8%

In the first nine months of 2024, Fidelidade maintained its leading position in the Portuguese market, holding an overall market share of 29.1%, a slight 0.3 p.p. reduction YoY. In the Life segment, Fidelidade's market share reached 28.5%, reflecting a decrease of 1.4 p.p. compared to the same period in 2023. In contrast, the Non-Life market share in Portugal reached 29.6%, up 0.6 p.p. YoY.

Profitability

Net Income reached 152M€ in 9M2024, down 4.9% compared to 9M2023, due to lower investment results. During the 9M2024, the consolidated Combined Ratio improved by 1.6 p.p. YoY to 90.2%, on the back of underwriting discipline, repricing efforts, and cost mitigation initiatives. All major lines of business in Portugal, especially Health, Fire and Other Damages, and Workers' Compensation, improved their technical profitability YoY. The Insurance Result was 321M€, up 36.5% YoY.

9M2024 Investment Result (including investment allocated costs) stood at 54M€, down 57.4% YoY. The decline is attributable to the increase in technical interest paid to Life Financial product holders and real estate impairments.

Profitability (M€, otherwise noted)	9M2023	9M2024	Change YoY
Insurance Result ¹	235	321	36.5%
<i>Non-Life Combined Ratio</i>	91.8%	90.2%	-1.6 p.p.
Investment Result ²	126	54	-57.4%
<i>Investment Yield</i> ³	3.2%	3.1%	-0.1 p.p.
Net Income	160	152	-4.9%

1. Includes Non-Life and Life Risk Insurance Service Result and Life Financial Technical Result

2. Includes allocated costs (previously reported excluding investment allocated costs)

3. Excludes unit-linked

Recent Developments

On September 27th, 2024, Fitch Ratings upgraded Fidelidade's Insurer Financial Strength (IFS) Rating to 'A+' from 'A' and its Long-Term Issuer Default Rating (IDR) to 'A' from 'A-', with a Stable Outlook. The upgrade reflects Fidelidade's reduced investment risk and 'Very Strong' capitalization and leverage, the group's 'Very Strong' company profile, and 'Strong' financial performance and earnings.