

Ocaso, S.A. Compañía de Seguros y Reaseguros

Financial and solvency situation report 2025

EXECUTIVE SUMMARY

Ocaso, S.A. Compañía de Seguros y Reaseguros (hereinafter, the Company) was founded in 1920, has its registered office in Madrid and operates mainly within Spain, with a small presence in Andorra (operating in the funeral, accident and assistance branches) and in the United Kingdom, the latter business having been in run-off since July 2021. Within its lines of business, the Company covers virtually all property and personal risks.

As of 31 December 2025, the Company's eligible Own Funds amounted to 1,662,947 thousand euros, representing 2.99 times the Minimum Solvency Capital Requirement; when compared with the Minimum Capital Requirement, Own Funds represent 11.95 times the required amount.

This scenario reflects the Company's strength, its historical stability and the Shareholders' policy of providing the Company with sufficient resources to meet all its commitments and obligations to its policyholders, always through its own internal generation and without resorting to external financing.

Profit before tax for the 2025 financial year was 136,595 thousand euros , with a turnover of 1,171,252 thousand euros. The Company specialises in life insurance products, which account for 54% of the Company's total business.

The Company's solvency, results and turnover reflect an appropriate governance system and a reasonable risk profile commensurate with its capitalisation levels.

The Company's governance system designates the Board of Directors as the highest governing body, except for those powers reserved for the General Meeting of Shareholders. However, the Board of Directors delegates the day-to-day management of the Company to the Chair and Vice-Chair of the Board of Directors and to the Company's management team, focusing its activities on the functions of strategy, supervision, monitoring and control.

The Board of Directors is supported by the Audit Committee as a delegated committee, which supervises the effectiveness of the internal control system and reports its findings to the Board of Directors.

The Board of Directors, as the body responsible for the Company's risk management system, approves the risk appetite framework and the various policies for managing different risks, always within a context of appropriate prudence, which forms the framework for the Company's risk profile. The Company classifies its risks into the following categories: actuarial, market, counterparty, operational, compliance, strategic and reputational.

The Company's internal control system, through a system of identification, assessment, control and periodic monitoring of risks, provides reasonable assurance regarding the efficiency and effectiveness of operations, the reliability of information, the adequate management of risks, regulatory compliance and the protection of assets, all of which is complemented by the internal audit function's review of the system.

Following approval at the Ordinary General Meeting of Shareholders and receipt of administrative authorisation from the competent authorities, with effect from 1 January 2025, for accounting purposes the Company has absorbed what was until then its subsidiary, Eterna Aseguradora, S.A. Compañía de Seguros y Reaseguros (Single-Member Company).

The volume of premiums written, net of reinsurance, of that entity prior to the merger, as at the end of the 2024 financial year, amounted to 17,714 thousand euros, with a pre-tax profit of 2,349 thousand euros. The company's main line of business was Other life insurance, accounting for approximately 83% of total premiums, with funeral insurance products included in this line.

This circumstance, together with its relatively minor significance in terms of size and volume, the similarities in the territorial organisation and distribution of both entities—and therefore in their business models—and the fact that Eterna Aseguradora, S.A.U. had outsourced its core functions to its parent company, means that the integration has no impact on either Ocaso's risk profile or its governance structure.

With regard to the key solvency ratios, the integration has not had a significant impact on Ocaso's own funds, as this entity already held, as the parent company, 100% of the shares in Eterna Aseguradora, S.A.U. and was therefore already valued in accordance with the principles of Article 75 of Directive 2009/138/EC.

The key solvency balance sheet figures reported by the merged entity, as at the end of the 2024 financial year, show total assets of 91,400 thousand euros (representing 2.1% of the total for Ocaso, S.A.), whilst its liabilities and the excess of assets over liabilities stood at 46,563 thousand euros and 44,837 thousand euros (representing 1.7% and 2.8% of the total for Ocaso, S.A. respectively). The integration has had virtually no impact on either the Minimum Solvency Capital or the Solvency Ratio, insofar as, at the end of 2024, the figures for both companies were 7,573 thousand euros and 592% for Eterna, and 477,262 thousand euros and 329% for Ocaso.

In light of the above, the Company ceases to be an Insurance Group for supervisory purposes, with all the reporting and documentation implications that this entails.

All the information contained in this report already includes the effect of the integration of the business of Eterna Aseguradora, S.A.U. on the balance sheet, governance and risk profile of Ocaso, S.A.

A. ACTIVITIES AND RESULTS

A.1. ACTIVITIES

Ocaso, S.A. Compañía de Seguros y Reaseguros (hereinafter, the Company) is a public limited company whose corporate purpose is to carry out insurance and reinsurance operations.

The Company was incorporated in 1920 and its registered office is located in Madrid, at Calle Princesa, 23.

The Directorate General of Insurance and Pension Funds is the authority responsible for the financial supervision of the Company and is located at Paseo de la Castellana, 44, Madrid; its contact telephone number is +34 952 24 99 82.

KPMG Auditores S.L., with its registered office at Torre de Cristal, Paseo de la Castellana, 259 C, Madrid, and telephone number +34 91 456 34 00, is the audit firm that has reviewed the Company's Financial and Solvency Statements.

The main shareholder of the Entity is Ms Isabel Castelo d'Ortega y Cortés, with a stake of approximately 92% of the total.

The Company retains its 100% stake in the funeral services company (Servicios Especiales, S.A.).

The Company's most significant line of business is Other life insurance, accounting for approximately 60% of total premiums, which includes funeral insurance products. Also noteworthy is the Fire and other property damage insurance line, accounting for approximately 26% of the total.

A.2. UNDERWRITING RESULTS

The underwriting result achieved by the Company for the 2025 financial year amounts to 106,918 thousand euros, compared to 112,445 thousand euros in the previous financial year, representing a decrease of 5,527 thousand euros.

During the 2025 financial year, the volume of premiums written net of reinsurance amounted to 1,134,558 thousand euros, an increase of 5.54% compared with the 2024 financial year, whilst the net loss ratio expense after reinsurance, including the change in other technical provisions, totalled 709,440 thousand euros, representing an increase of 5.66% compared with the previous financial year.

The underwriting result achieved for the 'Other life insurance' business line (including funeral and life insurance, excluding profit-sharing and unit-linked policies) is as follows:

	2025	2024
Allocated premiums (net of reinsurance)	695,708	655,207
Loss ratio plus variation in other technical provisions (net of reinsurance)	495,090	453,890
Other expenses / income	175,854	158,407
Underwriting result	24,763	42,910

(Figures in thousands of euros)

The decrease in profit compared with the previous financial year is mainly due to the increase in technical provisions for deaths, following the five-yearly review of the assumptions used to calculate the provisions under the systematic plan, together with the decrease in the financial result allocated to the technical account (the overall financial result remains at levels similar to those of 2024) associated with both the decline in returns on money market assets and lower capital gains. This reduction in income has been partly offset by higher income from fixed-income assets.

On the other hand, for the non-life business line Fire and other property damage insurance (which mainly includes the multi-risk home and community insurance branches), the breakdown is as follows:

	2025	2024
Allocated premiums (net of reinsurance)	286,623	266,023
Loss ratio plus variation in other technical provisions (net of reinsurance)	142,669	131,431
Other expenses / income	98,661	96,364
Underwriting result	45,294	38,228

(Figures in thousands of euros)

The increase in profit compared with the previous financial year is due both to an improvement in the combined ratio and to the increase in financial income resulting from higher capital gains on equity securities.

In terms of country breakdown, underwriting profit corresponds almost entirely to business conducted in Spain.

A.3. RETURNS ON INVESTMENTS

The result from financial investments as at 31 December 2025 totals 95,287 thousand euros, compared with 97,661 thousand euros in the previous financial year, broken down as follows:

	2025			2024		
	Income investment result	Expense investment result	Investment result	Income investment result	Expense investment result	Investment result
Fixed Income	69,460	-15,676	53,784	56,148	-16,224	39,924
Equities	16,351	-36	16,315	5,520	-331	5,189
Financial Swap	3,218	0	3,218	3,167	0	3,167
Deposits from Credit Institutions	0	0	0	7	0	7
Investment Funds	7,694	-168	7,526	17,146	-2,173	14,973
Short term	12,574	-2,828	9,746	24,070	-1,475	22,595
Unit-linked	45,686	-44,497	1,189	54,176	-43,980	10,196
Investments in Tangible Assets	3,167	-179	2,988	2,187	-323	1,864
Others	1,322	-801	521	717	-972	-255
Total	159,472	-64,185	95,287	163,138	-65,477	97,661

(Figures in thousands of euros)

The financial year 2025 was a year of global recalibration, with the world economy navigating between the technological momentum of artificial intelligence and the uncertainty of growing trade fragmentation. The latest OECD forecasts estimate global growth of 3.2% for 2025, showing a marked two-speed regional divergence: whilst emerging economies, led by India and China, maintained robust momentum, advanced nations faced the depletion of post-pandemic accumulated savings. Against this backdrop, the United States showed greater resilience through to the fourth quarter (growing by 2.2%) thanks to investment in infrastructure and a strong labour market. For its part, the Eurozone remained mired in lower growth, ending the year with growth of 1.4%, with Germany, as the region's leading economy, narrowly avoiding a technical recession, weighed down by its trade exposure to China and the structural challenges facing its automotive sector.

As for price stability, 2025 ended as a year of stable inflation, with most advanced economies managing to stabilise their CPI in the 2% to 2.5% range, despite persistent rigidity in the services sector stemming from wage pressures. This moderation allowed for a divergence in monetary policy: whilst the ECB implemented a more aggressive cycle of rate cuts to bring rates close to 2% and thus avoid economic stagnation in the eurozone, the Federal Reserve opted for caution. Following some initial downward adjustments, the Fed kept rates within a range of 3.50% to 3.75% to shield itself against potential inflationary rebounds driven by high US public spending.

Structurally, 2025 marked the definitive transition of Artificial Intelligence from the phase of mere experimentation to an era of real-world implementation, where companies that integrated generative solutions into their workflows began to report significant productivity gains. This roll-out was underpinned by unprecedented capital expenditure (CAPEX) in data centres and specialised hardware, establishing itself as the main driver of global economic growth and acting as a critical support for the stock market, which rewarded leading technology companies with record valuations, but with growing doubts regarding those unable to monetise this infrastructure. However, this technological optimism was overshadowed by a geopolitical environment defined by the return of protectionism, where the US administration reinstated widespread tariffs of 10% globally and up to 60% on products from China, leaving Europe facing an average tariff rate of 15% on its exports to the United States.

As for credit, the 2025 financial year was characterised by a historic narrowing of credit spreads, in an environment where excess liquidity and the search for yield dominated market sentiment. Despite macroeconomic challenges, the perception of risk remained unusually low for much of the year, reflecting confidence in a soft landing for developed economies.

In 2025, equity underwent a net change in deferred taxes of 38,922 thousand euros compared with the previous financial year. Specifically, the valuation difference in financial assets classified as 'available for sale' has risen from 45,786 thousand euros in 2024 to 84,708 thousand euros in 2025. These changes relate to debt securities (20,516 thousand euros), collective investment undertakings (22,234 thousand euros), equity instruments (8,771 thousand euros) and deferred tax liabilities (-12,599 thousand euros).

Ocaso's investments in securitisations consist entirely of senior tranches of Spanish mortgage securitisations with investment-grade credit ratings, representing a minority position in relation to the total portfolio (0.21%).

A.4. INCOME FROM OTHER ACTIVITIES

Non-technical income incurred by the Entity in the 2025 financial year amounts to 3,928 thousand euros, compared with 2,679 thousand euros in 2024. In addition, non-technical expenses for the 2025 financial year amounted to 8,958 thousand euros, compared with 7,850 thousand euros in the previous financial year. There is no other significant information regarding the activity and results of the insurance or reinsurance company.

B. GOVERNANCE SYSTEM

B.1. GENERAL INFORMATION ON THE GOVERNANCE SYSTEM

The Board of Directors is the Company's highest governing body, except in matters reserved for the competence of the General Meeting. However, the Board of Directors delegates the day-to-day management of the Company to the Chair and Vice-Chair of the Board of Directors and to the Company's management team, focusing its activity on the general functions of strategy, supervision, monitoring and control.

Its functions include determining and approving the Company's general policies and strategies, and preparing the Annual Accounts for submission to the General Meeting of Shareholders for approval. It also ensures the effectiveness of the Organisation's governance system, in particular the proper functioning of risk management, regulatory compliance, internal audit and actuarial functions, as well as outsourced activities or functions; It approves the reports on the internal assessment of risks and solvency (ORSA) and the report on the financial and solvency position; identifies the Entity's main risks; and determines the establishment, documentation and maintenance of internal control procedures.

As at the end of 2025, the Board of Directors comprises a Chair and a Vice-Chair, both of whom hold executive roles, and six directors, two of whom are independent.

The Board of Directors has an Audit Committee acting as its executive committee. It is made up of three of the non-executive directors, including the two independent directors, and is responsible for supervising the effectiveness of the internal control system and, within this, the actuarial, internal audit, risk management and compliance functions, and for reporting its conclusions to the Board of Directors.

The actuarial, risk management and compliance functions, for their part, carry out ongoing monitoring—based both on information provided by risk managers and on information generated internally—of the risk indicators established to ensure continuous compliance with the risk appetite approved by the Board of Directors, and with solvency requirements, whether derived from the ORSA process or from the calculation of the Solvency Capital Requirement.

The internal audit function, operating under the Vice-Chair of the Board of Directors, carries out an independent review of the entire internal control and risk management system, ensuring its alignment with the Entity's risk profile and strategic objectives.

Members of the Board of Directors receive a fixed annual allowance approved by the General Meeting of Shareholders. The remuneration policy approved by the Board of Directors helps to strengthen the Entity's risk management system and its alignment with its business model. The Entity's remuneration system is designed to promote objectivity and, to this end, is based on a corporate job matrix, which includes a valuation of the pay scale for each group and level, as well as an annual individual assessment of each employee's performance and position within that matrix. Generally speaking, fixed remuneration clearly predominates over variable remuneration. In the case of sales staff, variable

remuneration is determined on the basis of individual targets and in no circumstances constitutes a substantial part of their total remuneration.

B.2. SUITABILITY AND GOOD CHARACTER REQUIREMENTS

The policy on competence and integrity sets out the persons to whom it applies, as well as the requirements that must be met to ensure compliance.

This policy applies to the Board of Directors, members of senior management and those performing actuarial, internal audit, risk management and regulatory compliance functions.

The requirements set out in the policy ensure that the persons concerned possess the appropriate professional qualifications, competence, experience, reputation and integrity to enable the sound and prudent management of the Company.

With regard to professional aptitude or qualifications, it is required, as appropriate, to have higher education or continuing professional development in economics, law, actuarial science, finance, business administration or management, and in particular in the specific area of insurance and financial services, as well as experience demonstrating possession of the necessary competencies defined in the various policies relating to the Company's governance system. In the case of the Board of Directors, its members collectively possess the appropriate qualifications, experience and knowledge.

With regard to the requirement of good repute, consideration is given to a personal track record of compliance with commercial laws and other laws governing economic activity and business life, as well as good commercial, financial and insurance practices.

The above requirements are met on an ongoing basis, with a record kept of the initial assessments and periodic reviews carried out, as well as the associated documentation.

B.3. RISK MANAGEMENT SYSTEM. RISK AND SOLVENCY SELF-ASSESSMENT

The risk management system is based on the definition and establishment of the level of risk appetite and tolerance approved by the Board of Directors and involves the entire organisation.

The Company classifies its risks into the following categories: actuarial, counterparty, market, operational, compliance, strategic, reputational and sustainability risks.

For all these categories, the organisation and general distribution of the main responsibilities regarding risk management are as follows:

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- Board of Directors: is responsible for approving the risk appetite and tolerance framework and the policies relating to the management of the various risks, as well as for ensuring the effectiveness of the entire risk management system.
 - Audit Committee: is responsible for ensuring, based on information provided by the actuarial, risk management and compliance functions, that the risk management and internal control systems are effective, and for reporting this to the Board of Directors.
 - Management: is responsible for implementing and ensuring compliance with both the risk appetite framework and the various risk management policies, as well as for reporting to the Board of Directors, based on information provided by the Risk and Compliance Committee, on the degree of compliance with the approved risk appetite and tolerance levels.
 - Risk Management and Compliance Committee: this committee is responsible for analysing and reviewing the information produced in the area of risk management by the actuarial, risk management and compliance functions, prior to its submission to senior management. Specifically, it analyses the results of periodic assessments of economic capital requirements derived from the ORSA and Minimum Solvency Capital (MSC) processes, the corporate risk map derived from risk self-assessments, and the various stress tests or scenarios carried out. Furthermore, it reviews the periodic information prepared by the risk management function regarding the degree of compliance with the approved risk appetite and tolerance levels.
 - Risk Management Function: this function is responsible for ensuring, subject to the guidelines established by the Board of Directors and current regulations, the comprehensive, uniform and consistent management of the risks to which the Entity is exposed, coordinating, with those responsible for the various risks, the entire process of identifying, assessing, monitoring, controlling and mitigating significant risks, as well as ensuring ongoing compliance with the risk appetite level. In particular, it coordinates the calculation of the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR) in each of its modules, as well as the Own Risk and Solvency Assessment (ORSA) process. It reports periodically to the Board of Directors via the Audit Committee.
 - Actuarial and regulatory compliance functions: these are responsible for fulfilling the responsibilities relating to actuarial and regulatory compliance risks respectively, in both cases in coordination with the risk management function itself, reporting annually to the Board of Directors via the Audit Committee.
 - Risk owners: the business and support units are responsible for managing and controlling the various risks within their remit and in accordance with the relevant policies.

The main objective of the internal risk and solvency assessment (ORSA) process is to determine the free capital (economic capital) that the Entity must hold to cover losses it may incur over the planning period in question and in accordance with a specified confidence interval; this represents an alternative to the capital requirements determined by the Solvency Capital Requirement (regulatory capital). The ORSA process begins with the income statement budgeting process for the periods included in the planning horizon (three years) and involves the participation and engagement of all business units on . Coordination is carried out by the Management Control and Solvency department, which ensures

alignment with the Company's risk profile and the established risk appetite, with senior management ultimately approving the central planning scenario.

Based on this, the expected standard deviation of the main income statement variables is estimated, so that, using the mean and standard deviation of the projected variables, scenarios consistent with income statement simulations are established for each year of the planning period using statistical techniques, incorporating an additional variable that captures elements not reflected in the income statement. The overall solvency requirements (economic capital) are represented as the amount that ensures that only in very few cases (250 out of the 50,000 scenarios calculated) the potential cumulative losses over the three years would exceed that amount, which is equivalent to saying that the amount of these requirements covers 199 out of 200 possible cases (99.5% confidence level) over the planning horizon (three years). As for the own funds available to meet these requirements, the amount is obtained by adding to the funds existing at the end of the last financial year the projected profits net of tax and dividends, plus any planned increases or decreases in own funds.

The ORSA exercise is carried out at least once a year and is approved by the Board of Directors on the basis of the report prepared by the risk management function.

B.4. INTERNAL CONTROL SYSTEM

The internal control system is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability, integrity and availability of financial and non-financial information, adequate risk management in accordance with the Company's strategic objectives, compliance with applicable laws and internal policies and procedures, and the protection of assets.

The Company's internal control system operates under the ultimate responsibility of the Board of Directors and is based on a separation of duties and responsibilities, both at the operational level between the different business and support areas, and between these and the actuarial, risk management, compliance and internal audit functions.

The Company's internal control system includes at least the following processes and activities:

- The identification, assessment, control and monitoring of relevant underwriting, market, counterparty, operational, compliance, strategic, reputational and sustainability risks, taking into account their potential impact on key management objectives.
- The management and analysis of these risks by each of the business and support areas.
- The establishment of a framework of policies, guidelines and limits, as well as the corresponding mechanisms for their approval and implementation, which enable risk management to be carried out effectively in accordance with the Company's risk appetite.

- The measurement and control of risks in accordance with uniform procedures and standards common to all of them, and in particular, the periodic monitoring and control of balance sheet and equity risks with the aim of ensuring the Company's solvency.
- Information systems that enable regular and transparent reporting of the results of risk monitoring, control and management, including compliance with policies and limits.
- Review of the system by the internal audit function.

In order to assess the functioning and effectiveness of the internal control system, the Board of Directors receives annually, via the Audit Committee, in addition to the reports from the risk management, actuarial and compliance functions, a specific report prepared by the risk management function, which sets out the scope, methodologies, effectiveness and deficiencies of the system, the proposed action plans and corrective measures, and the degree of progress made on the action plans identified the previous year.

Within the internal control system, the compliance function is responsible for coordinating communication to the Board of Directors, via the Audit Committee, regarding:

- Compliance with legal, regulatory and administrative provisions of material impact affecting the Company.
- The identification, assessment, control and monitoring of regulatory compliance risks.
- Monitoring the degree of implementation and effectiveness of the controls identified during the previous assessment process by the various risk managers.
- The assessment of the impact and monitoring of the process of analysing and implementing any substantial changes to the legal environment affecting the Company's operations.

Compliance risk management is based, like the risk management system as a whole, on a decentralised approach involving the participation of compliance risk managers and specialists from the various regulatory areas, coordinated through the compliance function.

As part of the process of reporting on the results of the analyses carried out, this function prepares periodic compliance reports, the annual compliance plan and the annual activity report, which are reviewed and analysed by the Risk and Compliance Committee and submitted to the Audit Committee for forwarding to the Board of Directors.

B.5. INTERNAL AUDIT FUNCTION

Internal audit is an independent function within the Company which continuously analyses, evaluates and monitors the procedures, practices and activities that constitute the internal control systems. The fulfilment of this objective involves analysing and verifying:

- That an effective governance system is in place capable of ensuring sound and prudent management of the business.

- That the policies and procedures comprising the internal control system are applied consistently and efficiently, enabling adequate risk management.
- That the processes are appropriate and are carried out in accordance with the approved policies and procedures.
- That all significant risks are correctly identified, assessed and controlled.

All of this is aimed at helping to safeguard the assets and interests of shareholders, supporting the Company by issuing recommendations and monitoring their implementation, and seeking to improve the control environment.

In carrying out its activities, the internal audit function coordinates with other business areas and/or departments and, in particular, with the other key functions. Furthermore, members of the internal audit function have access, for the purposes of carrying out their work, to all documents and records deemed relevant and to all areas and departments of the Company.

The internal audit function reports operationally to the Vice-Chair of the Company's Board of Directors. This ensures its operational independence and the proper performance of its duties.

In order to preserve their independence, members of the internal audit function do not participate in other operational or management functions of the Company; however, in exceptional cases, upon the instruction of the Supervisory Bodies, they may carry out sporadic and specific operational functions relating to the control and mitigation of economic and financial risks.

Furthermore, it is the responsibility of the members of the audit function to maintain an attitude that fosters independence and objectivity in relation to the activities being audited, as well as to avoid actions or situations that undermine their professional integrity, give rise to conflicts of interest or cause harm.

With regard to the flow of information between the internal audit function and the Board of Directors, the key elements are as follows:

- Three-Year Audit Plan setting out the broad lines of action, which must be detailed in the necessary Annual Plans.
- Annual report on the function's activities, which shall include a summary of the function's activity across its various areas of operation, as well as the main conclusions and recommendations issued.

These documents are submitted for approval to the Board of Directors via the Audit Committee.

B.6. ACTUARIAL FUNCTION

Responsibility for the actuarial function is assumed by the Technical Deputy Director, who reports to the Deputy General Manager, supported by the Management and Risk Control Division, the Risk and Regulatory Compliance Committee and the Business Divisions (Actuarial and Research, Underwriting, Claims and Reinsurance, and International).

In carrying out its activities, the actuarial function coordinates with other units, as it needs to use the information and documentation generated by them. In this regard, a cooperative working relationship between the actuarial function and the entity's other areas and departments promotes sound management.

In the course of its work, the actuarial function is authorised to request any information it deems relevant. Should the person responsible for such information consider it to be restricted, express authorisation shall be required, for which the appropriate authorisation mechanisms shall be established. In this regard, the actuarial function may also require permanent access to the data and IT systems relevant to its work. The actuarial function shall immediately report any attempt to obstruct the performance of its duties.

As the actuarial function is one of the key functions, this structure is considered appropriate given the size, nature, scale and complexity of the entity's activities. It also has sufficient human, technological and financial resources to fulfil its objective effectively, with access to all information and documentation generated by other units. All members of the actuarial function collectively possess the knowledge, skills and competencies necessary to fulfil their responsibilities. Furthermore, the head of the actuarial function meets the integrity requirements set by the Company.

B.7. OUTSOURCING

The Company has not currently outsourced any of its key functions (actuarial, risk management, regulatory compliance and internal audit) nor any operational activity considered critical in accordance with the outsourcing policy approved by the Board of Directors.

The service delivery model for the services covered by the insurance contracts underwritten by the Company is based on the existence of an extensive network of partners and suppliers throughout the country, whether funeral providers in the case of funeral insurance or claims adjusters and repairers in the case of multi-risk insurance, with a specific department in all cases responsible for their selection, control and monitoring.

In the case of services linked to travel assistance cover, legal defence, and legal or medical advice, the requirements, control and monitoring are reinforced through a detailed analysis of the technical and financial guarantees of the suppliers, together with the need for both the supplier and the Company to have operational contingency plans in place in the event of the impossibility of providing the service offered (including the availability of alternative providers). Furthermore, models are in place for monitoring and evaluating the quality levels of the services provided.

B.8. CONCLUSION

In accordance with all that has been set out in section B of this report, it is considered that the existing governance system is appropriate to the nature, scale and complexity of the risks assumed and inherent in the Company's activities and therefore provides reasonable assurance regarding the efficiency and effectiveness of operations, the reliability of information, risk management, regulatory compliance and the protection of assets.

C. RISK PROFILE

The underwriting and reinsurance risk management policy and the investment policy establish the framework for action and the limits to be observed in their respective activities by the underwriting and investment departments, whilst the risk appetite framework determines the levels of appetite and tolerance, as well as the associated measurement and monitoring system, indicators and thresholds, which must serve as the basis for the risk management system to ensure that these remain within the parameters established by the Board of Directors and that, in the event of a deviation, the necessary action plans are implemented to correct them.

The three top-level indicators approved by the Board of Directors are as follows:

- Solvency ratio: measures the ability to absorb unexpected losses using the Company's own funds.
- Overall risk-adjusted return ratio: measures the return on the business in terms of the risk assumed in that activity.
- Liquidity ratio: measures the ability to meet payment obligations using the Company's liquid assets.

C.1. UNDERWRITING RISK

Underwriting risk is understood as the risk of loss or adverse change in the value of insurance liabilities due to the inadequacy of pricing assumptions and the establishment of provisions. The risk structure and the valuation and management methods vary according to the type of product or insurance class (mainly Funeral, Life, Unit-Linked and Non-Life, primarily multi-risk). The breakdown of net technical provisions after reinsurance as at 31 December 2025 is as follows:

Modality Group	Amount of technical provisions (excluding risk margin)	% of total
Funeral	1,490,128	61.65%
Life	638,786	26.43%
Unit-linked	157,862	6.53%
Non-life	130,303	5.39%
Total	2,417,079	100.00%

(Figures in thousands of euros)

For the assessment and monitoring of underwriting risk, a set of second-level indicators has been defined to enable better monitoring of compliance with the risk appetite established by the Board of Directors. With regard to underwriting risk, these indicators are as follows for each of the product groups mentioned:

- Ratio of the Solvency Capital Requirement for underwriting risk to the value of the corresponding liabilities.
- Ratio of underwriting profit to the Solvency Capital Requirement for underwriting risk.

In order to enable continuous monitoring aligned with the day-to-day management of underwriting risks, third-level indicators are established, which are calculated at least on a quarterly basis. In this case, the range of indicators is broader and depends on the type of product analysed, with the main variables analysed being as follows:

- Funeral: average age of the portfolio, average length of time in the portfolio, average premiums written and in force, number of deaths, ratio of service costs to contracted capital, cancellations, management expenses and management capacity.
- Life: technical result and cancellations in term life insurance, surrenders and management expenses in endowment insurance.
- Other: average premiums for new business and portfolio, loss ratio, trends in loss ratio reserves and operating expenses.

Exposure to the various underwriting risks is logically linked to the volume and characteristics of the products sold. Thus, in Funeral and Life insurance, due to the duration of the projected cash flows, the main risks stem from a possible long-term increase in mortality and cancellation rates, whilst in non-life insurance they relate to a possible deterioration – in this case of an immediate nature – in the technical result, primarily due to an unforeseen increase in loss ratio in the fire and other property damage lines. To manage or prevent this possibility, reviews are carried out of the methodologies and calculations applied to the valuation of liabilities. Stress tests are also performed using variations in mortality, survival, lapse and expense assumptions. In the case of Non-Life business, the analysis is carried out using variations in the different parameters affecting the frequency and severity of claims.

The composition of the Company's product portfolio prevents any significant additional loss arising from risk concentration, whether sectoral or geographical, in this case due to the geographical diversification of the main property, home and community insurance policies. Furthermore, in cases where, due to a materialised event (fire, storm, etc.), such a concentration of risk might occur, the Company has, in addition to the cover provided by the Insurance Compensation Consortium, reinsurance contracts that would significantly reduce the initial impact.

An annual assessment is carried out of the types of reinsurance agreements and the levels of risk transfer based on the different coverages of the affected products, and compliance with the minimum credit quality of the counterparties and the adequacy of liquidity in the event of an unexpected default by any of the reinsurers is analysed.

C.2. MARKET RISK

Market risk is understood as the risk of loss or adverse change in the financial position as a result of fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments. Market risk includes interest rate, equity, foreign exchange and property risks. The Company also includes under this heading the credit risk arising from financial assets (excluding cash and cash equivalents), which

is understood as the risk of loss or adverse change in the financial position as a result of fluctuations in the creditworthiness of the issuers of such securities. In this case, this includes credit spread risk and issuer concentration risk.

The investment policy approved by the Board of Directors incorporates the principles that must govern the Bank's investment management and market risk criteria, in particular the principle of prudence, establishing that for any investment, the Bank's capacity to manage it, associated risks, consistency with the interests of beneficiaries and policyholders, and the impact on the quality, security, liquidity, profitability and availability of the entire portfolio, all within the established limits of risk appetite and tolerance. It also defines the other applicable principles (security, profitability, liquidity, maturity matching, diversification and dispersion, and currency matching), the organisational model, the responsibilities and functions to be carried out by the relevant departments, as well as the quantitative and qualitative limits and the risk management tools to be taken into account in each case.

The market value and composition of investments, according to the associated risks, and distinguishing between euros and other currencies, as at 31 December 2025, are as follows:

Assets	2025		2024	
	Amount	% of Total	Amount	% of Total
Public debt	1,366,870	31.51%	1,256,837	30.56%
Corporate fixed income	1,712,596	39.48%	1,753,124	42.63%
Variable income	198,483	4.58%	142,680	3.47%
Deposits (non-treasury)	0	0.00%	0	0.00%
Shares	148,982	3.43%	180,209	4.38%
Real estate and tangible fixed assets	199,699	4.60%	192,590	4.68%
Unit-linked	157,862	3.64%	167,298	4.07%
Total Euros	3,784,492	87.25%	3,692,738	89.80%

Assets	2025		2024	
	Amount	% of Total	Amount	% of Total
Public debt	53,700	1.24%	50,042	1.22%
Corporate fixed income	257,183	5.93%	249,100	6.06%
Variable income	242,133	5.58%	120,458	2.93%
Deposits (non-treasury)	23	0.00%	15	0.00%
Total Foreign Currency	553,039	12.75%	419,615	10.20%
Total	4,337,531	100.00%	4,112,353	100.00%

(Figures in thousands of euros)

The main changes in the structure and composition of the investment portfolio compared to 2024 are the increase in equities (from 6.4% in 2024 to 10.16% in 2025), primarily via investment funds, primarily at the expense of corporate fixed income (from 48.69% in 2024 to 45.41% in 2025), and, to a lesser extent, an increase in the weight of government debt (from 31.78% to 32.75%), and a decrease in equity holdings (from 4.38% to 3.43%), in this case due to the merger of Ocaso, S.A. and Eterna, S.A.U. Furthermore, exposure to foreign currencies increases from 10.20% in 2024 to 12.75% in 2025, primarily in US dollars.

Investment in government debt relates mainly to the Spanish government (80.92%) and, to a lesser extent, to the Italian government (15.16%), compared with 88.57% and 7.53%, respectively, in 2024.

57% of corporate fixed income in euros has an A rating or higher and 41% a BBB rating (41% and 57% in 2024), whilst in foreign currencies 71% has an A rating or higher and 25% a BBB rating (compared to 48% and 48% in 2024).

In equities (euros and foreign currencies), only 12% of investments are direct (of this percentage, 96% corresponds to listed equities in OECD countries), whilst the remaining 88% (33% in euros and 55% in foreign currencies) is channelled through investment funds, all of which have a highly diversified portfolio of securities.

Of the total investment in foreign currencies (553,039 thousand euros), 5,984 thousand euros covers the amount of net technical provisions relating to business written in the United Kingdom, and therefore reduces exposure to this risk by that amount.

As regards investment in property and tangible fixed assets, 72% is for own use, the same percentage as in 2024.

For the assessment and monitoring of these risks, and based on the first-level risk appetite indicators established by the Board of Directors, second-level indicators are defined to enable better monitoring of compliance with risk appetite; in relation to market risk, these are:

- Ratio of the Solvency Capital Requirement for market and counterparty risk to the value of the associated investment portfolio.
- Ratio of the investment portfolio's return to the Required Solvency Capital for market and counterparty risk.

Furthermore, in order to enable continuous monitoring aligned with the day-to-day management of market risks, third-level indicators are established, which are calculated at least quarterly and which also seek to anticipate any potential breaches of the approved risk appetite levels. Depending on the risk analysed, the main variables used are as follows:

- Interest rates: differences, by portfolio and at an aggregate level, between the present value of associated assets and liabilities; sensitivity movements due to shifts in the yield curve; asset reinvestment analyses.
- Equities: exposure relative to the total investment portfolio and by country and sector; portfolio volatility and returns, distinguishing in all cases between direct investment and investment via funds.
- Currencies: exposure, net of liabilities, in currencies relative to the total investment portfolio and exchange rate movements, broken down separately in all cases for each currency.
- Property: valuation figures, geographical distribution and returns.
- Credit spreads: distribution of public debt by country, corporate fixed income by sector, issuer ratings and durations to maturity.
- Issuer concentration: exposure by issuer within the investment portfolio and the ratings of the main concentrations.

The largest concentrations are in government bonds issued by the Spanish government (representing 26.50% of the total investment portfolio) and the Italian government (4.97%), whilst no corporate bond issuer exceeds 1.5%.

The greatest sensitivity to risk stems from downward movements in the yield curve. Consequently, stress tests are carried out periodically in response to movements in this curve, and their effect on the affected assets and liabilities is assessed. With regard to investments in equities and foreign exchange, volatility analyses are carried out periodically and the effects on the portfolio of changes in share prices and exchange rates are assessed. In addition to periodic assessments, alternative scenarios are analysed whenever events occur that may affect a significant portion or the majority of the market prices of the investments.

C.3. CREDIT RISK

Credit risk arising from cash and non-financial assets is understood as the risk of loss or adverse change in the financial position as a result of fluctuations in the creditworthiness of the issuers of such securities.

Credit risk management is addressed, depending on the asset concerned, in the risk management, investment and reinsurance management policies.

The composition of assets subject to this risk as at 31 December 2025 is as follows:

Assets	2025		2024	
	Amount	% of total	Amount	% of total
Loans to Reinsurers	13,972	12.37%	16,719	19.22%
Loans from insurance operations	17,575	15.56%	16,697	19.20%
Cash and cash equivalents	86,206	76.34%	57,051	65.59%
Derivatives	-4,822	-4.27%	-3,491	-4.01%
Total	112,931	100.00%	86,976	100.00%

(Figures in thousands of euros)

To assess and monitor these risks, and based on the first-level risk appetite indicators established by the Board of Directors, second-level indicators have been defined to enable better monitoring of compliance with risk appetite. In relation to credit risk, these are:

- Ratio of the Solvency Capital Requirement for market and counterparty risk to the value of the associated investment portfolio.
- Ratio of the investment portfolio's return to the Required Solvency Capital for market and counterparty risk.

In order to enable continuous monitoring aligned with the day-to-day management of credit risk, third-level indicators have been established, which are calculated at least quarterly and aim to anticipate any potential breach of the approved risk appetite levels. Depending on the asset analysed, the main variables used are as follows:

- Loans to reinsurers: exposure level by reinsurer and reinsurers' ratings.
- Loans arising from insurance operations: exposure is analysed by type of business, branch and age of outstanding receivables.
- Cash and other liquid assets: level of exposure and rating by financial institution.

The main risk in this case stems from exposure in current accounts with financial institutions.

C.4. LIQUIDITY RISK

Liquidity risk is the risk arising from the inability to liquidate investments in order to meet financial obligations without incurring a substantial loss on them.

The investment policy includes the principle of liquidity as one of the basic principles in the management of investments and market risks, and establishes that, to limit this risk, cash holdings shall consist of assets with a maturity of less than three months and money market funds.

The liquidity ratio is one of the three top-level risk appetite indicators established by the Board of Directors and is defined as the ratio of expected cash inflows (including the existing cash balance) to expected cash outflows over the next 12 months.

In addition to monitoring this indicator, and in order to ensure liquidity in exceptional situations (which are particularly unlikely at the Bank given its business model), third-level indicators are established, which are calculated at least quarterly and analyse the following variables related to the liquidity of the investment portfolio: the amount of equities that can be liquidated within one day, the amount in investment funds according to their size (liquidation value) and the amount in fixed-income issues according to their total issue value.

The amount of expected profit included in future premiums is, as at 31 December 2025, 153,124 thousand euros for life insurance products and 28,641 thousand euros for non-life insurance products.

The Company considers that the characteristics of the products, primarily Funeral cover, the established liquidity ratio and the current investment policy, taken together, provide sufficient safeguards to maintain this risk at appropriate levels.

C.5. OPERATIONAL RISK

Operational risk is understood as the risk of loss arising from the inadequacy or malfunction of internal processes, personnel, systems, or external events. Furthermore, the Company incorporates three further categories into its management model for this type of risk: regulatory compliance risk, strategic risk, and reputational risk.

Regulatory compliance risk is understood as the risk of incurring legal or regulatory sanctions, material financial losses or reputational losses with a material impact that the Company may suffer as a result of non-compliance with laws, regulations, and internal and external rules and standards, or general administrative requirements applicable to its activities.

Strategic risks stem primarily from the business model and the decisions regarding that model adopted by the Company, as well as from developments in the insurance sector and in the market in which other insurance groups and entities compete.

Reputational risks, for their part, arise from the impact on the Company's image that may occur for reasons other than those resulting from the materialisation of other risks, generally of an operational or compliance nature.

The Company's risk management policy sets out the different types of risk covered in each category, the organisational and operational model, and the procedures, methodologies and tools for their identification, assessment, management, control and communication, as well as for monitoring compliance with the level of risk appetite and tolerance.

Within the management model for these four types of risk, which forms part of the Entity's general risk management system, the following characteristics are worth noting:

- The Company maintains a list of risks, identified through various processes carried out over recent years, each of which has a designated manager responsible for its management.
- Participation and involvement of all managers, with the coordination of the risk management and regulatory compliance functions, and independent review by the internal audit function. A risk self-assessment exercise is carried out at least annually, during which those responsible assess risks in terms of impact and probability, identify existing controls for their mitigation and evaluate their degree of effectiveness, with the coordination and review of the risk management and regulatory compliance functions and, subsequently, of the internal audit function during its periodic reviews included in its audit plan.
- Preparation, by the risk management function, of the resulting risk map which, together with any action plans identified for the most significant risks, is presented to the Risk and Compliance Committee.

According to this map, the most significant risks in terms of inherent risk (before considering controls) to which the Entity would be exposed, primarily due to the economic impact they could generate should they materialise, relate to information security, inadequate technological development, and non-compliance with or failure to adapt to the existing regulatory framework.

To mitigate these risks, in addition to the existing general framework based on the governance, risk management and internal control systems described in this report, the Entity has a comprehensive and exhaustive framework of controls, a significant and ongoing financial commitment to minimising risks associated with information systems as much as possible, and a business continuity plan for the Entity.

C.6. SUSTAINABILITY RISKS

Climate change and the deterioration of the natural environment pose major global challenges. The transition to a low-carbon, more sustainable, resource-efficient and circular economy aims to ensure the long-term competitiveness of the European economy in line with the United Nations' Sustainable Development Goals.

The European Union is working to mitigate the effects of climate change and reverse environmental degradation, whilst also focusing on social issues related to inequality, inclusion, human rights and labour relations.

European supervisory authorities have launched an extensive regulatory programme relating to the transition to a sustainable economy. Much of this new regulation affects insurance companies.

During 2025, with the support of an external consultant, the Company has continued to make progress both in integrating and managing sustainability risks within its operations and in complying with the new applicable legislation. Among the activities carried out, the following are particularly noteworthy:

- As part of the annual process, the sustainability risks incorporated into the corporate risk map have been assessed.
- The sustainability risk of the investment portfolio has been assessed and monitored on a quarterly basis, covering both risks associated with technical provisions and own funds, with the results included in the investment risk management report presented quarterly to the Risk and Compliance Committee. For this assessment, the Company has used sustainability information provided by specialist suppliers, relating to various aspects such as sustainability rankings, adverse impact indicators and European taxonomy indicators.
- The level of climate change risk associated with insurance products and the classification of products particularly exposed to climate change risks (physical, transition and liability) have been reviewed, based on an analysis of policy cover, the geographical location of the insured assets, certain complementary demographic considerations, and the claims database.
- The assessment of the sustainability risk of investments and the climate change risk of insurance products, together with the specifications of the relevant EIOPA guidelines, has served as the basis for conducting the Company's Climate Change Risk Materiality Test, which comprises three levels of analysis: investments and insurance products (distinguishing between Life and Non-Life), physical and transition risks, and a qualitative and quantitative assessment.
- Both the assessment of the sustainability risk of investments and the assessment of the climate change risk of insurance products, as well as the conclusions of the Materiality Test, were incorporated into the Internal Risk and Solvency Assessment Report (ORSA) approved by the Board of Directors in June 2025.
- With regard to the Taxonomy Regulation, during 2025 the Company has continued to work on identifying both eligible activities (those that contribute substantially to climate change adaptation) and those aligned (which do not cause significant harm to any of the other environmental objectives) with said Taxonomy, developing the corresponding key investment and underwriting indicators, which enable the monitoring of the portfolio's alignment with environmental objectives.

- The Company, in accordance with its entity-level disclosure obligations set out in the Regulation on sustainability-related disclosures in the financial services sector (known as the Disclosure Regulation or SFDR), has published on its website a statement on the main adverse impacts on sustainability factors of investment decisions. Furthermore, as part of the comprehensive analysis of sustainability risks associated with the investment portfolio, the relevant indicators are monitored on a quarterly basis, with the results incorporated into the investment risk management information presented quarterly to the Risk and Compliance Committee.
- Due to the CSRD Directive not yet being transposed into the national regulatory framework, the Company has prepared the Non-Financial Statement for the year 2025, incorporated it into the Management Report, and shall publish it on the corporate website, ensuring transparency and access for all stakeholders. However, progress has been made in the double materiality analysis and the identification and assessment of the impacts, risks and opportunities required by that Directive, with the aim of being prepared for its future implementation.

D. VALUATION FOR SOLVENCY PURPOSES

The Company's balance sheet as at 31 December 2025 has been prepared in accordance with the principles set out in Articles 75 to 86 of Directive 2009/138/EC, as well as the provisions of Commission Delegated Regulations (EU) 2015/35 and 2019/981.

D.1. ASSETS

D.1.1. VALUE OF ASSETS

The following table shows, for each asset class, the value of the assets as at 31 December 2025 and a comparison with the previous financial year, calculated in accordance with Solvency II criteria and the financial statement criteria used in the preparation of the Company's annual accounts.

	Solvency II Value			Book Value		
	2025	2024	Difference	2025	2024	Difference
ASSETS						
Goodwill				18,332	12,208	6,124
Deferred acquisition costs						
Intangible assets				21,579	22,566	-987
Deferred tax assets	84,436	94,059	-9,623	8,690	16,520	-7,830
Surplus on pension benefits						
Tangible fixed assets for own use	143,201	138,252	4,948	70,053	64,168	5,885
Investments (other than assets held for index-linked and mutual fund contract purposes)	4,167,909	3,926,808	241,101	4,023,853	3,749,375	274,478
Real estate (other than for own use)	56,498	54,338	2,161	14,376	13,902	474
Shares in associated companies	148,982	180,209	-31,228	57,622	61,843	-4,221
<i>Shares</i>	54,866	60,242	-5,376	52,843	58,143	-5,300
Shares — listed	52,633	57,959	-5,327	52,633	57,959	-5,326
Shares — unlisted	2,233	2,282	-49	210	184	26
<i>Bonds</i>	3,034,560	2,959,370	75,191	3,033,632	2,961,499	72,133
Public bonds	1,364,893	1,255,427	109,466	1,364,039	1,257,510	106,529
Corporate bonds	1,660,374	1,692,472	-32,098	1,660,282	1,692,307	-32,025
Structured bonds						
Collateralised securities	9,293	11,471	-2,178	9,311	11,682	-2,371
Collective investment undertakings	767,655	559,767	207,888	763,515	553,275	210,240
Derivatives	105,348	112,883	-7,535	101,865	100,712	1,153
Deposits other than cash equivalents						
Other investments						
Assets held for the purposes of index-linked contracts and investment funds	157,862	167,298	-9,436	157,862	167,298	-9,436
Mortgage-backed and unsecured loans	2,752	3,339	-587	2,752	3,339	-587
Policy loans	2,562	3,107	-545	2,562	3,107	-545
Loans with and without mortgage collateral to individuals	190	232	-42	190	232	-42
Other loans with and without mortgage security						
Reinsurance recoverables from:	12,458	14,085	-1,627	20,285	21,161	-876
Non-life and illness similar to non-life	11,926	13,630	-1,705	17,676	18,779	-1,103
Non-life, excluding illness	11,965	13,674	-1,709			

Illness similar to non-life	-39	-44	5			
Life and illness similar insurance, excluding illness and index-linked and mutual fund-linked	533	455	77	2,609	2,382	227
Illness similar to life						
Life, excluding illness and index-linked and investment funds	533	455	77			
Index-linked and investment fund life insurance						
Deposits in assignors	111	1,292	-1,180	111	1,292	-1,181
Accounts receivable from insurance companies and intermediaries	17,575	16,697	879	58,826	57,395	1,431
Reinsurance receivables	1,403	1,342	61	1,403	1,342	61
Accounts receivable (trade, non-insurance)	11,736	8,491	3,246	11,736	8,491	3,245
Treasury shares (direct holding)						
Amounts due in respect of own funds items or the initial mutual fund required but not yet disbursed						
Cash and cash equivalents	57,362	46,589	10,773	58,032	46,589	11,443
Other assets, not included elsewhere	405	330	76	3,329	1,670	1,659
TOTAL ASSETS	4,657,211	4,418,581	238,630	4,456,844	4,173,412	283,432

D.1.2. METHODS FOR VALUING ASSETS FOR SOLVENCY II PURPOSES

Intangible assets: Their value is zero in accordance with Article 12 of Delegated Regulation (EU) 2015/35, unless they can be sold separately and it can be demonstrated that identical or similar assets have a fair value in active markets.

Deferred tax assets: These are valued in accordance with Article 15 of Delegated Regulation (EU) 2015/35, based on the difference between the values assigned to assets and liabilities recognised and valued in accordance with Solvency II criteria and their accounting valuation.

A positive value shall be assigned to deferred tax assets where it is probable that future taxable profits shall be available against which to utilise the deductions arising from temporary differences, provided that there are taxable temporary differences of a sufficient amount, relating to the same tax authority and referring to the same taxable entity, taking into account any legal or regulatory provisions regarding the time limits for their offsetting.

Similarly, in order to recognise a deferred tax asset, a recoverability test must be carried out, the objective of which is to demonstrate that there is sufficient future taxable income to utilise the tax credits arising.

Tangible fixed assets for own use: These are valued in accordance with the general valuation principles of Solvency II, with fair value under this heading being considered as:

- Properties for own use: the valuation carried out by authorised independent valuation firms.
- For all other items of tangible fixed assets, the replacement cost.

Financial investments: All assets included in this section are valued using quoted prices on active and regulated markets; this is the default valuation method. In cases where quoted prices are not available, valuation shall be carried out using discounted cash flow or cost price, as this type of asset represents an insignificant portion of the total portfolio. The following assets are distinguished within financial investments:

- Property investments: This includes all properties not considered to be for own use. Their valuation for Solvency II purposes is the same as that described for properties for own use.
- Equity: Includes those officially listed on a stock exchange within the European Economic Area, with unlisted shares covered under a separate heading.
- Bonds: Includes the following subcategories depending on their nature:
 - Government bonds: Debt issued by central governments or, where applicable, bodies forming part of the state structure.
 - Corporate bonds: Debt issued by institutions or companies that cannot be included in the previous category.
 - Secured securities: Securities whose value and payments derive from a portfolio of underlying assets. This category includes investments in securitisations.
- Undertakings for collective investment: Includes those undertakings engaged in collective investment in transferable securities in accordance with Directive 2009/65/EC established within the European Economic Area.

Derivatives: Includes hedging derivatives.

Investments in related undertakings: These are valued in accordance with Article 212 of Directive 2009/138. The investee companies have been valued using the adjusted equity method, taking into account the specific valuation requirements for solvency purposes in each investee or subsidiary.

Assets held for the purposes of contracts linked to indices and investment funds: This includes financial investments relating to life insurance where the investment risk is borne by the policyholder.

Loans with and without mortgage guarantees: This category mainly includes advances on policies and loans granted by the Company itself.

Recoverable amounts from reinsurance: This includes the value of amounts recoverable from reinsurance in respect of technical provisions, based on the expected value of potential defaults by the reinsurer depending on its credit quality and the time horizon of expected payment patterns.

Both the classification of the various reinsurance businesses and the development of loss ratio are based on the assumptions made for direct insurance and accepted reinsurance in relation to technical provisions.

Insurance and intermediary receivables: These include amounts due from policyholders, insurers and others linked to insurance activities, which are not included in the cash inflows from technical provisions, disregarding the timing effect as it is not material. For financial valuation purposes, this is consistent with the corresponding valuation in the annual accounts.

Reinsurance receivables: This includes amounts due from reinsurers and parties linked to reinsurance activities, which are not included in reinsurance recoverables. For economic valuation purposes, this is consistent with the corresponding valuation in the annual accounts.

Accounts receivable (trade, non-insurance): This includes trade receivables that do not relate to insurance transactions and have therefore not been included in the sections mentioned above. For financial reporting purposes, this is consistent with the corresponding treatment in the annual accounts.

Cash and cash equivalents: This includes all cash balances and current accounts held by the entity with a maturity of less than 3 months. For valuation purposes, this is consistent with the corresponding valuation in the annual accounts.

Other assets, not included in other items: This includes assets not covered in the previous sections.

D.1.3. DIFFERENCES IN VALUATION BETWEEN ACCOUNTING AND SOLVENCY II

Intangible assets and goodwill: In the financial statements, this heading mainly includes the cost of software licences and rights to acquire portfolios from intermediaries. In the economic balance sheet, the assigned value is zero, in accordance with the provisions of Article 12 of Delegated Regulation (EU) 2015/35.

Property, plant and equipment and investment property: The financial statements include items of property, plant and equipment (both investment property and property for own use), recognised at their acquisition cost less accumulated depreciation and any recognised impairment. In the economic balance sheet, properties, both for own use and those other than for own use, have been valued at market value in accordance with the valuation report.

Investments in associated companies: In the financial statements, investments in group companies are valued at cost. However, under Solvency II, the valuation method used is the adjusted equity method, which takes into account all valuation specificities for solvency purposes in each investee company in proportion to the investor's shareholding.

Financial investments: The valuation differences between the financial statements and their economic value are mainly due to those assets for which no quoted prices are available; this type of asset represents an insignificant portion of the total portfolio.

Deferred tax assets: In the financial statements, deferred taxes are recognised for temporary differences arising from the discrepancies between the tax basis of assets and liabilities and their carrying amounts.

Under Solvency II principles, the difference between the Solvency II value and the carrying amount of deferred tax assets is mainly explained by the economic valuation not recognised under the accounting principles of the financial statements. The deferred tax assets recognised in the economic balance sheet are calculated on a non-offsetting basis and meet the requirements to be considered as Solvency II taxes.

The following table shows the timing of deferred taxes and their recoverability over the coming financial years:

Time-based deferred tax assets	Expiration date			Total amount
	Between 1 and 5 years	Between 5 and 10 years	More than 10 years	
Intangible assets	5,395			5,395
Accounts receivable insurance	10,313			10,313
Investment fixed assets	0		1,280	1,280
Fixed assets for own use	0		4	4
Investments	1,357		12,016	13,373
Other issues	1,709	7	67	1,783
Provisions	19,246	9,188	21,897	50,331
Reinsurance recoverables	1,363	334	259	1,956
Total	39,383	9,529	35,524	84,436

Time-based deferred tax liabilities	Expiration date			Total amount
	Between 1 and 5 years	Between 5 and 10 years	More than 10 years	
Accounts payable insurance	-1,678			-1,678
Investment fixed assets	0		-10,790	-10,790
Fixed assets for own use	0		-19,604	-19,604
Investments	-3,715	-2,738	-26,675	-33,127
Other issues	0		-3,198	-3,198
Provisions	-41,501	-12,436	-24,469	-78,407
Reinsurance recoverables	0			0
Total	-46,894	-15,174	-84,736	-146,804

Net deferred tax	-7,511	-5,645	-49,212	-62,368
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(Figures in thousands of euros)

D.2. TECHNICAL PROVISIONS

D.2.1. VALUATION OF TECHNICAL PROVISIONS

D.2.1.1. NON-LIFE BUSINESS

The following breakdown is shown for the most significant business lines within the Non-Life lines of business:

	2025			
	BE Premiums	BE Claims	Risk Margin	Technical Provisions Total
Fire and other property damage insurance	70,048	41,910	24,624	136,582
General civil liability	12,244	27,816	2,102	42,162
(Figures in thousands of euros)				
	2024			
	BE Premiums	BE Claims	Risk Margin	Technical Provisions Total
Fire and other damage to property insurance	66,629	43,422	23,822	133,873
General civil liability	8,398	25,978	2,015	36,391
(Figures in thousands of euros)				

NON-LIFE – BEST ESTIMATE METHODOLOGY:

To calculate the best estimate of non-life claims, the Company uses the Chain Ladder method for triangulating paid claims, making the necessary adjustments to adapt them, as far as possible and whilst maintaining a prudent approach, to their current behaviour. With regard to claims expenses, these have been allocated according to the year in which they occurred.

The methodology used for the best estimate of premiums is based on the simplification set out in Technical Annex III of the Guidelines on the valuation of technical provisions, published by EIOPA (EIOPA-BoS-14/166 ES).

For the treatment of future premiums, Article 22 of the Insurance Contracts Act and the response of the Spanish Directorate-General for Insurance and Pension Funds (DGSFP) to consultation 4/2016 have been followed, which stipulate that for policies due for renewal in two months' time, the insurer cannot object to the extension and, therefore, they fall within the limits of the contract.

The best estimate, in accordance with Article 33 of the Delegated Regulation, has been calculated in the currency of the obligation. It has subsequently been converted into the reporting currency (euro) using the average exchange rate on the calculation date (or the nearest available date) published by the Bank of Spain.

For the calculation of the Risk Margin, the simplification based on Method 1 is used for the estimation of future Solvency Capital Requirements.

To account for the time value of money, the risk-free curve published by EIOPA has been used, taking into account the volatility adjustment and the effect of inflation.

D.2.1.2. LIFE INSURANCE

	2025			
	Technical provisions calculated as a whole	BE Life	Risk Margin	Technical Provisions Total
Life with Profit Sharing	3,462	246,691	1,982	252,136
Index-linked and unit-linked	157,862			157,862
Other life insurance	45,642	1,833,651	161,471	2,040,764

(Figures in thousands of euros)

	2024			
	Technical provisions calculated as a whole	BE Life	Risk Margin	Technical Provisions Total
Life with Profit Sharing	4,109	269,178	2,831	276,118
Index-linked and unit-linked	167,298			167,298
Other life insurance	45,690	1,647,985	171,761	1,865,436

(Figures in thousands of euros)

LIFE - BEST ESTIMATE METHODOLOGY:

With regard to Life products, technical provisions have been calculated as the present value of the probable future monthly cash flows of benefits and expenses, less the premiums from the portfolio of policies in force as at 31 December 2025, projected over the duration of the contracts. To calculate the Risk Margin, the “full approach” method is used, i.e. by projecting the future SCRs for each of the underwriting, default and operational sub-modules.

The methodology applied by the Entity is as follows:

- Deterministic interest rate scenario.
- Monthly cash flow projection.
- Policy-by-policy calculation, without homogeneous groupings.

- The discount rate used is that communicated by EIOPA, the risk-free spot rate curve with volatility.

LIFE – HYPOTHESIS:

The most relevant assumptions used to probabilise the concepts of benefits, expenses and premiums are as follows:

- Mortality: PER-2020 survival table and PASEMV or PASEMF 2020 second-order mortality tables.
- Disability: The 2007 PEAIM/F table for total and permanent disability.
- Policy lapse: portfolio lapse law based on extensive experience.
- Contract duration: where there is no predetermined term in the contract (whole life, Universal Life), a maximum age and/or minimum term has been set.
- Technical Interest: for products with a quarterly interest rate guarantee, this shall be the financial return on the allocated assets. Once the aforementioned duration is reached, the risk-free forward yield curve with volatility (calculated based on the spot yield curve) is applied, provided that it is positive. In the case of negative interest rates, this is adjusted to zero in order to preserve the technical basis of products that do not allow for negative returns.

The financial return on profit-sharing insurance policies is applied under the same assumptions as described in the previous point.

The expenses taken into account and the statistical bases on which they rest are those corresponding to the last financial year ended, broken down by line of business.

FUNERAL - BEST ESTIMATE METHODOLOGY:

With regard to funeral products and their supplementary funeral-related cover included under the heading 'Other life insurance', the Company's "Best Estimate" is calculated as the present value of the probable future monthly cash flows of benefits and expenses, less the premiums from the portfolio of policyholders in force at the calculation date, projected until the end of the existing contractual obligation, whether due to cancellation or death.

The methodology applied to calculate the "Best Estimate" is as follows:

- Deterministic interest rate scenario.
- The calculation is carried out for each policyholder in the portfolio.
- Cash flow projections have been carried out on a monthly basis.
- Supplementary funeral cover has been defined as cover relating to death.

The basis used to project these cash flows is the data specified in the policyholders' contracts:

- Premiums: annual amount, paid monthly, with growth in line with the adjustment rate and the revaluation of the current service cost.
- Benefits: estimated service cost in the event of death.

To calculate the Risk Margin, the “full approach” method is used, i.e. by projecting the future SCRs for each of the underwriting, default and operational sub-modules. For interest rate risk, within the market sub-module, projections are made from year 50 onwards.

FUNERAL – HYPOTHESIS:

The assumptions used to calculate the probable flows of benefits, expenses and premiums are as follows:

- Mortality: A proprietary generational experience table, without distinction by sex, has been used for the funeral business, in compliance with the requirements of the Resolution of 17 December of the Spanish Directorate-General for Insurance and Pension Funds (DGSFP) and its draft implementing circulars. The observation period for the table covers the years 2015 to 2019, with 2017 as the central year, the date on which improvements in the mortality trend of this generational table began.
- Portfolio decline: the decline due to cancellation rule has been constructed on the basis of a two-way matrix, by age and length of cover, in accordance with the Company’s recent experience.
- Premium increase:
 - Post-ROSSP portfolio: the annual adjustment rate specified in the technical bases for each product is used.
 - Pre-ROSSP portfolio: the premium increase is recalculated annually in accordance with the insured’s new age at each anniversary and the annual increase in the cost of service.
- Annual update of the cost of service:
 - Post-ROSSP Portfolio: the annual adjustment rate specified in the technical bases for each product is used.
 - Pre-ROSSP Portfolio: The annual revaluation rate is estimated annually based on our organisation’s national-level negotiations with the various parties involved (local councils, funeral homes, etc.).
- Discount rate: EIOPA curve with volatility.
- Management expenses: these include administration, acquisition, claims and reserve costs for the last financial year, depending on the product and cover.

The expenses considered and the statistical bases on which they are founded correspond to the last financial year ended, broken down by supplementary cover.

OTHER CONSIDERATIONS:

Insurance contracts involve a degree of uncertainty in the valuation of technical provisions. For Non-Life insurance, given its short-term nature, the fundamental uncertainty stems from the severity and frequency of claims, which is analysed based on available historical data. For Life insurance, the main

sources of uncertainty relate to trends in mortality and longevity, interest rate trends, as well as the derivation of assumptions regarding claims and expenses.

In this regard, it should be noted that, across all business lines, all assumptions have been updated using statistical data as at the end of 2025.

D.2.2. IMPACT OF REINSURANCE

For the most significant non-life business lines:

	2025		
	Gross BE	Net BE	Impact
Fire and other property damage insurance	111,958	108,198	3,760
General civil liability	40,060	36,952	3,109

(Figures in thousands of euros)

	2024		
	Gross BE	Net BE	Impact
Fire and other property damage insurance	110,051	103,665	6,386
General civil liability	34,376	31,349	3,027

(Figures in thousands of euros)

For the most significant life insurance business lines:

	2025		
	Gross BE	Net BE	Impact
Life with Profit Sharing	250,153	250,153	
Other life insurance	1,881,437	1,880,905	533

(Figures in thousands of euros)

	2024		
	Gross BE	BE Net	Impact
Life with profit sharing	273,287	273,287	
Other life insurance	1,695,640	1,695,185	455

(Figures in thousands of euros)

D.2.3. VALUATION DIFFERENCES BETWEEN ACCOUNTING AND SOLVENCY II

	Solvency II value	Book value under local regulations
Technical provisions — non-life	171,121	268,737
Technical provisions — non-life (excluding illness)	178,245	
Technical provisions calculated as a whole		
Best estimate	150,574	
Risk margin	27,671	
Technical provisions — Illness (similar to non-life)	-7,124	
Technical provisions calculated as a whole		
Best estimate	-8,345	
Risk margin	1,221	
Technical provisions — life (excluding index-linked and unit-linked policies)	2,292,900	2,314,970
Technical provisions — illness (similar to life)		
Technical provisions calculated as a whole		
Best estimate		
Risk margin		
Technical provisions — life (excluding illness and those linked to indices and investment funds)	2,292,900	
Technical provisions calculated as a whole	49,105	
Best estimate	2,080,342	
Risk margin	163,454	
Technical provisions — linked to indices and investment funds	157,862	157,875
Technical provisions calculated as a whole	157,862	
Best estimate		
Risk margin		

(Figures in thousands of euros)

The method for valuing technical provisions under Solvency II has been described earlier in this report.

With regard to the valuation of technical provisions for accounting purposes, the Company applies the methodology set out in the following points.

D.2.3.1. LIFE TECHNICAL PROVISIONS

The basis used for their valuation is that defined in Royal Decree 1060/2015 of 20 November on the Regulation, Supervision and Solvency of Insurance and Reinsurance Companies (ROSSEAR), which stipulates in its Fifth Additional Provision that the regime for calculating technical provisions for accounting purposes shall be that established by the previous Regulations on the Organization and Supervision of Private Insurance (ROSSP), under Royal Decree 2486/1998 of 20 November.

In this regard, account has been taken of the application of Technical Guide 2/2016 of the Directorate-General for Insurance and Pension Funds, in relation to the interest rate to be applied in the calculation of technical provisions for accounting purposes.

In accordance with the established rule, the technical interest rate applied for the calculation of this provision differs depending on whether the portfolio was contracted before or after 1 January 2016. For the portfolio prior to January 2016, the distinction is maintained between the portfolio formalised before or after the entry into force of the ROSSP, i.e. 1 January 1999.

For contracts entered into on or after 1 January 2016 and subject to Article 33(1)(a)(1) of the ROSSP, the maximum interest rate applied is that resulting from the relevant term structure of risk-free interest rates, including the volatility adjustment component.

For commitments entered into between 31 December 1998 and 31 December 2015, the following scenarios have been applied:

- Life-Savings Portfolio with Financial Returns: Article 33 of the ROSSP, paragraph 1.a). Secondly, the interest rate published by the DGS for the calculation of the life insurance provision relating to the financial year corresponding to the policy's effective date, provided that the financial duration, calculated at the market interest rate of the receipts specifically allocated to the contracts, is greater than or equal to the financial duration of the payments arising therefrom, based on their probabilistic cash flows and calculated at the market interest rate.
- Life-Risk Portfolio: Fifth Additional Provision (ROSSEAR), second paragraph: This portfolio has a 10-year transitional period from 2015 to adapt to the relevant term structure of risk-free interest rates provided for in Article 54 of the ROSSP, including the component relating to the volatility adjustment provided for in Article 57 of the ROSSP. Additional provisions are made annually using a straight-line calculation method.

The most significant differences under the Solvency II framework common to all lines of business are:

- Recognition of the policyholder's right to modify benefits through the creation of lapse and surrender yield curves.
- Adjustment of biometric risk factors to reflect reality in the event of a death claim.
- Reflecting actual current and future accounting expenses using a revaluation index.
- Capitalisation of cash flows based on the return on allocated assets and over the financial duration of those assets.
- Setting limits on the contract term where this is not defined.
- Use of the Risk-Free Forward Rate Curve with Volatility (calculated based on the spot rate curve) to capitalise and discount cash flows.

And specific to each business line:

- Insurance with Profit Sharing: future profit-sharing allocations are included in the cash flows.
- Other insurance policies with options and guarantees: in the cash flow of probable future premiums, the policyholder's right to make extraordinary contributions or to waive future premium payments is recognised.

D.2.3.2. TECHNICAL PROVISIONS FOR FUNERAL

For contracts entered into up to 31 December 1998, the provision is established in accordance with the Implementation Plan for the Eleventh Transitional Provision (DT11) of the Regulation on the Organisation and Supervision of Private Insurance, approved by Royal Decree 681/2014, a plan approved by the Company's Board of Directors.

The aforementioned Transitional Provision stipulates that insurance companies shall have a maximum period of twenty years, starting from 1 January 2015, to record in their balance sheet the provision resulting from making the corresponding adjustment.

To establish the aforementioned provision, the entities shall, in each year of the transitional period, calculate the difference between the amount of the provision they should establish in accordance with the actuarial approach to the transaction and the amount actually established, and shall systematically allocate this provision.

For commitments entered into between 31 December 1998 and 31 December 2015, and subject to Article 33(1)(a)(1) of the ROSSP, Additional Provision 5 of the ROSSEAR allows for the possibility of funding, until 31 December 2025 and in at least annual instalments of one-tenth, the additional allocations to the technical accounting provisions arising from the decision to carry forward from 31 December 2015 for a maximum period of 10 years ($t=10$). In this regard, account has been taken of the application of Technical Guide 2/2016 of the Directorate General of Insurance and Pension Funds, in relation to the interest rate to be applied in the calculation of technical provisions for accounting purposes.

Finally, for contracts entered into on or after 1 January 2016 and subject to Article 33(1)(a)(1) of the ROSSP, the maximum interest rate applied is that resulting from the relevant term structure of risk-free interest rates, including the volatility adjustment component.

D.2.3.3. NON-LIFE TECHNICAL PROVISIONS

The bases used for the valuation of technical provisions for benefits are those defined in Royal Decree 2486/1998 of 20 November, approving the Regulation on the Organisation and Supervision of Private Insurance (ROSSP).

For non-life obligations, the main differences are:

- With regard to provisions to be set aside for future claims, under the ROSSP only the underwritten business is taken into account through the calculation of the Unearned Premium Provision and the Provision for Outstanding Risks, without considering the profit associated with this business, nor the future premiums falling within the limits of the contract.
- For provisions to be set aside for claims already incurred, the calculation is not performed using statistical methods, as the method set out in Article 41 of the ROSSP is followed; consequently, recoveries cannot be taken into account in the provision pending settlement.

D.2.4. DESCRIPTION OF THE VOLATILITY ADJUSTMENT AND IMPACT

In both the Life business lines, including funeral insurance, and the Non-Life business lines, the volatility adjustment has been applied in the calculation of technical provisions.

If this adjustment were not applied, the impact on the non-life segment would result in a 0.15% increase in the provision.

For life and funeral insurance, if the volatility adjustment were not applied, the combined impact would be an increase of 4.01%.

D.3. OTHER LIABILITIES

In accordance with the valuation rules for liabilities other than technical provisions, these are recognised at the amount for which they could be transferred or settled between knowledgeable, willing parties in an arm's-length transaction.

This category includes deferred tax liabilities, which are measured at the future taxable income or tax liabilities to be realised, and the tax effect arising from increases in assets or decreases in liabilities for solvency purposes. Their value amounts to 146,804 thousand euros, representing an increase of 112,891 thousand euros compared to the carrying amount. In the previous financial year, this item amounted to 146,760 thousand euros, representing an increase of 120,160 thousand euros compared to its carrying amount.

The Company has a significantly higher amount of deferred tax liabilities on its balance sheet in order to offset these deferred tax assets. Similarly, following a timing analysis of the offsetting of the tax losses that give rise to the deferred tax assets, all such losses are offset both in terms of amount and timing against the subsequent generation of taxable profits.

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

E.1.1. OBJECTIVES, POLICIES AND PROCESSES USED IN THE MANAGEMENT OF OWN FUNDS

The capital management policy approved by the Board of Directors sets out the four basic objectives that own funds as a whole and its constituent elements must meet:

- To comply with the regulatory capital requirements for qualifying as such.
- To be appropriately classified across the three tiers provided for in the Solvency II regulatory framework, in accordance with their characteristics and loss-absorption capacity.
- Compliance with the risk appetite level in relation to the set of risk indicators used as a reference for capital components.
- Take into account any dividends agreed upon when quantifying own funds.

The Management and Risk Control Division is responsible for ensuring compliance, reporting the results periodically to the Risk and Regulatory Compliance Committee and, at least annually, to senior management and the Board of Directors, in this case through the annual reports on the risk management function and the internal risk and solvency assessment (ORSA) process, which includes a three-year projection of both capital requirements and own funds.

E.1.2. OWN FUNDS

The Bank's own funds are classified in their entirety as unrestricted Tier 1 and amount to 1,662,947 thousand euros. They consist of the Bank's ordinary share capital of 400,000 thousand euros and the reconciliation reserve of 1,262,947 thousand euros.

The breakdown of the reconciliation reserve is as follows:

Reconciliation Reserve	2025	2024
Excess of assets over liabilities	1,712,947	1,619,424
Dividends, distributions and anticipated costs	-50,000	-50,000
Other components of basic own funds	-400,000	-400,000
Reconciliation reserve	1,262,947	1,169,424

(Figures in thousands of euros)

E.1.3. REQUIRED OWN FUNDS

The volume of Own Funds (entirely Tier 1) is eligible to cover both the Solvency Capital Requirement and the Minimum Capital Requirement, resulting in the following ratios:

	2025	2024
Total eligible own funds to cover the Solvency Capital Requirement (SCR)	1,662,947	1,569,424
Total eligible own funds to cover the Minimum Capital Requirement (MCR)	1,662,947	1,569,424
SCR	556,625	477,262
MCR	139,156	123,208
Ratio between eligible own funds and SCR	2.99	3.29
Ratio between eligible own funds and MCR	11.95	12.74

(Figures in thousands of euros)

E.1.4. DIFFERENCES BETWEEN OWN FUNDS CALCULATED UNDER LOCAL REGULATIONS AND SOLVENCY II

The most significant differences between the own funds presented in the financial statements and the own funds under Solvency II, calculated as the excess of assets over liabilities, are set out in the following breakdown:

Breakdown of differences	2025	2024
Net worth in the financial statements	1,510,152	1,373,501
Discharge of assets not eligible under Solvency II	-32,127	-27,143
Updating assets to Solvency II value	148,433	182,399
Updating assets to Solvency II value	86,490	90,667
Expected dividend	-50,000	-50,000
Total own funds under Solvency II	1,662,947	1,569,424

(Figures in thousands of euros)

E.2. REQUIRED SOLVENCY CAPITAL AND MINIMUM REQUIRED CAPITAL

The Company calculates the Minimum Solvency Capital in accordance with the standard solvency formula established by Delegated Regulation (EU) 2015/35. No simplifications are used in this calculation. The following table sets out the amount of the Solvency Capital Requirement as at 31 December 2025, as well as a breakdown by each of the risk modules included in the standard formula and their ratio in relation to eligible own funds:

Item	Amount	
	2025	2024
Market risk	434,648	323,068
Counterparty risk	11,002	10,004
Life insurance underwriting risk (funeral)	261,637	250,130
Health insurance underwriting risk	13,120	12,532
Non-life insurance underwriting risk	300,852	290,064
Diversification	-326,852	-295,870
Basic Solvency Capital Requirement	694,407	589,928
Absorption capacity of technical provisions	0	0
Absorption capacity of deferred taxes	-178,875	-151,343
Operational risk	41,093	38,676
Solvency Capital Requirement (SCR)	556,625	477,262
Eligible own funds to cover the SCR	1,662,947	1,569,424
Ratio of eligible own funds to SCR	2.99	3.29

(Figures in thousands of euros)

The ratio of Eligible Own Funds to the Solvency Capital Requirement shows that the Entity has almost three times its own funds available to cover, with a probability of 99.5% (199 cases out of every 200 probable), any potential extraordinary losses arising from a multiple event that could occur over the next 12 months.

With regard to the 2024 financial year, the main change in the structure of the Required Solvency Capital is the increase in market risk due to greater investment in equities, greater exposure to foreign currencies, primarily US dollars, and the greater impact of a fall in interest rates due to the steepening of the yield curve at the end of 2025.

In calculating the Required Solvency Capital, the Company utilises the loss-absorption capacity of deferred tax liabilities attributable to the business in Spain, with this adjustment amounting to 178,875 thousand euros in 2025. To justify this, the following are used: firstly, based on the results of the temporality test, the amount of net deferred tax liabilities available in the closing balance sheet (62,368 thousand euros), and secondly, the projection of future profits that the Entity would be able to generate from new business written during the five years following the realisation of the loss measured by the Minimum Solvency Capital Requirement. In the case of Funeral and Life, these profits are calculated based on the projection of cash flows until the expiry of the contracts, applying the assumptions used in the Best Estimate calculation, although stressed to reflect lower profitability.

The Minimum Required Capital, meanwhile, stands at 139,156 thousand euros as at 31 December 2025. It has been calculated in accordance with the provisions of Delegated Regulation (EU) 2015/35 for composite insurance undertakings, that is, based on technical provisions and earned premiums for Non-Life and technical provisions and capital at risk for Life, with the result falling within the lower and upper limits established in the aforementioned regulation.

The Company applies the volatility adjustment when calculating technical provisions and the Minimum Capital Requirement. Excluding this adjustment, the eligible own funds available to cover the Minimum Capital Requirement would fall from 1,662,947,000 to 1,598,717,000 euros, and the solvency ratio from 2.99 to 2.87, which is in any case well above the 2.25 level of risk appetite established by the Board of Directors (the Solvency Capital Requirement, for its part, remains virtually unchanged).

A. APPENDIX

A.1. BALANCE SHEET

	Solvency II Value	
	2025	2024
ASSETS		
Deferred tax assets	84,436	94,059
Pension benefit surplus		
Tangible fixed assets for own use	143,201	138,252
Investments (other than assets held for the purposes of index-linked contracts and investment funds)	4,167,909	3,926,808
Property (other than that held for own use)	56,498	54,338
Investments in associated companies	148,982	180,209
<i>Shares</i>	54,866	60,242
Shares — listed	52,633	57,959
Shares — unlisted	2,233	2,282
<i>Bonds</i>	3,034,560	2,959,370
Government bonds	1,364,893	1,255,427
Corporate bonds	1,660,374	1,692,472
Structured bonds		
Secured securities	9,293	11,471
Collective investment undertakings	767,655	559,767
Derivatives	105,348	112,883
Deposits other than cash equivalents		
Other investments		
Assets held for the purposes of index-linked contracts and investment funds	157,862	167,298
Mortgage-backed and unsecured loans	2,752	3,339
Loans against insurance policies	2,562	3,107
Loans with and without mortgage security to individuals	190	232
Other loans with and without mortgage security		
Recoverable amounts from reinsurance of:	12,458	14,085
Non-life and non-life-like health	11,926	13,630
Non-life, excluding health	11,965	13,674
Health insurance similar to non-life	-39	-44
Life and life-like insurance, excluding health insurance and linked to indices and investment funds	533	455
Illness similar to life		
Life, excluding health and linked to indices and investment funds	533	455
Life insurance linked to indices and investment funds		
Deposits with ceding companies	111	1,292
Accounts receivable from insurers and intermediaries	17,575	16,697
Reinsurance receivables	1,403	1,342
Accounts receivable (commercial, non-insurance)	11,736	8,491
Treasury shares (directly held)		
Amounts due in respect of own funds items or the initial mutual fund required but not yet paid up		
Cash and cash equivalents	57,362	46,589
Other assets, not included elsewhere	405	330
TOTAL ASSETS	4,657,211	4,418,581

LIABILITIES		
Technical provisions — non-life	171,121	164,802
Technical provisions — non-life (excluding health)	178,245	170,560
Technical provisions calculated as a whole		
Best estimate	150,574	143,884
Risk margin	27,671	26,676
Technical provisions — sickness (similar to non-life)	-7,124	-5,758
Technical provisions calculated as a whole		
Best estimate	-8,345	-6,918
Risk margin	1,221	1,161
Technical provisions — life (excluding index-linked and unit-linked policies)	2,292,900	2,141,554
Technical provisions — illness (similar to life)		
Technical provisions calculated as a whole		
Best estimate		
Risk margin		
Technical provisions – life (excluding illness and those index-linked and investment funds)	2,292,900	2,141,554
Technical provisions calculated as a whole	49,105	49,799
Best estimate	2,080,342	1,917,163
Risk margin	163,454	174,592
Technical provisions — index-linked and investment funds	157,862	167,298
Technical provisions calculated as a whole	157,862	167,298
Best estimate		
Risk margin		
Contingent liabilities		
Other non-technical provisions	11,129	8,865
Pension liabilities	2,551	2,755
Reinsurers' deposits	596	568
Deferred tax liabilities	146,804	146,760
Derivatives	110,170	116,375
Loans from credit institutions		
Financial liabilities other than debts to credit institutions		
Amounts payable to insurers and intermediaries	15,483	11,830
Reinsurance payables	4,514	4,598
Accounts payable (trade, non-insurance)	31,134	33,753
Subordinated liabilities		
Subordinated liabilities not included in basic own funds		
Subordinated liabilities that form part of basic own funds		
Other liabilities, not included elsewhere		
TOTAL LIABILITIES	2,944,263	2,799,157
Surplus of assets over liabilities	1,712,947	1,619,424

(Figures in thousands of euros)

A.2. PREMIUMS, LOSS RATIO AND EXPENSES, BY BUSINESS LINE

2025	Business line: non-life insurance and reinsurance obligations (direct insurance and accepted proportional reinsurance)											
	Medical expenses insurance	Income protection insurance	Workplace accident insurance	Motor vehicle liability insurance	Other motor vehicle insurance	Marine, aviation and transport insurance	Fire and other property damage insurance	General liability insurance	Credit and surety insurance	Legal defence insurance	Assistance insurance	Miscellaneous financial losses
Earned premiums												
Gross amount — Direct insurance	25,971	21,933	258			134	308,123	39,060		26,576	11,699	
Gross amount — Proportional reinsurance accepted												
Gross amount — Non-proportional reinsurance accepted												
Reinsurers' share	204	67	6			9	10,535	1,360		7,476	808	
Net amount	25,767	21,867	252			125	297,588	37,700		19,100	10,891	
Allocated premiums												
Gross amount (direct insurance)	26,030	22,082	264			139	296,932	37,976		26,043	11,699	
Gross amount (proportional reinsurance accepted)							20	1				
Gross amount (non-proportional reinsurance accepted)												
Reinsurers' share	198	67	6			10	10,329	1,345		7,343	817	
Net amount	25,832	22,016	258			129	286,623	36,632		18,700	10,883	
Loss ratio												
Gross amount (direct insurance)	571	2,050	95	2	-1	29	146,609	28,139		-139	20	
Gross amount (proportional reinsurance accepted)												
Gross amount (non-proportional reinsurance accepted)												
Reinsurers' share	11	-72	-3	0	-3	0	3,910	841		182	18	
Net amount	561	2,122	98	2	2	29	142,699	27,298		-321	2	
Expenses incurred												
Balance sheet — Other technical expenses/income												
Total expenses												

Business Line: Non-life insurance and reinsurance obligations (accepted non-proportional reinsurance)

	Illness	Civil liability for damages	Maritime, aviation and transportation	Property damage	Total
Premiums earned					
Gross amount (direct insurance)					433,755
Gross amount (proportional reinsurance accepted)					
Gross amount (non-proportional reinsurance accepted)					
Reinsurers' share					20,465
Net amount					413,290
Premiums charged					
Gross amount (direct insurance)					421,166
Gross amount (proportional reinsurance accepted)					22
Gross amount (non-proportional reinsurance accepted)					
Reinsurers' share					20,115
Net amount					401,074
Loss ratio					
Gross amount (direct insurance)					177,376
Gross amount (proportional reinsurance accepted)					
Gross amount (non-proportional reinsurance accepted)		-198	-3	2	-199
Reinsurers' share					4,884
Net amount		-198	-3	2	172,293
Expenses incurred					143,984
Balance sheet (other technical expenses/income)					18,101
Total expenditure					162,228

(*) This model includes the results of the UK branch, which has been treated as discontinued operations in the financial statements.

	Business line for: life insurance liabilities					Life reinsurance liabilities		Total
	Health insurance	Profit-sharing insurance	Index-linked insurance and investment funds	Other life insurance	Income derived from non-life insurance contracts and relating to health insurance obligations	Income derived from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Accepted health reinsurance	
Earned premiums								
Gross amount		6,614	31,158	699,726				737,498
Reinsurers' share		1		3,603				3,604
Net amount		6,613	31,158	696,122				733,894
Allocated premiums								
Gross amount		6,619	31,158	699,289				737,066
Reinsurers' share		1		3,581				3,582
Net amount		6,618	31,158	695,708				733,484
Loss ratio								
Gross amount		27,076	37,914	371,833				436,824
Reinsurers' share		12		1,438				1,450
Net amount		27,065	37,914	370,396				435,374
Expenses incurred		1,137	3,765	185,468				190,370
Balance sheet (other technical expenses/income)								26,223
Total expenses								216,645
Total amount of ballouts		15,475	36,905	44,557				96,937

(Figures in thousands of euros)

Business line: non-life insurance and reinsurance obligations (direct insurance and accepted proportional reinsurance)

2024	Medical expenses insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other property damage insurance	General liability insurance	Credit and surety insurance	Legal expenses insurance	Assistance insurance	Miscellaneous financial losses
Accrued premiums												
Gross amount (direct insurance)	24,388	22,456	271			142	284,800	36,810		24,019	10,167	
Gross amount (proportional reinsurance accepted)	10	56					1,244	122				
Gross amount (non-proportional reinsurance accepted)												
Reinsurers' share	152	71	6			11	7,891	1,081		7,170	792	
Net amount	24,247	22,442	265			131	278,153	35,851		16,849	9,376	
Allocated premiums												
Gross amount (direct insurance)	24,381	22,541	280			145	272,420	35,488		23,449	10,108	
Gross amount (proportional reinsurance accepted)	10	54					1,186	116				
Gross amount (non-proportional reinsurance accepted)												
Reinsurers' share	158	71	6			9	7,583	942		6,367	778	
Net amount	24,233	22,524	274			136	266,023	34,662		17,082	9,330	
Loss ratio												
Gross amount (direct insurance)	653	2,643	106			-7	132,044	26,107		-93	17	
Gross amount (proportional reinsurance accepted)	1	16		10			755	215		2		
Gross amount (non-proportional reinsurance accepted)												
Reinsurers' share		53	2			-4	1,368	299		122	17	
Net amount	654	2,606	104	10		-3	131,431	26,024		-213	-1	
Expenses incurred												
Other expenses												
Total expenditure												

Business Line: Non-life insurance and reinsurance obligations (accepted non-proportional reinsurance)

	Health	Civil liability for damages	Marine, aviation and transport	Property damage	Total
Premiums earned					
Gross amount (direct insurance)					403,054
Gross amount (proportional reinsurance accepted)					1,433
Gross amount (non-proportional reinsurance accepted)		3		0	3
Reinsurers' share					17,174
Net amount		3		0	387,317
Premiums charged					
Gross amount (direct insurance)					388,813
Gross amount (proportional reinsurance accepted)					1,367
Gross amount (non-proportional reinsurance accepted)		3		0	3
Reinsurers' share					15,915
Net amount		3		0	374,268
Loss ratio					
Gross amount (direct insurance)					161,471
Gross amount (proportional reinsurance accepted)					999
Gross amount (non-proportional reinsurance accepted)		242	-35	-194	13
Reinsurers' share					1,857
Net amount		242	-35	-194	160,626
Expenses incurred					140,332
Other expenses					18,093
Total expenditure					158,425

(*) This model includes the results of the UK branch, which has been treated as discontinued operations in the financial statements.

	Business line for: life insurance obligations					Life reinsurance liabilities		Total
	Health insurance	Profit-sharing insurance	Index-linked insurance and investment funds	Other life insurance	Income derived from non-life insurance contracts and relating to health insurance obligations	Income derived from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance accepted	
Premiums earned								
Gross amount		8,429	37,072	659,460				704,961
Reinsurers' share		1		3,543				3,543
Net amount		8,428	37,072	655,917				701,418
Allocated premiums								
Gross amount		8,432	37,072	658,694				704,198
Reinsurers' share		1		3,486				3,487
Net amount		8,431	37,072	655,207				700,710
Loss ratio								
Gross amount		28,227	38,654	344,424				411,305
Reinsurers' share				963				963
Net amount		28,227	38,654	343,461				410,342
Expenses incurred		1,337	5,245	177,204				183,787
Balance sheet (other technical expenses/income)								26,509
Total expenditure								210,296
Total amount of redemptions		15,530	37,903	55,714				109,146

(Figures in thousands of euros)

A.3. PREMIUMS, LOSS RATIO AND EXPENSES, BY COUNTRY

2025	Country of origin	Top five countries (by gross premiums written) — non-life obligations		Total top five countries and country of origin
		United Kingdom	Andorra	
Premiums written (gross amount)				
Gross premiums written (direct)	433,687	0	68	433,755
Gross premiums written (proportional reinsurance)				
Gross premiums written (non-proportional reinsurance)				
Premiums written (gross amount)				
Gross premiums written (direct)	421,097	1	68	421,166
Gross premiums written (non-proportional reinsurance)	22			22
Gross premiums written (non-proportional reinsurance)				
Loss ratio (gross amount)				
Loss ratio (direct)	176,704	671	0	177,376
Loss ratio (proportional reinsurance)	0			0
Loss ratio (non-proportional reinsurance)	-199			-199
Expenses incurred (gross amount)				
Gross expenses incurred (direct)	143,830	153	0	143,984
Gross expenses incurred (proportional reinsurance)				
Gross expenses incurred (non-proportional reinsurance)				

	Country of origin	Top five countries (by gross premiums written) — life insurance		Total top five countries and country of origin
		United Kingdom	Andorra	
Gross premiums written	736,996		502	737,498
Gross allocated premiums	736,564		502	737,066
Loss ratio	436,717		106	436,824
Gross expenses incurred	190,366		4	190,370

(Figures in thousands of euros)

2024	Country of origin			Total of top five countries and country of origin
	Top five countries (by gross premiums written) — non-life insurance			
		United Kingdom	Andorra	
Premiums written premiums (gross amount)				
Gross written premiums (direct)	402,992	-1	63	403,054
Gross written premiums (proportional reinsurance)	1,433			1,433
Gross written premiums (non-proportional reinsurance)	3			3
Allocated premiums (gross amount)				
Gross allocated premiums (direct)	388,751	-1	63	388,813
Gross allocated premiums (non-proportional reinsurance)	1,367			1,367
Gross allocated premiums (non-proportional reinsurance)	3			3
Loss ratio (gross amount)				
Loss ratio (direct)	160,793	676	2	161,471
Loss ratio (proportional reinsurance)	999			999
Loss ratio (non-proportional reinsurance)	13			13
Expenses incurred (gross amount)				
Gross expenses (direct)	140,142	189		140,332
Gross expenses incurred (proportional reinsurance)				0
Gross expenses incurred (non-proportional reinsurance)				0

	Country of origin			Total of the five main countries and country of origin
	Top five countries (by gross premiums written) — life insurance			
		United Kingdom	Andorra	
Gross written premiums	704,495		466	704,961
Gross allocated premiums	703,732		466	704,198
Loss ratio	411,196		109	411,305
Gross expenses incurred	183,782		4	183,787

(Figures in thousands of euros)

A.4. TECHNICAL PROVISIONS FOR LIFE AND HEALTH INSURANCE SLT

2025	Profit-sharing insurance	Index-linked and unit-linked insurance		Other life insurance		Income derived from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Reinsurance accepted	Total (non-health life insurance, including linked to investment funds)
		Contracts without options or guarantees	Contracts with options or guarantees	Contracts without options or guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole	3,462	157,862		45,642				206,967
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default				2,144				2,144
Technical provisions calculated as the addition of the best estimate and the risk margin								
Best estimate								
Best gross estimate	246,691			1,328,159	505,492			2,080,342
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					-1,612			-1,612
Best estimate minus recoverable amounts from reinsurance/special purpose and limited reinsurance entities	246,691			1,329,771	505,492			2,081,954
Risk margin	1,982			161,471				163,454
Amount of the transitional measure relating to technical provisions								
Technical provisions calculated as a whole								
Best estimate								
Risk margin								
Technical provisions (total)	252,136	157,862		2,040,764				2,450,762

	Health insurance (direct insurance)		Income from non-life insurance contracts relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (health insurance similar to life insurance)
	Contracts without options or guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole					
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					
Technical provisions calculated as the addition of the best estimate and the risk margin					
Best estimate					
Best gross estimate					
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					
Best estimate minus amounts recoverable from reinsurance/special purpose entities and limited reinsurance					
Risk margin					
Amount of the transitional measure for technical provisions					
Technical provisions calculated as a whole					
Best estimate					
Risk margin					
Technical provisions (total)					

(Figures in thousands of euros)

2024	Profit-sharing insurance	Index-linked and unit-linked insurance		Other life insurance		Income from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Reinsurance accepted	Total (non-health life insurance, including those linked to investment funds)
		Contracts without options or guarantees	Contracts with options or guarantees	Contracts without options or guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole	4,109	167,298		45,690				217,096
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default				1,966				1,966
Technical provisions calculated as the sum of the best estimate and the risk margin								
Best estimate								
Best gross estimate	269,178				1,157,501	490,483		1,917,163
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					-1,510			
Best estimate less recoverable amounts from reinsurance/special purpose and limited reinsurance entities	269,178				1,159,012	490,483		1,918,673
Risk margin	2,831			171,761				174,592
Amount of the transitional measure relating to technical provisions								
Technical provisions calculated as a whole								
Best estimate								
Risk margin								
Technical provisions (total)	276,118	167,298		1,865,436				2,308,851

	Health insurance (direct insurance)		Income from non-life insurance contracts relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (health insurance similar to life insurance)
		Contracts without options or guarantees			
Technical provisions calculated as a whole					
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					
Technical provisions calculated as the sum of the best estimate and the risk margin					
Best estimate					
Best gross estimate					
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected losses due to counterparty default					
Best estimate less amounts recoverable from reinsurance/special purpose and limited reinsurance entities					
Risk margin					
Amount of the transitional measure relating to technical provisions					
Technical provisions calculated as a whole					
Best estimate					
Risk margin					
Technical provisions (total)					

(Figures in thousands of euros)

A.5. TECHNICAL PROVISIONS FOR NON-LIFE INSURANCE

2025	Direct insurance and accepted proportional reinsurance								
	Medical expenses	Income protection	Workplace accidents	Motor vehicle third-party liability	Other land vehicle insurance	Maritime, aviation and transportation (MAT)	Fire and other damage to property insurance	General liability	Credit and surety
Technical provisions calculated as a whole									
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses associated with technical provisions calculated as a whole									
Technical provisions calculated as the sum of the best estimate and the risk margin									
Best estimate									
Provisions for premiums									
Gross amount (total)	-7,684	-3,774	-16			13	70,048	12,244	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-16	-1			1	-1,289	-210	
Best estimate of net provisions for premiums	-7,684	-3,759	-15			12	71,338	12,455	
Provisions for loss ratio									
Gross amount (total)	278	2,803	48	618		41	41,910	27,816	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-18	-4	602		15	5,049	3,319	
Best estimate of net provisions for loss ratio	278	2,821	52	16		26	36,861	24,497	
Total best estimate (gross)	-7,406	-971	32	618		54	111,958	40,060	
Total best estimate (net)	-7,406	-938	37	16		38	108,198	36,952	
Risk margin	569	643	8	17		11	24,624	2,102	
Amount of the transitional measure on technical provisions									
Technical provisions calculated as a whole									
Best estimate									
Risk margin									
Technical provisions (total)									
Technical provisions (total)	-6,837	-328	40	635		65	136,582	42,162	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-34	-5	602		16	3,760	3,109	
Technical provisions less recoverable amounts from reinsurance/special purpose entities and limited reinsurance (total amount)	-6,837	-294	45	33		49	132,822	39,054	

	Direct insurance and accepted proportional reinsurance			Non-proportional reinsurance accepted			Total non-life liabilities	
	Legal defence	Assistance	Miscellaneous non-life insurance	Non-proportional health reinsurance	Non-proportional liability reinsurance	Non-proportional maritime, aviation and transportation reinsurance		Non-proportional property damage reinsurance
Technical provisions calculated as a whole								
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses associated with technical provisions calculated as a whole								
Technical provisions calculated as the addition of the best estimate and the risk margin								
Best estimate								
Provisions for premiums								
Gross amount (total)	-5,051	-4,634					61,146	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses	0						-1,516	
Best estimate of net provisions for premiums	-5,051	-4,634					62,662	
Provisions for claims								
Gross amount (total)	4,446	172			1,634	53	1,264	81,083
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses	4,306	172						13,442
Best estimate of net provisions for los ratio	140	0			1,634	53	1,264	67,641
Total best estimate (gross)	-605	-4,462			1,634	53	1,264	142,229
Total best estimate (net)	-4,911	-4,634			1,634	53	1,264	130,303
Risk margin	555	222			78	3	60	28,892
Amount of the transitional measure on technical provisions								
Technical provisions calculated as a whole								
Best estimate								
Risk margin								
Technical provisions (total)								
Technical provisions (total)	-50	-4,240			1,711	56	1,324	171,121
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses	4,306	172						11,926
Technical provisions minus recoverable amounts from reinsurance/special purpose and limited reinsurance entities (total amount)	-4,356	-4,412			1,711	56	1,324	159,195

(Figures in thousands of euros)

2024	Direct insurance and accepted proportional reinsurance								
	Medical expenses	Income protection	Workplace accidents	Motor Third-party liability	Other land vehicle insurance	Marine, aviation and transport (MAT)	Fire and other damage to property insurance	General liability	Credit and Surety
Technical provisions calculated as a whole									
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses associated with technical provisions calculated as a whole									
Technical provisions calculated as the addition of the best estimate and the risk margin									
Best estimate									
Provisions for premiums									
Gross amount (total)	-6,760	-3,463	-17			21	66,629	8,398	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-15	-1			0	-843	-173	
Best estimate of net provisions for premiums	-6,760	-3,447	-16			21	67,471	8,571	
Provisions for claims									
Gross amount (total)	278	2,984	59	8	6	43	43,422	25,978	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-23	-4			15	7,229	3,200	
Best estimate of net provisions for claims	278	3,007	63	8	6	28	36,193	22,778	
Total best estimate (gross)	-6,482	-478	42	8	6	65	110,051	34,376	
Total best estimate (net)	-6,482	-440	48	8	6	49	103,665	31,349	
Risk margin	527	625	9	0	0	11	23,822	2,015	
Amount of the transitional measure on technical provisions									
Technical provisions calculated as a whole									
Best estimate									
Risk margin									
Technical provisions (total)									
Technical provisions (total)	-5,955	146	51	8	6	76	133,873	36,391	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses		-38	-5			15	6,386	3,027	
Technical provisions less recoverable amounts from reinsurance/special purpose entities and limited reinsurance (total amount)	-5,955	184	56	8	6	61	127,487	33,365	

	Direct insurance and accepted proportional reinsurance			Non-proportional reinsurance accepted			Total non-life liabilities	
	Legal defence	Assistance	Miscellaneous non-life insurance	Non-proportional health reinsurance	Non-proportional liability reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property damage reinsurance
Technical provisions calculated as a whole								
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses associated with technical provisions calculated as a whole								
Technical provisions calculated as the addition of the best estimate and the risk margin								
Best estimate								
Provisions for premiums								
Gross amount (total)	-4,253	-3,773					56,784	
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses	0						-1,033	
Best estimate of net provisions for premiums	-4,252	-3,773					57,816	
Provisions for claims								
Gross amount (total)	4,256	149			1,679	55	1,265	80,182
Total recoverable amounts from reinsurance/special purpose entities and limited reinsurance after adjustment for expected counterparty default losses	4,098	148						14,663
Best estimate of net provisions for claims	158	0			1,679	55	1,265	65,519
Total best estimate (gross)	3	-3,624			1,679	55	1,265	136,965
Total best estimate (net)	-4,094	-3,772			1,679	55	1,265	123,335
Risk margin	494	192			79	3	60	27,837
Amount of the transitional measure on technical provisions								
Technical provisions calculated as a whole								
Best estimate								
Risk margin								
Technical provisions (total)								
Technical provisions (total)	497	-3,432			1,758	58	1,325	164,802
Total recoverable amounts from reinsurance/special purpose and limited reinsurance entities after adjustment for expected counterparty default losses	4,097	148						13,630
Technical provisions less recoverable amounts from reinsurance/special purpose entities and limited reinsurance – total amount	-3,601	-3,581			1,758	58	1,325	151,172

(Figures in thousands of euros)

A.6. CLAIMS IN NON-LIFE INSURANCE

2025

Total non-life business

Year of accident/Year of underwriting	Z0020		Accident										In the year in progress	Number of years (accumulated)	
	0	1	2	3	4	5	6	7	8	9	10 y +				
Gross paid claims (non accumulated) (absolute amount)															
	Year of development														
	0	1	2	3	4	5	6	7	8	9	10 y +				
Previous												535	535	535	
N-9	103,783	39,475	5,561	2,373	1,068	358	94	359	359	95			95	153,526	
N-8	122,001	35,642	5,977	5,661	1,123	699	83	216	218				218	171,620	
N-7	127,924	42,183	5,322	3,115	1,262	716	358	405					405	181,286	
N-6	118,588	40,907	6,287	2,210	1,216	590	528						528	170,326	
N-5	120,839	41,474	8,149	2,799	1,637	962							962	175,860	
N-4	132,402	47,390	7,751	3,444	1,341								1,341	192,329	
N-3	113,274	36,582	4,650	2,660									2,660	157,166	
N-2	118,963	37,654	4,816										4,816	161,433	
N-1	123,967	41,355											41,355	165,321	
N	138,387												138,387	138,387	
	(Figures in thousands of euros)														
													Total	191,301	1,667,790

Best gross estimate without discounting provisions for claims
(absolute amount)

	Year											End of year (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 y +		
Previous											3,797	3,785	
N-9										283		266	
N-8									262			237	
N-7								736				686	
N-6							1,897					1,774	
N-5						2,382						2,232	
N-4					2,716							2,558	
N-3				3,017								2,868	
N-2			4,108									3,944	
N-1		10,519										10,190	
N	53,503											52,543	
	(Figures in thousands of euros)											Total	81,083

2024

Total non-life business

Year of accident/Year of underwriting	Z0020		Accident										In the year in progress	Number of years (accumulated)	
	Year	0	1	2	3	4	5	6	7	8	9	10 y +			
Gross claims paid (not accumulated) (absolute amount)															
Previous															
N-9	105,136	29,272	5,116	1,716	1,242	525	419	425	267	89					
N-8	103,529	39,380	5,548	2,366	1,068	358	92	359	356						
N-7	121,905	35,622	5,976	5,661	1,123	699	82	216							
N-6	127,802	42,149	5,318	3,113	1,261	716	358								
N-5	118,452	40,868	6,284	2,209	1,216	591									
N-4	120,682	41,436	8,147	2,798	1,638										
N-3	132,251	47,355	7,749	3,443											
N-2	113,096	36,543	4,646												
N-1	118,785	37,619													
N	123,744														
	(Figures in thousands of euros)														
Total															

Best gross estimate without discounting provisions for claims (absolute amount)												End of year (discounted data)	
Year													
Year	0	1	2	3	4	5	6	7	8	9	10 y +		
Previous											3,105	3,102	
N-9										86		83	
N-8									8			3	
N-7								138				131	
N-6							346					333	
N-5						1,219						1,188	
N-4					3,027							2,915	
N-3				7,551								7,182	
N-2			6,551									6,230	
N-1		12,496										12,180	
N	47,724											46,834	
	(Figures in thousands of euros)												
												Total	80,182

A.7. IMPACT OF LONG-TERM GUARANTEE MEASURES AND TRANSITIONAL MEASURES

2025	Amount including long-term guarantee measures and transitional measures	Impact of the transitional measure on technical provisions	Impact of the transitional measure on the interest rate	Impact of the volatility adjustment set at zero	Impact of the matching adjustment set at zero
Technical provisions	2,621,883			85,657	
Core capital	1,662,947			-64,231	
Eligible own funds to cover the Solvency Capital Requirement	1,662,947			-64,231	
Required solvency capital	556,625			1,027	
Eligible own funds to cover the minimum capital requirement	1,662,947			-64,231	
Minimum required capital	139,156			257	

(Figures in thousands of euros)

2024	Amount including long-term guarantee measures and transitional measures	Impact of the transitional measure on technical provisions	Impact of the transitional measure on the interest rate	Impact of the volatility adjustment set at zero	Impact of the matching adjustment set at zero
Technical provisions	2,473,654			136,182	
Core capital	1,569,424			-104,942	
Eligible own funds to cover the Solvency Capital Requirement	1,569,424			-104,942	
Required solvency capital	477,262			-40	
Eligible own funds to cover the minimum capital requirement	1,569,424			-104,942	
Minimum required capital	123,208			2,953	

(Figures in thousands of euros)

A.8. OWN FUNDS

2025	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Level 3
Basic own funds before the deduction for holdings in another financial sector in accordance with Article 68 of Delegated Regulation (EU) 2015/35					
Ordinary share capital (excluding treasury shares)	400,000	400,000			
Share premium relating to ordinary share capital					
Initial mutual fund, members' contributions or equivalent own funds item for mutuals and similar entities					
Subordinate mutual fund accounts					
Surplus funds					
Preference shares					
Share premium relating to preference shares					
Reconciliation reserve	1,262,947	1,262,947			
Subordinated liabilities					
Amount equal to the value of net deferred tax assets					
Other items of own funds approved by the supervisory authority as basic own funds not specified above					
Own funds in the financial statements that should not be represented by the reconciliation reserve and does not meet the requirements to be classified as Solvency II own funds					
Own funds in the financial statements that should not be represented by the reconciliation reserve and does not meet the requirements to be classified as Solvency II own funds					
Deductions					
Tax deductions for holdings in financial and credit institutions					
Total core capital after deductions	1,662,947	1,662,947			
Supplementary own funds					
Uncalled and unpaid ordinary share capital payable on demand					
Initial mutual fund, members' contributions, or equivalent item of core own funds for mutuals and similar undertakings, uncalled and undrawn and callable on demand					
Uncalled and unpaid preference shares payable on demand					
Legally binding commitment to subscribe to and pay for subordinated callable liabilities					
Letters of credit and guarantees referred to in Article 96(2) of Directive 2009/138/EC					
Letters of credit and guarantees other than those referred to in Article 96(2) of Directive 2009/138/EC					
Supplementary contributions required from members as provided for in the first subparagraph of Article 96(3) of Directive 2009/138/EC					
Additional contributions from members required of members other than those provided for in the first subparagraph of Article 96(3) of Directive 2009/138/EC					
Other supplementary own funds					
Total additional own funds					

Available and eligible own funds				
Total own funds available to cover the SCR	1,662,947	1,662,947		
Total own funds available to cover the MCR	1,662,947	1,662,947		
Total eligible own funds to cover the SCR	1,662,947	1,662,947		
Total eligible own funds to cover the MCR	1,662,947	1,662,947		
SCR	556,625			
MCR	139,156			
Ratio of eligible own funds to SCR	2.99			
Ratio of eligible own funds to MCR	11.95			
Reconciliation reserve				
Surplus of assets over liabilities	1,712,947			
Treasury shares (direct and indirect holdings)				
Dividends, distributions and estimated costs	50,000			
Other components of basic own funds	400,000			
Other items of basic own funds - Other				
Adjustment for restricted own funds items in the case of portfolios subject to marriage adjustment and restricted funds				
Reconciliation reserve	1,262,947			
Expected profits				
Expected benefits included in future premiums — Life business	153,124			
Expected benefits included in future premiums — Non-life business	28,641			
Total expected benefits included in future premiums	181,765			

(Figures in thousands of euros)

2024	Total	Level 1 – unrestricted	Level 1 – restricted	Level 2	Level 3
Basic own funds before the deduction for holdings in another financial sector in accordance with Article 68 of Delegated Regulation (EU) 2015/35					
Ordinary share capital (excluding treasury shares)	400,000	400,000			
Share premium relating to ordinary share capital					
Initial mutual fund, members' contributions or equivalent own funds item for mutuals and similar entities					
Subordinate mutual fund accounts					
Surplus funds					
Preference shares					
Share premium relating to preference shares					
Reconciliation reserve	1,169,424	1,169,424			
Subordinated liabilities					
Amount equal to the value of net deferred tax assets					
Other items of own funds approved by the supervisory authority as basic own funds not specified above					
Own funds in the financial statements that should not be represented by the reconciliation reserve and does not meet the requirements to be classified as Solvency II own funds					
Own funds in the financial statements that should not be represented by the reconciliation reserve and does not meet the requirements to be classified as Solvency II own funds					
Deductions					
Tax deductions for holdings in financial and credit institutions					
Total core capital after deductions	1,569,424	1,569,424			
Supplementary own funds					
Uncalled and unpaid ordinary share capital payable on demand					
Initial mutual fund, members' contributions, or equivalent item of core own funds for mutuals and similar undertakings, uncalled and undrawn and callable on demand					
Uncalled and unpaid preference shares payable on demand					
Legally binding commitment to subscribe to and pay for subordinated callable liabilities					
Letters of credit and guarantees referred to in Article 96(2) of Directive 2009/138/EC					
Letters of credit and guarantees other than those referred to in Article 96(2) of Directive 2009/138/EC					
Supplementary contributions required from members as provided for in the first subparagraph of Article 96(3) of Directive 2009/138/EC					
Additional contributions from members required of members other than those provided for in the first subparagraph of Article 96(3) of Directive 2009/138/EC					
Other supplementary own funds					
Total additional own funds					

Available and eligible own funds			
Total own funds available to cover the SCR	1,569,424	1,569,424	
Total own funds available to cover the MCR	1,569,424	1,569,424	
Total eligible own funds to cover the SCR	1,569,424	1,569,424	
Total eligible own funds to cover the MCR	1,569,424	1,569,424	
SCR	477,262		
MCR	123,208		
Ratio of eligible own funds to SCR	3.29		
Ratio of eligible own funds to MCR	12.74		
Reconciliation reserve			
Surplus of assets over liabilities	1,619,424		
Treasury shares (direct and indirect holdings)			
Dividends, distributions and estimated costs	50,000		
Other items of core capital	400,000		
Other items of core capital - Other			
Adjustment for restricted own funds items in the case of portfolios subject to marriage adjustment and restricted funds			
Reconciliation reserve	1,169,424		
Expected profits			
Expected benefits included in future premiums — Life business	149,048		
Expected benefits included in future premiums — Non-life business	25,306		
Total expected benefits included in future premiums	174,355		

(Figures in thousands of euros)

A.9. SOLVENCY CAPITAL REQUIREMENT – FOR COMPANIES USING THE STANDARD FORMULA

2025	Gross required solvency capital	Company-specific parameters	Simplifications
Market risk	434,648		
Counterparty default risk	11,002		
Life underwriting risk	261,637		
Health underwriting risk	13,120		
Non-life underwriting risk	300,852		
Diversification	-326,852		
Intangible asset risk			
Basic solvency capital requirement	694,407		
Calculation of the Solvency Capital Requirement			
Operational risk	41,093		
Loss-absorbing capacity of technical provisions			
Loss-absorbing capacity of deferred taxes	-178,875		
Required capital for activities carried out in accordance with Article 4 of Directive 2003/41/EC			
Required solvency capital, excluding capital add-on	556,625		
Capital add-on already set			
Required solvency capital	556,625		
Other information on the SCR			
Required capital for the duration-based equity risk sub-module			
Total notional Solvency Capital Requirement for the remaining portion			
Total amount of notional Solvency Capital Requirement for funds with restricted availability			
Total notional Solvency Capital Requirement for portfolios subject to marriage adjustment			
Diversification effects arising from the aggregation of the notional SCR for restricted-use funds for the purposes of Article 304			

(Figures in thousands of euros)

2024	Gross Solvency Capital Requirement	Company-specific parameters	Simplifications
Market risk	323,068		
Counterparty default risk	10,004		
Life underwriting risk	250,130		
Health underwriting risk	12,532		
Non-life underwriting risk	290,064		
Diversification	-295,870		
Intangible asset risk			
Basic solvency capital requirement	589,928		
Calculation of the Solvency Capital Requirement			
Operational risk	38,676		
Loss-absorbing capacity of technical provisions			
Loss-absorbing capacity of deferred taxes	-151,343		
Required capital for activities carried out in accordance with Article 4 of Directive 2003/41/EC			
Required solvency capital, excluding capital add-on	477,262		
Capital add-on already set			
Required solvency capital	477,262		
Other information on the SCR			
Required capital for the duration-based equity risk sub-module			
Total notional Solvency Capital Requirement for the remaining portion			
Total amount of notional Solvency Capital Requirement for funds with restricted availability			
Total notional Solvency Capital Requirement for portfolios subject to marriage adjustment			
Diversification effects arising from the aggregation of the notional ORC for restricted-use funds for the purposes of Article 304			

(Figures in thousands of euros)

A.10. MINIMUM CAPITAL REQUIREMENT – BOTH LIFE AND NON-LIFE INSURANCE BUSINESS

2025		Non-life business	Life business
		MCR result (NL,NL)	MCR result (NL,L)
Component of the linear formula corresponding to non-life insurance and reinsurance obligations		47,085	
	MCR Non-life calculation	Non-life activities	Life activities
		Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Net earned premiums (from reinsurance) over the last 12 months
		Best estimate net (reinsurance/special purpose entities) and PT calculated as a whole	Net earned premiums (from reinsurance) over the last 12 months
	Proportional medical expense insurance and reinsurance		25,767
	Income protection insurance and proportional reinsurance		21,867
	Workers' compensation insurance and proportional reinsurance	37	252
	Motor vehicle third-party liability insurance and proportional reinsurance	16	
	Other motor insurance and proportional reinsurance		
	Maritime, aviation and transportation insurance and proportional reinsurance	38	125
	Fire and other property damage insurance and proportional reinsurance	108,198	297,588
	General liability insurance and proportional reinsurance	36,952	37,700
	Credit and surety insurance and proportional reinsurance		
	Legal defence insurance and proportional reinsurance		19,100
	Proportional assistance insurance and reinsurance		10,891
	Insurance and proportional reinsurance of miscellaneous financial losses		
	Non-proportional sickness reinsurance		
	Non-proportional liability reinsurance	1,634	
	Non-proportional marine, aviation and transport reinsurance	53	
	Non-proportional property damage reinsurance	1,264	
(Figures in thousands of euros)			

	Non-life business	Life business		
	MCR result (L, NL)	MCR result (L,L)		
Component of the linear formula corresponding to life insurance and reinsurance obligations	60,076	22,695		
	Non-life activities			
	Life business			
MCR Life calculation	Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Total net capital at risk (from reinsurance/special purpose entities)	Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Total net capital at risk (from reinsurance/special purpose entities)
Participating liabilities — guaranteed benefits			250,153	
Defined benefit obligations — discretionary future benefits			3,330	
Index-linked and unit-linked insurance liabilities			157,862	
Other life and health (re)insurance liabilities	1,490,128		388,633	
Total capital at risk for life (re)insurance liabilities		41,119,611		6,209,204
(figures in thousands of euros)				
Calculation of the overall MCR				
Linear MCR	129,857			
SCR	556,625			
Maximum MCR level	250,481			
Minimum MCR level	139,156			
Combined MCR	139,156			
Absolute minimum MCR	8,000			
Minimum required capital	139,156			
(Figures in thousands of euros)				
	Non-life activities		Life activities	
Calculation of the notional MCR for non-life and life				
Notional linear MCR	107,161		22,695	
Notional SCR, excluding capital add-ons (annual or latest calculation)	459,343		97,282	
Maximum notional MCR level	206,704		43,777	
Minimum level of the notional MCR	114,836		24,321	
Notional combined MCR	114,836		24,321	
Absolute minimum of the notional MCR	4,000		4,000	
Notional MCR	114,836		24,321	
(Figures in thousands of euros)				

2024	Non-life business	Life business
	MCR result <small>(NL,NL)</small>	MCR result <small>(NL,L)</small>
Component of the linear formula corresponding to non-life insurance and reinsurance obligations	44,095	
	Non-life activities	Life activities
MCR Non-life calculation	Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Net earned premiums (from reinsurance) over the last 12 months
	Best estimate net (reinsurance/special purpose entities) and PT calculated as a whole	Net earned premiums (from reinsurance) over the last 12 months
Proportional medical expense insurance and reinsurance		24,247
Income protection insurance and proportional reinsurance		22,442
Workers' compensation insurance and proportional reinsurance	48	265
Motor third-party liability insurance and proportional reinsurance	8	
Other motor insurance and proportional reinsurance	6	
Marine, aviation and transport insurance and proportional reinsurance	49	131
Fire and other property damage insurance and proportional reinsurance	103,665	278,153
General liability insurance and proportional reinsurance	31,349	35,851
Credit and surety insurance and proportional reinsurance		
Legal defence insurance and proportional reinsurance		16,849
Proportional assistance insurance and reinsurance		9,376
Insurance and proportional reinsurance of miscellaneous financial losses		
Non-proportional sickness reinsurance		
Non-proportional liability reinsurance	1,679	3
Non-proportional marine, aviation and transport reinsurance	55	
Non-proportional property damage reinsurance	1,265	

(Figures in thousands of euros)

	Non-life business	Life business		
	MCR result (L, NL)	MCR result (L,L)		
Component of the linear formula corresponding to life insurance and reinsurance obligations	55,793	23,320		
MCR Life calculation	Non-life activities		Life business	
	Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Total net capital at risk (from reinsurance/special purpose entities)	Best estimate net (of reinsurance/special purpose entities) and PT calculated as a whole	Total net capital at risk (from reinsurance/special purpose entities)
Participating liabilities — guaranteed benefits			273,287	
Defined benefit obligations — discretionary future benefits			3,287	
Index-linked and unit-linked insurance liabilities			167,298	
Other life and health (re)insurance liabilities	1,314,743		378,476	
Total capital at risk for life (re)insurance obligations (figures in thousands of euros)		40,262,240		6,085,619
Calculation of the overall MCR				
Linear MCR	123,208			
SCR	477,262			
Maximum MCR level	214,768			
Minimum MCR level	119,315			
Combined MCR	123,208			
MCR absolute minimum	8,000			
Minimum authorised capital (Figures in thousands of euros)	123,208			
	Non-life activities	Life activities		
Calculation of the notional minimum capital requirement for non-life and life				
Notional linear MCR	99,889	23,320		
Notional SCR, excluding capital additions (annual or latest calculation)	386,930	90,332		
Maximum notional MCR level	174,119	40,649		
Minimum notional MCR level	96,733	22,583		
Notional combined MCR	99,889	23,320		
Absolute minimum of notional MCR	4,000	4,000		
Notional MCR	99,889	23,320		
(Figures in thousands of euros)				