

2025 SFCR

# Solvency and Financial Condition Report

Telefónica Seguros y Reaseguros Compañía  
Aseguradora, S.A.U.

March 26, 2026

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## INTRODUCTION

This document is part of the requirements established in Law 20/2015 of 14 July 2015 on the Regulation, Supervision and Solvency of Insurance and Reinsurance Companies, and develops the Financial Situation and Solvency Report (ISFS) of Telefónica Seguros y Reaseguros Compañía Aseguradora, S.A.U., hereinafter Telefónica Seguros, the Insurer or the Entity, as of December 31, 2025, which has been sent to the Directorate General of Insurance and Pension Funds (DGSFP), and published on the Insurer's website.

To address the content in accordance with current regulations, this document is developed in the following sections:

- A. ACTIVITY AND RESULTS
- B. GOVERNANCE SYSTEM
- C. RISK PROFILE
- D. VALUATION FOR SOLVENCY PURPOSES
- E. CAPITAL MANAGEMENT

ANNEX: QUANTITATIVE INFORMATION

## EXECUTIVE SUMMARY

Telefónica Seguros is wholly owned by the Telefónica Group, which holds its stake through the parent company, Telefónica Luxembourg Holding Group.

This report is part of the requirements established by Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance companies, Royal Decree 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance companies that develops it. Both provisions entail the transposition into Spanish law of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (hereinafter, the Solvency II Directive).

Delegated Regulation (EU) 2015/35 complements the aforementioned Directive and regulates the minimum content that must be included in the Report on the Financial Situation and Solvency.

### Activity and results

It operates in the Non-Life business in the following lines of business:

- Fire and natural elements;
- Other damage to property;
- Miscellaneous pecuniary losses;
- General civil liability;
- Attendance;
- Accidents;
- Legal defense.

The Insurer operates in Spain, the United Kingdom, Germany and Brazil. It has 16 years of experience and currently has a portfolio of 1.96 million policyholders.

The Entity's main line of business is mobile device insurance, which covers accidental damage, theft of insured terminals and the cost of fraudulent calls in the event of theft.

The Entity's profit before tax stood at €28,168 thousand as of December 31, 2025, an increase of 15% compared to the end of 2024 (€24,520 thousand).

During the 2025 financial year, the premiums accrued for direct insurance and accepted reinsurance have grown by 7.7% compared to 2024, whose figure at the end of the 2025 financial year amounts to €169,309 thousand (€157,217 thousand in 2024). The mobile device insurance business remains the core of the Entity with 95% of the premiums accrued (the same as the previous year) and, although the Entity's main market continues to be the United Kingdom, with 48% of the total premiums accrued in 2025, it decreases by 10 percentage points compared to 2024. when it had 58% of the business and the 64% it achieved in 2023.

The Entity mitigates a large part of its underwriting risk through reinsurance agreements with different reinsurance companies. Lending to reinsurance continues to decline and

reaches 29% in 2025, i.e. 16 percentage points less than the previous year, which stood at 44%.

The Bank's combined ratio increased slightly and reached 75% for 2025, which is 2% more compared to the end of 2024.

The expense ratio worsens slightly compared to the previous year and goes from 40% in 2024 to 46% in 2025.

Net income from financial investments amounted to €4,301 thousand, an increase of €1,918 thousand over the previous year, this increase is mainly due to the good performance of the financial markets, while the net exchange differences borne by the Company amounted to €2,041 thousand, mainly due to the impact attributable to the costs incorporated in the foreign exchange risk management instruments.

### Governance System

The Entity's Governance System has been designed taking into account the regulation of insurance, the nature, complexity and volume of business operations, guaranteeing a healthy and prudent management of the Insurer.

The structure is made up of the Company's supervision, management and administrative bodies, which are made up of its governing bodies: General Shareholders' Meeting, Board of Directors, Audit Committee, Risk and Governance Committee, Executive Committee, Investment Committee, Product Committee, Operational Resilience Committee, responsible for the distribution function, all of them responsible for ensuring healthy and prudent management, as well as compliance with the Company's Policies.

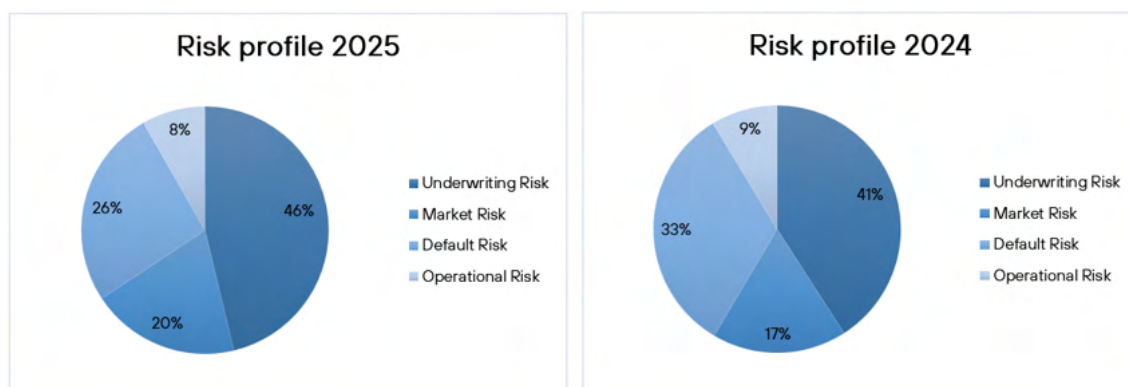
The Risk Management System of Telefónica Seguros is in accordance with the principles defined in the Risk Management System of the Telefónica Group. The Group's Risk Management Framework is in line with the best practices of Internal Control (COSO1 II Report and Draft Code of Practice for Risk Management BS311002) and develops the Telefónica Group's Business Principles on risk management. In addition, the recommendations of Good Corporate Governance related to risk management have been taken into account.

Telefónica S.A. and its operating companies must have a process for the identification, management and early notification of risks, with management responsibility for the identification and management of risks in their business areas.

### Risk profile

Telefónica Seguros calculates the Solvency Capital Requirement (SCR) under the standard formula.

Below is a summary of Telefónica Seguros' risk profile before correlations, both for the current and previous years:



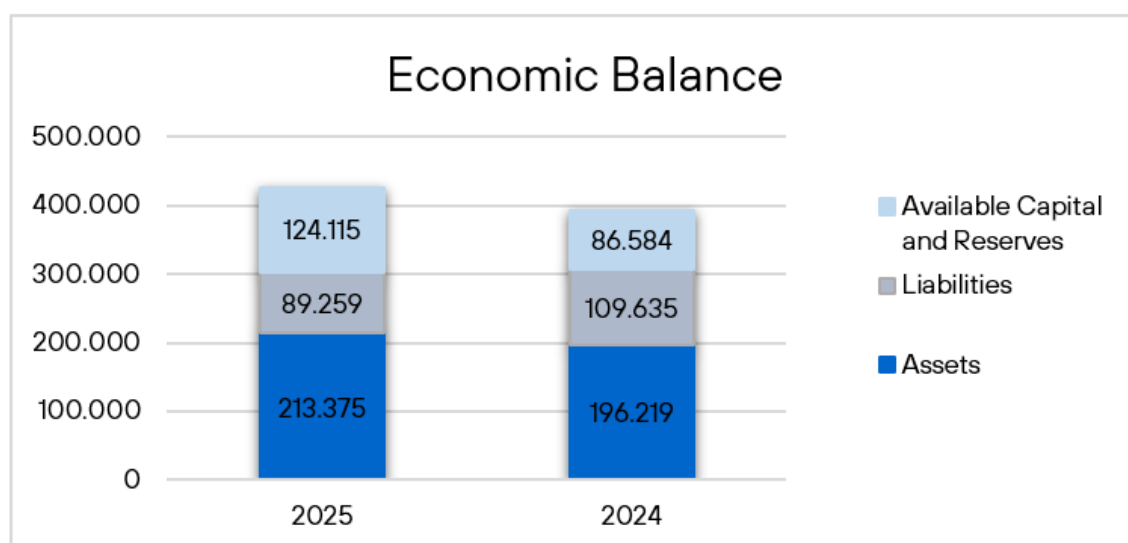
The calculation of the Solvency Capital Requirement amounts to €40,826 thousand (€36,145 thousand in 2024). The Bank's risk profile is characterised by the predominance of underwriting risk, followed by counterparty risk and market risk.

As good practice, the Entity carries out analysis of the sensitivity of the solvency ratio to certain events to determine that the solvency capital requirements would continue to be met even under adverse circumstances.

### Solvency assessment

The Entity complies with Solvency II regulations in the preparation of the Financial Statement, which establishes that assets must be valued at the amount for which they could be exchanged between interested and duly informed parties, who carry out a transaction under conditions of mutual independence. The valuation of the financial statements is carried out in accordance with the rules of the Accounting Plan of Insurance Companies.

Below is a summary of the values of assets and liabilities following the principles of Solvency:



### Capital Management

Telefónica Seguros has a Capital Management Policy which sets out the main objectives to ensure proper management of Capital and Reserves and the elements that constitute it.

The Available Own Funds and the SCR are detailed below, resulting in the Mandatory Solvency Ratio, and its variations with respect to the previous year:

| <b>Solvency Ratio</b>                  | <b>2025</b>  | <b>2024</b> | <b>Variance</b> |
|----------------------------------------|--------------|-------------|-----------------|
| Available Capital and Reserves         | 124.115      | 86.584      | 43%             |
| SCR                                    | 40.826       | 36.145      | 13%             |
| <b>Mandatory Solvency Ratio</b>        | <b>304%</b>  | <b>240%</b> | <b>64%</b>      |
| Available Capital and Reserves for MCR | 124.115      | 82.928      | 50%             |
| MCR                                    | 10.457       | 9.036       | 16%             |
| <b>Minimum Solvency Ratio</b>          | <b>1187%</b> | <b>918%</b> | <b>269%</b>     |

*Thousand of Euros*

At the end of 2025, Shareholders' Funds amounted to €124,115 thousand (€86,584 thousand in 2024).

The Solvency Ratio (proportion of capital and reserves to cover the SCR) increases to 304%, which complies with the risk appetite limits approved by the Board of Directors.

## A. ACTIVITY AND RESULTS

### A.1. ACTIVITY

Telefónica Seguros was incorporated in Luxembourg on 15 December 2004 as a Public Limited Company and was registered in the Registre de Commerce et des Sociétés de Luxembourg under section B, under number 105162. The Company, initially known as Altair Assurances S.A., changed its name to Telefónica Insurance S.A. in December 2011.

On April 9, 2021, the Company's registered office was transferred to Spain, and it was renamed Telefónica Seguros y Reaseguros Compañía Aseguradora S.A.U, registered in the Commercial Registry of Madrid.

The transfer of the registered office was carried out without loss or dissolution of the legal personality of the Company and without creating a new Legal Entity, ceasing to be a Société Anonyme governed by Luxembourg law, and continuing its activities as a Public Limited Company under Spanish law.

The purpose of the company is to carry out insurance and reinsurance operations for all types of risks except life insurance, the registered office is located at Ronda de la Comunicación S/N, Edificio Oeste 2, 2ª Planta, 28050, Madrid, Spain.

In addition to Spain, Telefónica Seguros operates in the United Kingdom, Germany and Brazil, through its headquarters and its branches located in the United Kingdom and Germany.

- **United Kingdom:**

Telefónica Insurance UK Branch, 31st Floor, 20 Fenchurch Street, London EC3M 3BY, registered in the United Kingdom under the registration number of Foreign Company FC029774 and incorporation number in the UK BR014757. The Company is regulated by the Financial Conduct Authority (FCA), which oversees the conduct of all financial firms in the United Kingdom, and by the Prudential Regulation Authority (PRA), which fundamentally assesses their financial soundness, and resilience to adverse scenarios, under the code FRN 430933.

After the Company has been under the Temporary Permit Regime (TPR), with effect from June 29, 2022, it begins to operate in the country as a Third Country Branch, after having received authorization from the PRA.

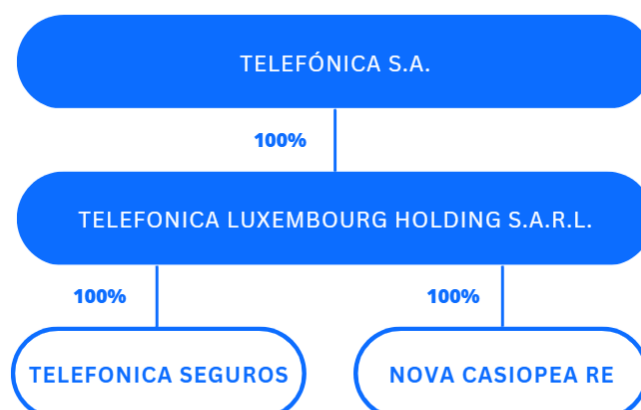
- **Germany:**

Telefónica Insurance S.A., Georg-Brauchle-Ring 50, 80992 Munich, HRB No. 198107. The Company is regulated by the Federal Financial Supervisory Authority (BaFin) which regulates the conduct of companies in Germany. (BaFin Reg. No. 5157).

The appointed auditor of Telefónica Seguros is PricewaterhouseCooper Auditores, S.L., domiciled at Paseo de la Castellana 259, B, 28046, Madrid.

The Annual Accounts of Telefónica Seguros are included in the Financial Statements of the parent company of the Telefónica Group, Telefónica S.A., with registered office at Gran Vía 28, 28013, Madrid, Spain.

Telefónica Seguros is part of the Telefonica Group, a diversified telecommunications group that offers a wide range of digital services through one of the largest and most modern telecommunications networks in the world, whose purpose is to provide telecommunications services and with a presence mainly in Europe and Latin America. The organizational chart is as follows:



Telefónica Seguros offers policies for innovative products, linked to the telecommunications and digital services provided by the Telefónica Group. The Company specialises in mobile device insurance and has more than 1.96 million mobile phones and tablets insured in Europe. The Company also participates in the Risk Management of the Telefónica Group, taking out insurance policies to cover the Group's subsidiaries domiciled in the European Union.

The business principles of Telefónica Seguros aim to establish, promote and maintain high standards of corporate responsibility in everything the Company does through its operations, including the promotion and guarantee of good product standards. Telefónica Seguros believes that this not only makes sense from a commercial point of view but also has the potential to place the customer at the centre, with the aim of offering services and solutions that achieve their maximum satisfaction and contribute to sustainable development.

Telefónica Seguros has a series of general principles based on honesty, integrity, trust and respect for the law, which define the way in which the Entity carries out its activities and relationships. The Entity respects and strongly supports the principles of the United Nations Universal Declaration of Human Rights, as well as the declarations of the International Labour Organization, and does not tolerate any form of child labour, forced labor, threats, coercion, abuse, violence or intimidation in its work environment.

## A.2. UNDERWRITING RESULTS

Telefónica Seguros operates in Non-Life lines, and in the following lines of business:

- Fire and natural elements;
- Other damage to property;
- Miscellaneous pecuniary losses;
- General civil liability;
- Attendance;
- Accidents;
- Legal defense.

The Entity has 16 years of experience in the insurance of mobile devices, insuring mobile phones and tablets, grouped in the business line of other damage to property.

The premiums accrued from direct insurance and reinsurance accepted in the 2025 financial year amounted to 169,309 thousand euros, which represents an increase of 7.7 percentage points compared to 2024.

|                        | 2025    | 2024    | Variance | %    |
|------------------------|---------|---------|----------|------|
| <b>Written Premium</b> | 169.309 | 157.217 | 12.092   | 7,7% |

*Thousand of Euros*

The mobile device insurance business continues to be the core of the Entity, accounting for 95% of the premiums accrued, remaining stable compared to 2024.

The quantitative information regarding the subscription results during the 2025 financial year is presented below, for each country in which the Entity operates:

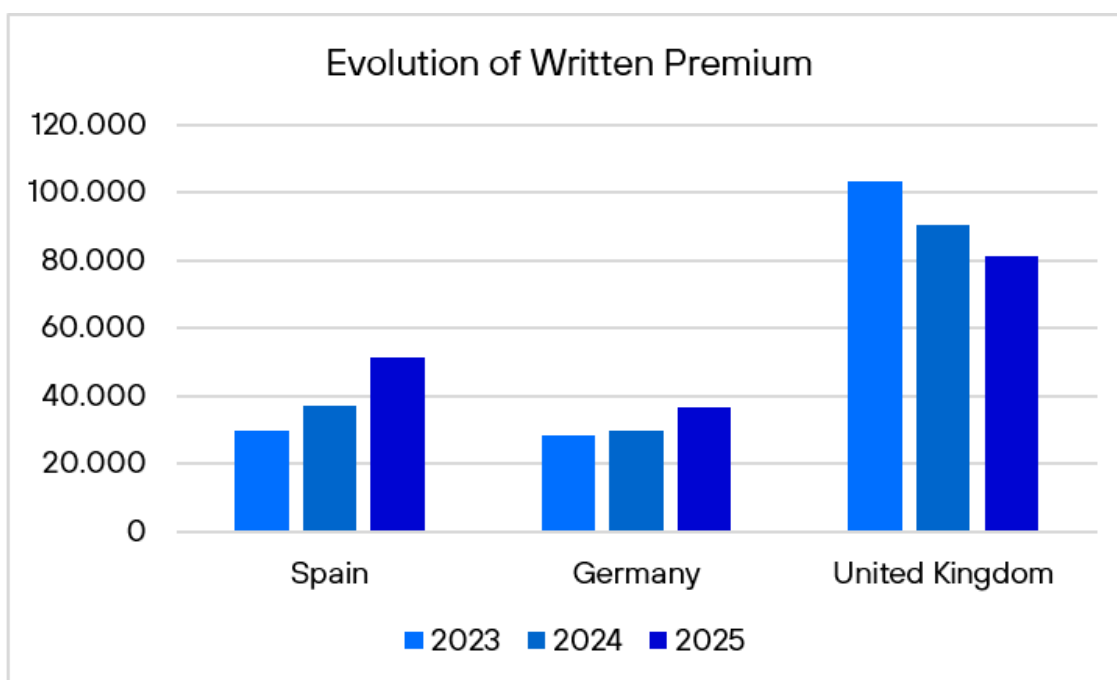
| Item                   | Spain* | Germany | United Kingdom | Total   |
|------------------------|--------|---------|----------------|---------|
| <b>Written Premium</b> | 51.422 | 36.423  | 81.464         | 169.309 |
| <b>% Breakdown</b>     | 30%    | 22%     | 48%            | 100%    |

*\*Includes the Brazil business as Accepted Reinsurance (16.137)*

*Thousand of Euros*

In the 2025 financial year, the United Kingdom represents 48% of the total premiums accrued for direct insurance, Germany for 22% and Spain for 30% (in 2024 it accounted for 58%, 19% and 24% respectively).

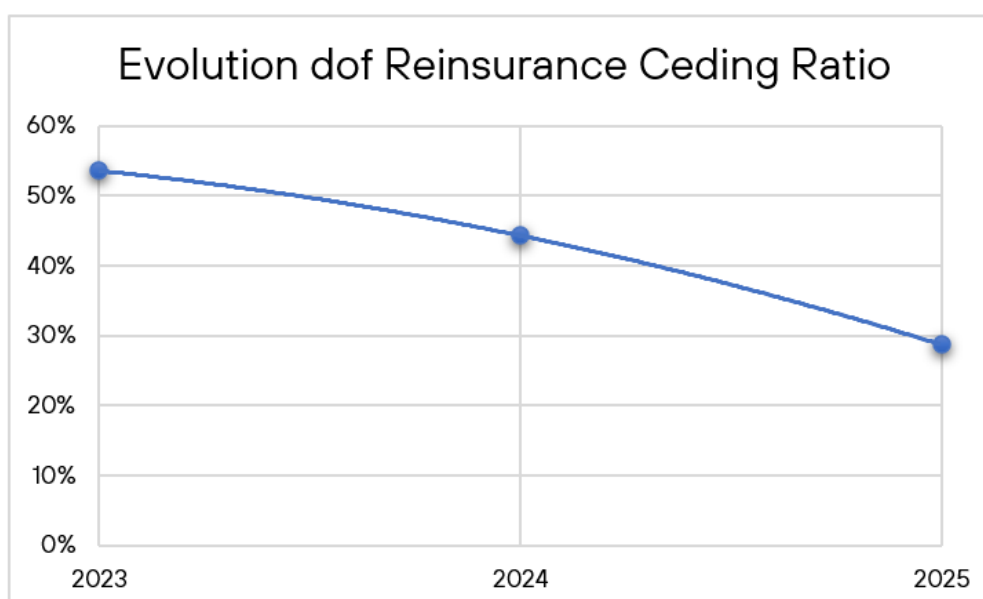
The following graph shows the variation in the distribution by country over the last three years:



The percentage of assignment to reinsurance in the 2025 financial year was 29% compared to 44% of assignment in the previous year. Telefónica Seguros is characterised by a very active reinsurance policy, which optimises reinsurance contracts based on the underwriting risk set by the Entity.

| Reinsurance Ceding Ratio          | 2025 | 2024 | Variance |
|-----------------------------------|------|------|----------|
| Ceding to Reinsurance of Premiums | 29%  | 44%  | -16%     |

The following table shows how the Bank is reducing its allocation to reinsurance, retaining more and more risk, in line with the favourable evolution of its eligible own funds and its SCR coverage ratio, without compromising its risk profile or prudent management policy.



Net imputed premiums for ceded reinsurance in 2025 amounted to €104,270 thousand, representing an increase of 28% compared to the previous year (€81,449 thousand in 2024).

| <b>Earned Premiums</b>             | <b>2025</b> | <b>2024</b> | <b>Variance</b> | <b>%</b> |
|------------------------------------|-------------|-------------|-----------------|----------|
| Earned Premiums Net of Reinsurance | 104.270     | 81.449      | 22.821          | 28%      |

*Thousand of Euros*

The figure for net imputed reinsurance premiums in 2025 is mainly due to the increase in withholding.

The net loss ratio of ceded reinsurance stood at €30,421 thousand at the end of 2025, an increase of 13 percentage points compared to 2024 (€26,879 thousand) due to the higher volume of premiums.

The loss ratio continues to fall and reaches 29% in the 2025 financial year, decreasing by 4% compared to 2024.

| <b>Loss Ratio</b>                  | <b>2025</b> | <b>2024</b> | <b>Variance</b> | <b>%</b> |
|------------------------------------|-------------|-------------|-----------------|----------|
| Net Allocated Reinsurance Premiums | 104.270     | 81.449      | 22.821          | 28%      |
| Net Reinsurance Claims             | 30.421      | 26.879      | 3.542           | 13%      |
| <b>Loss Ratio</b>                  | <b>29%</b>  | <b>33%</b>  | <b>-4%</b>      |          |

*Thousand of Euros*

The expense ratio stands at 46% at the end of the 2025 financial year, compared to 40% in 2024. The increase of 6 percentage points is due to the fact that, in relative terms, expenses and fees have increased in a greater proportion than the premiums charged as a result of a higher volume of expenses that the Entity is acquiring as an initial investment in new products.

| <b>Expenses Ratio</b>              | <b>2025</b> | <b>2024</b> | <b>Variance</b> | <b>%</b> |
|------------------------------------|-------------|-------------|-----------------|----------|
| Earned Premiums Net of Reinsurance | 104.270     | 81.449      | 22.821          | 28%      |
| Costs and fees                     | 47.941      | 32.352      | 15.589          | 48%      |
| <b>Expenses Ratio</b>              | <b>46%</b>  | <b>40%</b>  | <b>6%</b>       |          |

*Thousand of Euros*

The net combined ratio, which in 2024 fell by 22 percentage points compared to the previous year (73% in 2024 vs 95% in 2023), increases very slightly and stands at 75% in 2025.

| <b>Combined Ratio</b>                    | <b>2025</b> | <b>2024</b> | <b>Variance</b> |
|------------------------------------------|-------------|-------------|-----------------|
| (Claims + Expenses) / Allocated Premiums | 75%         | 73%         | 2%              |

The profit for the year before tax continues to grow to 28,168 thousand euros in 2025 compared to the 24,520 thousand euros with which it closed the 2024 financial year.

| Result            | 2025   | 2024   | Variance | %   |
|-------------------|--------|--------|----------|-----|
| Profit before Tax | 28.168 | 24.520 | 3.648    | 15% |

*Thousand of Euros*

The quantitative information regarding the results of the subscription during the 2025 financial year by country is presented below:

| Technical Account Non-Life Insurance             | Spain        | Germany      | United Kingdom | Brazil       | Total         |
|--------------------------------------------------|--------------|--------------|----------------|--------------|---------------|
| Earned Premiums, net of reinsurance              | 18.583       | 17.985       | 51.566         | 16.137       | 104.270       |
| Net Operating Costs                              | -8.703       | -2.906       | -21.514        | -10.422      | -43.545       |
| Other Income and Technical Expenses              | 0            | 0            | 0              | 0            | 0             |
| Net Reinsurance Claims                           | -4.688       | -4.575       | -18.459        | -2.699       | -30.421       |
| Financial Results                                | -1.989       | -1.504       | 1.358          | -1           | -2.137        |
| <b>Results of the Non-Life Technical Account</b> | <b>3.203</b> | <b>8.999</b> | <b>12.951</b>  | <b>3.014</b> | <b>28.168</b> |
| Weight %                                         | 11%          | 32%          | 46%            | 11%          | 100%          |

*Thousand of Euros*

### A.3. RETURN ON INVESTMENTS

The year 2025 has been generally positive for global stock markets, although marked by episodes of volatility and an uncertain geopolitical and commercial environment. Major stock indices such as the S&P 500 and Nasdaq once again posted significant gains, rising close to 16% and more than 20% respectively. However, the year was marked by sharp temporary corrections, especially after the announcement of new tariff policies by President Donald Trump in April, which caused a sharp fall in global markets before their subsequent recovery.

One of the most outstanding phenomena of the year has been the persistence of the leadership of the technology sector and companies linked to artificial intelligence. Demand for semiconductors and digital infrastructure boosted the valuation of large technology companies. However, within the group of large technology companies, a greater divergence was observed in the performance of companies compared to previous years, reflecting market doubts about the real return on investments in artificial intelligence.

In terms of monetary policy, 2025 was marked by an environment of relatively high interest rates for much of the year, due to inflation that remained above central banks' targets in several developed economies. This led to a more gradual than initially expected rate reduction strategy by monetary authorities such as the US Federal Reserve, reinforcing the narrative of "higher rates for longer".

In commodity and alternative asset markets, gold continued to play its role as a safe-haven asset. For their part, cryptoassets experienced a more volatile year after the strong momentum recorded in 2024, with significant corrections at some points in the year and an adjustment in speculative enthusiasm.

Overall, the 2025 analysis shows that, despite episodes of high volatility stemming from trade tensions, macroeconomic uncertainty, and doubts about the sustainability of the tech boom, stock markets continued to lead global growth.

Distribution of assets from Telefónica Seguros' investment portfolio.

| Asset Type                     | Portfolio    | %           |
|--------------------------------|--------------|-------------|
| Monetary and Fixed Income      | 84,59        | 88,66%      |
| Variable Income                | 7,80         | 8,17%       |
| Alternative Investment         | 0,90         | 0,94%       |
| Real Estate and Infrastructure | 2,13         | 2,23%       |
| <b>TOTAL PORTFOLIO</b>         | <b>95,42</b> | <b>100%</b> |

*Thousand of Euros*

Of the total Financial Investments, which amount to 123.26 million euros, 10 million euros are allocated to the Operational Treasury.

The company's Investment Policy aims to insure financial assets and deploy allocations on instruments that offer limited volatility, risks and high liquidity. The investment in the fixed income markets and in the money markets cannot be less than 50% of the total portfolio, with a total duration not exceeding 3 years. On the other hand, the maximum investment in equities is 40%, a maximum of 5% in alternative investments, as well as in real estate and infrastructure.

#### A.4. RESULTS OF OTHER ACTIVITIES

No other activity was recorded in 2025.

#### A.5. ANY OTHER INFORMATION

There is no other relevant information except:

Consequences of the war in the Middle East and the war in Ukraine.

As of the date of approval of the ISFS, the Board of Directors of the Entity considers that there is no significant uncertainty that could cast doubt on the ability of the company to continue as a going concern, but recognizes that future developments are uncertain.

## B. GOVERNANCE SYSTEM

### B.1. GENERAL INFORMATION ON GOVERNANCE SYSTEM

The objective of the Governance System is to ensure a healthy and prudent management of the Entity. Its two fundamental principles are effectiveness and proportionality within the framework of an Internal Control structure that guarantees compliance with policies, the efficiency and effectiveness of operations, and the availability and reliability of financial and non-financial information. To achieve this with reasonable security, the objectives are strategic; control, follow-up; operational; information and communication and compliance.

The Company's Governance System is in line with the Guidelines of the European Insurance and Occupational Pensions Authority ("EIOPA").

#### 1. Management and administration of the company:

Telefónica Seguros, as an insurance and reinsurance company, has a governance system that guarantees a healthy and prudent management of its activity, appropriate to the nature, volume and complexity of its operations. The structure is made up of the supervision, management and administrative bodies of the company described below:

**General Shareholders' Meeting.** It is the highest deliberative body of the Company, through which the corporate will is expressed, and the shareholders exercise their right to participate in the Company's decision-making. The shareholders who act at the General Shareholders' Meeting have the power to deliberate and adopt resolutions on all matters reserved to them by the legal and statutory provisions, and, in general, on all matters that fall within the scope of the powers conferred by law on shareholders and that are submitted to the General Shareholders' Meeting at the request of the Board of Directors and the shareholders themselves. in the cases and in the manner provided for by law and in the statutes.

**Board of Directors.** It is, in accordance with the provisions of the Law and the Articles of Association, the highest administrative and representative body of the Company. Thus, it is empowered to carry out, within the scope of the corporate purpose defined in the bylaws, any legal acts or operations of administration and disposal, by any legal title, except those reserved by Law or the Bylaws to the exclusive competence of the General Shareholders' Meeting. The powers reserved exclusively by the Law or the Articles of Association may not be delegated to the Board of Directors, nor any other powers necessary for the responsible exercise of its basic functions of supervision and control. Specifically, the Company's Board of Directors approves the Company's general policies and strategies, in particular:

- Strategic plans, management objectives and annual budget.
- Definition of the general risk structure of the Company Group.
- Propose the distribution of dividends.
- Investment Policy.
- Subscription Policy.

- Product Control and Governance Policy.
- Corporate governance policy.

The Board of Directors organises the execution of the Company's policies and strategies, through the following bodies:

- The Audit and Control Committee. Oversees the effectiveness of the company's internal control, governance systems, and risk management.
- The Risk and Government Committee. He is in charge of the company's overall governance, risk management and ORSA process.
- The Executive Committee. Makes all relevant decisions for the execution of the company's strategic plan.
- The Investment Committee. He is responsible for the management of the investment portfolio in compliance with the company's Investment Policy.
- The Operational Resilience Committee. Responsible for evaluations and decision-making in the field of Operational Resilience.
- The Product Committee. In charge of the monitoring and review of the products, as well as the analysis of the new products.

This organization provides the Board of Directors with greater efficiency in the performance of its functions, providing it with the necessary support through the work it carries out and ensuring the appropriate segregation of duties and responsibilities.

**Audit and Control Committee.** Its functions include:

- Supervise the effectiveness of the Entity's internal control, internal audit, governance and risk management systems, as well as discuss with the external auditor significant weaknesses in the internal control system.
- Supervise the process of preparing and presenting the mandatory financial information and submit recommendations or proposals to the administrative body, aimed at safeguarding its integrity.
- Submit to the board of directors the proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process.
- To establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to its independence, for its examination by the committee, and any others related to the process of carrying out the audit of accounts.
- Issue annually, prior to the issuance of the audit report, a report in which an opinion will be expressed on whether the independence of the auditors or audit firms is compromised. This report must contain, in any case, the reasoned assessment of the provision of each and every one of the additional services referred to in the previous letter, considered individually and as a whole, other than the statutory audit and in relation to the independence regime or the regulations governing the activity of auditing accounts

- Receive periodic information on the activities of the Internal Audit Function and verify that the Management takes into account the conclusions and recommendations of the Internal Audit reports.

Without prejudice to the other functions attributed to it, the Audit and Control Committee must receive a report from the external auditors showing the state of independence that is necessary for the exercise of the audit.

### **Risk and Governance Committee:**

The Board of Directors of TS, at its meeting on December 18, 2025, merged the Governance Committee with the Risk Committee.

The Solvency II Directive provides that insurance companies may create an Administration, Management or Supervisory Body for matters related to the governance of the Company.

The Risk and Governance Committee meets whenever it deems it appropriate or appropriate to ensure timely follow-up on matters related to Solvency II and, in any case, at least twice a year.

The activities and evaluations carried out by the Risk and Governance Committee will be included in the corresponding minutes that will be distributed and will always be available to the directors.

The main powers of this Commission will be the following:

- Through its members, interact with the established functional committees and with the key functions of the company in order to gather an adequate knowledge of the company's structure and business model.
- Review the annual actuarial report and take appropriate action to remedy the deficiencies identified.
- Review the Compliance Verification function report and approve the Annual Verification Plan.
- Ensure that the company has the policies established by the Solvency II Directive in place by reviewing them at least once a year.
- Discuss and approve the internal review of the System of Government.
- To approve the Internal Regulations.
- Ratify the Manuals approved by the person responsible for the activity.
- To analyse and periodically update the Entity's risk map.
- Identify new emerging risks and assess their potential impact.
- Assess Sustainability Risk.
- Ensure that the risks identified are adequately managed and mitigated.
- Planning and approval of ORSA (Own Risk and Solvency Assessment) scenarios
- Review of the ORSA process, assessing the adequacy of the Entity's capital in relation to its risks.
- Ensure that the ORSA report adequately reflects the Entity's strategy and risk profile.

**Executive Committee.** The Executive Committee makes all decisions relevant to the execution of the company's strategic plan. It meets twice a month and among its main topics are:

- Update on legal issues.
- Review of Objectives.
- Presentation of results and forecasts
- Presentation of budgets.
- Strategic Plan Presentation.
- Presentation and follow-up of the *Remedial Action Internal Audit Plan* .
- Approval of budget items.
- Approval of the Entity's training plan.
- Communication on occupational risk prevention.
- Project approval Update and Review of strategic Business Development and Operations topics and projects that require submission to the Management Committee due to their impact.
- Approval of new insurance and reinsurance products and business projects.
- Bidding for Suppliers of Strategic Projects. Such as claims management providers, reinsurers.
- Approval of New Distribution Models.
- Approval of the company's Internal Regulations.

**Investment Committee.** He is responsible for the management of the investment portfolio in compliance with the company's Investment Policy. It meets at least quarterly. The Committee is responsible for the implementation of the company's investment policy. Among its functions are:

- Collaborate in the definition and establishment of Telefónica Seguros' investment policy.
- To adopt investment and divestment decisions, within the framework established by the investment management policy itself and the investment management policy approved by the Board of Directors.
- Supervise the correct compliance or execution of the different investment/divestment strategies and orders.
- To keep the Board of Directors duly and periodically informed, both of the investment strategies, their degree of achievement, the level of risk assumed, the results obtained in relation to those expected, and of any other aspect that, for whatever reason, is significant.

**Product Committee.** Delegate committee of the Executive Committee whose main mission is to analyse the viability of new products, as well as to monitor and review existing ones, prior to their presentation and approval by the Executive Committee.

The main functions of this Committee are:

- Carrying out feasibility analyses of new products and their impact on all the company's processes.
- Monitoring of the products to check any deviation in the Business Plan and detect any fact that could substantially affect their main characteristics.
- Annual review of the products.
- Review of Distribution Models.
- Review of product coverage.

**Operational Resilience Committee.** Delegate committee of the Executive Committee whose main mission is to bring together the evaluations, decision-making and approvals required in the field of Operational Resilience, Change Management and Crisis Management, specifically, in the following aspects.

Associated with the specific dedication to operational resilience, the following functions are carried out:

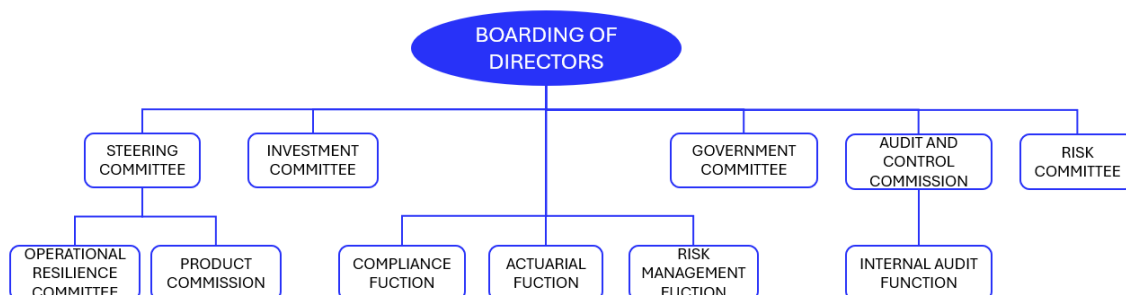
- Align operational resilience goals with business goals
- Define and approve digital operational resilience strategies
- Ensure coordination and communication between key functions of the organization
- Define and approve key documentation to comply with the principles of ensuring confidentiality, integrity, availability and authenticity.
- Participate in decision-making on the use of ICT provider services that support critical or essential functions.
- Approve results of the ICT risk management process
- Allocate resources, including budgets, to ensure the proper functioning of the risk management framework, expected levels of resilience and meeting objectives
- Track critical or key events, their impacts, actions taken, and additional controls planned to be implemented (changes, security incidents, etc.)
- Track the status and performance of operational resilience resources in order to identify trends, malfunctions, or non-compliances
- Approve audit plans, in order to monitor their planning and results for decision-making to correct the deviations identified
- Clearly assign the necessary and appropriate ICT and governance responsibilities and functions, including maintenance actions and analysis of how these changes may affect the risk management framework.
- Establish communication channels at the corporate level that allow you to be duly informed of the agreements entered into with service providers and repercussions on essential functions, risk analysis, ICT incidents and response measures

**Documentation of decisions taken at the level of the Oversight, Administration and Management bodies:**

Telefónica Seguros adequately documents the decisions taken at the level of the company's Risk and Governance Committee and the way in which the information in the risk management system has been taken into account.

### Organizational chart:

Telefónica Seguros maintains an up-to-date organisational chart at all times. In accordance with the requirements of Solvency II. This organizational chart identifies key functions and represents the responsibility of each department in relation to risk management and the internal control system.



### Internal review of the governance system:

Telefónica Seguros determines the scope and frequency of internal reviews of the governance system, taking into account the specificities of the Entities (nature, scale, complexity of the business) at the individual and group level.

The scope, results and conclusions of the review are duly documented and communicated to the Risk and Governance Committee.

Adequate feedback loops are needed to ensure that follow-up actions are carried out and recorded.

### Policies:

Telefónica Seguros adjusts all the policies required as part of the governance system among themselves and with its business strategy. These include, among others, a transparent and appropriate organisational structure, with a clear and appropriate distribution and separation of duties, as well as effective mechanisms to ensure the transmission of information and remuneration practices appropriate to the characteristics of the Entity.

Telefónica Seguros has the following policies:

- Governance System Framework
- Risk Management Policy
- Internal Audit Policy
- Regulatory Compliance Policy
- Investment Policy

- Actuarial Function Policy
- Outsourcing Policy
- Internal Control Policy
- Product Governance Policy
- Reservation Policy
- Reinsurance Policy
- Subscription Policy
- Aptitude and Honourability Policy
- Accounting Policy
- Remuneration Policy
- Data Quality Policy
- Communications Policy and Regulatory Reporting
- Liquidity and Concentration Risk Management Policy
- Information Security Policy
- Privacy Policy
- Business Continuity Policy
- ORSA Policy
- Valuation and Management Policy for Assets and Liabilities
- Tax Deferred Policy
- Market Conduct Policy

### **Key functions of the governance system:**

The operational structure of the governance system is responsible for the processes of identifying and assessing significant risks, and establishing how they should operate, including responsibilities and information flows, in order to ensure adequate monitoring and control of those risks.

The basic functions of Telefónica Seguros' governance system are:

- Risk management function;
- Compliance verification function;
- Internal audit function;
- Actuarial function.

Likewise, the current legislation on Insurance Distribution establishes a new function to replace the Technical Director:

- Responsible for the Insurance Distribution activity.

Each of the above functions includes a fundamental and strategic activity, area or function within Telefónica Seguros that is carried out in a transversal way by the different elements that make up the organisation (bodies, departments, people) and that, due to their importance, are included and regulated in their corresponding policies.

## B.2. FIT AND PROPER REQUIREMENTS

Telefónica Seguros has the necessary procedures in place to ensure that the persons who effectively manage the Company or perform other key functions (without limitation to the four key functions mentioned in the Solvency II Directive), including the members of the Board of Directors and all executive and management bodies, meet the requirements of suitability and good repute as defined by the Law.

The Company takes into account the respective duties assigned to each individual to ensure the appropriate diversity of qualifications, knowledge and relevant experience, so that the Company is professionally managed and supervised. In short, aptitude relates to professional competence.

Telefónica Seguros guarantees that the members of the Board of Directors and the members of the executive and management bodies collectively possess the qualifications, experience and knowledge on at least the following topics, in order to be able to carry out a sound and prudent management of the company:

- Financial and insurance markets.
- Strategy and business model.
- Knowledge in Risk Management and ORSA.
- Governance System and Internal Control.
- Financial and actuarial analysis.
- Requirements of the legal and regulatory framework.

In assessing whether an individual is "suitable," the Entity conducts an assessment of that individual's honesty and financial integrity based on relevant evidence about his or her character, personal behavior, and business conduct, including criminal, financial, and supervisory aspects, regardless of jurisdiction. The proper requirement is formulated as a person with good reputation and integrity.

Telefonica Seguros maintains an up-to-date record on compliance with the suitability requirements, which includes the relevant records of all members of the Board and of the Company's executives and officers. The register is reviewed periodically by the Risk and Governance Committee, which reports on the status of the review to the Board of Directors.

## B.3. RISK MANAGEMENT SYSTEM, INCLUDING OWN RISK SOLVENCY ASSESSMENT

The Risk Management System of Telefónica Seguros is in accordance with the principles defined in the Risk Management System of the Telefónica Group. The Group's Risk Management Framework is in line with the best practices of Internal Control (COSO1 II Report and Draft Code of Practice for Risk Management BS311002) and develops the Telefónica Group's Business Principles on risk management. In addition, the recommendations of Good Corporate Governance related to risk management have been taken into account. Telefónica S.A. and its operating companies must have a

process for the identification, management and early notification of risks, with management responsibility for the identification and management of risks in their business areas.

From an organisational point of view, the Risk Management Function plays a fundamental role in the identification of risks and will be the coordinator and promoter of the Risk Map of Telefónica Seguros

The Risk Management Function, always in line with the provisions of the Telefónica Group's Risk Management policy, will carry out the following activities:

- Coordinate and standardize risk identification, measurement, and reporting methodologies.
- Analyze and aggregate risk reports.
- To provide the necessary support to the management of Telefónica Seguros in its role of identification, assessment and risk management, acting as a local risk management function within the Telefónica Group as defined in the corporate risk management policy.
- Promote the construction of a culture of risk management.
- To help the Risk and Governance Committee to define the company's risk appetite.
- Monitor risks to check that they are within the approved tolerance levels, and report and propose corrective actions in case of deviation.
- Develop, implement, review and propose the necessary improvements to the Risk Management process.
- Provide the necessary assistance and support to the corresponding departments for the preparation of the risk information that must be included in the Company's reports.
- Provide the Board of Directors, at least once a year, with an overview of the company's main risks and mitigation strategies against them.
- Report possible material risks to the Risk and Government Committee (convene an emergency meeting if deemed necessary).
- To report on other areas of risk on its own initiative and following the requests of the Risk and Government Committee.

The Board of Directors is ultimately responsible for ensuring the effectiveness of the risk management system, setting the company's risk appetite and overall risk tolerance limits, as well as approving the main risk management strategies and policies, ensuring that they are consistent with the structure, the size and specificities of the company. It also has to ensure that specific operations, which are material and associated risks, are covered. Finally, it must ensure that integrated, consistent and efficient risk management is established.

Effective risk management is not only a key component of the internal control system, it also supports and complements the achievement of business objectives and underpins organizations' commitment to shareholders and customers.

Telefónica Seguros has a risk management procedure that contains the following elements:

- Risk categories and methods for measuring risks
- Outline of how the company will manage each risk category
- Risk tolerance limits within all risk categories in line with the company's risk appetite
- Reinsurance and other risk mitigation techniques
- Description of the connection with the assessment of solvency needs (based on the company's ORSA)
- The content and frequency of regular voltage tests
- Heat Maps
- Annual Reporting Process
- Specific treatment of materialized risks

The main result of the Risk Management Procedure is the company's Risk Map, which is updated at least once a year, and is examined and ratified by the Risk and Governance Committee and the Board of Directors.

### **Own Risk Solvency Assessment**

Telefónica Seguros assesses its own short- and long-term risks and the amount of funds needed to cover them. This assessment, defined as ORSA (Solvency Assessment of Own Risks) is approved by the company's management, administration and supervision bodies and reported to the regulator. ORSA can be defined as "the totality of the processes and procedures used to identify, assess, monitor, manage and report the short- and long-term risks that a (re)insurance company faces or may face, and to determine the own funds necessary to ensure that the overall solvency needs of the company are met at all times".

The ORSA assessment offers a forward-looking view, normally with a horizon of 3 to 5 years, adjusted to the Business Plan, of the adequacy of the funds themselves to cover all the risks to which the Entity is or could be exposed. It is updated at least annually. The results of the ORSA and the underlying assumptions are documented in a dedicated report. The analysis covers the general risk profile of the Local Entity, i.e. both those that are subject to SCR, such as underwriting or the market, and any other relevant risks, such as strategic reputation or liquidity, or as Sustainability. The ORSA is approved by the Board of Directors.

### **B.4. INTERNAL CONTROL SYSTEM**

In line with the regulatory framework of the Telefónica Group, Telefónica Seguros has an internal control system that provides reasonable confidence to the Management of the Entity and the Board of Directors in terms of the achievement of its objectives.

In addition, and in order to address the requirements of the Solvency II regulations, specific to Insurance Companies, following the recommendations of the Global Institute of Internal Auditors (Global IIA) and the European Confederation of Institutes of Internal Auditors (ECIIA), a model of Lines of Assurance (Three Lines of Defence Model) is established, as a framework aligned with the Governance System model that is required. since it defines the different roles that, within Corporate Governance, the key control functions must perform (Risk Management Function, Actuarial Function, Compliance Verification Function and Internal Audit Function), as well as the interaction between them.

In this way, internal control is defined as the process carried out by the Board of Directors, Senior Management, Key Functions and the rest of the company's personnel, designed to provide a reasonable degree of assurance for the achievement of the objectives related to operations, information and compliance; through the following fundamental components:

- **Control environment**: set of rules, processes and structures that form the basis of the internal control system.
- **Risk assessment**: process of identifying and managing the main risks that could affect the achievement of the company's objectives, determining the management to be carried out on them.
- **Control activities**: actions established to ensure the execution of management instructions and mitigate risks that could affect objectives. It includes activities in the different stages of business processes and at the technological level.
- **Information and communication**: activities to obtain and communicate the information necessary for the organization to exercise its responsibilities and controls in line with the established objectives.
- **Supervisory activities**: through continuous and/or independent evaluation, the proper functioning of the components of the company's internal control system is determined, informing the Board and senior management of the most relevant matters.

In accordance with the applicable Corporate Governance frameworks, Internal Control and Risk Management consider both financial and non-financial aspects, including operational, technological, legal, social, environmental, reputational and regulatory compliance aspects.

As a relevant part of Internal Control, the Company has established the function of compliance officer. Its main mission is to ensure that the Company, in the course of its activities, respects and complies with the relevant laws and regulations of the countries in which it operates and to warn of the risk of regulatory weakness.

The scope of the Function of Compliance Verification Manager of Telefónica Seguros is as follows:

- To propose the compliance policy of Telefónica Seguros. In compliance with the general principles established in the Regulatory Compliance Policy within the framework of the Telefónica Seguros Governance System
- Develop and comply with an annual compliance plan.
- Identify the applicable regulations in force, both those arising from the different legal and jurisprudential provisions, and from the company's own self-regulation, which affect the operational tasks of Telefónica Seguros, and assess and anticipate their impact on processes and procedures.
- Propose the organisational and procedural modifications necessary to ensure adequate management and control of the risk of regulatory compliance.
- Maintain an up-to-date knowledge of the regulations, both internal and external, that may be applicable in the Entity.
- To keep an updated regulatory map that will inform the rest of the relevant areas of Telefónica Seguros.
- Monitor regulatory compliance risks (always within the framework of the Entity's risk management system) and their associated controls and keep them up to date.
- Promote staff training on regulatory compliance issues.
- Promote a culture of regulatory compliance in the Entity.
- To ensure coordination with the rest of the units and departments of Telefónica Seguros, with a view to obtaining and using the information and documentation generated by them.
- Ensure an adequate structure of the regulatory compliance department of Telefónica Seguros.
- Communicate to the Board of Directors and the rest of the Entity's units and departments the conclusions of each review carried out in the field of regulatory compliance.
- To report on relevant matters to the units and departments reviewed in the Entity, as well as to inform them of changes in this area in the face of which adaptations must be implemented.
- Maintain a record of the inquiries received in Telefónica Seguros and its branches regarding the regulatory compliance function, reporting at least annually to the Board of Directors. In particular, any incident that must be reported to the Council due to its relevance will be recorded, as well as its information to third parties when required.
- To report periodically to the Board of Directors of the Entity on regulatory compliance issues in relation to the prospective management of the risk of non-compliance with respect to the relevant regulatory projects in process.
- To report immediately on any attempt to obstruct the performance of their functions.
- To make a proposal for the revision and update (if applicable) annually of the regulatory compliance policy for its presentation and subsequent approval by the board.

The Compliance Officer prepares an annual report that includes a checklist outlining the periodic reports required by general and sectoral legislation. The report is submitted to the Risk and Governance Committee and is ultimately approved by the Board of Directors.

## B.5. INTERNAL AUDIT FUNCTION

Telefónica Seguros outsources the internal audit function to the Telefónica Group's Corporate Audit.

Internal Audit is configured as an independent area of the company's management, which supports the Audit and Control Committee in its competences over assurance, and the company's internal control system.

The conclusions and recommendations arising from the internal audit shall be reported to the Board of Directors, which shall determine what actions are to be taken with respect to each of the conclusions and recommendations of the internal audit and shall ensure that such actions are carried out.

The development of the Internal Audit activity indicated is defined by the provisions of the Corporate Policy of the Telefónica Group of Internal Control and the Corporate Policy of the Telefónica Group on the Internal Audit Organization. Likewise, the points established in the Statute of the Group's Internal Audit Function will be applied; and carrying out the necessary adaptations, within the regulatory framework of Telefónica Seguros.

The internal audit function will prepare a periodic audit plan that will include the details of the reviews to be carried out annually, ensuring that the main activities of Telefónica Seguros are reviewed within a reasonable time. This plan will be approved by the Audit and Control Committee.

The Internal Audit function must, at least once a year, report to the Audit and Control Committee on compliance with the audit plan and the main results of its activity, as well as the degree of resolution or implementation of the recommendations made.

The conclusions and recommendations arising from the internal audit shall be notified to the Board of Directors, through the Executive Committee of the Board, constituting the Audit and Control Committee, which, in coordination with the Management of the entity, shall determine what actions must be taken with respect to each of them and shall ensure that such actions are carried out.

The internal audit activity will comply with the "International Standards for the Professional Practice of Internal Auditing", as well as with the Code of Ethics of the Telefónica Group. For this reason, internal auditors, in addition to the Code of Ethics of their Company, will also comply with the principles and standards of conduct that are mandatory for internal auditors, these being: Integrity, Objectivity, Confidentiality and Diligence.

In the audit of Telefónica Seguros, the internal audit department will pay particular attention to the policies and procedures listed in the Solvency II Directive and to the general adaptation of the Company with this Directive. In this regard, the internal audit function oversees the following aspects:

### **Pillar 1**

The Internal Audit function assesses the design and effectiveness of the controls in place in the process of obtaining the quantitative elements that are part of Pillar I: Balance Sheet, Solvency Capital Requirements and Minimum Capital Requirements.

### **Pillar 2**

The Internal Audit function evaluates the following aspects of the governance system:

- Governance framework and organizational structure.
- The activity and performance of the fundamental functions established in the framework of Solvency II, in order to verify that they act effectively, in accordance with their defined policies, methodologies and responsibilities.
- The structure and functioning of the governance system, evaluating the adequacy of decision-making processes, the existence of adequate controls and the correct segregation of duties.
- The ORSA process, checking that the internal risk and solvency analysis is carried out with an appropriate approach, that the assumptions and models used are consistent and that the results are correctly integrated into management and business strategy.
- Supervision of internal control systems to ensure the quality of data used in important company processes.

### **Pillar 3**

The Internal Audit function monitors compliance with the reporting obligations to the competent Supervisory Authority and the publication of the annual report on the solvency and financial situation of the company, as well as the quantitative models, if applicable.

In the year 2024, a five-year audit plan 2024 - 2028 was presented as a result of conducting a risk assessment.

It is also a procedure of special attention of the Internal Audit function, the application of the Operational Resilience ("DORA") regulations, carrying out the review of the following aspects:

- Governance System design review (including third-party risk management)
- Risk management in the field of information and communication technologies (ICT)
- Incident Reporting
- Digital operational resilience testing, and exchange of information and intelligence in relation to cyber threats.

The Internal Audit Function reviews the implementation of the recommendations issued and carries out periodic monitoring aimed at promoting continuous improvement and strengthening of the internal control system. Its conclusions and recommendations are communicated to the Commission and Senior Management, thus ensuring an independent view that contributes to operational soundness and compliance with the applicable regulatory framework.

## B.6. ACTUARIAL FUNCTION

The Actuarial Function at Telefónica Seguros is performed by people with sufficient knowledge and experience in actuarial and financial mathematics, and statistics.

In accordance with Article 48 of the Solvency II Directive, the Actuarial Function of Telefónica Seguros y Reaseguros will be responsible for the following points:

- Coordinate the calculation of technical provisions;
- Ensure the adequacy of the methodologies, underlying models and assumptions used in the calculation of the technical provisions of Solvency II;
- Assess the adequacy and quality of the data used in the calculation of technical provisions;
- Compare the calculation of the best estimates with previous experience;
- To inform the administrative body about the reliability and adequacy of the calculation of the technical provisions;
- Supervise the calculation of technical provisions in cases where, due to the lack of sufficient data and of adequate quality, approximations, including case-by-case approaches, are used in relation to the calculation of the best estimate of technical provisions;
- To pronounce on the general subscription policy;
- To rule on the adequacy of reinsurance agreements;
- Contribute to the effective implementation of the risk management system, in particular with regard to the risk modelling on which the calculation of capital requirements is based, and the internal assessment of risks and solvency.

According to Article 272 of the AADD, the Actuarial Function has to carry out the following verifications:

- In coordinating the calculation of technical provisions, the actuarial function shall include all of the following tasks:
  - apply methods and procedures to assess the adequacy of technical provisions (PPTT);
  - assess the uncertainty associated with the estimates made in the calculation of PPTT;
  - ensure that any limitations on the data used for the calculation of PPTTs are adequately addressed;

- ensure the use of the most appropriate approximations for the purpose of calculating the best estimate in the cases referred to in Article 82 of Directive 2009/138/EC;
  - ensure the inclusion of insurance and reinsurance obligations in homogeneous risk groups for an appropriate assessment of the underlying risks;
  - take into account relevant information provided by financial markets and generally available data on underwriting risks, and ensure that such information is integrated into the assessment of PPTTs;
  - compare the calculation of PPTTs from one year to the next and justify any significant differences in the year;
  - ensure that an adequate assessment of the options and guarantees included in insurance and reinsurance contracts is provided.
- It shall assess, on the basis of the available data, whether the methods and assumptions used in the calculation of PPTTs are appropriate for the company's specific lines of business.
- It shall assess whether the information technology systems used in the calculation of PPTTs are sufficiently prepared for actuarial and statistical procedures.
- By comparing the best estimates with past experience, the actuarial function will re-examine the quality of previous best estimates and use the knowledge gained from this assessment to improve the quality of current calculations. The comparison of best estimates with past experience shall include comparisons between the observed values and the estimates on which the calculation of the best estimate is based, in order to draw conclusions about the adequacy, accuracy and completeness of the data and assumptions used, as well as about the methods applied in their calculation.
- The information submitted to the administrative, management or supervisory body on the calculation of the technical provisions shall include at least: a reasoned analysis of the reliability and adequacy of the calculation and of the sources and the degree of uncertainty in the estimation of the technical provisions. This reasoned analysis will be supported by a sensitivity analysis that will study the sensitivity of the technical provisions with respect to each of the main risks underlying the obligations covered by the technical provisions. The actuarial function shall clearly indicate and explain any doubts it may have as to the adequacy of the technical provisions.

- With respect to global reinsurance agreements, the actuarial function's judgement under Article 48(1)(h) of Directive 2009/138/EC shall include an adequacy analysis of the following:
  - the risk profile and underwriting policy of the company;
  - reinsurance providers, taking into account their creditworthiness;
  - the coverage expected in stress scenarios in relation to the underwriting policy;
  - the calculation of recoverable amounts from reinsurance contracts and special purpose entities.
- The Actuarial Function shall prepare a written report which shall be submitted to the administrative, management or supervisory body at least annually. The report shall document all the tasks performed by the actuarial function and their results, clearly identify possible deficiencies and make recommendations on how to remedy them.

## B.7. OUTSOURCING

Under Solvency II, (re)insurance companies remain fully responsible for the fulfilment of all their obligations when they outsource functions or activities. All functions or activities can be outsourced, both internally (parent or sister company) and externally, taking into account the requirements of suitability and the need for independence (internal audit). The only thing that cannot be outsourced is the direction and management of the company, i.e. the Board of Directors. Supervisory authorities shall be notified prior to the outsourcing of critical or important functions or activities, as well as any subsequent major events in relation to those functions or activities.

Any decision to outsource critical or important operational functions or activities to cloud service providers is based on a thorough risk assessment, including all relevant risks involved in the agreement, such as information and communication technology ("ICT"), business continuity, legal, and compliance, concentration, other operational risks, and risks associated with data migration and/or the implementation phase, if applicable.

The Entity also assesses these risks in accordance with its Entity risk management framework, specifically including the risks associated with ICT services in accordance with its strategy for the use of ICT third parties and the applicable regulations on digital operational resilience (DORA).

Functions cannot be outsourced if this outsourcing could:

- Materially damaging the quality of the governance system of Telefónica Seguros;
- Unduly increase operational risk;
- Affect or impair the ability of supervisory authorities to verify that Telefónica complies with its obligations;
- Affect the provision of a continuous and satisfactory service to the insured.

The service provider may be a Supervised Entity, an Entity belonging to the same group as Telefónica Seguros or not, and be located in the EU or outside the EU (United Kingdom). The process of selecting a supplier must meet the requirements described below.

Telefónica Seguros will determine whether the activity or function to be outsourced is considered critical or important and, if so, this policy would apply.

In addition to the fact that the outsourcing of critical functions or activities is approved by the Management Committee and ratified by the Board of Directors,

Within the evaluation, the following must be taken into account:

- If the outsourced operational function or activity (or a part thereof) is performed on a recurring or continuous basis;
- Whether this operational function or activity (or a part thereof) would normally fall within the scope of the operational functions or activities that the enterprise would perform or could perform in the course of its usual activities, even if the enterprise has not performed this operational function or activity in the past.

Those responsible for the critical function or activity shall be responsible for monitoring the critical function or activity and evaluating the performance and results of the service provider. Outsourcing does not relieve the person responsible for the function or activity of carrying it out successfully and meeting its objectives.

Outsourcing does not exempt Telefónica Seguros or those responsible for the outsourced functions or activities from their responsibility for the proper performance of the same and for the fulfilment of their objectives and obligations.

The activities subject to subcontracting have been evaluated as Critical or Important in accordance with the Internal Subcontracting Policy, corresponding to the following considerations:

#### **Critical Functions/Activities Subcontracted:**

The following functions or activities may be considered critical:

- Risk management,
- Compliance,
- Internal audit,
- Actuarial function,
- Investments and portfolio management,
- Any other function or activity that affects the governance system, increases operational and/or financial risk or changes the provision of a continuous and satisfactory service to Telefónica Seguros policyholders.

#### **Important Functions/Activities Subcontracted:**

The important activities will be all those identified in the Business Contingency Plan, and specifically, those related to:

- Subscription,

- Claims management,
- Distribution,
- Accounting and financial reporting.

**Risk assessment:**

Subject to compliance with the rules and instructions of Telefónica Seguros on the contracting of services, the process of selecting service providers must be carried out in accordance with the following rules:

The manager of the subcontracted function or activity has to develop a subcontracting evaluation plan that includes at least the following elements:

**❖ Due Diligence:**

The due diligence provider must conduct the due diligence before outsourcing any operational function or activity. It should include:

- Clear definition and description of roles and activities;
- Financial data of the function or activity;
- Profile of the provider, its technical and financial capacity to perform the outsourced service and the authorizations required by law to exercise the outsourced function or activity;

Where appropriate, the company can use to support due diligence conducted tests, certifications based on international standards, recognized third-party audit reports, or internal audit reports.

**❖ Risk assessment:**

Telefónica Seguros will identify the main risks that may arise from outsourcing. In the assessment, the company shall take into account, together with the result of the risk assessment, at least the following factors:

- a) The potential impact of any major disruption of the outsourced operational function or activity or the inability of the provider to deliver the services at the agreed service levels in the enterprise:
  - Continuous compliance with its regulatory obligations;
  - Resilience and financial viability and solvency in the short and long term;
  - Business continuity and operational resilience;
  - Operational risk, including conductive, ICT and legal risks;
  - Reputational risks;
- b) The potential impact of the outsourcing agreement on the company's capacity:
  - Identify, control and manage all relevant risks;
  - Comply with all legal and regulatory requirements;
  - Carry out the relevant audits on the outsourced operational function or activity.
- c) The aggregate exposure of the company (and/or the group, if applicable) to the same supplier and the possible cumulative impact of outsourcing agreements in the same business area;

- d) The size and complexity of the company's business areas affected by the outsourcing agreement;
- e) The ability, if necessary or desirable, to transfer the proposed outsourcing arrangement to another cloud service provider or to reinstate the services ("substitutability");
- f) The protection of personal and non-personal data and the potential impact on the company, policyholders or other relevant subjects of a breach of confidentiality or the failure to guarantee the availability and integrity of data based, among others, on Regulation (EU) 2016/6797. The company must take into account in particular:
  - The strategies to mitigate or manage these risks and the internal control and risk assessment mechanisms, of similar scope and nature that already existed in the company before outsourcing and the identification of the person responsible for them;
  - Detailed examination of each supplier's capability and analysis of any potential conflicts of interest, for example, between the service provider and the company or any agreements that the supplier may enter into with competitors of the Company. Likewise, this risk assessment is carried out prior to outsourcing.

❖ **Risk assessment of Outsourcing in the cloud:**

In the event of outsourcing critical or important operational functions or activities to cloud service providers, Telefónica Seguros shall:

- Consider the expected benefits and costs of the proposed cloud outsourcing arrangement;
- Weigh any significant risks that can be better reduced or managed against any significant risks that may arise as a result of the proposed cloud outsourcing arrangement;
- Assess, where appropriate and appropriate, risks, including legal, ICT, compliance and reputational risks, and the resulting supervisory constraints.

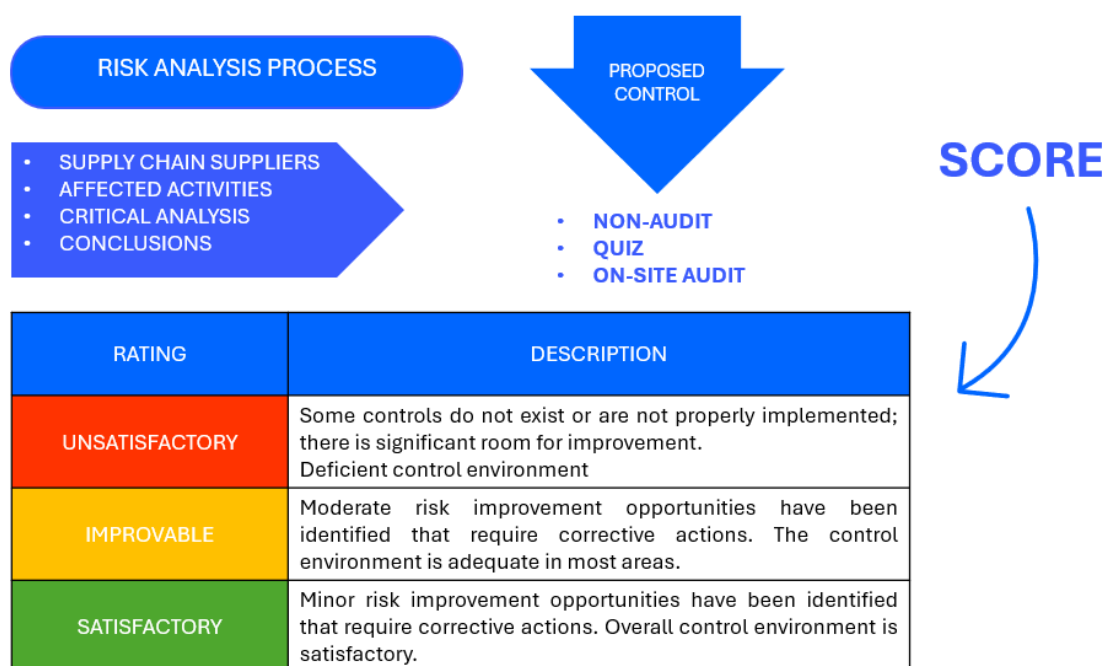
Likewise, in the case of ICT services, Telefónica Seguros will assess the associated risks in accordance with its Outsourcing Policy and its strategy for the use of ICT third parties, including those relating to service continuity, information security, data localization and the provider's supervisory capacity.

The evaluation must take into account:

- Existing legislation, including data protection;
- The implementing provisions of the law in force;
- The provisions of the insolvency law that would apply in the event of the bankruptcy of a service provider and the limitations that would arise with regard to the urgent recovery of the company's data;

- Subcontracting, including additional risks that may arise if the subcontractor is located in a third country or in a country other than the cloud service provider;
- The risks associated with supplier dependency and service continuity, in accordance with the provisions of the Entity's digital operational resilience strategy.

The Entity periodically conducts checks and audits on third-party providers established in a risk-based approach described in the diagram below.



Telefónica Seguros outsources certain functions to the Telefónica Group which, according to the Group's Corporate Governance System, are centralised in corporate services such as Internal Audit.

## B.8. ANY OTHER INFORMATION

Apart from what has been pointed out above, no other information has a relevant impact on the Government System.

## C. RISK PROFILE

The Company has a process for the identification, management and early notification of risks with management responsibility for the identification and management of risks in all areas of the Company. The process is the responsibility of the Entity's Risk Management Function, which reports to the Risk and Governance Committee and, ultimately, to the Board of Directors.

The process begins with the identification of risks. This process is carried out by the Risk Management Function and the Processes and Compliance area of Telefónica Seguros, through workshops with the heads of the Company's business areas. The risks identified are included in the Entity's risk register. In parallel, Risk Owners evaluate each risk and define the appropriate controls and action plan to eliminate, transfer or mitigate them.

Risk assessment is carried out on the basis of the following principles: the level of inherent risk is determined by combining the probability of the risk occurring and its impact, i.e. estimating the economic value of the risk should it materialise.

The main result of risk management is the Entity's Risk Map, which includes a detailed sheet for each of the risks included in the register. Each sheet includes the description and assessment of the risk and the controls and the action plan. The overall results are shown in the Heat Map, which represents the resulting qualitative and quantitative assessments of the likelihood of a risk occurring and the impact of each risk.

The Company's Risk Profile is presented following the categories defined by prudential regulation; Article 309 of Commission Delegated Regulation (EU) 2015/35. For each category, the different risks are described and quantified, both those determined in the Company's Risk Map and, where appropriate, by the Solvency Capital Requirement, resulting from the application of the standard formula, if applicable.

In 2025, the main risks to which the Bank is exposed are:

- Underwriting risk, representing 58% of the SCR before correlating between modules, below the previous year (51%).
- Market Risk, represented 24% of the SCR before correlating between modules, below the previous year (22%).
- Counterparty Risk, representing 33% of the SCR before correlating between modules, above the previous year (41%).
- Operational Risk, representing 10% of the SCR before correlating between modules, above the previous year (11%).

| SCR                    | 2025 | 2024 | Variance |
|------------------------|------|------|----------|
| Underwriting Risk      | 58%  | 51%  | 7%       |
| Market Risk            | 24%  | 22%  | 2%       |
| Default Risk           | 33%  | 41%  | -9%      |
| Operational Risk       | 10%  | 11%  | 0%       |
| <i>Diversification</i> | -25% | -25% | 0%       |

Telefónica also faces a variety of other risks, including those related to cybersecurity, natural or man-made disasters, socio-political risks, the macroeconomic environment, and personnel and organizational management. In addition, the Entity identifies emerging risks that could arise in the long term (5-10 years), such as climate change and financial instability and crises resulting from conflicts and disruptions in the supply chain.

### C.1. UNDERWRITING RISK

Underwriting risk is the risk of loss or an adverse change in the value of insurance liabilities, due to inappropriate pricing and provisioning assumptions. Non-life underwriting risk includes premium and reserve risk, fall risk, and catastrophe risk.

The underwriting risk tolerance at Telefónica Seguros is established by two metrics:

- Underwriting capacity: is defined as the maximum aggregate liability that the Company can underwrite. Telefónica Seguros establishes its underwriting capacity based on the maximum overall exposure to risk. In this regard, the Company may underwrite any business to the extent that the SCR coverage ratio remains at 120% or higher.
- Combined ratio: is a measure of profitability. It is calculated by taking the sum of the losses and expenses incurred and then dividing them by the premium earned. Telefónica Seguros has set itself an underwriting target for a return that reaches an average combined ratio of 95%, with an upper limit of 110% per line of business. Whenever the combined ratio of a single line of business reaches 110%, the Company's executive bodies shall immediately take appropriate corrective action to correct the deviation.

#### **Risk measures**

Underwriting risks are identified in the Company's Risk Register under risk 19 "Customer risk". The risks were measured by the presentation of the Company's Risk Map report. In accordance with the tolerance threshold defined by the Entity, these risks were classified as:

- Probability: Possible (11% - 30%)
- Impact: Medium (€1-5 million)

Subscription risk for 2025 stands at €27,079 thousand compared to €21,190 thousand in the previous year. This increase is mainly due to a greater risk in the Premiums and Reserves and Falls submodules, justified by higher retention:

| Underwriting Risk                              | 2025          | 2024          | Variance      |
|------------------------------------------------|---------------|---------------|---------------|
| Premiums and Reserves                          | 25.754        | 20.673        | 5.080         |
| Lapses                                         | 8.216         | 3.765         | 4.451         |
| Catastrophic                                   | 192           | 677           | -485          |
| <b>SCR Underwriting before diversification</b> | <b>34.162</b> | <b>25.116</b> | <b>9.046</b>  |
| <i>Diversification</i>                         | <i>-7.083</i> | <i>-3.926</i> | <i>-3.157</i> |
| <b>Underwriting SCR</b>                        | <b>27.079</b> | <b>21.190</b> | <b>5.889</b>  |

*Thousand of Euros*

### **Risk concentrations:**

The main line of business of the Entity is mobile terminal insurance. Insurance is taken out in Spain and in its branches abroad (Germany and the United Kingdom), giving rise to a fairly significant diversification of underwriting risks, due to the independence of the insured risks, mobile phones.

### **Risk mitigation:**

The main element of mitigating the company's underwriting risk is the contracting of reinsurance. In the Telefónica Seguros plan, the assignment of underwriting risk decreases, with more and more control of risk. The average risk ceded amounts to 29% in 2025, decreasing compared to the previous year. The level of this reinsurance coverage is reviewed and approved annually.

| Reinsurance Ceding Ratio          | 2025 | 2024 | Variance |
|-----------------------------------|------|------|----------|
| Ceding to Reinsurance of Premiums | 29%  | 44%  | -16%     |

Additional mitigation elements include pricing guidelines that ensure accurate and consistent premium setting across the Entity, the review and evaluation of reserves, and periodic management reviews of underwriting performance by line of business, with measures taken to grow or shrink business based on performance.

### **Sensitivity:**

The primary sensitivity for underwriting risks is defined and assessed according to the ORSA analysis.

## **C.2. MARKET RISK**

Market risk can be defined as the potential loss of economic capital resulting from adverse movements in financial markets. This risk arises from the financial assets and liabilities whose values are subject to such movements.

This is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market prices. As defined in the Solvency II legal framework, market risk is divided into the following submodule. The main risk elements of market risk defined in the Solvency II legal framework are:

- Interest rate risk:

Interest rate risk affects all assets and liabilities whose net value is sensitive to changes in the term structure or to the volatility of interest rates, as long as they are not related to policies in which the policyholder assumes investment risk.

Direct investments in real estate, equity investments and investments in related companies should not be considered as sensitive to interest rates. Assets sensitive to interest rate movements include fixed income investments, financing instruments (e.g. loans), policy loans, interest rate derivatives and insurance assets.

- Equity risk:

The risk measured is that the market prices of securities and real estate move adversely, leading to unexpected losses. Exposure to these risks arises from owning common shares and mutual funds, as well as from direct ownership of real estate and investments in listed real estate companies and real estate funds.

- Property Risk:

The risk that is measured is that the market prices of real estate will move adversely, which will lead to unexpected losses.

Exposure to these risks stems from direct ownership of real estate and from investments in listed real estate companies and real estate funds.

- Credit Risk:

This risk is discussed in section C.3 Credit Risk.

- Currency exchange rate risk:

Foreign exchange risk is the financial risk that the value of an investment changes due to changes in currency exchange rates.

- Risk of concentration:

Concentration risk provides for the allocation of capital risk to cover either a lack of diversification of assets or a significant exposure to the risk of default of one or more counterparties.

## **Risk measures:**

### **1. Risk Mapping**

#### **1.1. Interest rate risk**

In 2025, interest rate risk is identified in the Company's Risk Map in Register No. 14 "Interest rate risk". According to the tolerance threshold defined by society, these risks were classified as:

- Probability: Possible (11% - 30%)
- Impact: Low (€0.5 - €1 million)

### 1.2. Equity Risk

In 2025, equity risk is identified in the Company's Risk Map in Register 15 "Market risks".

According to the tolerance threshold defined by society, these risks were classified as:

- Probability: Possible (11% - 30%)
- Impact: Medium (€1 – €5 million)

### 1.3. Real Estate Risk

Risk of real estate market prices moving adversely, leading to unexpected losses.

Exposure to these risks stems from direct ownership of real estate and investments in listed real estate companies and real estate funds.

Real estate risk is not identified in the risk map since the company does not have any relevant real estate assets on its balance sheet.

### 1.4. Currency Risk

In 2025, currency rate risk is identified in the Company's Risk Map in Register No. 14 "Interest rate and exchange rate risk". According to the tolerance threshold defined by society, these risks were classified as:

- Probability: Possible (11% - 30%)
- Impact: Low (€0.5 - €1 million)

However, as a mitigator to this risk by corporate mandate, all exposure to currency risk is permanently covered.

### 1.5. Concentration Risk

It is the risk derived as a result of a lack of diversification of the asset portfolio or a significant exposure to the risk of default of the same issuer of securities or a group of related issuers. Concentration risk is not identified in the Company's Risk Map, as the Investment Policy prescribes strict concentration limits by type of asset, counterparty and credit rating.

## 2. Standard Formula

Market risk is defined according to the standard formula of the Solvency II directive. In 2025 it stood at €11,383 thousand, above the result of the previous year (€9,111 thousand), this increase is mainly due to an increase in equity risk:

| Market Risk                              | 2025          | 2024          | Variance     |
|------------------------------------------|---------------|---------------|--------------|
| Interest rate risk                       | 2.357         | 1.264         | 1.093        |
| Equity risk                              | 7.231         | 4.130         | 3.100        |
| Concentration risk                       | 1.140         | 1.197         | -58          |
| Spread risk                              | 2.421         | 1.859         | 562          |
| Currency risk                            | 3.259         | 4.922         | -1.664       |
| Property risk                            | 528           | 532           | -4           |
| <b>SCR Market before diversification</b> | <b>16.935</b> | <b>13.904</b> | <b>3.031</b> |
| <i>Diversification</i>                   | <i>-5.551</i> | <i>-4.793</i> | <i>-758</i>  |
| <b>Market SCR</b>                        | <b>11.383</b> | <b>9.111</b>  | <b>2.272</b> |

*Thousand of Euros*

### **Risk mitigation**

The main mitigation elements for market risk are set out in the Bank's Investment Policy. It is governed by the general principle of investment of the prudent person and guarantees the security, quality, liquidity and profitability of the investment portfolio. The Strategic Asset Allocation defined in the Investment Policy includes exposure limits to each type of asset class. The Investment Committee is responsible for the execution of the Company's Investment Policy. The Investment Committee meets quarterly to oversee the Entity's investment portfolio. The Investment Department prepares monthly reports to monitor the evolution and compliance with the quantitative limits of assets and exposures in the portfolio. The Entity enters into a forward exchange rate agreement with the Group to hedge the exposure of foreign exchange rates.

### **Sensitivity**

Market risk sensitivities may include macro and microeconomic trends, the policy framework, environmental factors, and a wide range of other factors. The Investment Committee follows up and monitors market sensitivities by biasing the reports prepared by the Telefónica Group's Capital Markets and Economic Development research departments and the financial institutions that provide services to the Company.

## **C.3. CREDIT RISK**

Credit risk is defined in Solvency II with a two-pronged approach, extension risk and counterparty default risk. Extension risk represents a change in the volatility of credit extensions over the term structure of risk-free interest rates. Counterparty risk is defined as the potential loss of economic capital, resulting from the failure to meet the financial obligations of the counterparties. Financial assets exposed to the counterparty are classified into three main groups.

1. Reinsurance assets.

Exposures to this risk are balances due under existing reinsurance contracts. These contracts have been concluded in accordance with the reinsurance strategy.

Counterparties are reinsurance companies and the risk measured is that these counterparties default on their obligations. The potential loss of value due to the risk of rating migration is also measured; This is the potential reduction in the value of reinsurance assets if counterparties' ratings are downgraded.

2. Accounts receivable from policyholders, agents and intermediaries and other insurance companies.

Risks are premiums owed by counterparties and amounts owed for insurance agreements and other contractual obligations. Counterparties are insureds, brokers, intermediaries and other insurance companies and the risk that is measured is that the counterparties will default on their obligations.

3. Cash in banks, deposits in ceding companies and other legally binding commitments, common equity and preferred shares required but not paid, legally binding commitments to subscribe and pay subordinated liabilities demanded but not paid, initial funds required but not paid, contributions from members or the equivalent item of basic own funds for mutual and mutual enterprises, Guarantees demanded but not paid, letters of credit demanded but not paid, claims demanded but not paid, which mutual or mutual associations may have against their members through a request for supplementary contributions.

## **Risk measures**

In 2025, credit risk is identified in the Entity's Risk Map in Register No. 16 "Credit Risk", and Register No. 18 "Reinsurance Risk" "The risks were measured by the presentation of the company's Risk Map report. According to the tolerance threshold defined by society, these risks were classified as:

- No. 16 Credit risk
  - Probability: Remote (0% - 10%)
  - Impact: Medium (€1 - €5 million)
- No. 18 Reinsurance Risk
  - Probability: Remote (0% - 10%)
  - Impact: High (€5 - €10 million)

Credit risk is defined in the standard formula of the Solvency II directive in two separate risk submodules, the risk of extension and the risk of counterparty default. The results of the counterparty default risk in thousands of euros as of December 31, 2025 are shown below:

| Default Risk                                   | 2025          | 2024          | Variance      |
|------------------------------------------------|---------------|---------------|---------------|
| Default risk type 1                            | 3.423         | 4.307         | -885          |
| Default risk type 2                            | 12.496        | 13.529        | -1.033        |
| <b>Counterparty SCR before diversification</b> | <b>15.919</b> | <b>17.837</b> | <b>-1.918</b> |
| <i>Diversification</i>                         | <i>-687</i>   | <i>-836</i>   | <i>150</i>    |
| <b>Counterparty SCR</b>                        | <b>15.233</b> | <b>17.000</b> | <b>-1.768</b> |

*Thousand of Euros*

## Risk concentrations

The highest value individual possessions are cash in the banks of:

- Société Generale: €15.5 million
- Telefónica S.A.: 9.4 million euros
- Lombard Odier: €5.7 million

## Risk mitigation

The main elements of credit risk mitigation are set out in the Company's Investment Policy. It is governed by the general principle of investment of the prudent person and guarantees the security, quality, liquidity and profitability of the investment portfolio. The Strategic Asset Allocation defined in the investment policy includes exposure limits to each type of asset class. The Investment Committee is responsible for the implementation of the company's investment policy and meets quarterly to oversee the company's investment portfolio. The Investment Department prepares monthly reports to monitor the evolution and compliance with the quantitative limits of assets and exposures in the portfolio.

## C.4. LIQUIDITY RISK

Liquidity risk is defined as the risk that sufficient realizable financial resources are not available to meet the Company's financial obligations.

The Entity defines the following elements on liquidity risk management:

- The process for determining the level of mismatch between cash inflows and outflows, both of assets and liabilities, including expected cash flows from direct insurance and reinsurance, such as claims, lapses, or waivers.
- Consideration of total liquidity needs in the short and medium term, including an adequate liquidity buffer to protect against a liquidity shortfall.
- The consideration of the level and supervision of liquid assets, including a quantification of the possible financial costs or losses arising from a forced realisation.
- The identification and assessment of the cost of alternative financing instruments.
- Consideration of the effect on the liquidity situation of the planned new businesses.

### **Risk measures**

Liquidity Risk is identified in the Company's Risk Register in chapter 17 "Liquidity Risk". The risks were measured by the presentation of the company's Risk Map report. According to the tolerance threshold defined by society, these risks were classified as:

- Probability: Remote (0% - 10%)
- Impact: Low (€0.5 - €1 million)

Liquidity Risk is not explicitly defined according to the standard formula of the Solvency II directive.

### **Risk mitigation**

The Company uses the following elements to monitor and mitigate liquidity risk:

- The cash flow position is monitored and a monthly report is submitted to the Company's Management and the Group's Financial Office.
- Minimum cash on hand threshold,
- Credit Risk Analysis of Financial Institutions in which cash and financial assets are held,
- The premium collection cycle and the disbursement of claims and expenses are regularly monitored.

### **Sensitivity**

The Company conducts an annual stress test of liquidity risk in the financial investment portfolio. Among other elements, the methodology takes into account the depth of the market and the variation of the spread between supply and demand for each asset class.

No relevant exposure to liquidity risks was identified through the 2025 stress test.

## **C.5. OPERATIONAL RISK**

Operational risk is defined as the potential loss of economic capital resulting from inadequate or failed internal processes or systems, understaffing, or the impact of external events such as failures in outsourcing arrangements, changes in tax legislation or laws, or external fraud, including cyberattacks.

The company defines the following elements on operational risk management:

- Identifying and quantifying the operational risks to which you are or could be exposed and assessing how to mitigate them.
- Internal activities and processes for the management of operational risks, including the IT system that supports them.

- The risk tolerance limits with respect to the company's main operational risk areas.

Telefónica implements processes to identify, analyse and report on operational risk events. To this end, a process will be developed to collect and monitor operational risk incidents and to follow up on resolutions.

The Company's Risk Register identifies certain risks that may be included in the Operational Risks category as defined by Solvency II. The following table presents these risks evaluated under the Company's Risk Map.

| Nº | Description of the risk                    | Probability             | Impact                     |
|----|--------------------------------------------|-------------------------|----------------------------|
| 6  | Cybersecurity                              | Very possible (31%-50%) | High (5-10 million euros)  |
| 7  | Dependency - Suppliers in the supply chain | Possible (11%-30%)      | Medium (1-5 million euros) |
| 8  | Risk of external fraud                     | Very possible (31%-50%) | Low (0,5-1 million euros)  |
| 9  | Delinquency                                | Very possible (31%-50%) | Low (0,5-1 million euros)  |
| 10 | Pandemic risk                              | Very unlikely (0%-10%)  | Low (0,5-1 million euros)  |
| 11 | HR Risk - Insufficient Resources           | Possible (11%-30%)      | Low (0,5-1 million euros)  |

### Risk measures:

Operational Risk is defined according to the standard formula of the Solvency II directive.

As of December 31, 2025, operational risk stood at €4.8 million, slightly more than the previous year.

| SCR              | 2025  | 2024  | Variance |
|------------------|-------|-------|----------|
| Operational risk | 4.847 | 4.495 | 352      |

*Thousand of Euros*

### Risk mitigation

The Company's Risk Management function monitors and reports on measures to mitigate operational risks.

Among the different elements of mitigation are business continuity plans, insurance, SLA and KPI definitions and outsourced services, etc.

## C.6. OTHER MATERIAL RISKS

The Company's Risk Register identifies four risks that can be included in the Other Material Risks category.

1. Business model risk. Risk is defined as the negative impact on the company's activities caused by the high dependence on the Telefónica Group's strategy. The Risk Map assesses risk as follows:

- Probability: Remote (0% - 10%)
  - Impact: Very High (> €10 million)
2. Competition / Market environment. Risks are defined as the negative impact on society's activities caused by increased competition in the insurance market, mainly due to the digitalisation of the economy and the emergence of new players, broadly defined as InsurTech.
- Probability: Possible (11% - 30%)
  - Impact: Low (0.5 – 1 million euros)
3. Risk of economic sanction and reputational impact and loss of authorisation due to non-compliance with the company's obligations in terms of standards, information reporting requirements, official records and any other mandatory requirements before regulators and other administrations in the countries where it operates. (Spain – DGS / UK – FCA & PRA / Germany – BaFin)

The Risk Map assesses this risk as follows:

- Probability: Very possible (31% - 50%)
  - Impact: Low (0.5 – 1 million euros)
4. Sustainability Risk. It is defined as any environmental, social or governance event or condition that, if it occurs, may have an actual or potential negative effect on the value of the investment or on the value of the liability.

The Risk Map assesses Sustainability Risk as follows:

- Probability: Possible (11% - 30%)
- Impact: Low (€0.5 - €1 million)

## C.7. ANY OTHER INFORMATION

There is no other pertinent information in this section.

## D. VALUATION FOR SOLVENCY PURPOSES

### D.1. ASSETS

Telefónica Seguros recognises and values its assets on the Balance Sheet for Solvency II purposes in accordance with the international accounting standards adopted by the Commission, in accordance with Regulation (EC) No 1606/2002, provided that these standards include valuation methods that are consistent with the valuation approach provided for in Article 75 of Directive 2009/138 EC.

As prescribed by Law 20/2015, on the regulation, supervision and solvency of insurance and reinsurance companies, in its article 68.1, the assets of Telefónica Seguros, in general terms, have been valued within the framework of Solvency II, for the amount for which they could be exchanged between interested and duly informed parties who carry out a transaction under conditions of mutual independence.

Telefónica Seguros recognises and values its assets in the annual accounts in accordance with the Accounting Plan for Insurance Companies (PCEA). An asset is recognised on the balance sheet when it is likely that future profits or returns will be obtained by Telefónica Seguros, and provided that they are reliably measured. The valuation criteria will be as provided for in the second part of the aforementioned Plan, depending on the asset in question.

The quantitative information (Accounting and Solvency II) of the Entity's Assets as of December 31, 2025 and December 31, 2024 is detailed below:

| Assets                   | 2025           |                |                | 2024           |                |                |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                          | Accounting     | Economic       | Difference     | Accounting     | Economic       | Difference     |
| Investments              | 123.258        | 123.888        | 630            | 95.476         | 95.621         | 145            |
| Reinsurance recoverables | 15.736         | 12.812         | -2.924         | 26.052         | 12.903         | -13.149        |
| Credits                  | 86.490         | 45.145         | -41.346        | 92.843         | 58.948         | -33.895        |
| Direct fees              | 14.068         | 0              | -14.068        | 22.523         | 0              | -22.523        |
| Other assets             | 18.334         | 31.530         | 13.196         | 12.519         | 28.746         | 16.228         |
| <b>Total</b>             | <b>257.887</b> | <b>213.375</b> | <b>-44.513</b> | <b>249.413</b> | <b>196.219</b> | <b>-53.194</b> |

*Thousand of Euros*

The valuation of the assets in the Entity's Balance Sheet amounts to €213,375 thousand, compared to €257,887 thousand in the Balance Sheet, mainly due to the cancellation of both the intangible assets and the anticipated commissions under the Solvency II criteria as well as a lower value of the recoverable reinsurance and the non-consideration of credits for Accrued and Unissued Premiums for Solvency purposes II, because they are included in the calculation flows of the best estimate of technical provisions

As of December 31, 2025, all assets are recognized at fair value for accounting and Solvency II purposes. Whenever possible, prices quoted on active markets are used. If these prices are not available, valuation techniques are used.

The financial assets as of December 31, 2025 and December 31, 2024 are shown below:

| Financial Assets          | 2025           |                |            | 2024          |               |            |
|---------------------------|----------------|----------------|------------|---------------|---------------|------------|
|                           | Accounting     | Economic       | Difference | Accounting    | Economic      | Difference |
| Participations            | 0              | 0              | 0          | 0             | 0             | 0          |
| Equity                    | 9.112          | 9.112          | 0          | 1.352         | 1.352         | 0          |
| Bonds                     | 41.303         | 41.933         | 630        | 21.946        | 22.092        | 145        |
| Investment funds          | 27.021         | 27.021         | 0          | 28.672        | 28.672        | 0          |
| Deposits                  | 5.704          | 5.704          | 0          | 8             | 8             | 0          |
| Cash and cash equivalents | 40.118         | 40.118         | 0          | 43.498        | 43.498        | 0          |
| <b>Total</b>              | <b>123.258</b> | <b>123.888</b> | <b>630</b> | <b>95.476</b> | <b>95.621</b> | <b>145</b> |

*Thousand of Euros*

*\*Derivate is included in Investment funds*

Deferred Tax Assets result from applying the tax rate to the valuation differences between the value of Solvency II and the carrying amount that represent a decrease in assets or an increase in liabilities.

| Deferred Taxes               | 2025          |               |               | 2024          |               |              |
|------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
|                              | Assets        | Liabilities   | Difference    | Assets        | Liabilities   | Difference   |
| Accounting Balance           | 257.887       | 137.242       | 120.645       | 249.413       | 151.861       | 97.552       |
| Economic Balance before DT   | 198.537       | 73.265        | 125.272       | 178.488       | 95.560        | 82.928       |
| Economic Balance impact      | -59.350       | -63.976       | 4.626         | -70.925       | -56.301       | -14.624      |
| <b>Deferred Taxes</b>        | <b>14.838</b> | <b>15.994</b> | <b>-1.157</b> | <b>17.731</b> | <b>14.075</b> | <b>3.656</b> |
| Total Economic Balance Sheet | 213.375       | 89.259        | 124.115       | 196.219       | 109.635       | 86.584       |

Thousand of Euros

## D.2. LIABILITIES

The Entity measures liabilities in the amount for which they could be transferred or settled between duly informed interested parties who carry out a transaction under conditions of mutual independence (Market to Model).

| Liabilities and Own Funds | 2025           |                |                | 2024           |                |                |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                           | Accounting     | Economic       | Difference     | Accounting     | Economic       | Difference     |
| Capital and Reserves      | 120.645        | 124.115        | 3.470          | 97.552         | 86.584         | -10.968        |
| Technical provisions      | 62.261         | -268           | -62.529        | 57.253         | 2.081          | -55.171        |
| Accounts payable          | 58.055         | 58.055         | 0              | 85.190         | 85.190         | 0              |
| Prov. Non-technical       | 2.979          | 2.979          | 0              | 2.830          | 2.830          | 0              |
| Other liabilities         | 13.947         | 28.494         | 14.547         | 6.588          | 19.534         | 12.946         |
| <b>Total</b>              | <b>257.887</b> | <b>213.375</b> | <b>-44.513</b> | <b>249.413</b> | <b>196.219</b> | <b>-53.194</b> |

Thousand of Euros

\*Other liabilities include deferred tax liabilities

The valuation of Liabilities together with Shareholders' Funds in the Entity's Balance Sheet amounts to €213,375 thousand, compared to €257,887 thousand in the carrying amount. This difference is mainly explained by a lower value of provisions under Solvency II criteria.

The breakdown of the Technical Provisions under Statutory Standards and under Solvency II standards as of December 31, 2025 is as follows:

| 2025                                          | Balance Accounting | Balance Solvency II | Difference     |
|-----------------------------------------------|--------------------|---------------------|----------------|
| <b>Best Estimate Provisions</b>               | <b>62.261</b>      | <b>-2.325</b>       | <b>-64.586</b> |
| Best Estimate Premiums                        | 51.310             | -13.709             | -65.019        |
| Claims Best Estimate                          | 10.951             | 11.384              | 433            |
| <b>Risk Margin</b>                            | <b>0</b>           | <b>2.057</b>        | <b>2.057</b>   |
| <b>Total Technical Provisions Direct Ins.</b> | <b>62.261</b>      | <b>-268</b>         | <b>-62.529</b> |

|                                                |               |                |                |
|------------------------------------------------|---------------|----------------|----------------|
| <b>Reinsurance Recoverables</b>                | <b>15.736</b> | <b>12.812</b>  | <b>-2.924</b>  |
| Premiums Recoverables                          | 11.317        | 8.184          | -3.133         |
| Claim Recoverables                             | 4.420         | 4.628          | 208            |
| <b>Technical Provisions net of reinsurance</b> | <b>46.525</b> | <b>-13.080</b> | <b>-59.605</b> |

Thousand of Euros

Technical provisions under Solvency II as of December 31, 2025 amounted to €-2,325 thousand, €64,586 thousand less than the carrying amount. This difference is mainly due

to the adjustment of the PDNE in the Solvency II Balance Sheet, within the Best Premium Estimate.

The Best Estimate of Premiums and Claims is calculated according to the following methodology:

### **BE Primas:**

The Best Estimate of premium reserves should be calculated as the expected present value of future incoming and outgoing cash flows, being a combination of, among others:

- Cash flows from future premiums.
- Cash flows from future claims.
- Cash flows derived from expenses.
- Cash flows derived from the ongoing administration of policies in force.

The following formula is used to mathematically translate the principles, dictated by EIOPA. The best estimate of premium reserves is calculated as:

$$PP = CR \cdot UPR + (CR - 1 + AER) \cdot PVFP$$

Where:

*CR*: Represents the combined ratio.

*UPR*: Reserve of unconsumed premiums.

*AER*: The acquisition expenditure ratio.

*PVFP*: The present value of the cash flows explained above.

Depending on the combined ratios and the present value of cash flows, the differences between statutory and Solvency II premium reserves can be significant.

The calculation of claims and premium reserves is carried out on a gross and net basis, applying the same formula and procedure, in order to also determine the part of reserves assigned to reinsurance (which is accounted for as an asset in the balance sheets).

### **BE Claims:**

- For Mobile Terminals, a product that accounts for 95% premiums:

The Entity has calculated the Best Estimate of Claims using the deterministic Chain Ladder methodology, considering a historical experience of 1 year. The IBNR is calculated as follows:

From the incremental payment triangles, the following actions are performed:

- Preparation of the accumulated payment triangle by Years.
- Calculation of the Age to Age Factors for each of the occurrences as "Cumulative Payments in t+1/Cumulative Payments in t", for each of the development periods.

- Calculation of means for Developmental Factors, final selection of Developmental Factors and Tail Factor and expert judgement considerations.
- The Best Estimate or Estimated Ultimate Cost of the claims is calculated for each of the occurrences. Subsequently, as a difference with the payments accumulated at the closing date, the necessary reserves are obtained for the total settlement of the claims that occurred up to the closing date.
- From the adjusted reserve settlement pattern obtained through the Chain Ladder methodology, future payment flows are obtained until the total settlement of the reserves and are financially updated to the EIOPA Yield Curve without Volatility Adjustment as of December 31, 2025.

For the rest of the products, the Entity considers the Best Estimate of claims equal to the accounting estimate. From the reserve settlement pattern, future payment flows are obtained until the total settlement of reserves and are financially updated to the EIOPA Yield Curve without Volatility Adjustment as of December 31, 2025.

### Risk Margin:

The Entity calculates the Risk Margin in accordance with Method 2 specified in Guideline 62 of the Guidelines on the Valuation of Technical Provisions (EIOPA-BoS-14/166 ES).

## D.3. OTHER LIABILITIES

The valuations of liabilities other than technical provisions for the purposes of Solvency II are detailed below, as well as the qualitative explanations of the main differences in their valuation between the Solvency II criteria and those used for the preparation of the annual accounts (Book Value) as of December 31, 2025:

Other accounting liabilities amount to €16,925 thousand, with a value of €31,473 thousand in solvency.

| Other Liabilities        | 2025          |               |               | 2024         |               |               |
|--------------------------|---------------|---------------|---------------|--------------|---------------|---------------|
|                          | Accounting    | Economic      | Difference    | Accounting   | Economic      | Difference    |
| Non-technical provisions | 2.979         | 2.979         | 0             | 2.830        | 2.830         | 0             |
| Other Liabilities        | 13.947        | 28.494        | 14.547        | 6.588        | 19.534        | 12.946        |
| <b>Total</b>             | <b>16.925</b> | <b>31.473</b> | <b>14.547</b> | <b>9.418</b> | <b>22.364</b> | <b>12.946</b> |

*Thousand of Euros*

*\*Other liabilities include deferred tax liabilities*

## D.4. ALTERNATIVE VALUATION METHODS

The Entity does not apply Alternative Valuation Methods.

## D.5. ANY OTHER INFORMATION

During the 2025 financial year, no other relevant circumstances have occurred that significantly affect the information set out in this section.

## E. CAPITAL MANAGEMENT

### E.1. CAPITAL AND RESERVES

Items of own funds shall be classified into three tiers, as set out in the Solvency II Directive, for the purposes of their ability to cover the different capital requirements.

Telefónica Seguros mainly has Tier One capital and reserves, consisting of its Share Capital and any reserves that may be built up in the future, and may also have Tier Three capital and reserves in terms of deferred taxes.

Telefónica Seguros, as part of the execution of the Own Risk and Solvency Assessment process (ORSA), also carries out an exercise of projection of the capital and solvency capital to analyse the evolution of the Solvency ratio.

- With regard to the projection of the capital and reserves, an estimate is made under stressed conditions of the Entity's own funds during the planning period of its activity in accordance with its business plan.
- With regard to the projection of solvency capital, an estimate is made under stressed conditions of the solvency capital requirement for each of the risk modules to which the Entity is exposed and of the capital required at a global level, during the planning period of its activity in accordance with its business plan.

These projections are based on the capital plans, duly subjected to stressed conditions, taking into account any expected actions that could affect their amount or composition. For example, if any capital and reserve items are to be repaid or redeemed or plans to obtain additional capital reserves are made, etc

Telefónica Seguros calculates the solvency capital in accordance with the methodology established by the standard formula.

- Solvency Capital Requirement (SCR). It is the one that insurance companies must have, at all times, to financially guarantee their commitments to their insured and whose calculation methodology is defined by the standard formula.
- Minimum capital requirement (MCR). It is the amount of capital below which Telefónica Seguros would be intervened, it is configured as a minimum level of security below which financial resources should not fall. Its calculation methodology is defined according to the SCR by the standard formula.

The financial capacity of Telefónica Seguros is measured by the ratio between the level of capital and reserves and the solvency capitals.

This ratio measures the capacity of Telefónica Seguros to cover the solvency capitals. The following points with regard to capital and reserves must be taken into account for the analysis and management of the capital of Telefónica Seguros:

| Concept               | Description                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minimum Level</b>  | Lower threshold for the capitalisation of Telefónica Seguros. This is the solvency capital requirement. This is the lowest level of capital and reserves that Telefónica Seguros should have.                                                                                                                                                                                                                      |
| <b>Security Level</b> | The level of capitalisation considered suitable for the balance sheet of Telefónica Seguros in a stable business environment. In this case, the Entity's capital and reserves should be able to cover the mandatory solvency capital plus a safety margin.                                                                                                                                                         |
| <b>Target Level</b>   | <p>This is the level of capital and reserves desired by Telefónica Seguros, by means of which the solvency capital requirement and future contingencies can be covered. Its level shall be determined, at least annually, upon the basis of:</p> <ul style="list-style-type: none"> <li>• The Business position</li> <li>• The Ability to generate capital.</li> <li>• Relevant risks and volatilities.</li> </ul> |

As of December 31, 2025, the Entity has capital and reserves amounting to €124,115 thousand.

| Available Capital and Reserves 2025 | TOTAL          | TIER 1         | TIER 2   | TIER 3   |
|-------------------------------------|----------------|----------------|----------|----------|
| Statutory Capital and Reserves      | 36.540         |                |          |          |
| Reconciliation Reserve              | 87.575         |                |          |          |
| <b>Total</b>                        | <b>124.115</b> | <b>124.115</b> | <b>0</b> | <b>0</b> |

*Thousand of Euros*

*\*Reconciliation Reserve include deferred tax liabilities*

As of December 31, 2024, the Entity had capital and reserves amounting to €86,584 thousand.

| Available Capital and Reserves 2024 | TOTAL         | TIER 1        | TIER 2   | TIER 3       |
|-------------------------------------|---------------|---------------|----------|--------------|
| Statutory Capital and Reserves      | 36.540        |               |          |              |
| Reconciliation Reserve              | 50.044        |               |          |              |
| <b>Total</b>                        | <b>86.584</b> | <b>82.928</b> | <b>0</b> | <b>3.656</b> |

*Thousand of Euros*

*\*Reconciliation Reserve includes Def. Taxes*

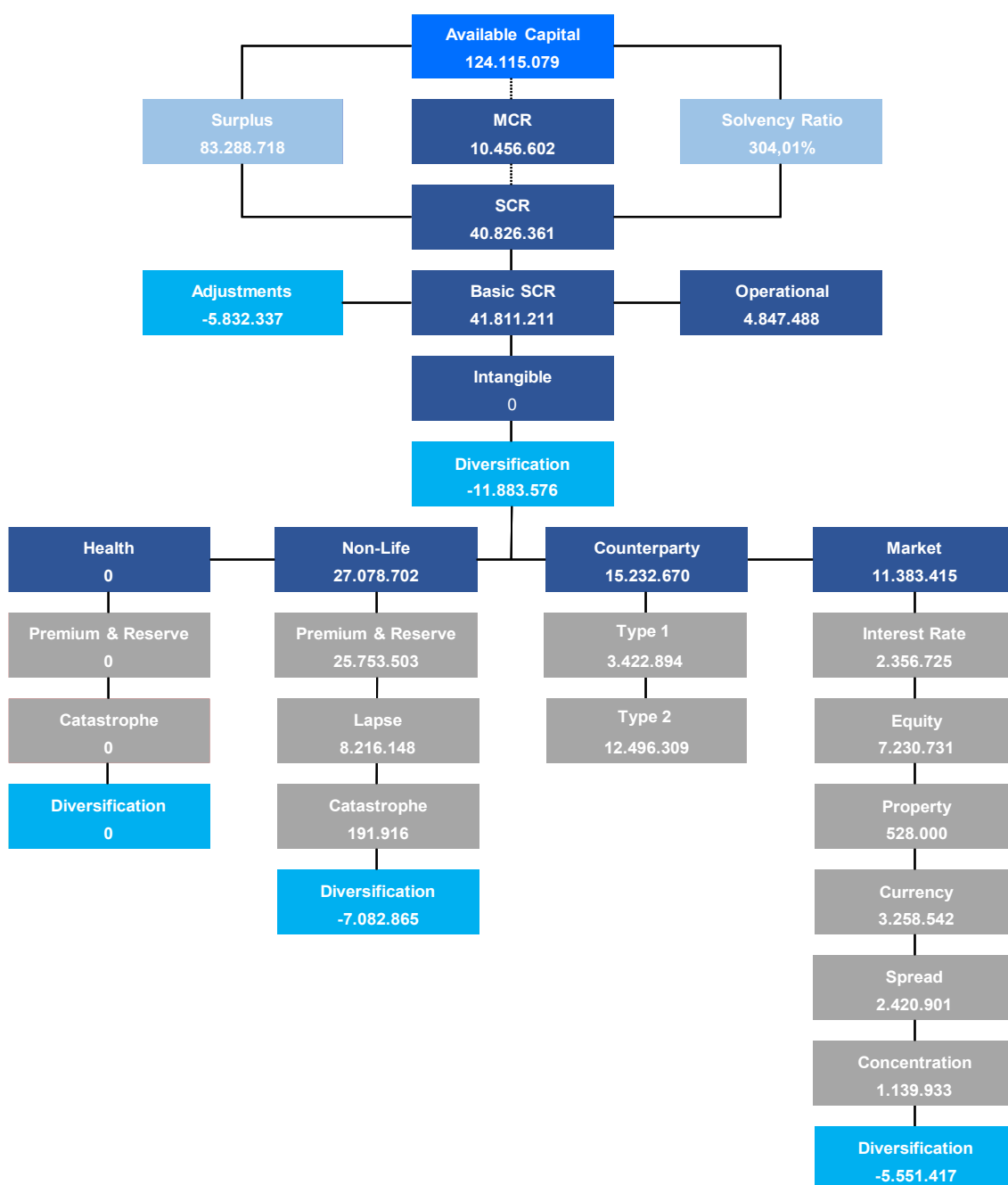
As of December 31, 2025, Telefónica Seguros:

- It has no Supplementary Capital and Reserves.
- There have been no significant movements in the Capital and Reserves.

## E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The Entity uses the Standard Formula for the determination of the Solvency Capital Requirement. The SCR follows a modular approach, so the amount of the capital requirements will be approximated by aggregating the individualized requirements of each risk module and submodule.

The composition of the Solvency risk as of December 31, 2025 is as follows:



| SCR                                              | 2025          | 2024          | Variance      |
|--------------------------------------------------|---------------|---------------|---------------|
| <b>Underwriting Risk</b>                         | <b>27.079</b> | <b>21.190</b> | <b>5.889</b>  |
| Premiums and reserves                            | 25.754        | 20.673        | 5.080         |
| Portfolio Loss                                   | 8.216         | 3.765         | 4.451         |
| Catastrophe                                      | 192           | 677           | -485          |
| Diversification                                  | -7.083        | -3.926        | -3.157        |
| <b>Market Risk</b>                               | <b>11.383</b> | <b>9.111</b>  | <b>2.272</b>  |
| Interest Rate Risk                               | 2.357         | 1.264         | 1.093         |
| Equity Risk                                      | 7.231         | 4.130         | 3.100         |
| Concentration Risk                               | 1.140         | 1.197         | -58           |
| Spread Risk                                      | 2.421         | 1.859         | 562           |
| Currency Risk                                    | 3.259         | 4.922         | -1.664        |
| Property Risk                                    | 528           | 532           | -4            |
| Diversification                                  | -5.551        | -4.793        | -758          |
| <b>Default Risk</b>                              | <b>15.233</b> | <b>17.000</b> | <b>-1.768</b> |
| Default Risk type 1                              | 3.423         | 4.307         | -885          |
| Default Risk type 2                              | 12.496        | 13.529        | -1.033        |
| Diversification                                  | -687          | -836          | 150           |
| <b>BSCR (before correlation between modules)</b> | <b>53.695</b> | <b>47.302</b> | <b>6.393</b>  |
| Diversification profit                           | -11.884       | -10.488       | -1.396        |
| <b>BSCR</b>                                      | <b>41.811</b> | <b>36.814</b> | <b>4.997</b>  |
| Operational Risk                                 | 4.847         | 4.495         | 352           |
| Aj. Deferred Tax                                 | -5.832        | -5.164        | -669          |
| <b>SCR</b>                                       | <b>40.826</b> | <b>36.145</b> | <b>4.681</b>  |

Thousand of Euros

The total amount of the SCR at the end of 2025 amounts to 40,826 thousand euros, compared to 36,145 thousand euros last year.

| SCR Composition  | 2025          | 2024          | Variance     |
|------------------|---------------|---------------|--------------|
| <b>BSCR</b>      | <b>41.811</b> | <b>36.814</b> | <b>4.997</b> |
| Operational Risk | 4.847         | 4.495         | 352          |
| Aj. Deferred Tax | -5.832        | -5.164        | -669         |
| <b>SCR</b>       | <b>40.826</b> | <b>36.145</b> | <b>4.681</b> |

Thousand of Euros

Telefónica Seguros is part of the tax group of Telefónica S.A., which undertakes to absorb (during the first year) the loss generated in a shock scenario, specifically referred to in the LACDT. This shows the ability of TS to recognize this recovery.

As of December 31, 2025, the SCR is 304% (240% as of December 31, 2024). This ratio measures the ratio between Eligible Own Funds and Solvency Capital Requirements.

| <b>Solvency Ratio</b>           | <b>2025</b> | <b>2024</b> | <b>Variance</b> |
|---------------------------------|-------------|-------------|-----------------|
| Available Capital and Reserves  | 124.115     | 86.584      | 37.531          |
| SCR                             | 40.826      | 36.145      | 4.681           |
| <b>Mandatory Solvency Ratio</b> | <b>304%</b> | <b>240%</b> | <b>64%</b>      |

*Thousand of Euros*

As of December 31, 2025, the amount of the MCR amounted to €10,457 thousand (€9,036 thousand as of December 31, 2024), and the Entity's Minimum Solvency Ratio is 1,187% (918% as of December 31, 2024). This ratio measures the ratio between Eligible Own Funds and Minimum Capital Requirement (MCR).

| <b>Minimum Solvency Ratio</b>          | <b>2025</b>  | <b>2024</b> | <b>Variance</b> |
|----------------------------------------|--------------|-------------|-----------------|
| MCR                                    | 10.457       | 9.036       | 1.420           |
| Available Capital and Reserves for MCR | 124.115      | 82.928      | 41.187          |
| <b>Minimum Solvency Ratio</b>          | <b>1187%</b> | <b>918%</b> | <b>269%</b>     |

*Thousand of Euros*

During the 2025 financial year, there has been no capital increase applied to the SCR.

### E.3. USE OF THE DURATION-BASED EQUITY RISK SUBMODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

It does not apply this heading or any of its sections, since Telefónica Seguros does not make use of the duration-based equity risk submodule in the calculation of the Solvency Capital Requirement.

### E.4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY OTHER INTERNAL MODEL USED

It does not apply this heading or any of its sections, since Telefónica Seguros does not use any partial or complete Internal Model, but rather calculates the Solvency Capital Requirement in accordance with the standard formula.

### E.5. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND THE SOLVENCY CAPITAL REQUIREMENT

The Entity has not breached the MCR and SCR during the reference period of this Report.

## E.6. ANY OTHER INFORMATION

During the 2025 financial year, no other relevant circumstances have occurred that significantly affect the information set out in this section.

## ANNEX - TEMPLATES

| SE.02.01.01                                                                            |              | Solvency II<br>value | Statutory accounts<br>value |
|----------------------------------------------------------------------------------------|--------------|----------------------|-----------------------------|
|                                                                                        |              | C0010                | C0020                       |
| Assets                                                                                 |              |                      |                             |
| Goodwill                                                                               | R0010        | 0                    | 0                           |
| Deferred acquisition costs                                                             | R0020        | 0                    | 14.068                      |
| Intangible assets                                                                      | R0030        | 0                    | 1.642                       |
| Deferred tax assets                                                                    | R0040        | 14.838               | 0                           |
| Pension benefit surplus                                                                | R0050        | 0                    | 0                           |
| Property, plant & equipment held for own use                                           | R0060        | 74                   | 74                          |
| Investments (other than assets held for index-linked and unit-linked contracts)        | R0070        | 83.770               | 83.140                      |
| Property (other than for own use)                                                      | R0080        | 0                    | 0                           |
| Holdings in related undertakings, including participations                             | R0090        | 0                    | 0                           |
| Equities                                                                               | R0100        | 9.112                | 9.112                       |
| Equities - listed                                                                      | R0110        | 9.112                | 9.112                       |
| Equities - unlisted                                                                    | R0120        | 0                    | 0                           |
| Bonds                                                                                  | R0130        | 41.933               | 41.303                      |
| Government Bonds                                                                       | R0140        | 10.974               | 10.830                      |
| Corporate Bonds                                                                        | R0150        | 30.960               | 30.474                      |
| Structured notes                                                                       | R0160        | 0                    | 0                           |
| Collateralised securities                                                              | R0170        | 0                    | 0                           |
| Collective Investments Undertakings                                                    | R0180        | 27.021               | 27.021                      |
| Derivatives                                                                            | R0190        | 0                    | 0                           |
| Deposits other than cash equivalents                                                   | R0200        | 5.704                | 5.704                       |
| Other investments                                                                      | R0210        | 0                    | 0                           |
| Assets held for index-linked and unit-linked contracts                                 | R0220        | 0                    | 0                           |
| Loans and mortgages                                                                    | R0230        | 0                    | 0                           |
| Loans on policies                                                                      | R0240        | 0                    | 0                           |
| Loans and mortgages to individuals                                                     | R0250        | 0                    | 0                           |
| Other loans and mortgages                                                              | R0260        | 0                    | 0                           |
| Reinsurance recoverables from:                                                         | R0270        | 12.812               | 15.736                      |
| Non-life and health similar to non-life                                                | R0280        | 12.812               | 15.736                      |
| Non-life excluding health                                                              | R0290        | 12.812               | 15.736                      |
| Health similar to non-life                                                             | R0300        | 0                    | 0                           |
| Life and health similar to life, excluding health and index-linked and unit-linked     | R0310        | 0                    | 0                           |
| Health similar to life                                                                 | R0320        | 0                    | 0                           |
| Life excluding health and index-linked and unit-linked                                 | R0330        | 0                    | 0                           |
| Life index-linked and unit-linked                                                      | R0340        | 0                    | 0                           |
| Deposits to cedants                                                                    | R0350        | 0                    | 0                           |
| Insurance and intermediaries receivables                                               | R0360        | 25.912               | 67.257                      |
| Reinsurance receivables                                                                | R0370        | 8.054                | 8.054                       |
| Receivables (trade, not insurance)                                                     | R0380        | 11.179               | 11.179                      |
| Own shares (held directly)                                                             | R0390        | 0                    | 0                           |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | R0400        | 0                    | 0                           |
| Cash and cash equivalents                                                              | R0410        | 40.118               | 40.118                      |
| Any other assets, not elsewhere shown                                                  | R0420        | 16.618               | 16.618                      |
| <b>Total assets</b>                                                                    | <b>R0500</b> | <b>213.375</b>       | <b>257.887</b>              |

| SE.02.01.01                                                                     |              | Solvency II<br>value | Statutory accounts<br>value |
|---------------------------------------------------------------------------------|--------------|----------------------|-----------------------------|
|                                                                                 |              | C0010                | C0020                       |
| <b>Liabilities</b>                                                              |              |                      |                             |
| Technical provisions - non-life                                                 | R0510        | -268                 | 62.261                      |
| Technical provisions - non-life (excluding health)                              | R0520        | -268                 | 62.261                      |
| Technical provisions calculated as a whole                                      | R0530        | 0                    | 0                           |
| Best Estimate                                                                   | R0540        | -2.325               | 0                           |
| Risk margin                                                                     | R0550        | 2.057                | 0                           |
| Technical provisions - health (similar to non-life)                             | R0560        | 0                    | 0                           |
| Technical provisions calculated as a whole                                      | R0570        | 0                    | 0                           |
| Best Estimate                                                                   | R0580        | 0                    | 0                           |
| Risk margin                                                                     | R0590        | 0                    | 0                           |
| Technical provisions - life (excluding index-linked and unit-linked)            | R0600        | 0                    | 0                           |
| Technical provisions - health (similar to life)                                 | R0610        | 0                    | 0                           |
| Technical provisions calculated as a whole                                      | R0620        | 0                    | 0                           |
| Best Estimate                                                                   | R0630        | 0                    | 0                           |
| Risk margin                                                                     | R0640        | 0                    | 0                           |
| Technical provisions - life (excluding health and index-linked and unit-linked) | R0650        | 0                    | 0                           |
| Technical provisions calculated as a whole                                      | R0660        | 0                    | 0                           |
| Best Estimate                                                                   | R0670        | 0                    | 0                           |
| Risk margin                                                                     | R0680        | 0                    | 0                           |
| Technical provisions - index-linked and unit-linked                             | R0690        | 0                    | 0                           |
| Technical provisions calculated as a whole                                      | R0700        | 0                    | 0                           |
| Best Estimate                                                                   | R0710        | 0                    | 0                           |
| Risk margin                                                                     | R0720        | 0                    | 0                           |
| Other technical provisions                                                      | R0730        | 0                    | 0                           |
| Contingent liabilities                                                          | R0740        | 0                    | 0                           |
| Provisions other than technical provisions                                      | R0750        | 2.979                | 2.979                       |
| Pension benefit obligations                                                     | R0760        | 0                    | 0                           |
| Deposits from reinsurers                                                        | R0770        | 0                    | 0                           |
| Deferred tax liabilities                                                        | R0780        | 15.994               | 0                           |
| Derivatives                                                                     | R0790        | 0                    | 0                           |
| Debts owed to credit institutions                                               | R0800        | 0                    | 0                           |
| Financial liabilities other than debts owed to credit institutions              | R0810        | 202                  | 202                         |
| Insurance & intermediaries payables                                             | R0820        | 35.865               | 35.865                      |
| Reinsurance payables                                                            | R0830        | 8.612                | 8.612                       |
| Payables (trade, not insurance)                                                 | R0840        | 13.578               | 13.578                      |
| Subordinated liabilities                                                        | R0850        | 0                    | 0                           |
| Subordinated liabilities not in Basic Own Funds                                 | R0860        | 0                    | 0                           |
| Subordinated liabilities in Basic Own Funds                                     | R0870        | 0                    | 0                           |
| Any other liabilities, not elsewhere shown                                      | R0880        | 12.298               | 13.745                      |
| <b>Total liabilities</b>                                                        | <b>R0900</b> | <b>89.259</b>        | <b>137.242</b>              |
| <b>Excess of assets over liabilities</b>                                        | <b>R1000</b> | <b>124.115</b>       | <b>120.645</b>              |

| S.05.01.01                                       |       | Line of Business for: non-life insurance and reinsurance obligations<br>(direct business and accepted proportional reinsurance) |                                |                                 | Total   |
|--------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------|---------|
|                                                  |       | Fire and other damage<br>to property insurance                                                                                  | General liability<br>insurance | Miscellaneous<br>financial loss |         |
|                                                  |       | C0070                                                                                                                           | C0080                          | C0120                           | C0200   |
| <b>Premiums written</b>                          |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0110 | 151.101                                                                                                                         | 162                            | 1.424                           | 152.687 |
| Gross - Proportional reinsurance accepted        | R0120 | 16.622                                                                                                                          |                                |                                 | 16.622  |
| Gross - Non-proportional reinsurance accepted    | R0130 |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R0140 | 48.413                                                                                                                          | 137                            | 71                              | 48.621  |
| <b>Net</b>                                       | R0200 | 119.309                                                                                                                         | 24                             | 1.354                           | 120.688 |
| <b>Premiums earned</b>                           |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0210 | 143.515                                                                                                                         | 125                            | 1.321                           | 144.961 |
| Gross - Proportional reinsurance accepted        | R0220 | 16.622                                                                                                                          |                                |                                 | 16.622  |
| Gross - Non-proportional reinsurance accepted    | R0230 |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R0240 | 57.136                                                                                                                          | 106                            | 71                              | 57.313  |
| <b>Net</b>                                       | R0300 | 103.001                                                                                                                         | 19                             | 1.251                           | 104.270 |
| <b>Claims incurred</b>                           |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0310 | 33.309                                                                                                                          | 12                             | 447                             | 33.768  |
| Gross - Proportional reinsurance accepted        | R0320 | 2.746                                                                                                                           |                                |                                 | 2.746   |
| Gross - Non-proportional reinsurance accepted    | R0330 |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R0340 | 14.012                                                                                                                          | 11                             | 18                              | 14.040  |
| <b>Net</b>                                       | R0400 | 22.043                                                                                                                          | 2                              | 429                             | 22.474  |
| <b>Change in other technical provisions</b>      |       |                                                                                                                                 |                                |                                 |         |
| <b>Expenses incurred</b>                         | R0550 | 75.371                                                                                                                          | -18                            | 618                             | 75.971  |
| <b>Administrative expenses</b>                   |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0610 | 3.146                                                                                                                           | 1                              | 7                               | 3.154   |
| Gross - Proportional reinsurance accepted        | R0620 | 250                                                                                                                             |                                |                                 | 250     |
| Gross - Non-proportional reinsurance accepted    | R0630 |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R0640 |                                                                                                                                 |                                |                                 |         |
| <b>Net</b>                                       | R0700 | 3.396                                                                                                                           | 1                              | 7                               | 3.404   |
| <b>Investment management expenses</b>            |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0710 | 24.479                                                                                                                          |                                | 0                               | 24.479  |
| Gross - Proportional reinsurance accepted        | R0720 |                                                                                                                                 |                                |                                 |         |
| Gross - Non-proportional reinsurance accepted    | R0730 |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R0740 |                                                                                                                                 |                                |                                 |         |
| <b>Net</b>                                       | R0800 | 24.479                                                                                                                          |                                | 0                               | 24.479  |
| <b>Claims management expenses</b>                |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0810 | 0                                                                                                                               | 0                              | 0                               | 0       |
| Gross - Proportional reinsurance accepted        | R0820 | 7.490                                                                                                                           | 1                              | 12                              | 7.503   |
| Gross - Non-proportional reinsurance accepted    | R0830 | 444                                                                                                                             |                                |                                 | 444     |
| <b>Reinsurers' share</b>                         | R0840 |                                                                                                                                 |                                |                                 |         |
| <b>Net</b>                                       | R0900 | 7.934                                                                                                                           | 1                              | 12                              | 7.947   |
| <b>Acquisition costs</b>                         |       |                                                                                                                                 |                                |                                 |         |
| Gross - Direct Business                          | R0910 | 0                                                                                                                               | 0                              | 0                               | 0       |
| Gross - Proportional reinsurance accepted        | R0920 | 62.983                                                                                                                          | 51                             | 634                             | 63.667  |
| Gross - Non-proportional reinsurance accepted    | R0930 | 10.172                                                                                                                          |                                |                                 | 10.172  |
| <b>Reinsurers' share</b>                         | R0940 | 33.593                                                                                                                          | 70                             | 35                              | 33.699  |
| <b>Net</b>                                       | R1000 | 39.562                                                                                                                          | -20                            | 598                             | 40.141  |
| <b>General Expenses</b>                          |       |                                                                                                                                 |                                |                                 |         |
| <b>Reinsurers' share</b>                         | R1040 |                                                                                                                                 |                                |                                 |         |
| <b>Net</b>                                       | R1100 |                                                                                                                                 |                                |                                 |         |
| <b>Balance - other technical expenses/income</b> | R1210 |                                                                                                                                 |                                |                                 | 4.396   |
| <b>Total technical expenses</b>                  | R1300 |                                                                                                                                 |                                |                                 | 80.367  |

| S.05.02.01.01 Country of origin - non-life obligations |                                               |       | Country of origin<br>C0080 |
|--------------------------------------------------------|-----------------------------------------------|-------|----------------------------|
| <b>Premiums written</b>                                | Gross - Direct Business                       | R0110 | 35.285                     |
|                                                        | Gross - Proportional reinsurance accepted     | R0120 | 0                          |
|                                                        | Gross - Non-proportional reinsurance accepted | R0130 | 0                          |
|                                                        | Reinsurers' share                             | R0140 | 14.641                     |
|                                                        | Net                                           | R0200 | 20.644                     |
| <b>Premiums earned</b>                                 | Gross - Direct Business                       | R0210 | 32.585                     |
|                                                        | Gross - Proportional reinsurance accepted     | R0220 | 0                          |
|                                                        | Gross - Non-proportional reinsurance accepted | R0230 | 0                          |
|                                                        | Reinsurers' share                             | R0240 | 14.002                     |
|                                                        | Net                                           | R0300 | 18.583                     |
| <b>Claims incurred</b>                                 | Gross - Direct Business                       | R0310 | 6.835                      |
|                                                        | Gross - Proportional reinsurance accepted     | R0320 | 0                          |
|                                                        | Gross - Non-proportional reinsurance accepted | R0330 | 0                          |
|                                                        | Reinsurers' share                             | R0340 | 4.285                      |
|                                                        | Net                                           | R0400 | 2.550                      |
| <b>Change in other technical provisions</b>            | Gross - Direct Business                       | R0410 | 0                          |
|                                                        | Gross - Proportional reinsurance accepted     | R0420 | 0                          |
|                                                        | Gross - Non-proportional reinsurance accepted | R0430 | 0                          |
|                                                        | Reinsurers' share                             | R0440 | 0                          |
|                                                        | Net                                           | R0500 | 0                          |
| <b>Expenses incurred</b>                               | Expenses incurred                             | R0550 | 11.416                     |
| <b>Other expenses</b>                                  | Other expenses                                | R1200 | 0                          |
| <b>Total technical expenses</b>                        | Total technical expenses                      | R1300 | 0                          |

| S.05.02.01.02 Top 5 countries (by gross premiums written) - non-life obligations |                                               |       | Country (by gross premiums written) - non-life obligations |         |                |        |
|----------------------------------------------------------------------------------|-----------------------------------------------|-------|------------------------------------------------------------|---------|----------------|--------|
|                                                                                  |                                               |       | SPAIN                                                      | GERMANY | UNITED KINGDOM | BRASIL |
| <b>Premiums written</b>                                                          | Gross - Direct Business                       | R0110 | 35.285                                                     | 36.423  | 81.464         | 16.137 |
|                                                                                  | Gross - Proportional reinsurance accepted     | R0120 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Gross - Non-proportional reinsurance accepted | R0130 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Reinsurers' share                             | R0140 | 14.641                                                     | 3.928   | 30.052         | 0      |
|                                                                                  | Net                                           | R0200 | 20.644                                                     | 32.495  | 51.412         | 16.137 |
| <b>Premiums earned</b>                                                           | Gross - Direct Business                       | R0210 | 32.585                                                     | 30.806  | 82.055         | 16.137 |
|                                                                                  | Gross - Proportional reinsurance accepted     | R0220 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Gross - Non-proportional reinsurance accepted | R0230 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Reinsurers' share                             | R0240 | 14.002                                                     | 12.821  | 30.489         | 0      |
|                                                                                  | Net                                           | R0300 | 18.583                                                     | 17.985  | 51.566         | 16.137 |
| <b>Claims incurred</b>                                                           | Gross - Direct Business                       | R0310 | 6.835                                                      | 5.628   | 21.201         | 2.255  |
|                                                                                  | Gross - Proportional reinsurance accepted     | R0320 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Gross - Non-proportional reinsurance accepted | R0330 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Reinsurers' share                             | R0340 | 4.285                                                      | 2.307   | 7.448          | 0      |
|                                                                                  | Net                                           | R0400 | 2.550                                                      | 3.321   | 13.753         | 2.255  |
| <b>Change in other technical provisions</b>                                      | Gross - Direct Business                       | R0410 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Gross - Proportional reinsurance accepted     | R0420 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Gross - Non-proportional reinsurance accepted | R0430 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Reinsurers' share                             | R0440 | 0                                                          | 0       | 0              | 0      |
|                                                                                  | Net                                           | R0500 | 0                                                          | 0       | 0              | 0      |
| <b>Expenses incurred</b>                                                         | Expenses incurred                             | R0550 | 11.416                                                     | 5.664   | 27.666         | 10.868 |
| <b>Other expenses</b>                                                            | Other expenses                                | R1200 | 0                                                          | 0       | 0              | 0      |
| <b>Total technical expenses</b>                                                  | Total technical expenses                      | R1300 | 0                                                          | 0       | 0              | 0      |

| S.05.02.01.03 Total Top 5 and country of origin - non-life obligations |                                               |       | Total Top 5 and country of origin C0140 |
|------------------------------------------------------------------------|-----------------------------------------------|-------|-----------------------------------------|
| <b>Premiums written</b>                                                | Gross - Direct Business                       | R0110 | 169.309                                 |
|                                                                        | Gross - Proportional reinsurance accepted     | R0120 | 0                                       |
|                                                                        | Gross - Non-proportional reinsurance accepted | R0130 | 0                                       |
|                                                                        | Reinsurers' share                             | R0140 | 48.621                                  |
|                                                                        | Net                                           | R0200 | 120.688                                 |
| <b>Premiums earned</b>                                                 | Gross - Direct Business                       | R0210 | 161.583                                 |
|                                                                        | Gross - Proportional reinsurance accepted     | R0220 | 0                                       |
|                                                                        | Gross - Non-proportional reinsurance accepted | R0230 | 0                                       |
|                                                                        | Reinsurers' share                             | R0240 | 57.313                                  |
|                                                                        | Net                                           | R0300 | 104.270                                 |
| <b>Claims incurred</b>                                                 | Gross - Direct Business                       | R0310 | 35.919                                  |
|                                                                        | Gross - Proportional reinsurance accepted     | R0320 | 0                                       |
|                                                                        | Gross - Non-proportional reinsurance accepted | R0330 | 0                                       |
|                                                                        | Reinsurers' share                             | R0340 | 14.040                                  |
|                                                                        | Net                                           | R0400 | 21.879                                  |
| <b>Change in other technical provisions</b>                            | Gross - Direct Business                       | R0410 | 0                                       |
|                                                                        | Gross - Proportional reinsurance accepted     | R0420 | 0                                       |
|                                                                        | Gross - Non-proportional reinsurance accepted | R0430 | 0                                       |
|                                                                        | Reinsurers' share                             | R0440 | 0                                       |
|                                                                        | Net                                           | R0500 | 0                                       |
| <b>Expenses incurred</b>                                               | Expenses incurred                             | R0550 | 55.614                                  |
| <b>Other expenses</b>                                                  | Other expenses                                | R1200 | 0                                       |
| <b>Total technical expenses</b>                                        | Total technical expenses                      | R1300 | 0                                       |

| S.17.01.01                                                                                    |      | Direct business and accepted proportional reinsurance |                                      |                                       | Total Non-Life obligation |
|-----------------------------------------------------------------------------------------------|------|-------------------------------------------------------|--------------------------------------|---------------------------------------|---------------------------|
|                                                                                               |      | Fire and other damage to property insurance<br>C0080  | General liability insurance<br>C0090 | Miscellaneous financial loss<br>C0130 | C0180                     |
| Technical provisions calculated as a whole                                                    | R001 |                                                       |                                      |                                       |                           |
| Direct business                                                                               | R002 |                                                       |                                      |                                       |                           |
| Accepted proportional reinsurance business                                                    | R003 |                                                       |                                      |                                       |                           |
| Accepted non-proportional reinsurance                                                         | R004 |                                                       |                                      |                                       |                           |
| Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected       | R005 |                                                       |                                      |                                       |                           |
| Gross - Total                                                                                 | R006 | -17.082                                               |                                      | 3.373                                 | -13.709                   |
| Gross - direct business                                                                       | R007 | -17.082                                               |                                      | 3.373                                 | -13.709                   |
| Gross - accepted proportional reinsurance business                                            | R008 |                                                       |                                      |                                       |                           |
| Gross - accepted non-proportional reinsurance business                                        | R009 |                                                       |                                      |                                       |                           |
| Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected       | R010 | 5.022                                                 | 5                                    | 3.156                                 | 8.184                     |
| Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for       | R011 | 5.022                                                 | 5                                    | 3.156                                 | 8.184                     |
| Recoverables from SPV before adjustment for expected losses                                   | R012 |                                                       |                                      |                                       |                           |
| Recoverables from Finite Reinsurance before adjustment for expected losses                    | R013 |                                                       |                                      |                                       |                           |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses | R014 | 5.022                                                 | 5                                    | 3.156                                 | 8.184                     |
| Net Best Estimate of Premium Provisions                                                       | R015 | -22.105                                               | -5                                   | 217                                   | -21.893                   |
| Gross - Total                                                                                 | R016 | 9.682                                                 | 10                                   | 1.691                                 | 11.384                    |
| Gross - direct business                                                                       | R017 | 9.682                                                 | 10                                   | 1.691                                 | 11.384                    |
| Gross - accepted proportional reinsurance business                                            | R018 |                                                       |                                      |                                       |                           |
| Gross - accepted non-proportional reinsurance business                                        | R019 |                                                       |                                      |                                       |                           |
| Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected       | R020 | 3.201                                                 | 3                                    | 1.424                                 | 4.628                     |
| Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for       | R021 | 3.201                                                 | 3                                    | 1.424                                 | 4.628                     |
| Recoverables from SPV before adjustment for expected losses                                   | R022 |                                                       |                                      |                                       |                           |
| Recoverables from Finite Reinsurance before adjustment for expected losses                    | R023 |                                                       |                                      |                                       |                           |
| Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses | R024 | 3.201                                                 | 3                                    | 1.424                                 | 4.628                     |
| Net Best Estimate of Claims Provisions                                                        | R025 | 6.481                                                 | 7                                    | 268                                   | 6.756                     |
| Total Best estimate - gross                                                                   | R026 | -7.400                                                | 10                                   | 5.065                                 | -2.325                    |
| Total Best estimate - net                                                                     | R027 | -15.623                                               | 2                                    | 485                                   | -15.137                   |
| Risk margin                                                                                   | R028 | 2.017                                                 | 2                                    | 38                                    | 2.057                     |
| Technical provisions - total                                                                  | R032 | -5.383                                                | 12                                   | 5.103                                 | -268                      |
| Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected     | R033 | 8.223                                                 | 9                                    | 4.580                                 | 12.812                    |
| Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total             | R034 | -13.607                                               | 4                                    | 523                                   | -13.080                   |
| Premium provisions - Total number of homogeneous risk groups                                  | R035 |                                                       |                                      |                                       |                           |
| Claims provisions - Total number of homogeneous risk groups                                   | R036 |                                                       |                                      |                                       |                           |
| Future benefits and claims                                                                    | R037 | 12.327                                                | 13                                   | 1.767                                 | 14.107                    |
| Future expenses and other cash-out flows                                                      | R038 | 11.910                                                | 13                                   | 1.606                                 | 13.529                    |
| Future benefits and claims                                                                    | R041 | 9.682                                                 | 10                                   | 1.691                                 | 11.384                    |
| Future expenses and other cash-out flows                                                      | R042 |                                                       |                                      |                                       |                           |
| Percentage of gross Best Estimate calculated using approximations                             | R045 |                                                       |                                      |                                       |                           |
| Best estimate subject to transitional of the interest rate                                    | R046 |                                                       |                                      |                                       |                           |
| Best estimate subject to volatility adjustment                                                | R048 |                                                       |                                      |                                       |                           |

## Gross Claims Paid (non-cumulative)

Line of business: Fire and other damage to property insurance [direct business and accepted proportional reinsurance]

| Accident Year                                                                         |       | 0      | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|---------------------------------------------------------------------------------------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount) |       | C0010  | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160  |
| Prior                                                                                 | R0100 |        |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                                                  | R0110 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-13                                                                                  | R0120 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                                                  | R0130 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                                                  | R0140 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                                                  | R0150 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                                                   | R0160 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                                                   | R0170 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                                                   | R0180 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                                                   | R0190 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                                                   | R0200 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                                                   | R0210 | 0      | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                                                   | R0220 | 56,553 | 3,325 | 260   | 74    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                                                   | R0230 | 45,575 | 5,374 | 173   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                                                   | R0240 | 28,022 | 8,962 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                                                     | R0250 | 29,823 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

Line of business: Miscellaneous financial loss [direct business and accepted proportional reinsurance]

| Accident Year                                                                         |       | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|---------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount) |       | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160  |
| Prior                                                                                 | R0100 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                                                  | R0110 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-13                                                                                  | R0120 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                                                  | R0130 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                                                  | R0140 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                                                  | R0150 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                                                   | R0160 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                                                   | R0170 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                                                   | R0180 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                                                   | R0190 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                                                   | R0200 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                                                   | R0210 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                                                   | R0220 | 320   | 0     | 0     | 1     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                                                   | R0230 | 61    | 59    | 1     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                                                   | R0240 | 360   | 82    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                                                     | R0250 | 377   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

Line of business: General liability insurance [direct business and accepted proportional reinsurance]

| Accident Year                                                                         |       | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|---------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| S.19.01.01.01 Gross Claims Paid (non-cumulative) - Development year (absolute amount) |       | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160  |
| Prior                                                                                 | R0100 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                                                  | R0110 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-13                                                                                  | R0120 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                                                  | R0130 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                                                  | R0140 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                                                  | R0150 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                                                   | R0160 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                                                   | R0170 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                                                   | R0180 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                                                   | R0190 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                                                   | R0200 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                                                   | R0210 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                                                   | R0220 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                                                   | R0230 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                                                   | R0240 | 1     | 1     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                                                     | R0250 | 11,42 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

## Gross undiscounted Best Estimate Claims Provisions

Line of business: Fire and other damage to property insurance [direct business and accepted proportional reinsurance]

| Accident Year                                                                                         |       | 0         | 1        | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|-------------------------------------------------------------------------------------------------------|-------|-----------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| S.19.01.01.03 Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount) |       | C0200     | C0210    | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0310 | C0320 | C0330 | C0340 | C0350  |
| Prior                                                                                                 | R0100 |           |          |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                                                                  | R0110 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-13                                                                                                  | R0120 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                                                                  | R0130 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                                                                  | R0140 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                                                                  | R0150 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                                                                   | R0160 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                                                                   | R0170 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                                                                   | R0180 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                                                                   | R0190 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                                                                   | R0200 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                                                                   | R0210 | 0         | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                                                                   | R0220 | 4,309,79  | 756,06   | 92,55 | 17,03 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                                                                   | R0230 | 7,756,95  | 1,913,03 | 39,75 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                                                                   | R0240 | 10,063,04 | 2,064,44 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                                                                     | R0250 | 7,561,15  | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

Line of business: Miscellaneous financial loss [direct business and accepted proportional reinsurance]

| Accident Year                                         |       | 0        | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|-------------------------------------------------------|-------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 5.19.01.01.03 Gross undiscounted Best Estimate Claims |       | C0200    | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | C0310 | C0320 | C0330 | C0340 | C0350  |
| Provisions - Development year (absolute amount)       |       |          |       |       |       |       |       |       |       |       |       |       |       |       |       |       |        |
| Prior                                                 | R0100 |          |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                  | R0110 |          |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-13                                                  | R0120 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                  | R0130 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                  | R0140 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                  | R0150 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                   | R0160 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                   | R0170 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                   | R0180 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                   | R0190 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                   | R0200 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                   | R0210 | 0        | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                   | R0220 | 19,92    | 0,00  | 0,00  | 0,02  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                   | R0230 | 211,63   | 3,34  | 0,02  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                   | R0240 | 20,39    | 2,65  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                     | R0250 | 1.688,65 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

Line of business: General liability insurance [direct business and accepted proportional reinsurance]

| Accident Year                                         |       | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    | 12    | 13    | 14    | 15 & + |
|-------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 5.19.01.01.03 Gross undiscounted Best Estimate Claims |       | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | C0160  |
| Provisions - Development year (absolute amount)       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |        |
| Prior                                                 | R0100 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 0      |
| N-14                                                  | R0110 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-13                                                  | R0120 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-12                                                  | R0130 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-11                                                  | R0140 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-10                                                  | R0150 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-9                                                   | R0160 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-8                                                   | R0170 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-7                                                   | R0180 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-6                                                   | R0190 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-5                                                   | R0200 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-4                                                   | R0210 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-3                                                   | R0220 | 0,00  | 0,00  | 0,00  | 0,00  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-2                                                   | R0230 | 0,00  | 0,00  | 0,00  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N-1                                                   | R0240 | 0,00  | 0,00  | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| N                                                     | R0250 | 10,27 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |

| S.23.01.01                                                                                                                                                                         |       | Total   | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|-----------------------|---------------------|--------|--------|
|                                                                                                                                                                                    |       | C0010   | C0020                 | C0030               | C0040  | C0050  |
| <b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35</b>                                     |       |         |                       |                     |        |        |
| Ordinary share capital (gross of own shares)                                                                                                                                       | R0010 | 9.015   | 9.015                 |                     |        |        |
| Share premium account related to ordinary share capital                                                                                                                            | R0030 | 27.525  | 27.525                |                     |        |        |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings                                                              | R0040 |         |                       |                     |        |        |
| Subordinated mutual member accounts                                                                                                                                                | R0050 |         |                       |                     |        | 0      |
| Surplus funds                                                                                                                                                                      | R0070 |         |                       |                     |        |        |
| Preference shares                                                                                                                                                                  | R0090 |         |                       |                     |        | 0      |
| Share premium account related to preference shares                                                                                                                                 | R0110 |         |                       |                     |        | 0      |
| Reconciliation reserve                                                                                                                                                             | R0130 | 87.575  | 87.575                |                     |        |        |
| Subordinated liabilities                                                                                                                                                           | R0140 |         |                       |                     |        | 0      |
| An amount equal to the value of net deferred tax assets                                                                                                                            | R0160 |         |                       |                     |        |        |
| Other own fund items approved by the supervisory authority as basic own funds not specified above                                                                                  | R0180 |         |                       |                     |        | 0      |
| <b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b> |       |         |                       |                     |        |        |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds        | R0220 |         |                       |                     |        |        |
| <b>Deducciones no incluidas en la reserva de conciliación</b>                                                                                                                      |       |         |                       |                     |        |        |
| Deductions for participations in financial and credit institutions                                                                                                                 | R0230 |         |                       |                     |        | 0      |
| <b>Total basic own funds after deductions</b>                                                                                                                                      | R0290 | 124.115 | 124.115               |                     |        |        |
| <b>Ancillary own funds</b>                                                                                                                                                         |       |         |                       |                     |        |        |
| Unpaid and uncalled ordinary share capital callable on demand                                                                                                                      | R0300 |         |                       |                     |        |        |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand                      | R0310 |         |                       |                     |        |        |
| Unpaid and uncalled preference shares callable on demand                                                                                                                           | R0320 |         |                       |                     |        | 0      |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand                                                                                           | R0330 |         |                       |                     |        | 0      |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC                                                                                                  | R0340 |         |                       |                     |        |        |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC                                                                                       | R0350 |         |                       |                     |        | 0      |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC                                                                                 | R0360 |         |                       |                     |        |        |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC                                                                    | R0370 |         |                       |                     |        | 0      |
| Other ancillary own funds                                                                                                                                                          | R0390 |         |                       |                     |        | 0      |
| <b>Total ancillary own funds</b>                                                                                                                                                   | R0400 |         |                       |                     |        | 0      |
| <b>Available and eligible own funds</b>                                                                                                                                            |       |         |                       |                     |        |        |
| Total available own funds to meet the SCR                                                                                                                                          | R0500 | 124.115 | 124.115               |                     |        |        |
| Total available own funds to meet the MCR                                                                                                                                          | R0510 | 124.115 | 124.115               |                     |        |        |
| Total eligible own funds to meet the SCR                                                                                                                                           | R0540 | 124.115 | 124.115               |                     |        |        |
| Total eligible own funds to meet the MCR                                                                                                                                           | R0550 | 124.115 | 124.115               |                     |        |        |
| <b>SCR</b>                                                                                                                                                                         | R0580 | 40.826  |                       |                     |        |        |
| <b>MCR</b>                                                                                                                                                                         | R0600 | 10.457  |                       |                     |        |        |
| <b>Ratio of Eligible own funds to SCR</b>                                                                                                                                          | R0620 | 304%    |                       |                     |        |        |
| <b>Ratio of Eligible own funds to MCR</b>                                                                                                                                          | R0640 | 1187%   |                       |                     |        |        |

**S.23.01.01.02**

|                                                                                                             |       | C0060   |
|-------------------------------------------------------------------------------------------------------------|-------|---------|
| <b>Reconciliation reserve</b>                                                                               |       |         |
| Excess of assets over liabilities                                                                           | R0700 | 124.115 |
| Own shares (held directly and indirectly)                                                                   | R0710 |         |
| Foreseeable dividends, distributions and charges                                                            | R0720 |         |
| Other basic own fund items                                                                                  | R0730 | 36.540  |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 |         |
| <b>Reconciliation reserve</b>                                                                               | R0760 | 87.575  |
| <b>Expected profits</b>                                                                                     | R0750 |         |
| Expected profits included in future premiums (EPIFP) - Life business                                        | R0770 |         |
| Expected profits included in future premiums (EPIFP) - Non-life business                                    | R0780 |         |
| <b>Total Expected profits included in future premiums (EPIFP)</b>                                           | R0790 |         |

|       |      |
|-------|------|
| Z0010 | A001 |
|-------|------|

| S.R.25.01.01                              |       | Net solvency capital requirement | Gross solvency capital requirement | Allocation from adjustments due to RFF and Matching adjustments portfolios |
|-------------------------------------------|-------|----------------------------------|------------------------------------|----------------------------------------------------------------------------|
|                                           |       | C0030                            | C0040                              | C0050                                                                      |
| Market risk                               | R0010 | 11.383                           | 11.383                             |                                                                            |
| Counterparty default risk                 | R0020 | 15.233                           | 15.233                             |                                                                            |
| Life underwriting risk                    | R0030 |                                  |                                    |                                                                            |
| Health underwriting risk                  | R0040 |                                  |                                    |                                                                            |
| Non-life underwriting risk                | R0050 | 27.079                           | 27.079                             |                                                                            |
| Diversification                           | R0060 | -11.884                          | -11.884                            |                                                                            |
| Intangible asset risk                     | R0070 |                                  |                                    |                                                                            |
| <b>Basic Solvency Capital Requirement</b> | R0100 | 41.811                           | 41.811                             |                                                                            |

| S.25.01.01.02 Calculation of Solvency Capital Requirement                                   |       | C0100     |
|---------------------------------------------------------------------------------------------|-------|-----------|
| Adjustment due to RFF/MAP nSCR aggregation                                                  | R0120 |           |
| Operational risk                                                                            | R0130 | 4.847,49  |
| Loss-absorbing capacity of technical provisions                                             | R0140 |           |
| Loss-absorbing capacity of deferred taxes                                                   | R0150 | -5.832,34 |
| Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC | R0160 |           |
| <b>Solvency Capital Requirement excluding capital add-on</b>                                | R0200 | 40.826,36 |
| Capital add-ons already set                                                                 | R0210 |           |
| <b>Solvency capital requirement</b>                                                         | R0220 | 40.826,36 |
| <b>Other information about Solvency Capital Requirement</b>                                 |       |           |
| Capital requirement for duration-based equity risk sub-module                               | R0400 |           |
| Total amount of Notional Solvency Capital Requirements for remaining part                   | R0410 |           |
| Total amount of Notional Solvency Capital Requirements for ring-fenced funds                | R0420 |           |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios   | R0430 |           |
| Diversification effects due to RFF nSCR aggregation for article 304                         | R0440 |           |
| Method used to calculate the adjustment due to RFF/MAP nSCR aggregation                     | R0450 |           |
| Net future discretionary benefits                                                           | R0460 |           |

|           |
|-----------|
| Ajustment |
|-----------|

**S.28.01.01**  
Minimum Capital Requirement

| S.28.01.01.01                                                                             | MCR components |
|-------------------------------------------------------------------------------------------|----------------|
| S.28.01.01.01 Linear formula component for non-life insurance and reinsurance obligations | C0010          |
| MCRNL Result                                                                              | R0010 10.457   |

| S.28.01.01.02                                                            | Background information                                              |                                                             |
|--------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|
| S.28.01.01.02 Background information                                     | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|                                                                          | C0020                                                               | C0030                                                       |
| Medical expense insurance and proportional reinsurance                   | R0020                                                               |                                                             |
| Income protection insurance and proportional reinsurance                 | R0030                                                               |                                                             |
| Workers' compensation insurance and proportional reinsurance             | R0040                                                               |                                                             |
| Motor vehicle liability insurance and proportional reinsurance           | R0050                                                               | 0                                                           |
| Other motor insurance and proportional reinsurance                       | R0060                                                               | 0                                                           |
| Marine, aviation and transport insurance and proportional reinsurance    | R0070                                                               | 0                                                           |
| Fire and other damage to property insurance and proportional reinsurance | R0080                                                               | 25.724                                                      |
| General liability insurance and proportional reinsurance                 | R0090                                                               | 0                                                           |
| Credit and suretyship insurance and proportional reinsurance             | R0100                                                               | 0                                                           |
| Legal expenses insurance and proportional reinsurance                    | R0110                                                               | 0                                                           |
| Assistance and proportional reinsurance                                  | R0120                                                               | 0                                                           |
| Miscellaneous financial loss insurance and proportional reinsurance      | R0130                                                               | 485                                                         |
| Non-proportional health reinsurance                                      | R0140                                                               |                                                             |
| Non-proportional casualty reinsurance                                    | R0150                                                               |                                                             |
| Non-proportional marine, aviation and transport reinsurance              | R0160                                                               |                                                             |
| Non-proportional property reinsurance                                    | R0170                                                               |                                                             |

| S.28.01.01.03                                                                         | Result  |
|---------------------------------------------------------------------------------------|---------|
| S.28.01.01.03 Linear formula component for life insurance and reinsurance obligations | C0040   |
| MCRL Result                                                                           | R0200 0 |

| S.28.01.01.04                                                                      | Información general                                             |                   |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------|
| Capital total de riesgo para obligaciones de seguro y reaseguro de vida            | Mejor estimación neta más provisiones calculadas en su conjunto | Capital en riesgo |
|                                                                                    | C0050                                                           | C0060             |
| Obligaciones con participación en beneficios - prestaciones garantizadas           | R0210                                                           | 0                 |
| Obligaciones con participación en beneficios - prestaciones discrecionales futuras | R0220                                                           | 0                 |
| Obligaciones de "index-linked" y "unit-linked"                                     | R0230                                                           | 0                 |
| Otras Obligaciones de (rea)seguro vida                                             | R0240                                                           | 0                 |
| Capital en riesgo respecto a la totalidad de obligaciones de (rea)seguro de vida   | R0250                                                           | 0                 |

| S.28.01.01.05                         | Value        |
|---------------------------------------|--------------|
| S.28.01.01.05 Overall MCR calculation | C0070        |
| Linear MCR                            | R0300 10.457 |
| SCR                                   | R0310 40.826 |
| MCR cap                               | R0320 18.372 |
| MCR floor                             | R0330 10.207 |
| Combined MCR                          | R0340 10.457 |
| Absolute floor of the MCR             | R0350 4.000  |
| Minimum Capital Requirement           | R0400 10.457 |

TELEFÓNICA SEGUROS Y REASEGUROS COMPAÑÍA ASEGURERA, SAU

The foregoing Financial Situation and Solvency Report, transcribed on 69 sheets, including signature sheets, numbered from 1 to 69, both inclusive, correspond to TELEFÓNICA SEGUROS Y REASEGUROS COMPAÑÍA ASEGURADORA, SAU and has been approved by the Board of Directors at its meeting held on 26 March 2026, and then signed by the Chairman of the Board of Directors and Non-Director Secretary. Likewise, the Non-Director Secretary has initialled all the preceding pages as proof of conformity.

In Madrid, 26 March 2026

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Mr. Juan Antonio Mielgo Carrizo  
Chairman of the Board

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Mr. Omar Chelala Riva  
Non-Director Secretary