

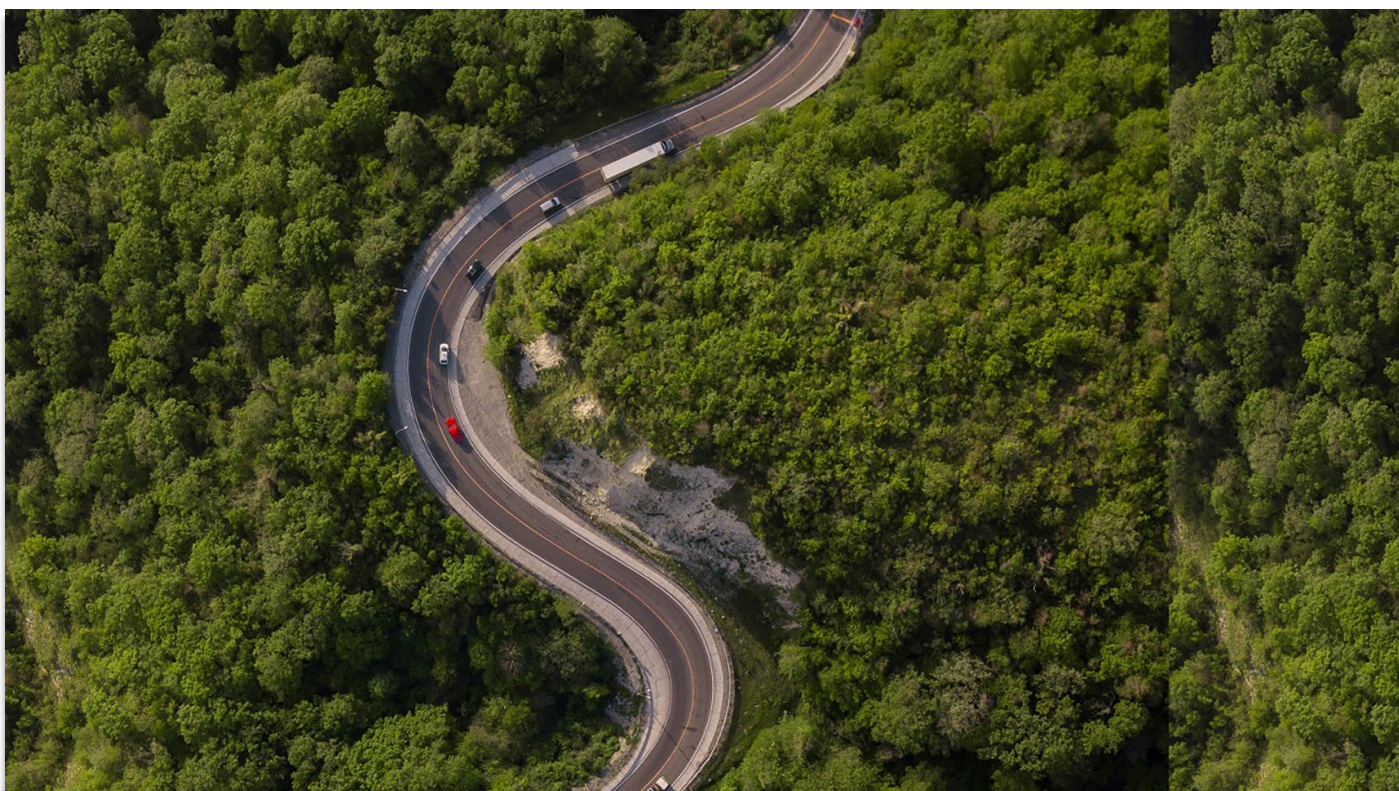
LÍNEA DIRECTA ASEGURADORA S.A.

Compañía de Seguros y Reaseguros
(C0720)



linea directa

Solvency and Financial Condition Report at 31 December 2025



Tres Cantos, 24 March 2026

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EXECUTIVE SUMMARY

The present **Solvency and Financial Condition Report (SFCR)** for the financial year ended 31 December 2025 is an annual report issued by the Company in accordance with the requirements of the Solvency II framework, as established in Articles 292 to 298 of Commission Delegated Regulation (EU) 2015/35 and Annex XX thereto, as well as in the applicable national legislation, primarily Chapter III of Royal Decree 1060/2015 of 20 November, on the regulation, supervision and solvency of insurance and reinsurance undertakings.

The **structure of the content** required by the aforementioned regulations is as follows:

Topics	Contenidos
Business and Performance	Basic information about the Company and a summary of the performance of its activities, broken down by lines of business during the reporting period.
System of Governance	Information on the organisational structure of the Company, including a description of the committee structure and their responsibilities in risk management.
Risk Profile	Qualitative and quantitative information on the Company's risk profile and the risks to which it is exposed.
Valuation for Solvency Purposes	Description of valuation differences between the Solvency II balance sheet and the financial statements, including assumptions and methodologies used.
Capital Management	Information on the capital required for solvency purposes and its comparison with eligible Own Funds to determine the Company's solvency position.

This SFCR is a report addressed to all stakeholders and is published on Línea Directa Aseguradora's corporate website.

Business and Performance

Spanish Insurance Market Evolution

The Non-Life insurance market closed the year with record revenue of **49,963 million euros**, representing a **7.79% increase** compared with the previous year. This strong performance is explained by the dynamism of the Spanish economy and the upward adjustment of premiums, particularly in lines where high loss ratios had eroded margins the most, especially in Motor.

The largest line of business by premium volume continues to be **Motor insurance**, with revenue of **14,285 million euros** and **year-on-year growth of 8.38%** (source: ICEA). This figure is especially notable considering that this line had already grown **8.88% in 2024**. The upward adjustment in premiums and, to a lesser extent, the increase in the vehicle fleet (**+2.3%; source: FIVA**) contributed to the growth of this segment.

By the end of 2025, Spain is expected to surpass **one million new cars sold** (November data already reached **1,045,638 units**). The used-vehicle market reached record figures of around **2.2 million units**, exceeding pre-pandemic levels thanks to the rise in second-hand demand driven by the higher cost of new vehicles, with the used-car market growing nearly **6%**. Sales of used vehicles represent more than double the number of new ones. Electrified vehicles account for a significant share, representing **one in every four sales** in the passenger car market (source: MSI).

In terms of profitability, the **Motor line** closed the third quarter of 2025 with a **combined ratio of 97.9%** (ICEA, latest available data), improving the technical loss recorded in 2024, when the combined ratio stood at **101.4%**.

The **Home insurance** line also recorded substantial growth of **7.42%**, reaching **6,449 million euros** in premiums (source: ICEA).

The Spanish real estate sector in 2025 was characterised by **expansive consolidation**, with continuous price increases (between **4% and 12%**) driven by limited supply, lower interest rates and strong demand. Sales were expected to exceed **780,000 homes**, alongside rising investment, although challenges persist such as housing affordability and lack of available stock.

Home insurance profitability was excellent, with a **combined ratio of 90.4%** (ICEA, latest data available as of September 2025).

The **Health insurance** line continues its strong upward trend and is getting closer to Motor, with a business volume of **11,970 million euros** and **growth of 12.08%**, driven by revisions to public-sector employee agreements, price increases and, to a lesser extent, growth in the number of insureds. Notably, **2025 marked the sixth consecutive year** with growth above 5%.

This line of business now accounts for **over 24%** of total Non-Life revenue, ranking just behind Motor. In terms of profitability, the combined ratio stood at **91.8%** (ICEA, latest data available as of September 2025).

Evolution of the Entity's Business

In 2025, the Entity experienced a gradual recovery in results, supported in part by the stabilization of inflation, which translated into the income statement through improvements in claims costs. The Entity continued to expand its business volume, reaching **1,051 million euros in net earned premiums (after reinsurance)**, an **8.6% increase** compared with the previous year.

The number of insured customers continued to recover relative to the prior year, increasing by **7.8% versus 2024**, reaching a portfolio of **3.6 million policyholders**.

In the **Motor line of business**, revenue reached **924 million euros**, representing an **11.84% increase** compared with the previous year.

The **Home insurance** line reached **167.8 million euros** in written premiums in 2025, a **6.32% increase** compared with the previous year. The **Health** line generated **38.8 million euros** in premium income.

The technical result showed a **profit of 96.4 million euros**, marking a clear acceleration of the business, particularly considering that the previous year closed with a technical result of **69.2 million euros**. One of the main drivers of this improvement was the reduction in the loss ratio, which reached **75.83%**, compared with **77.31% in 2024**.

The average return on the fixed-income portfolio in 2025 was **2.82%** (compared with **2.79% in 2024**), while the equity portfolio achieved a return of **4.19%** (compared with **5.62% in 2024**).

The financial result amounted to **36.8 million euros**, representing an **18.8% increase** versus the previous financial year.

Governance System

The organisational structure for risk management and control is based on the principles of independence and segregation of duties between the business units and the units responsible for risk monitoring and control. The Entity's risk governance system is organised into **three lines of defence**.

The **first line of defence** is made up of the operational areas. The **second line of defence** consists of three key functions: **Risk Management and Internal Control, Actuarial Function, and Compliance Function**. The **third line of defence** is carried out by the **Internal Audit** key function.

In addition, the **Board of Directors** defines the risk control and management policy, oversees the internal information and control systems, and performs its administration and supervisory duties in accordance with the Spanish Companies Act. This is done through its two advisory committees: the **Audit and Compliance Committee** and the **Appointments, Remuneration and Corporate Governance Committee**.

The governance system implemented within the Entity—including its organisational structure, risk-management systems, internal control framework and compliance function—is deemed effective and provides optimal support for the Entity’s strategic objectives. It ensures that the Board supervises and makes decisions with a comprehensive understanding of the impacts on risk exposure, always within the limits established by the Entity’s risk appetite.

Risk profile

Since the beginning of its activity in 1995, the Entity has maintained a distinctive identity based on organic growth, a strong commitment to technology and innovation, and the direct-to-consumer distribution model. The business growth objective pursued over these years has enabled the Entity to surpass **1,134 million euros in premium volume** and to manage **more than 3.6 million risks**. This growth objective has been accompanied by a profitability target, which has been achieved through a rigorous underwriting policy, a prudent investment policy, and strict control of operating expenses, among other measures.

In addition, the Entity has held **authorisation for the application of a specific parameter for premium risk** in the Motor/Other Guarantees line of business since 2016. This parameter continues to be used in calculating the **Solvency Capital Requirement (SCR)**, which shows the following composition as at **31 December 2025 and 2024**:

Solvency Capital Requirement (SCR)		
<i>(In thousand euro)</i>	31.12.2024	31.12.2025
Underwriting Risk	201.179	228.181
Market Risk	106.446	124.322
Counterparty Risk	5.273	5.604
Health Underwriting Risk	4.123	4.242
Diversification	(63.787)	(73.111)
Basic Solvency Capital Requirement (BSCR)	253.234	289.238
Operational Risk	29.749	32.351
Deferred tax adjustment	(70.746)	(80.397)
Solvency Capital Requirement (SCR)	212.237	241.192

Valuation for Solvency Purposes

The following table presents a comparison of assets, liabilities and own funds between the **solvency balance sheet** and the **financial statements** as at **31 December 2025 and 2024**.

Financial year 2025:

ASSETS and LIABILITIES		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Total Assets	1.413.258	1.550.846
Total Liabilities	957.869	1.193.254
Excess of assets over liabilities	455.389	357.592

Financial year 2024:

ASSETS and LIABILITIES		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Total Assets	1.281.571	1.395.966
Total Liabilities	873.029	1.075.875
Excess of assets over liabilities	408.542	320.091

The main differences that lead to an increase in the available own funds for solvency purposes in 2025 and 2024—by 97,797 thousand euros and 88,451 thousand euros, respectively—compared with the own funds reported in the financial statements, are as follows:

There are no significant valuation differences in assets, since the investment portfolio—which represents the largest component of the balance sheet—is measured at market value in both reporting frameworks.

Intangible assets and deferred acquisition costs are eliminated from the solvency balance sheet. Conversely, unrealised gains on real estate and on participations in subsidiaries (which are not recognised in the financial statements) are added.

Fractional premiums in the economic balance sheet are included under liabilities, offsetting the premium provision.

Liabilities: most differences arise from the valuation of technical provisions:

The unearned premium provision in the financial statements is eliminated and replaced by the premium provision for solvency purposes.

Claims provisions in the financial statements are replaced in the solvency balance sheet with best estimate provisions, calculated by discounting future cash flows using the risk free interest rate term structure.

The solvency balance sheet includes the risk margin, a concept that does not exist in the financial statements.

Since January 2019, IFRS 16 requires the recognition of right of use assets and corresponding lease liabilities in the balance sheet. Both the asset and liability must be valued in accordance with this standard.

Under the previous regime, the stabilisation reserve could not be recognised as eligible own funds to cover the Solvency Capital Requirement (SCR). Under the current regime, it is considered eligible. As at 31 December 2025, this amounts to 60,854 thousand euros (net of taxes). As at 31 December 2024, the amount was 51,634 thousand euros.

This Solvency and Financial Condition Report (SFCR) has been reviewed and approved by the Entity's Board of Directors at its meeting held on 24 March 2026.

Capital management

The capital planning carried out by the Entity incorporates the projected own funds needs over a three-year horizon, both for **regulatory capital requirements** (Solvency Capital Requirement, or SCR) and for **overall solvency needs** (economic capital) estimated through the **Internal Risk and Solvency Assessment (EIRS / ORSA)**. The minimum solvency threshold established by the Board of Directors is set **at all times above 120%**, with a **risk appetite level of 150%**.

Additionally, on a **quarterly basis**, the Entity calculates the Solvency Capital Requirement, including a breakdown by **risk category**, as well as the available own funds, in order to assess the **solvency ratio**.

This solvency ratio is a risk indicator monitored and considered by the Entity's Board of Directors for the implementation of the **capital management policy** (including decisions regarding dividend distribution, investment policy, etc.) and for business strategy decisions (launch of new products or business lines, acquisition of risk-mitigation instruments, etc.).

As at **31 December 2025 and 2024**, the solvency ratios were as follows:

<i>(In thousand euro)</i>	31.12.2024	31.12.2025
Eligible own funds	393.542	440.389
Solvency Capital Requirement (SCR)	212.237	241.191
Ratio of eligible own funds to SCR	185%	183%

In 2025, the Entity's Board of Directors proposed the distribution of 30 million euros as an interim dividend against the year's results, and an additional 15 million euros as a complementary dividend, which was submitted to the Board of Directors on 19 February 2026.

The 15 million euros complementary dividend is included within the Eligible Own Funds (440,389 thousand euros), under the reconciliation reserve, and is therefore not included in the excess of assets over liabilities (455,389 thousand euros).

The decision to distribute dividends is based on a thorough and prudent analysis of the Entity's situation, ensuring that such distribution does not compromise the future solvency of the Entity nor the protection of policyholders and insured persons, and is aligned with supervisory recommendations on this matter.

All available own funds are classified as Tier 1, meaning they are of the highest quality and are eligible to cover both the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

A. ACTIVITIES AND RESULTS

A.1. ACTIVITY

Entity Identification

Línea Directa Aseguradora, S.A. de seguros y reaseguros is an insurance company, head of the Línea Directa Group and under the supervision of the Directorate General of Insurance and Pension Funds with code C0720.

Its registered office is located at Calle Isaac Newton, 7 in the municipality of Tres Cantos (Madrid) in Spain.

Supervisory Authority

The Entity is under the supervision of the Spanish regulator:

Dirección General de Seguros y Fondos de Pensiones
Calle de Miguel Ángel, 21
28010 Madrid, Spain

The Entity operates under the code C0720.

External Auditor

The external auditor of the financial statements of the Entity and of this report on the financial position of the Entity is:

PricewaterhouseCoopers, auditores, S.L.
Paseo de la Castellana, 259, B
28046 Madrid, Spain.

Structure of the company, company and for solvency purposes

The Entity is the parent company of the Línea Directa Group, which began trading on the Spanish stock market on 29 April 2021.

The main shareholders at the end of 2025 are the following:

Shareholder	% Shareholding
Cartival, S.A.	20.55%
Bankinter, S.A.	17.42%
Fernando Masaveu	5.53%
Brandes Investment Partners, L.P	5.06%
Norbel Inversiones, S.L.	5.00%
Indumenta Pueri, S.L.	5.07%
Wellington Management Group	3.54%
Lazard Asset Management	3.20%
Other	34.63%

The Entity is required to prepare consolidated annual accounts under the international financial reporting standards approved by the European Union.

The fiscal and financial year of both the Entity and the consolidated Group of which it is the head ends on December 31 of each year.

The Entity is the parent company of various auxiliary insurance or investment subsidiaries, none of which carries out insurance or reinsurance activities. It is not considered a group subject to supervision according to the determination of Article 132.1 of Law 20/2015, of 14 July 2015, on the regulation, supervision and solvency of insurance and reinsurance companies.

Subsidiaries	Business purpose	Shareholding
Línea Directa Asistencia, S.L.U.	Vehicle inspections and travel assistance	100%
Centro Avanzado de Reparaciones CAR, S.L.U.	Provision of vehicle repair services	100%
LD Activos, S.L.U.	Asset management on behalf of insurance undertakings	100%
Ambar Medline, S.L.U.	Insurance mediation	100%

Business lines and geographical distribution

The corporate purpose of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros is to carry out insurance and reinsurance operations in the automobile, home and other non-life lines, activities for which it is authorised by the Directorate General of Insurance and Pension Funds.

The Entity operates **entirely in Spanish territory**, with the exception of the Assistance line that the Entity is authorized to operate in Portugal (premiums in Portugal in 2025 and 2024 have amounted to 69 and 74 thousand euros respectively). The distribution systems of the business are telephone sales and the internet, fundamentally.

A.2. RESULTS IN TERMS OF UNDERWRITING

The business lines in which the Entity operates, together with their main technical account figures, are shown in the following table:

Financial year 2025:

TECHNICAL ACCOUNT BY LINE OF BUSINESS 2025						
<i>(In thousand euro)</i>	TOTAL	Motor Civil Liability	Motor Other Guarantees	Fire and other damage to property	Assistance	Medical Expenses
1 Net reinsurance earned premiums	1.050.570	417.338	450.703	159.051	2.555	20.924
2 Investment income	48.623	26.771	13.162	5.248	85	3.358
3 Other technical income	-	-	-	-	-	-
4 Net claims incurred	796.665	368.181	311.987	101.142	541	14.813
5 Profit sharing	74	-	-	-	74	-
6 Net operating expenses	216.970	75.412	85.777	42.362	2.020	11.399
7 Other technical charges	(20.711)	(26.174)	5.464	-	-	-
8 Investment expenses	9.773	6.552	3.221	-	-	-
Technical account result (1+2+3-4-5-6-7-8)	96.422	20.137	57.415	20.795	5	(1.930)

Financial year 2024:

TECHNICAL ACCOUNT BY LINE OF BUSINESS 2024						
<i>(In thousand euro)</i>	TOTAL	Motor Civil Liability	Motor Other Guarantees	Fire and other damage to property	Assistance	Medical Expenses
1 Net reinsurance earned premiums	967.415	375.710	423.518	149.109	1.088	17.990
2 Investment income	51.363	28.333	14.970	5.034	74	2.952
3 Other technical income	-	-	-	-	-	-
4 Net claims incurred	747.919	343.661	297.810	91.675	102	14.671
5 Profit sharing	310	-	-	-	310	-
6 Net operating expenses	208.807	70.440	85.030	41.691	1.012	10.634
7 Other technical charges	(22.429)	(26.776)	4.347	-	-	-
8 Investment expenses	14.993	9.771	5.222	-	-	-
Technical account result (1+2+3-4-5-6-7-8)	69.177	6.947	46.078	20.777	(262)	(4.364)

The business lines for solvency purposes are directly equivalent to the lines reported by the Entity in the Financial Statements. The "fire and other damage to property" business line includes the home insurance branch.

A.3. RETURN ON INVESTMENTS

The Entity carries out its investment activity in accordance with the guidelines set out in the investment policy. Monitoring and follow-up is carried out in the Investment Committee.

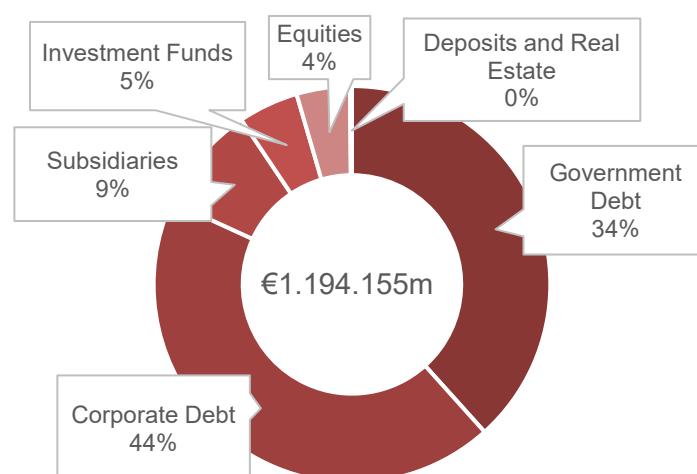
The Entity has continued with its investment policy with the aim of guaranteeing their safety, liquidity and profitability, applying principles of dispersion, diversification and adaptation of terms to the technical liabilities to be covered, to cushion market, credit, liquidity and cash flow risks, taking into account the economic environment with rising rates of return on fixed-income assets.

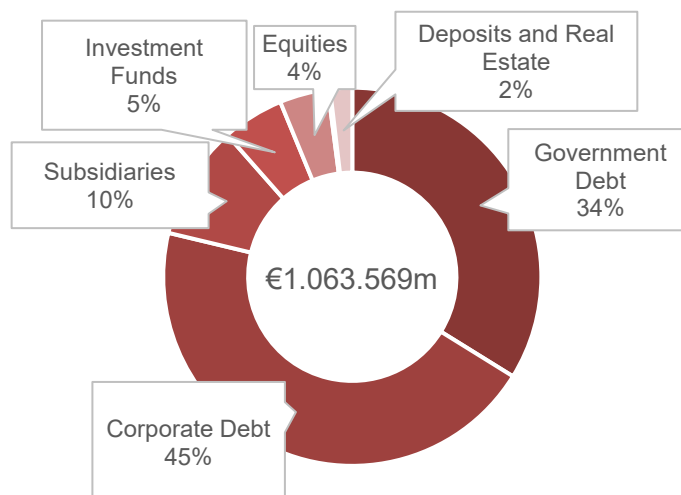
The average rates of return on fixed income securities were 2.82%, and the return on the equity portfolio was 4.19%.

All financial income and expenses are allocated to the technical account by business line, except for 4,000 thousand euros from a dividend received by the stake in the subsidiary Línea Directa Asistencia, S.L.U., which has been allocated to the non-technical account.

The distribution of the portfolio, based on the balance sheet and including shareholdings, as of 31 December 2025 and 2024 is shown in the following table:

Financial year 2025:



Financial year 2024:Financial year 2025:

Breakdown of investment income and expenses by type of asset

<i>(In thousand euro)</i>	Technical Account	Non-Technical Account
Net financial income from accounts and deposits	(5.365)	-
Coupon income from Government Bonds and Corporate Bonds	24.298	-
Realised gains on disposal of Government Bonds and Corporate Bonds	1.509	-
Realised losses on disposal of Government Bonds and Corporate Bonds	(1.089)	-
Net financial income from Government Bonds and Corporate Bonds	24.718	-
Reversal of impairment on investments	(358)	-
Income from dividends on equities	2.999	-
Income from dividends on investments in subsidiaries	-	4.000
Realised gains on disposal of equities	2.405	-
Realised losses on disposal of equities	(212)	-
Net financial income from equities and investments in subsidiaries	4.835	4.000
Interest income from loans	566	-
Premium instalment income	5.674	-
Income / Expenses from property and tangible investments	69	-
Hedging operations	766	-
Other income	272	-
Expenses for deferred dividend payments to shareholders	-	-
Internal investment management expenses	1.375	-
TOTAL INVESTMENT INCOME AND EXPENSES	30.159	4.000

Financial year 2024:

Breakdown of investment income and expenses by type of asset		
<i>(In thousand euro)</i>	Technical Account	Non-Technical Account
Net financial income from accounts and deposits	1.208	-
Coupon income from Government Bonds and Corporate Bonds	21.795	-
Realised gains on disposal of Government Bonds and Corporate Bonds	1.569	-
Realised losses on disposal of Government Bonds and Corporate Bonds	(2.828)	-
Net financial income from Government Bonds and Corporate Bonds	20.536	
Reversal of impairment on investments	(282)	-
Income from dividends on equities	3.625	-
Income from dividends on investments in subsidiaries	-	6.147
Realised gains on disposal of equities	3.683	-
Realised losses on disposal of equities	(478)	-
Net financial income from equities and investments in subsidiaries	6.549	6.147
Interest income from loans	592	-
Premium instalment income	7.606	-
Income / Expenses from property and tangible investments	69	
Hedging operations	1.077	
Other income	287	-
Expenses for deferred dividend payments to shareholders	-	-
Internal investment management expenses	1.494	-
TOTAL INVESTMENT INCOME AND EXPENSES	36.430	6.147

All financial income and expenses are allocated to the technical account by business line, except for 4,000 thousand euros from a dividend received by the stake in the subsidiary Línea Directa Asistencia, S.L.U., which has been allocated to the non-technical account.

A.4. RESULTS OF OTHER ACTIVITIES

The non-technical account includes income and expenses from other activities, mainly through the intermediation of credit cards and policies from other insurers, which represent an income of 3,432 thousand euros (3,679 thousand euros in 2024) and an expense of 918 thousand euros (80 thousand euros in 2024).

A.5. ANY OTHER INFORMATION

Outlook 2026

The Spanish economy faces 2026 from a relatively solid position within the euro area. Forecasts agree that Spain will continue to exceed the European average but in a context of global slowdown and trade tensions.

Rising disposable income and improved employment will support private consumption, despite the end of some fiscal support measures. The unemployment rate is expected to continue its downward trend, although structural challenges remain.

With regard to the Company's prospects, 2026 should be a year in which the Company continues to grow its customers in solid terms, with good commercial performance while improving portfolio loyalty.

The quality of service and the strengthening of our digital capabilities will continue to mark the roadmap during the year. It is foreseeable that the loss ratio will continue to be contained thanks to the rigour applied in the selection and pricing processes of insurance risks. Likewise, the improvement in the efficiency of the processes should translate into a significant increase in productivity.

The investment portfolio, on the other hand, will grow with the volume of business and the average returns will allow recurring financial income to be higher than in the 2025 financial year.

B. GOVERNANCE

B.1. GENERAL INFORMATION ON THE GOVERNANCE SYSTEM

The Entity has a Corporate Governance Policy that defines the corporate and governance structure of the Línea Directa Group, the principles that inform it, the corporate bodies that make it up and the essential rules of its internal operation.

Línea Directa Aseguradora's shares have been listed on the Spanish stock market (Madrid, Barcelona, Bilbao and Valencia Stock Exchanges) since 29 April 2021. Since September 20 of the same year, the Company has been part of the Ibex Medium Cap.

The corporate bodies of Línea Directa Aseguradora are as follows:

I. General Shareholders' Meeting

The General Meeting is the sovereign body of the Entity in which the duly summoned shareholders meet to deliberate and decide, by the majorities required in each case, on the matters within their competence.

II. Board of Directors

Features

The Board of Directors is the body responsible for the administration, governance and representation of the Entity, in accordance with the functions attributed to it by the Law, the Bylaws and the Regulations of the Board.

For the purposes of this document, these functions include the determination of the risk control and management policy, including tax, financial and non-financial risks, and the supervision of internal information and control systems, as well as the setting and periodic monitoring of the level of risk appetite.

According to the provisions of the Articles of Association, the Board of Directors must be made up of a minimum of 5 and a maximum of 15 directors. Its composition makes it possible to adequately ensure compliance with the requirements of the Capital Companies Act and Articles 13, 38 and 65 et seq. of Law 20/2015 of 14 July 2015 on the regulation, supervision and solvency of insurance and reinsurance companies, and Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on life insurance, access to and exercise of insurance and reinsurance activities. All its members have the appropriate professional qualifications, competence and experience, as well as the requirements of good repute required by the Supervisor and included in the Entity's Aptitude and Honour Policy.

As of the date of this report, the Board of the Entity is composed of the following members:

Board Members	Legal Category	Role
Mr. Alfonso Botín-Sanz de Sautuola y Naveda	Proprietary	Chairman
Mr. Fernando Masaveu Herrero	Proprietary	Member
Ms. Ana María Plaza Arregui	Independent	Member
Ms. Marina Specht Blum	Independent	Member
Ms. Rita Estévez	Independent	Member

Mr. Iñaki Berenguer	Independent	Member
Ms. Patricia Ayuela de Rueda	Executive	Chief Executive Officer

Mr. Pablo González-Schwitters serves as the non-director Secretary of the Board of Directors.

As of the end of 2025, Mr. John de Zulueta Greenebaum was also a member of the Board of Directors; however, he sadly passed away in January 2026, as duly reported by the Entity to both the DGS (Directorate-General for Insurance and Pension Funds) and the CNMV (Spanish Securities Market Regulator). For this reason, as of the date of this report, there is a vacancy on the Board of Directors, which will be submitted for resolution by the corresponding corporate bodies.

III. Committees

The Board of Directors has two advisory committees:

The Audit and Compliance Committee

It is composed of the following members:

Member	Role	Legal Category
Ms. Ana María Plaza Arregui	Member	Independent
Ms. Rita Estévez Luaña	Chair	Independent
Mr. Alfonso Botín-Sanz de Sautuola	Member	Proprietary
Mr. Pablo González-Schwitters	Non-director Secretary	

The members of the Audit and Compliance Committee, collectively and especially its Chair, have been appointed taking into consideration their knowledge and experience in accounting, auditing, and both financial and non-financial risk management. The full professional background of its members is available on the corporate website.

Among others, the main functions of the Audit and Compliance Committee include:

- **Reporting to the General Shareholders' Meeting**, through its Chair, on the status of the Company's control environment and on the Committee's activities during the financial year.
- **Proposing to the Board of Directors**, for submission to the General Shareholders' Meeting, the appointment, re-appointment or removal of the external auditors, as well as the verifier of sustainability information and the terms of their engagement. It is also responsible for safeguarding the independence of the external auditor and supervising compliance with the audit engagement.
- **Understanding, supervising and assessing** the process for preparing and ensuring the integrity of both financial and non-financial information, as well as the systems for controlling and managing financial and non-financial risks relating to the Company and, where applicable, the Group (including operational, technological, cybersecurity, legal, social, environmental, political and reputational risks, or those related to corruption).

With regard to sustainability risks, the Committee will forward the relevant reports to the Appointments, Remuneration and Corporate Governance Committee, and joint meetings of both Committees may be held.

- With respect to **non-financial information**: (i) Supervising the process for preparing and presenting the Company's and the Group's non-financial information and assessing whether the applicable reporting policies and regulations have been correctly applied; (ii) Reviewing the quality, clarity, consistency and integrity of the non-financial information disclosed by the Company; (iii) Leading the process for selecting and engaging the independent verification provider responsible for assuring the sustainability information and proposing its appointment to the Board of Directors; and (iv) Interacting with the independent verifier to obtain information on the progress of their work.
- **Providing prior advice to the Board of Directors** on all matters required by law, including related-party transactions that must be approved by the Board.
- **Supervising the application of the Company's general policy** on the communication of financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
- **Supervising and promoting compliance** with the Company's Internal Code of Conduct in the Securities Market, the Code of Ethics and other internal codes of conduct, as well as overseeing the functioning and supporting the effectiveness of the confidential whistleblowing mechanism available to stakeholders.
- **Supervising the development** by the Company and, where applicable, its subsidiaries, of the following functions: (i) Risk management and internal control; (ii) Regulatory compliance verification; and (iii) Actuarial function.

The Appointments, Remuneration and Corporate Governance Committee

As of the date of this Report, it is composed of the following members:

Miembro	Cargo	Categoría legal
Ms. Ana María Plaza Arregui.	Chair	Independent
Mr. Alfonso Botín-Sanz de Sautuola	Member	Proprietary
Ms. Marina Specht Blum.	Member	Independent
Mr. Pablo González-Schwitters	Non-director Secretary	

At the end of 2025, Mr. John de Zulueta Greenebaum was also part of the Commission, who, as indicated above, unfortunately died in January 2026.

Among others, the main functions of the Appointments, Remuneration and Corporate Governance Committee are:

- Proposing the appointment, ratification, re-appointment and removal of independent directors, and issuing reports on the remaining directors.

- Assessing the balance of skills, capabilities, knowledge, diversity and experience required on the Board of Directors.
- Reporting, where applicable and through its Chair, to the General Shareholders' Meeting on the Committee's activities during the financial year.
- Proposing to the Board the directors' remuneration policy, as well as the individual remuneration of directors, the individual remuneration of executive directors and, where applicable, of external directors for duties other than those inherent to the position of director, together with other terms and conditions of their contracts.
- Proposing the remuneration policy for senior management, including general managers or those who perform senior management functions under the direct authority of the Board.
- Overseeing the Company's corporate governance framework.
- Establishing the guidelines, criteria and reference standards that must govern the preparation of the annual sustainability report, and reporting these to the Board. In relation to this report, the Committee must review, validate and report to the Board of Directors prior to its approval, taking into account the information received from the Audit and Compliance Committee on the preparation process and the integrity of the information.
- Monitoring the Company's sustainability strategy and practices, assessing the degree of compliance and reviewing the Company's sustainability policies, ensuring that they are aligned with long-term value creation.

IV. Management Team

As of the date of this report, the composition of the Management team is as follows:

Name	Role(s)
Ms. Patricia Ayuela	Chief Executive Officer
Mr. Pablo González-Schwitters	General Secretary
Mr. Carlos Rodríguez Ugarte	Chief Financial Officer
Mr. Diego Ferreiro	Commercial Director
Ms. Mar Garre	People, Communications and Sustainability Director
Ms. Eva del Mazo	Portfolio Director
Ms. Olga Moreno	Quality and Customer Experience Director
Mr. Luis García San Luis* *since 31 July 2025	Technology and Cybersecurity Director
Mr. Antonio Valor	Marketing Director
Mr. Juan José Álvarez	Technical Director
Ms. Inmaculada Aldea	Corporate Risk Director

Name	Role(s)
Ms: Isabel Guzmán Lillo	Services and Claims Director
Ms. Maria Ángeles Gómez Roig* *since 1 February 2025	Transformation Director
Mr. José Luis Díaz	Internal Audit Director

V. Internal committees

Without prejudice to the functions assigned to the Board of Directors and its Committees under the Board Regulations, Línea Directa Aseguradora has established a system of Committees designed to support the Company's strategic objectives and to provide the Board of Directors—either directly or through its Committees—with the information necessary for decision-making.

These Committees are responsible for ensuring the proper implementation, maintenance and monitoring of the Risk Management System, in accordance with the guidelines set by the Board of Directors.

The committees most relevant to risk management are the following:

Risk Permanent Committee: this Committee is responsible for facilitating and monitoring the implementation of effective risk-management practices across the Línea Directa Aseguradora Group, based on reporting from the first line of defence.

It holds powers relating to the control and oversight of risks, ensuring that Línea Directa maintains an adequate internal control environment aligned with Group standards and compliant with applicable regulations.

It is supported by the **Digital Operational Resilience Team**, which monitors the implementation of the digital operational resilience strategy in relation to ICT risks and reports such matters, through the Risk Committee, to the Audit Committee and to the Board.

Reserves Committee: this Committee functions as a body for information, discussion and decision-making in all areas related to claims management and the sufficiency of reserves, as determined by the Board and its Committees.

It reports periodically to the Audit and Compliance Committee.

Investment Committee: Its purpose is to ensure that day-to-day investment management is carried out in accordance with the Investment Objectives, the Investment Guidelines approved by the Board of Directors, and the Responsible Investment Policy.

The Investment Committee reports to the Board of Directors through the Chief Financial Officer.

In any case, the Audit and Compliance Committee is periodically informed of investment operations approved either by the Investment Committee or, where appropriate, by the Chief Financial Officer, in order to support the Committee's oversight of the preparation and integrity of financial and non-financial information.

Sustainability Committee: this Committee is responsible for preparing the Sustainability Plan and submitting it to the Appointments, Remuneration and Corporate Governance Committee (CNRGC) and to the Board of Directors.

It oversees and monitors the degree of compliance, sets priorities, makes executive decisions and drives initiatives to ensure the execution of the Sustainability Plan approved by the Board.

Outsourcing Committee: this Committee is responsible for analysing and, where appropriate, approving, rejecting or escalating to the Audit Committee any initiatives involving the outsourcing of essential functions, in accordance with the DORA Regulation and with the Outsourcing Policy once the relevant risk assessments by the corresponding functions have been completed.

It also monitors outsourced ICT services.

RAI Group: this Group is composed of representatives from the areas of Compliance, Artificial Intelligence, Transformation, Personal Data Protection, Data Governance and Corporate Governance.

Its main role is to identify and maintain an up-to-date inventory of AI use cases within the Company and to ensure the responsible use of artificial intelligence.

Compensation Policy and Practices

The Entity has a general Remuneration Policy, approved by the Board of Directors applicable to the employees of the Entity as a whole, which contains specific mechanisms applicable to certain persons whose professional activities have a significant impact on the risk profile of the Entity and who are part of the Identified Staff.

The main objective of Línea Directa's remuneration policy is to align it with the interests of the Entity by promoting corporate values and culture. In this regard, the remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Entity, rewarding behaviours and attitudes in line with the culture and values, and incorporating the necessary precautions to avoid excessive risk-taking and the reward of unfavourable results.

In order to achieve these objectives, Línea Directa establishes the following general principles that guide the establishment of its Remuneration Policy:

Fairness and coherence (Internal Equity): Both the applicable policy and the remuneration amounts will be defined according to the content of the positions, seeking homogeneous treatment for those positions in the organization with similar content based on the following aspects:

the level of demand and responsibility of the function assumed, the impact on the results provided to the organization, and the knowledge, experience and skills necessary to carry out the functions.

Sustainability and persistence over time: Remuneration will be configured with a medium and long-term vision, seeking to promote the performance of the Bank's executives towards the achievement of the strategic objectives set by Línea Directa in the medium and long term, without forgetting the achievement of short-term results.

Measures to avoid conflicts of interest: The Entity will internally establish the relevant controls and mitigating measures, in accordance with the regulations in force in this regard, to avoid possible conflicts of interest to the detriment of customers.

Flexibility: the variable components of total employee remuneration shall incorporate sufficient flexibility to allow for their full adjustment, including the potential suppression of variable compensation payments, should the Company fail to meet the performance targets established. Specifically, under no circumstances shall any form of variable compensation be paid if the Entity's linked performance objectives are not achieved.

Variability and Alignment with Línea Directa's Interests: compensation shall include a variable component, which must be directly linked to individual performance and to the degree of achievement of the strategic objectives established by Línea Directa at any given time. Accordingly, the Compensation Policy shall incorporate adequate instruments to align remuneration with the Entity's financial and operational results.

Balance: Línea Directa's Compensation Policy must ensure an appropriate balance between its fixed and variable components. The reference proportion of variable compensation relative to fixed remuneration will fluctuate depending on the level of objective attainment.

The Remuneration Management Strategy is common for all Línea Directa employees, ensuring a sufficiently robust fixed compensation to prevent employees from taking decisions that could expose the Entity to undue risk merely to obtain an incentive payout.

Absence of Guaranteed Variable Compensation: under no circumstances shall variable compensation be considered guaranteed, as it is strictly conditional upon each employee's achievement of the applicable performance objectives.

Transparency: the rules governing compensation management for the entire workforce must be explicit and clearly communicated to all affected employees. Likewise, the conditions required for the fulfilment of objectives that entitle employees to earn variable compensation must be equally well understood.

Simplicity: compensation management rules shall be drafted in a clear and concise manner, streamlining both their description and the calculation methodologies and conditions applicable to their accrual.

Equity and External Competitiveness: the applicable Policy and corresponding compensation levels will take into account market trends and competitive positioning, enabling Línea Directa to attract and retain the best professionals in the sector.

Equality and Diversity: the Compensation Policy shall prevent any form of discrimination based on gender, race, religion, or disability.

Collective Life Insurance Obligation: pursuant to the provisions of the sector's Collective Bargaining Agreement, the Entity is required to arrange a collective life insurance policy for all employees. This obligation is externalized through an annually renewable risk-based policy.

Retirement Award Obligation: there is also an obligation to pay a retirement award, payable only if the employee retires at the applicable statutory retirement age while actively employed by the Entity. This obligation is externalized through a matched insurance policy, and therefore no provision is recorded in the Entity's financial statements.

Under this system, only employees hired prior to 1 January 2017, who chose not to migrate to the new scheme, remain covered.

New System for Employees from 1 January 2017: for employees hired from 1 January 2017 onward, and for those who opted into the new system, the Entity has externalized obligations through a defined-contribution insurance contract covering more contingencies than the previous scheme. The transfer of accrued employee rights to the new system was completed in fiscal year 2020.

Additional Pension Commitments (Senior Management): additionally, the Entity maintains various group insurance policies to instrument its pension commitments for certain members of Senior Management. These defined-contribution plans are also externalized, with periodic contributions made for the corresponding participants. Contributions are not mandatory for the Company and are made voluntarily at the discretion of the Governing Body.

Savings and Retirement Insurance for Executive Team: the Entity also maintains a defined-contribution savings and retirement insurance policy for members of the Management Team, structured as a savings-based insurance product.

Employee Share Purchase Plan: in 2025, as in previous years, employees were offered the option to participate in a Línea Directa share purchase plan as part of their flexible compensation package.

Long-Term Incentive Plan (2023–2025): the 2023 General Shareholders' Meeting approved a Long-Term Incentive Plan for 2023–2025, which, if applicable, will be settled in 2026, subject to any required deferrals. Beneficiaries include members of the Company's Management Team at the approval date—including the CEO—as well as designated key or critical personnel.

The purpose of the Plan is to motivate and retain individuals deemed essential for achieving the Company's medium- and long-term strategic objectives, fostering retention of Línea Directa's key talent, enhancing the Entity's medium-to-long-term financial performance, and reinforcing the sustainability of the Company.

Board of Directors' Compensation: remuneration applicable to members of the Board of Directors is governed by Línea Directa's Directors' Remuneration Policy, approved by the General Shareholders' Meeting and published on the corporate website

Information on significant transactions with shareholders and with persons exercising significant influence

As of 31 December 2024, Bankinter's ownership interest stands at 17.42%, with no representation on the Group's Board of Directors since the date of its stock market listing. The Entity has carried out the following transactions with its significant shareholder Bankinter S.A. or any of its subsidiary entities, distinguishing between insurance activities and services rendered and received in connection with other types of activities:

Financial year 2025:

Direct Insurance	Premiums	Commissions
Bankinter S.A.	889	4.446
Bankinter Consumer Finance, E.F.C, S.A.	6	10
Bankinter Consumer Finance, E.F.C., S.A. (Portugal Branch)	69	-
Total	964	4.561

Services Rendered and Received	Expenses		Income	
	Services Received	Interest and Financial Services	Services Rendered	Financial Income and Leases
Bankinter, S.A.	1.219	339	-	1.904
Bankinter Consumer Finance, S.L.U.	(107)	-	224	-
Bankinter S.A. Portugal Branch	39	-	-	-
Total	1.151	339	224	1.904

Financial year 2024:

Direct Insurance	Premiums	Commissions
Bankinter S.A.	618	4.767
Bankinter Consumer Finance, E.F.C, S.A.	9	11
Bankinter Consumer Finance, E.F.C., S.A. (Portugal Branch)	74	-
EvoBanco, S.A.	-	104
Total	701	4.882

Services Rendered and Received	Expenses		Income	
	Services Received	Interest and Financial Services	Services Rendered	Financial Income and Leases
Bankinter, S.A.	1.208	337	-	2.584
Bankinter Consumer Finance, S.L.U.	15	-	545	-
Bankinter S.A. Portugal Branch	30	-	-	-
Total	1.253	337	545	2.584

B.2. FITNESS AND PROPRIETY

The Entity has had a Code of Ethics since 2010, the latest version of which was approved in 2025, and which applies to the Entity and all Group Companies. This Code aims to establish the general guidelines that must govern the conduct of its employees and subsidiaries in the performance of their duties and in their commercial and professional relations, in accordance with the law and respecting ethical principles.

Furthermore, the Entity's Director Selection Policy includes among its main objectives the promotion of gender diversity, as well as diversity of experience and knowledge within the Board of Directors, avoiding any implicit bias that could involve discrimination of any kind and, in particular, hinder the selection of female directors, thereby fostering a significant presence of senior female executives within the Entity.

Likewise, in accordance with this policy, the Entity's Board of Directors aims to create a governing body whose composition ensures a healthy diversity of opinions, perspectives, skills, experience and professional backgrounds, all in line with the latest corporate governance recommendations for listed companies. A summary of the professional and academic profiles of all Board members is available on the corporate website.

Similarly, among its fundamental principles is the aim that the number of independent directors constitutes a broad majority of the Board of Directors and that the number of executive directors be kept to the minimum necessary.

The position of director has a term of 4 years, and directors may be re-elected for successive terms of the same duration. A la fecha de este informe, podemos destacar que los datos sobre independencia y diversidad en el Consejo superan las ratios recomendadas por el Código de Buen Gobierno.

Furthermore, the Entity complies with Article 38 of Law 20/2015 of July 14 and Article 42 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, on life insurance, access to insurance and reinsurance activities, their conduct, and the

implementing regulations, pursuant to which insurance undertakings must ensure that persons who effectively run the undertaking or perform other key functions, including members of the Board of Directors and Senior Management, meet the following requirements:

- their professional qualifications, competence, and experience must be adequate to enable sound and prudent management (fitness); and
- they must be persons of good repute and integrity (propriety).

In this regard, the recommendations of the EIOPA Guidelines on the System of Governance have been followed, as well as the requirements set out in Law 20/2015 of July 14 on the regulation, supervision and solvency of insurance and reinsurance undertakings, and Royal Decree 1060/2015 of November 20 on the regulation, supervision and solvency of insurance and reinsurance undertakings, in connection with the implementation and development of a fitness and propriety policy ensuring that the individuals subject to this policy possess the appropriate qualifications and experience to guarantee the professional management and supervision of the undertakings.

The Entity also has a Fitness and Propriety Policy, which establishes the requirements to be met by individuals performing key functions subject to the “suitability” assessment.

The fitness and propriety requirement comprises a broad set of criteria structured into three main areas:

- Commercial and professional integrity: the assessment will take into account the professional and personal background of the individual evaluated for the role; any convictions or sanctions for criminal, civil, or administrative offences; and the existence of substantiated investigations related to financial-economic crimes.
- Knowledge and experience requirements (fitness): considering theoretical training, which must be of an adequate level and profile, particularly in the areas of insurance and financial services.
- Good governance: applicable only to members of the Board of Directors and the Management Team, where potential conflicts of interest that may arise will be evaluated.

B.3. RISK MANAGEMENT SYSTEM

Línea Directa Aseguradora has internal control processes and an effective risk management system that complies with applicable regulations and is aligned with industry best practices.

To ensure effective risk management, the Entity has risk management policies that define responsibilities and establish the operational framework for each type of risk, ensuring a consistent application across all areas and subsidiaries of the Group.

The organizational structure for risk management and control is based on the principles of independence and segregation of duties between business units and the units responsible for risk monitoring and control.

Below are the main roles and responsibilities of the governing bodies and parties involved in the risk control and management process:

The Board of Directors of Línea Directa Aseguradora is responsible for establishing the General Risk Policy, which serves as the framework for the specific policies applicable to each of the risks to which the Company is exposed.

The Audit and Compliance Committee is responsible for supervising the effectiveness of the Company’s internal control, internal audit, and risk management systems. This Committee receives reports from those responsible for the Risk Function and from the Internal Audit

Function regarding the most significant risks included in the Entity's Risk Map, as well as the status of issued recommendations and the evolution of Key Risk Indicators (KRI).

The Internal Audit Function, as the third line of defense, has the mission of enhancing and safeguarding the organization's value by providing objective assurance, advice, and risk-based insight, supporting the Board of Directors and the Executive Management of the Group in protecting the organization's assets, reputation, sustainability, and shareholders' interests.

The second line of defense functions (Risk Management, Actuarial, Regulatory Compliance, and SCIIF) have the following responsibilities:

- Ensuring the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are appropriately identified, managed, and quantified.
- Actively participating in the development of the risk strategy and in major decisions regarding its management.
- Ensuring that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.
- Periodically assessing the adequacy and effectiveness of controls (understood as measures designed to mitigate the impact of identified risks) and making recommendations to risk owners, which will be implemented through action plans.
- Reporting periodically on the status of the Company's risks, potential risk materializations, results of control testing, and the status of all resulting recommendations to the Management Committee and, as deemed appropriate, to the Audit and Compliance Committee and the Permanent Risk Committee.

Risk management functions are equipped with appropriate information systems and controls to ensure compliance with this policy, and their operation is governed by the specific policies applicable to each risk category.

The Permanent Risk Committee is responsible for facilitating and monitoring the implementation of effective risk management practices by monitoring all risks. It receives regular reporting from the first line of defense. The functioning, organization, and responsibilities of the specific committees are detailed in the Governance System of Línea Directa Aseguradora S.A.

Senior Management is responsible for establishing a culture and organizational structure that promotes effective risk management. The heads of Business and Support Areas must understand the risks within their scope and manage them in an integrated manner with their functions, competencies, and responsibilities, as well as implement the necessary measures for risk management. The Corporate Risk Department coordinates the second line of defense functions (Risk Management, Actuarial, Regulatory Compliance, SCIIF, SCIIS, and Fraud Management) and channels their reporting to the governance bodies of the Group.

The first line of defense comprises the Business and Support Areas, responsible for identifying and reporting to the Permanent Risk Committee any risks that may arise in the course of their activities, and for managing them in coordination with the Risk Department. Their mission is to implement effective controls and manage risks in the day-to-day operations, ensuring compliance with organizational objectives and efficient operations in line with legal, regulatory, and ethical standards.

Acceptable risk level

The Board of Directors holds ultimate responsibility for establishing and defining the risk appetite, as well as ensuring the existence of limits around the identified risks and that these are properly monitored and managed. It is also responsible for the annual update of the Entity's Risk Appetite Framework, monitoring its actual risk profile, and ensuring consistency between both.

The Board of Directors has set a target solvency ratio of no less than 150%, enabling the Entity to maintain a sufficient capital surplus to address potential future deviations, while the minimum tolerance level is set at 120%.

Solvency Capital Requirement Coverage Ratio	Appetite	Tolerance	Capacity
	>150%	120%–150%	120%

Likewise, **limits have been established by sub-risk**: in non-life underwriting the limit has been set at 75% of the Solvency Capital Requirement before tax absorption; in health underwriting the limit is 5%, in market risk 45%, and in counterparty and operational risk 15%. For non-regulatory risks, the risk appetite has been set at 5%.

	Appetite	Tolerance	Capacity
Underwriting	75.00%	80.00%	85.00%
Health	5.00%	10.00%	15.00%
Market	45.00%	50.00%	55.00%
Counterparty	15.00%	20.00%	25.00%
Operational	15.00%	20.00%	25.00%

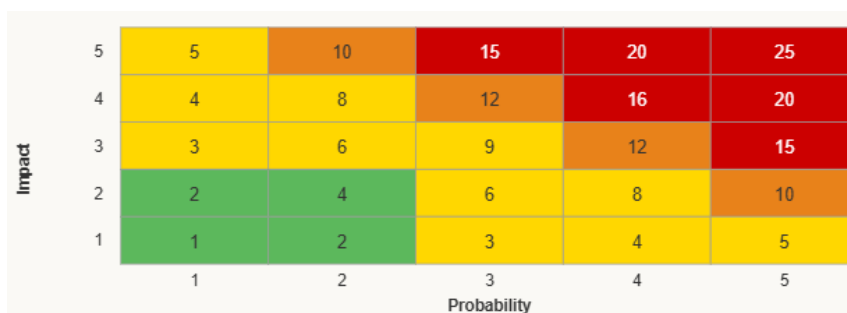
*Risk / SCR before tax absorption

Those risks that exceed the established limits must be subject to actions aimed at bringing them back within those thresholds, to the extent that the risk is manageable and the cost of the mitigation measures is justified by the potential impact that the materialization of the risk may have on the entity.

Additionally, the Linea Directa Group has developed policies and established procedures and controls to incorporate ESG criteria into investment decision-making, such that for issuances with ESG risk, the value of the portfolio is limited to 8% of the Group’s total assets, as indicated in the sustainable investment policy available on the corporate website under the Corporate Governance section.

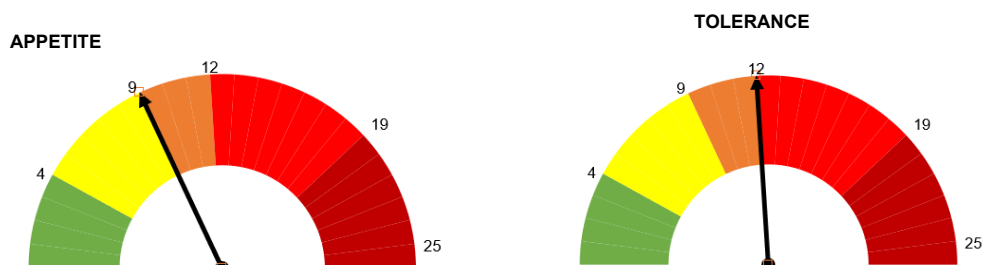
The Company assesses risks by considering both the probability of materialization and the impact that such materialization would entail.

Impact and probability are measured on a scale from 1 to 5, so that the risk assessment corresponds to the Cartesian product of both variables, with 25 being the maximum value. This assessment allows for a graphical representation of risks in a heat map.



The Company has set the risk appetite as that which places risks graphically within the yellow and green areas of the heat map.

The tolerance level is set within the orange area of the heat map.



Each of the identified risk categories has one or more Key Risk Indicators (KRIs), which are monitored in a dashboard, with three thresholds established: green, indicating the risk is acceptable; amber, indicating monitoring is required; and red, indicating that the risk is outside tolerance limits and that action plans must be implemented.

In 2025, the Company monitored 108 risk indicators, of which the 15 most representative of the Company's top ten risks were selected and are periodically reported to the Audit Committee regardless of their value.

On an annual basis, the Board of Directors or the Audit and Compliance Committee sets the risk tolerance limits. They also approve changes to the thresholds of the Key Risk Indicators (KRIs), which are reviewed annually.

Integration within the organizational structure and decision-making processes

The risk management system aims to ensure that the main risks faced by the Entity in its regular activity are identified and continuously monitored.

Risks are addressed in the various Committees of the Entity and are periodically reported to the Audit and Compliance Committee and to the Board of Directors.

The Línea Directa Group has established different levels of defense:

- A management unit with direct responsibility for the daily management or awareness of such risks, acting as the first line of defense.
- Control functions as the second line, namely the Risk Management Function, the Actuarial Function, the Compliance Function, and SCIIF. The control functions periodically analyze, together with the Entity's areas, those factors which, if materialized, may have an impact on the business. Based on this analysis, an assessment of the Entity's key risks is carried out, taking into account the prevention and mitigation measures that allow determination of the residual risk. Risk monitoring is performed by measuring the effectiveness of controls through evidence-gathering cycles and analysis of weaknesses which, if identified, are accompanied by appropriate remediation plans.
- A committee structure, each responsible for identifying, managing, and reporting risks. Due to their composition and functions, these committees are executive in nature, as they make decisions regarding the risks they manage.
- A supervisory function as the third line of defense, which is the Internal Audit Function.

This structure serves four essential objectives:

- 1) Ensuring proper control, management, and reporting of all risks across different lines of defense.
- 2) Ensuring that control and reporting are carried out both vertically and horizontally, by dependent bodies as well as independent control functions.
- 3) Ensuring adequate scalability in reporting, control, and decision-making.
- 4) Ensuring that responsibility, knowledge, and control of risks occur at different levels, including the highest level of governance.

The governing bodies receive, at least quarterly, information on the main risks to which the Entity is exposed and on the capital resources available to address them, as well as information on compliance with the limits established in the risk appetite.

Finally, within the scope of Corporate Governance, the Company highlights supplier approval mechanisms, the Entity's governance structure aligned with regulatory requirements and best practices, the "zero tolerance" approach to bribery and any illicit conduct reflected in the Code of Ethics and other internal policies, and, of course, all measures implemented to protect information security and data within the organization.

Own Risk and Solvency Assessment (ORSA)

The Entity conducts an annual Own Risk and Solvency Assessment ("ORSA"), which is approved by the Board of Directors and submitted to the Supervisor. This assessment is carried out in accordance with the Entity's ORSA Policy, which has been previously approved by the Board and is reviewed and updated periodically.

This exercise involves a self-assessment of the risks to which the Entity will be exposed over a three-year time horizon, taking into consideration business and market outlooks, historical experience regarding the type and magnitude of risks previously faced by the Entity, and the risk appetite and limits established by the Board of Directors.

As a first step, once the Board of Directors has agreed on the main guidelines of the plan based on strategic objectives and market conditions, a projection of the Entity's and its subsidiaries' financial statements is obtained under local valuation in the base scenario. These financial statements are approved by the Board of Directors.

In addition to the base scenario, certain stress scenarios are considered to test the Entity's solvency position and potential capital needs under extreme conditions, stressing key business parameters. These stress scenarios are approved by the Board of Directors through the Audit and Compliance Committee.

In parallel, adjustments and reclassifications of the local balance sheet for both the base scenario and the stress scenarios are determined throughout the projection period, in order to obtain economic balance sheets for solvency purposes. This results in the determination of available funds (excess of assets over liabilities) for each year and each scenario.

Subsequently, the Solvency Capital Requirement (SCR) and the starting economic capital are projected for the three-year horizon and for each scenario.

Thus, the solvency position for each year and projection scenario can be obtained, calculated as the available and eligible funds relative to both the SCR and the economic capital.

If, in any projected year under any scenario, the solvency position were to fall below the minimum threshold set by the Board of Directors or below 100%, several management actions are proposed to restore solvency above the required minimum levels.

Finally, the Board of Directors approves the projected solvency-based financial statements and the projected solvency position for all years and scenarios, together with the potential management measures required to restore solvency if necessary.

B.4. INTERNAL CONTROL SYSTEM

According to Article 46 of the Solvency Directive and Article 66 of Law 20/2015 on the Regulation, Supervision and Solvency of Insurance Undertakings, the Entity must have an effective internal control system. Such system shall include, at a minimum, administrative and accounting procedures, an internal control framework, appropriate information mechanisms at all levels of the company, and a compliance verification function.

Control activities must be proportionate to the risks arising from the activities and processes to be controlled.

It must ensure that the control and reporting mechanisms of the internal control system provide the administrative, management and oversight bodies with the relevant information required for decision-making processes.

Internal Control Framework

The Entity has the necessary processes to continuously identify, measure, control, manage, and report—both individually and in aggregate—the risks to which it is exposed or might be exposed in the future, always taking into account the principle of proportionality.

First, the Entity has a risk map of its business processes that identifies all potentially significant inherent risks and the residual risk level depending on the effectiveness of existing controls. The specific significant operations and the associated risks of each process are covered.

Additionally, the previously described risk management system determines how to manage each category and risk area, as well as any potential aggregation of risks. The risk management system evaluates global solvency needs as identified in the prospective assessment of the company's own risks (based on ORSA principles), legal capital requirements, and risk-tolerance limits, as well as the frequency and content of periodic stress tests and situations requiring specific stress testing. There are policies that define risk categories and the methodologies for measuring them.

The Board of Directors has established the risk profile and global risk-tolerance limits and supervises, through the Audit and Compliance Committee, the Committees created to monitor and manage potentially significant risks.

For all these reasons, it is considered that there is an effective internal control environment with control and reporting mechanisms that provide the Board of Directors and Management with relevant and reliable information for decision-making. Controls are proportional to risks and cover all areas and business lines of the Entity.

The degree to which a risk culture and risk-management system have been embedded facilitates understanding of the implications of decisions adopted by the Board and Management based on the level of risk they choose to assume.

Information mechanism and Risk reporting

Línea Directa has implemented a quarterly reporting procedure through which the first line of defense informs the Risk Management Department of risk events or incidents that have occurred. The objectives of the reporting are:

- To report all relevant information from the area concerning risks and controls that has arisen during the quarter.
- To identify cases which, due to their impact or significance, require special monitoring and will form part of the agenda of the Risk Committee.
- To maintain a detailed repository of the first line of defense's actions, which will be reviewed and, where appropriate, incorporated into the management tool.
- To conduct internal benchmarking of risk treatment.
- To streamline the development of the Risk Committee by focusing on matters of greatest concern to the organization or those requiring additional explanation.

The Corporate Risk Department consolidates all of the Entity's risk information for periodic reporting to the Audit and Compliance Committee.

Each identified risk category has one or more Key Risk Indicators (KRIs), which are monitored in a dashboard with three thresholds: green, indicating the risk is acceptable; amber, indicating monitoring is required; and red, indicating that the risk is outside tolerance limits and that action plans must be implemented.

The established periodic risk reports are as follows:

- The Corporate Risk Management Department reports monthly to the Entity's Management Committee on the status of risks, the results of control testing, and the KRIs exceeding established thresholds.
- The Audit and Compliance Committee is informed by the Corporate Risk Management Department regarding the most significant risks included in the Entity's Risk Map, as well as the results of control testing, the status of issued recommendations, and the evolution of the KRIs.
- An Annual Risk Management Report is prepared for the Board of Directors, documenting all significant tasks performed during the year and their results.
- The Internal Audit Function reports quarterly to the Audit and Compliance Committee.

Compliance function

Managed within the Regulatory Compliance Department, with the Chief Compliance Officer as the highest responsible authority, it is located in the Corporate Risks area of the Entity and, like the rest of the key functions, reports periodically to the Audit and Compliance Committee through the Risk Directorate. It encompasses advising the Entity on all areas of legal matters (labor, commercial, tax, corporate...), providing guidelines that help define the strategy for managing legal risks, ensuring compliance with rules and risk policies derived from binding legal norms, including not only those arising from relationships with third parties, but also those stemming from self-imposed standards or sectoral or ethical norms whose compliance is legitimately expected by the stakeholders of the communities in which it operates.

The Regulatory Compliance Department is responsible for ensuring the proper functioning and compliance with the Criminal Compliance Policy and ensuring that it is adapted at all times to the needs and circumstances of the companies that form the Línea Directa Group.

In addition, it is responsible for promoting a culture of Compliance within the Entity, designing and implementing—together with the Communications Department—programs for

disseminating, raising awareness of, and communicating the Compliance environment and the Group's commitment to ethical and legally aligned behaviors, in order to ensure the effectiveness of its implementation.

Regulatory Compliance also performs, together with departments with expert criteria in specific areas such as the Data Protection Office or Tax Advisory Department, among others, the assessment of the possible impacts of any changes in the legal environment on the company's operations, as well as the identification and assessment of compliance risk.

The Compliance Function performs its duties in accordance with the Compliance Policy, approved by the Board of Directors, and the Regulatory Compliance Management System.

Regarding the activities and responsibilities of the Regulatory Compliance Department, the following stand out:

1. Supporting, advising, and assisting the Chief Compliance Officer in all functions.
2. Assessing the possible impacts of any modification in the legal environment on the organization's operations.
3. Designing and implementing the Entity's compliance plan, including the identification and analysis of regulatory risks and controls, managing and carrying out verification plans, and identifying and approving new measures and action plans.
4. Preparing the Annual Compliance Report to be presented by the Chief Compliance Officer to the Entity's governing bodies.

Other aspects of internal control

In the previous sections we have presented the Entity's internal control framework, as well as its information mechanisms. In order to cover all aspects included in Article 46 of the Directive, only the administrative and accounting procedures remain to be mentioned.

The Entity applies the Accounting Plan for Insurance Companies. In the consolidated financial statements, international accounting standards are applied. Internal Control over financial information of listed companies (Internal Control over Financial Reporting System, SCIIF, according to CNMV regulations) consists of the set of processes carried out by the Board of Directors, the Audit Committee, Senior Management, and the personnel involved in the Entity to provide reasonable assurance regarding the reliability of the financial information published and disseminated to the markets and stakeholders.

Following its stock market listing, the Línea Directa Group must ensure compliance with European Union regulations by adopting the International Financial Reporting Standards. To this end, in 2021 the Internal Control over Financial Reporting Department was created, with the objective of identifying and determining which information in this area must be included within the Internal Control System (SCIIF).

The SCIIF forms part of the internal control environment and is configured as the set of processes performed by the Board of Directors, the Audit Committee, Senior Management, and the personnel involved to provide reasonable assurance about the reliability of financial information published in the markets. In this regard, the Internal Control over Financial Reporting Department, which reports to the Corporate Risk area, is responsible for the effective implementation and proper monitoring of the SCIIF, and promotes the identification, review, and documentation of relevant reporting processes included within the SCIIF. It also designs and implements controls in this area, establishes periodic reporting to the Audit and Compliance Committee for quarterly closings, and sets up an external auditor review process.

Furthermore, the Entity's Finance Area is responsible, among others, for the following internal control functions:

- Planning of the Entity, preparing an annual plan approved by the Board of Directors and monitoring its monthly compliance
- Cost control, through the monitoring and administration of costs in all organizational areas, periodic verification of the progress of strategic operational improvement projects, and proposals for concrete initiatives to rationalize expenses
- Monitoring and control of financial statements of Línea Directa Group companies.

The Entity prepares annually the corresponding Solvency and Financial Condition Report (SFCR) in accordance with the requirements of the Solvency II regime (EU rules Articles 292 to 298 of Delegated Regulation (EU) 2015/35 and Annex XX, as well as national regulations, mainly Chapter III of Royal Decree 1060/2015 of 20 November, on the regulation, supervision and solvency of insurance and reinsurance undertakings). This report is signed by the members of Línea Directa's Board of Directors and submitted to the Supervisor.

B.5. INTERNAL AUDIT FUNCTION

Internal Audit performs process evaluation and assurance activities independently and objectively, adding value and detecting, where applicable, opportunities for improvement in Línea Directa's operations.

The Internal Audit Function performs its duties in accordance with the Internal Audit Policy reviewed and approved by Línea Directa's Audit and Compliance Committee at its April 2025 meeting, which governs the Internal Audit Charter and defines, among other aspects, the principles of action and attributes of the function; responsibility, authority, and its position within the organization.

In line with best corporate governance practices and in compliance with the applicable regulatory framework, Internal Audit is structured as an independent area within the organization, performing its activities objectively.

In accordance with the provisions of the Board of Directors' Regulations and the Internal Audit Policy, the Internal Audit function reports to the Audit and Compliance Committee and is administratively assigned to the Chairman of the Board of Directors.

In this way, the independence, proportionality, autonomy, and universality of the Internal Audit function within the Línea Directa Group are ensured at all times.

Functions

Internal Audit reviews, within its scope of responsibility and always within the approved audit plan, the processes, procedures and activities, the control environment, risk identification and management, and the corporate governance and regulatory compliance framework of the Línea Directa Group.

Annually, Internal Audit prepares the Audit Plan for the Línea Directa Group, which covers the processes considered key within the Entity and is based, among other elements, on the Línea Directa Group's risk map; suggestions or concerns raised by Management, the CEO, the Audit and Compliance Committee, and the Chairman of the Board; supervisory priorities suggested by the regulator; and Internal Audit's own experience in performing its duties.

The Audit Plan is approved annually by the Línea Directa Group's Audit and Compliance Committee.

Internal Audit reports primarily to the governing bodies of the Línea Directa Group, through the Audit and Compliance Committee, on the results of performed work, the status of issued observations or pending action plans, and the main indicators included in its quality assurance and continuous improvement program.

Furthermore, the Internal Audit function prepares and submits to the Audit and Compliance Committee the annual activity report of the Internal Audit function.

Composition

In 2025, the Internal Audit function of the Línea Directa Group consists of 4 people including the Internal Audit Director.

B.6. ACTUARIAL FUNCTION

The Actuarial Function of Línea Directa is an independent function located within the Corporate Risk Area and reports to the Audit and Compliance Committee.

It forms part of the Entity's second line of defense, together with the Risk Management, Compliance and SCIIF Functions, thereby ensuring full independence in reviewing the tasks assigned to it.

Its responsibilities include coordinating the calculation of technical provisions, assessing the adequacy and quality of data, validating the methodologies used to calculate technical provisions, comparing best estimates with historical experience through backtesting, informing the Audit and Compliance Committee about the reliability and adequacy of Technical Provisions, issuing an opinion on the underwriting policy and reinsurance arrangements, and finally, contributing to the effective application of the Solvency and Financial Condition Information management system in relation to capital requirement calculations and the internal assessment of risks and solvency.

It also prepares the annual Actuarial Report for the Board of Directors, documenting all significant tasks carried out during the year and their results, identifying any deficiencies and providing recommendations to correct them. At the beginning of each financial year, it presents to the Board of Directors the planning of its activities for the year, structured into six main areas:

- Technical Provisions.
- Underwriting Policy, including the impact of sustainability risks on it.
- Reinsurance.
- Data Quality with respect to technical provisions.
- Risk Management System, particularly regarding the modelling of underwriting risk on which capital requirement calculations are based, and the internal assessment of risks and solvency.
- Internal Models and Specific Parameters.

On a quarterly basis, it reports to the Audit and Compliance Committee the progress of the planned activities, together with conclusions and any issues requiring correction or remediation arising from the analyses performed.

B.7. OUTSOURCING

The Entity has an internal regulatory framework on outsourcing, governed by the Outsourcing Policy, whose purpose is to establish the appropriate mechanisms to ensure that any outsourcing within Línea Directa complies with applicable legal requirements, and in particular:

I. Directive 2009/138/EC and its implementing regulations (Solvency II), applicable to the outsourcing of essential services related to insurance or reinsurance activities.

II. The European Regulation on Digital Operational Resilience (DORA), applicable to the outsourcing of services related to information and communication technologies (“ICT”).

The full or partial outsourcing of essential services shall be carried out in accordance with the following operating principles:

- it shall conform to Línea Directa’s customer service quality standards, with contractual documentation including service levels and other provider control clauses;
- it shall under no circumstances entail the transfer or loss of control over the management of the outsourced activity or service by Línea Directa Aseguradora;
- it shall not increase or unduly affect the organization’s risk profile.

In addition, ICT service outsourcing shall be performed following the identification and assessment of associated risks to ensure the Entity’s digital operational resilience.

To ensure compliance with applicable regulations in this regard, the Entity has strengthened its governance system by incorporating the Digital Operational Resilience Team and the Outsourcing Committee described earlier in this document.

B.8. OTHER INFORMATION

Adequacy of the governance system

It is considered that the governance system implemented in the Entity, which comprises the organizational structure and the risk-management and internal-control systems, is effective and provides optimal support to the Entity’s strategic objectives, ensuring that the Board makes business decisions with a complete perspective of the impacts on risk exposure and within the limits established by its risk appetite.

C. RISK PROFILE

C.1. RISK APPETITE, LIMIT AND EXPOSURE

Risk appetite and risk limits

The Board of Directors holds ultimate responsibility for establishing and defining the risk appetite, as well as for setting limits around the identified risks and ensuring that these are properly monitored and managed. Accordingly, the Board is the body responsible for establishing and annually updating the Entity's risk appetite, monitoring its actual risk profile, and ensuring consistency between both..

Principle of prudence

The Entity manages its investments taking into account the regulation and the guidelines established by the Entity's governing bodies regarding the Solvency Margin and the coverage of Technical Provisions.

The Entity manages Market Risk and reduces its exposure to it through an Investment Policy proposed by the Chief Financial Officer and approved by the Board of Directors, with annual review.

This policy sets out the terms of reference of the Investment Committee which, following the principle of prudence, includes among its objectives:

- Applying the investment strategy approved by the Board, meeting all regulatory requirements and aligning with the Investment Objectives of the Línea Directa Group and market developments.
- Assessing the suitability of obtaining external investment advice, approving where appropriate the engagement of such investment advisers, and evaluating the appropriateness of all their recommendations, in accordance with the Investment Guidelines and the circumstances of the Línea Directa Group.

In addition, it sets out the reporting obligations to the Governing Body in the event of irregularities:

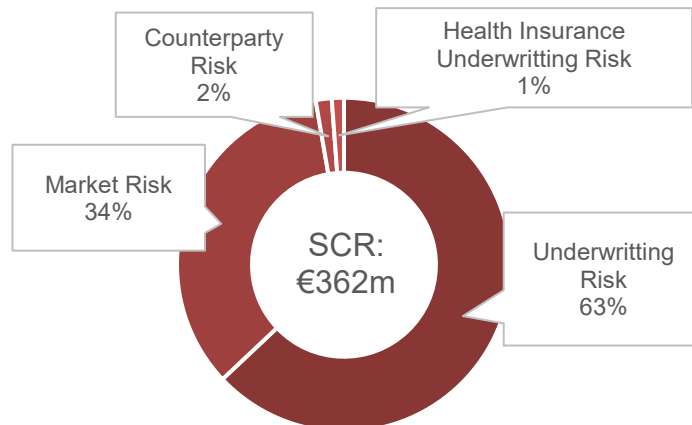
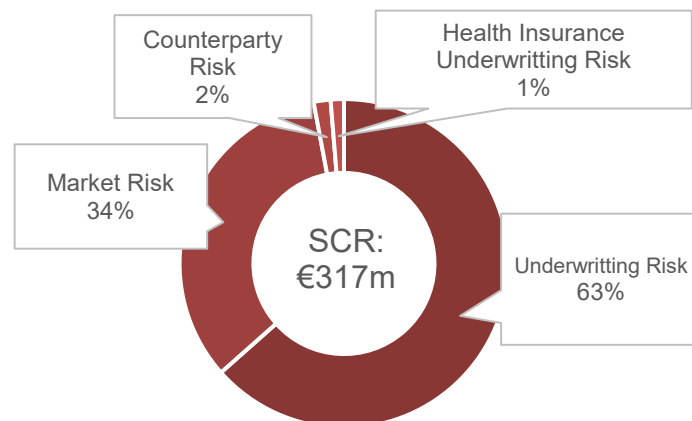
- "To inform the Board of Directors of Línea Directa, and where appropriate its Committees, and ensure that the Board is immediately aware of any deviation from, or breach of, the Investment Objectives and Investment Guidelines."

Likewise, the limitations contained in the Investment Guidelines ensure that the policy is very conservative in terms of the risks to be assumed through investments. The use of derivatives is allowed only for hedging purposes, to ensure efficient portfolio management, and never for speculative purposes. Where applicable, the approval of the Investment Committee is required, and such operations must meet the admissibility criteria of the regulatory authority.

Finally, the Investment Policy also establishes authorization limits for conducting operations, with higher-value investments requiring authorization from the Board of Directors.

Risk exposure

The Entity's risk exposure, measured by risk categories of the undiversified **Basic Solvency Capital Requirement** and calculated using the standard formula as of 31 December 2025 and 2024, is shown in the following chart:

Financial year 2025:Financial year 2024:

As shown in the chart, the main risk to which the Entity is exposed is underwriting risk, followed by market risk and counterparty risk.

Risk sensibility

The Entity conducts stress and sensitivity analysis as part of the annual ORSA exercise on the most significant risks.

Based on the Entity's experience and the nature of the risks to which it is exposed through its activity, the most significant risks are those related to underwriting risk, and specifically the parameters identified as having the greatest influence on it are the frequency and severity of claims, which are stressed separately and simultaneously.

Strategies, objectives and processes for each risk category

The Entity conceptualizes the establishment of the risk profile as the self-assessment of each risk from two perspectives: one quantitative and one qualitative. The absolute and relative positions of each of these risks in both dimensions result in the overall risk profile.

The Entity has a risk management system that determines how to manage each category, risk area, and any potential aggregation of risks. There are specific policies that define the risk categories and the methods for measuring them.

The risk management system evaluates global solvency needs, as identified in the prospective assessment of the company's own risks (based on ORSA principles), legal capital requirements, and risk tolerance limits, as well as the frequency and content of periodic stress testing and the situations that require specific stress tests.

C.2. UNDERWRITING RISK

The Entity's most significant risk is underwriting risk, and in particular the premium and reserve risk module.

Premium risk refers to future claims occurring during and after the period, up to the time horizon used for solvency valuation. The risk lies in expenses plus the claims cost of those events being higher than the premiums received. The exposure to this risk, measured by premium volume, amounts to 1,156,641 thousand euros (1,021,584 thousand euros in 2024).

Reserve risk has two sources: on the one hand, the absolute level of provisions may be underestimated, and on the other hand, the stochastic nature of claim payments. Both risks cover claims with regular frequency, as extreme events fall under catastrophic risk, which together with lapse risk completes underwriting risk. Exposure to this risk, measured by the volume of technical claim provisions, amounts to 399,825 thousand euros (354,069 thousand euros in 2024).

The solvency capital requirement for premium and reserve risk amounts to 226,434 thousand euros (199,396 thousand euros in 2024).

To assess the Entity's risk profile, it is necessary to consider some features of both the Spanish insurance market and the Entity itself that influence the risks it faces and the circumstances under which it faces them:

a) Idiosyncrasies of the Spanish market compared to the European market

1. Existence of the Consorcio de Compensación de Seguros

Its existence gives the sector greater stability and pricing certainty. It is a very important mitigator of natural catastrophic risk. For non-consorciable natural risks, the Entity has excess-loss reinsurance contracts with an event-based priority and renewable annually for motor, fire and other property damage lines; in the fire and other property damage line, the contract also mitigates catastrophic accumulation risk in fire events. For "man-made" risks (human-caused), the Entity also holds excess-loss reinsurance with per-claim priority and annual renewal.

2. Claims settlement agreements

In Spain, several agreements cover a large proportion of material damage claims in the sector. These agreements, which set standard indemnity modules, reduce volatility in claim payments, speed up the settlement process, improve management efficiency and limit the maximum cost the Entity must pay when its insured is at fault.

3. Bodily injury compensation scale

The existence of a statutory scale that sets compensation amounts provides **stability and predictability** of bodily injury claim costs, as indemnities follow a structured valuation system that reduces adverse deviations.

b) Specific features of the Entity in the Spanish market

1. Entity based on organic growth

Founded in 1994 and operational since 1995, the Entity is relatively young in the Spanish insurance sector. Growth has been organic, without mergers or acquisitions, providing **homogeneity, quality and robust information** about its risk portfolio.

2. Strong focus on technology

The Entity has **centralized and automated its business processes**, with emphasis on information systems and pricing. This allows continuous monitoring of the policy portfolio and claims costs, enabling fast tactical decision-making.

The business model **fosters innovation**, agility and direct customer interaction, improving its ability to adapt to changing customer needs and enhancing product offering and customer experience.

3. Direct channel model

The Entity operates without branches or intermediaries, exclusively through **telephone and digital channels**, with all operations centralized in Tres Cantos (Madrid). Together with a flat organizational structure, technical excellence and advanced digitalization, this allows greater efficiency and competitiveness, passing internal savings on to the customer through comprehensive products and high-quality service at more competitive prices.

Policies remain the Entity's property, and **pricing and underwriting systems are fully centralized**.

These characteristics define a unique underwriting profile, which led the Entity to request the use of a **specific parameter for premium risk in the "motor, other guarantees" business line**. Authorization was granted by the DGSFP on 18 April 2016, and the Entity applies this specific parameter in calculating the solvency capital requirement. The parameter is reviewed annually with updated data.

For the other underwriting risks (premium risk without specific parameter, reserve risk, lapse risk, and catastrophic risk), the regulatory capital requirement (SCR) is calculated quarterly using the **standard** formula.

To estimate economic capital for the planning horizon for motor premium and reserve risk, the Entity uses internal models.

For **catastrophic risk**, the Entity is exposed to both natural catastrophes (windstorm and hail) and man-made catastrophes (motor liability and fire). The net capital charge after mitigation is 6,081 thousand euros (6,230 thousand euros in 2024).

Lapse risk, arising from exposure to premiums from tacit renewals at the end of the reference period, has a net capital charge of 8,270 thousand euros (7,357 thousand euros in 2024).

Underwriting risks are managed and monitored by the Entity's **Business Committee and the Reserving Committee**.

C.3. UNDERWRITING RISK OF HEALTH RISK

During 2017, the Entity began marketing policies in the health care line of business. The most significant risk is premium risk.

The solvency capital required for the health underwriting risk amounts to 4,152 thousand euros, 3,938 thousand euros in 2024.

C.4. MARKET RISK

The Entity manages market risk through the **investment policy** guidelines approved by the Board of Directors, which are reviewed annually. This policy is managed and monitored through the **Investment Committee** and operationally implemented by the Entity's Finance Department.

The portfolio's return objectives are established taking into account the risk-taking limitations set in the policy through concentration limits by issuer, limits by type of financial asset, concentration by rating levels, etc., as well as minimum credit rating requirements for each issue.

To establish these limits, the investment portfolio is segmented into operating funds and long-term funds.

The Entity's Investment Policy expressly prohibits the use of futures or options for speculative purposes.

Internally, market risk in the portfolio is measured using a Value-at-Risk (VaR) methodology through Historical Simulation, which measures the maximum expected loss in portfolio value for a given time horizon and confidence level under normal market conditions. This estimated loss depends mainly on total exposure and the volatility of the risk factors associated with each asset.

A monthly VaR calculation is performed with a one-month time horizon, 95% confidence level, and a three-year historical data window for monitoring purposes. The regulatory capital (SCR) for market risks is calculated quarterly using the **standard formula**.

Real Estate

The Entity is exposed to real estate risk through properties it owns and uses for insurance activity or as investments. The exposure amounts to 118,052 thousand euros, the same as in 2024.

Due to amendments introduced by Delegated Regulation (EU) 2019/981 of 8 March 2019, which modifies Delegated Regulation 2015/35, the Entity applies the transparency look-through approach to its subsidiary LDActivos, S.L.U., ensuring proper consideration of the risks to which the insurer or reinsurer is exposed, regardless of investment structures. This approach is applicable to entities linked to the insurer whose purpose is to hold or manage assets on its behalf.

The Entity's Investment Policy sets a limit on real estate investments relative to the total asset portfolio.

Interest Rate

The Entity is exposed to changes in the value of assets, liabilities and financial instruments driven by shifts in the interest rate term structure or volatility. Historically, given the asset surplus—mainly fixed income—over technical provisions and the duration profile of assets and liabilities, the capital charge under the standard formula is driven by the upward interest rate stress.

Exposure to this risk is 990,447 thousand euros in assets and 702,583 thousand euros in liabilities (870,749 thousand euros in assets and 620,858 thousand euros in liabilities in 2024).

Equities

Equity risk arises from the sensitivity of asset, liability and financial instrument values to movements in equity prices or volatility, including investment funds with equity exposure.

Exposure to equity risk amounts to 145,846 thousand euros (133,489 thousand euros in 2024), including exposures to Group entities.

As noted under real estate risk, the subsidiary LD Activos, S.L.U. is not included in this calculation.

Spread

Spread risk arises from the sensitivity of asset, liability and financial instrument values to movements in credit spreads relative to the risk-free interest rate term structure.

The Entity's Investment Policy sets rating-based limits on portfolio composition, never allowing ratings below a minimum threshold. Exemptions include securities issued or guaranteed by governments in the European Economic Area.

Exposure to this risk amounts to 1,000,520 thousand euros (881,379 thousand euros in 2024).

Currency

Currency risk measures the sensitivity of asset, liability and financial instrument values to changes in foreign exchange rates or volatility. Given the limits established in the Entity's Investment Policy, exposure to this risk is not material.

Exposure in 2025 amounted to 24,371 thousand euros (25,250 thousand euros in 2024).

Concentration

Concentration risk results either from insufficient diversification of the asset portfolio or from significant exposure to default risk from a single issuer or group of related issuers.

The Entity's Investment Policy establishes issuer-based limits depending on credit rating.

Exposure to this risk amounts to 1,264,418 thousand euros (1,132,920 thousand euros in 2024).

C.5. CREDIT RISK

Counterparty default risk refers to the potential loss or adverse change in the financial position resulting from fluctuations in the creditworthiness of security issuers, counterparties, and any debtors to whom the Entity is exposed.

In addition to the credit risk linked to the investment portfolio (spread and concentration risk), there is also the risk associated with insurance premium receivables, reinsurance recoverables, treasury counterparties, and other non-material asset items on the balance sheet.

The capital charge for counterparty risk is calculated using the **standard formula** and is monitored quarterly.

Specifically, the evolution of unpaid insurance premiums is monitored in the Business Committee, the evolution of reinsurance recoverables is monitored in the Reserving Committee, and exposures to treasury counterparties and liquid assets are monitored in the Investment Committee.

Exposure to this risk amounts to 31,833 thousand euros (44,708 thousand euros in 2024).

C.6. LIQUIDITY RISK

This non-regulatory risk (it does not require regulatory capital) consists of the possible temporary inability of the Entity to meet its obligations within the committed deadlines, caused by such obligations falling due before the receipt of payments from clients or before the maturity of financial investments.

Given the nature of the Entity's activities, with daily liquidity generation through premium income, liquidity risk is not considered critical for the continuity of the Entity's operations and therefore no capital requirement is quantified.

The expected benefit from future premiums at year-end 2025 amounted to 43,676 thousand euros (41,666 thousand euros in 2024).

This risk is managed and monitored by the Entity's Finance Department and the Investment Committee.

C.7. OPERATIONAL RISK

Operational risk arises from a mismatch or failure in internal processes, personnel, and systems, or due to external events. For the assessment of this risk, for solvency calculation purposes, the standard formula methodology is used, and the evolution of the capital charge is monitored on a quarterly basis. This risk is monitored by the Permanent Risk Committee. Exposure to this risk is measured by earned premiums and amounts to 1,078,369 thousand euros (991,645 thousand euros in 2024). Operational risk arises from a mismatch or failure in internal processes, personnel, and systems, or due to external events. For the assessment of this risk, for solvency calculation purposes, the standard formula methodology is used, and the evolution of the capital charge is monitored on a quarterly basis. This risk is monitored by the Permanent Risk Committee. Exposure to this risk is measured by earned premiums and amounts to 1,078,369 thousand euros (991,645 thousand euros in 2024).

Operational risk arises from a mismatch or failure in internal processes, personnel, and systems, or due to external events. For the assessment of this risk, for solvency calculation purposes, the standard formula methodology is used, and the evolution of the capital charge is monitored on a quarterly basis. This risk is monitored by the Permanent Risk Committee. Exposure to this risk is measured by earned premiums and amounts to 1,078,369 thousand euros (991,645 thousand euros in 2024).

C.8. REPUTATIONAL RISK

This non-regulatory risk (it does not require regulatory capital) consists of the possible loss of customers, decrease in revenue, or legal proceedings that the Entity may face due to loss of reputation, poor image, or negative publicity among its potential stakeholders (customers, employees, suppliers, institutions, shareholders, society, community, consumers, media, and the insurance sector).

Being a non-regulatory risk (it is not included in the solvency capital requirement under the standard formula), the quantitative estimation is carried out in the ORSA exercise through an internal methodology based on expert judgment provided by the Entity's External Communications Department.

C.9. LEGAL RISK

Compliance risk includes both the possibility that the Entity's processes and operations become obsolete or fail to comply with applicable legislation due to potential changes or developments in specific regulations, as well as the possible failure to comply with the ethical standards and rules defined within the Company.

As both are non-regulatory risks (they are not part of the solvency capital requirement under the standard formula), the quantitative estimation is carried out in the ORSA exercise through internal methodologies, using a qualitative analysis and a quantitative assessment based on the legal compliance risk map.

C.10. SUSTAINABILITY RISK

Sustainability risk is defined as:

- With respect to investments, any environmental, social or governance event or condition that, if it occurs, could have a real or potential material negative effect on the value of the investment.
- With respect to liabilities, any environmental, social or governance event or condition that, if it occurs, could cause a real or potential significant negative impact on the value of the liability.

The Entity has approved a sustainability plan based on the three pillars (environmental, social and governance).

Regarding environmental matters, the Entity has published its environmental management and climate change policy, its ESG investment policy, its responsible purchasing policy, has assessed its investment portfolio using these criteria, and has adhered to the TCFD (Task Force on Climate-Related Disclosure), among others. In addition, it has continued promoting insurance for electric vehicles through its "Respira" policy, launched in 2016 and extended in 2022 to plug-in hybrid vehicles. Regarding social matters, the Entity has published its health, prevention and well-being policy, its talent policy, a gender equality plan, and an anti-harassment protocol, and has also been added to United Nations Road Safety.

In governance, it has published the product governance and oversight policy, the internal fraud policy, updated the compliance and criminal compliance policies, the Information Security policy, the privacy policy, the tax strategy policy, and the Entity has been included in the IBEX Gender Equality Index BME.

The Corporate Risk team periodically analyses, together with the Entity's areas, those factors which, if materialized, may have an impact on the business, including environmental, social and governance (ESG) factors. Based on this analysis, an assessment of the Entity's key risks is carried out, taking into account prevention and mitigation measures.

The Línea Directa ESG risk map includes the risks to which the Entity is exposed, each of them linked to the Sustainable Development Goals (SDGs) and other reporting frameworks (GRI or the Non-Financial Information Act – Law 11/2018).

As this is a non-regulatory risk (it is not included in the solvency capital calculation under the standard formula), the Entity has carried out a qualitative analysis and a quantitative assessment based on the ESG risk map for the ORSA exercise.

C.11. CYBERSECURITY RISK

Cybersecurity risk is the technology-related risk that may affect data, confidentiality, misuse of information, and system outages that may impact the business, among others.

The Entity's Security Policy provides the reference framework for defining, managing, administering and implementing the security mechanisms and procedures required to achieve an adequate level of protection depending on the criticality of Línea Directa Aseguradora's physical and information assets.

The Entity has developed its Business Continuity Policy, whose drafting and oversight is the responsibility of the Business Continuity Officer within the General Secretariat Area, with the aim of establishing principles that enable the organisation to respond appropriately to major disruptions, safeguarding the availability and continuity of its critical and/or essential processes included in the Business Continuity Plan, and to comply with Law 20/2015 of 14 July, implemented by Royal Decree 1060/2015 of 20 November, on the regulation, supervision and solvency of insurance and reinsurance undertakings (Articles 65 and 66 of the Law and Article 45 of the RD), and with the DORA Regulation (Regulation (EU) 2022/2554).

In a digital environment with an increasing risk of cyberattacks, the Entity has a robust cybersecurity strategy designed to protect its processes and operations from such threats. This strategy includes the implementation, evaluation and improvement of preventive, detection and response mechanisms against cyberattacks targeting both systems and networks of the Group, as well as awareness and training actions for all employees on cybersecurity matters.

As this is a non-regulatory risk (not part of the solvency capital requirement under the standard formula), the Entity has carried out in the ORSA exercise a quantitative assessment based on the cybersecurity risk map.

C.12. DIGITAL OPERATIONAL RESILIENCE

The DORA Regulation (Digital Operational Resilience Act), or Regulation (EU) 2022/2554, is a European regulation in force since 16 January 2023 and applicable from 17 January 2025, requiring the financial sector and its ICT providers to ensure their operational resilience against cyberattacks and technological failures. It harmonizes digital security across the EU, manages third-party risks, and establishes severe penalties for non-compliance.

The digital operational resilience strategy allows the identification of information regarding how LÍNEA DIRECTA ensures the digital operational resilience of the organization, as well as the strategic objectives for the evolution of its resilience capabilities and the indicators that enable monitoring of compliance with these objectives. Specifically, it will include methods to address ICT-related risk and achieve ICT-specific objectives, for which it will:

1. explain how the ICT risk-management framework supports the business strategy and objectives of the financial entity;

2. establish the ICT risk-tolerance level, in accordance with the financial entity's risk appetite, and analyse tolerance to the impact of ICT disruptions. The risk-tolerance level will be set in accordance with internal regulations;
3. establish clear cybersecurity objectives, including key performance indicators and key ICT risk-measurement parameters;
4. explain the reference ICT architecture and any changes necessary to achieve specific business objectives;
5. outline the different mechanisms in place to detect ICT-related incidents, prevent their impact and protect against their effects;
6. document the current status of digital operational resilience based on the number of major ICT-related incidents reported and the effectiveness of preventive measures;
7. conduct digital operational resilience testing in accordance with Chapter IV of Regulation (EU) 2022/2554 of the European Parliament and of the Council on digital operational resilience; outline a communication strategy in the event of ICT-related incidents that must be disclosed under applicable regulations.

The digital operational resilience strategy is part of the ICT risk-management framework; it is reviewed annually together with the framework and will be updated every three years. The ICT risk-management framework includes strategies, guidance and guidelines, procedures, protocols and ICT tools necessary to adequately protect all information and ICT assets of Línea Directa.

The Digital Operational Resilience Strategy applies to all employees of LÍNEA DIRECTA, particularly those involved in ICT and cybersecurity management.

C.13. PRUDENT PERSON PRINCIPLE

Credit Rating

For positions in the bond, equity, securitisation, cash, and other liquid asset portfolios involved in the calculation of the Solvency Capital Requirement for spread, concentration, and counterparty risks, the Entity uses credit ratings provided by external rating agencies. These are always issued by an ECAI (External Credit Assessment Institution) in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council.

In the case of reinsurance recoverables, for the calculation of counterparty risk, two credit assessments issued by ECAIs are available; the one used by the Entity on a continuous and uniform basis over time is that provided by Standard & Poor's.

It should be noted that there is no reliance on a single external assessment, as the valuation is obtained from the average of the ratings assigned by several ECAIs.

Concentration

Any position exceeding the concentration limits set out in the Investment Guidelines approved by the Board of Directors is considered a high-volume exposure. These limits prevent the Entity from holding significant positions in a single item; therefore, in accordance with Article 4 of the Delegated Regulation, it is not required to perform its own internal credit assessment. The

Investment Committee ensures that day-to-day investment management is carried out in compliance with these Investment Guidelines.

Sustainability

The Sustainable Investment Policy aims to integrate ESG (environmental, social, and governance) criteria into investment decision-making. With this preventive and long-term focus, the Entity will avoid participating as an investor in other organisations, projects, or products that could encourage or cause serious infringements in these areas.

Since 2022, the Entity has had an ESG Investment Policy in place. The purpose of the LDA Group in defining and implementing this Policy is to maximise the risk-return balance while also considering the ESG risks of its investments, thereby enabling more sustainable development, supporting certain positive-impact activities, and avoiding or limiting those with an adverse impact that could affect stakeholder trust.

Furthermore, on a quarterly basis, we obtain a quantitative assessment of ESG risks calculated using a tool endorsed by an independent third-party expert in the field.

Complex Exposures

For the purposes of paragraph 5 of said Article 4, complex exposures are considered to be those requiring a high level of expertise in financial products. Additionally, it is common for such exposures to:

- Be traded on OTC markets,
- Be unlisted,
- Be domiciled in a non-OECD country,
- Have a structured and low-liquidity product as the underlying asset

The Entity's Investment Guidelines limit these types of exposures.

C.14. ANY OTHER INFORMATION

At an operational level, the Corporate Risk department has developed a risk map identifying the 10 most significant risks for the company. These risks, regardless of their residual criticality, are subject to intensive monitoring and a permanent review of the mitigation levels within their control environments, as their materialisation could compromise the strategy and the achievement of objectives:

- Cybersecurity
- Loss of opportunities due to failure to leverage the advantages of AI
- Adverse weather events and climate change
- Changes in laws and regulations
- Anti-selection and claims management
- Business continuity, operational resilience, and disaster response
- Talent retention and attraction
- Failure to adapt to new customer needs and the competitive environment
- Third parties, outsourcing, and supply chains
- Low business diversification

Furthermore, the Entity performs various sensitivity analyses of the Solvency ratio against different risks:

	31/12/2025	Change
Solvency Margin		
Interest rates + 100 bps	173,02%	-9,57%
Interest rates - 100 bps	193,01%	10,42%
Equity markets +10%	186,80%	4,22%
Equity markets -10%	181,80%	-0,79%
Equity markets +30%	191,41%	8,82%
Equity markets -30%	176,37%	-6,21%
Real estate +10%	185,82%	3,23%
Real estate -10%	179,73%	-2,86%
Credit spreads +100 bps	177,61%	-4,98%
Credit spreads -100 bps	187,91%	5,32%

D. VALUATION FOR SOLVENCY PURPOSES

The general rule for the valuation of assets and liabilities under Article 75 of the Directive, and as a general valuation rule, is that the solvency regime adopts international accounting standards. If the valuation methods included therein are not consistent, either temporarily or permanently, with the valuation approach provided for in the aforementioned Article 75, other valuation methods considered consistent with it shall be used. In all cases, the Entity has adhered to the principle of proportionality.

The following sections detail the most significant items of the assets and liabilities on the balance sheet, comparing the balances for solvency purposes with the financial statement balances as at 31 December 2025 and 2024, as well as the methodological valuation differences.

D.1. ASSETS

The comparative balance sheet assets as at 31 December 2025 and 2024, grouped into the most significant items, are as follows:

Financial year 2025:

COMPARISON OF ASSET BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Intangibles and deferred acquisition costs	-	152.294
Deferred tax assets	87.363	12.406
Property, plant and equipment for own use	50.823	38.475
Investments and Loans	1.217.886	1.170.702
Reinsurance recoverables	20.253	27.210
Reinsurance receivables	-	-
Other Receivables	24.344	126.479
Cash and other assets	12.589	23.280
TOTAL ASSETS	1.413.258	1.550.846

Financial year 2024:

COMPARISON OF ASSET BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Intangibles and deferred acquisition costs	-	135.661
Deferred tax assets	74.892	8.805
Property, plant and equipment for own use	49.170	38.161
Investments and Loans	1.087.264	1.043.942
Reinsurance recoverables	31.851	31.002
Reinsurance receivables	3.890	3.890
Other Receivables	22.186	114.588
Cash and other assets	12.318	19.917
TOTAL ASSETS	1.281.571	1.395.966

The following sections detail the valuation criteria and differences between the financial statements and solvency for each item on the balance sheet assets.

Deferred acquisition costs and intangible assets

The Entity has valued deferred acquisition costs and intangible assets in accordance with Article 12 of the Delegated Regulation.

Deferred acquisition costs have been valued at zero on the basis that, like goodwill, they do not have an assignable value.

Intangible assets have also been valued at zero as it is not considered that these assets could be sold separately, nor can it be demonstrated that similar assets exist with a value obtained in accordance with Article 10(2), in which case the asset would be valued in accordance with that Article. These assets primarily consist of software licences and in-house software developments, which are valued at net book value in the financial statements.

Financial year 2025:

Goodwill, deferred acquisition costs and intangible assets		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Goodwill		-
Deferred acquisition costs		100.516
Intangible assets	-	51.778

Financial year 2024:

Goodwill, deferred acquisition costs and intangible assets		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Goodwill		-
Deferred acquisition costs		91.269
Intangible assets	-	44.392

Deferred tax assets

This item on the solvency balance sheet comprises the tax assets heading from the financial statements, which at year-end 2025 and 2024 consists of 87,876 thousand euros and 74,892 thousand euros, respectively, in assets arising from temporary differences.

Financial year 2025:

Deferred tax assets		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Deferred tax assets	87.363	12.406

Financial year 2024:

Deferred tax assets		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Deferred tax assets	74.892	8.805

The valuation of this item for solvency purposes differs from the financial statements due to the valuation adjustments between accounting standards and Solvency II, which generate a deferred tax asset. In particular, the requirement of Article 15(3) of the **Delegated Regulation** regarding deferred taxes is met, allowing for the recognition of tax credits *"where it is probable that future taxable profit will be available against which the deferred tax asset can be utilised, taking into account any legal or regulatory provisions on the time limits for the carry-forward of unused tax losses or unused tax credits"*.

Property, plant and equipment held for own use

This balance sheet heading groups together information processing equipment, installations, furniture, etc., as well as properties for own use where the Entity carries out its insurance activities. Investment properties have been included within the investments and loans heading in the following section.

Financial year 2025:

Property, plant and equipment for own use		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Own use property	42.872	29.971
Other tangible assets	7.951	8.504
	50.823	38.475

Financial year 2024:

Property, plant and equipment for own use		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Own use property	42.872	30.449
Other tangible assets	6.298	7.712
	49.170	38.161

For financial statement purposes, property, plant and equipment and investment properties are recorded at their acquisition price, which includes, in addition to the purchase price, all additional expenses—including financial costs—incurred until they are brought into operation. Depreciation of these assets is carried out systematically using the straight-line method based on their estimated useful life, taking into account the actual depreciation suffered through their operation, use, and enjoyment. At the end of the financial year, the corresponding valuation adjustments for property, plant and equipment are made where applicable.

For solvency purposes, the net book value of the constituent elements has been taken as the fair value for plant and equipment, while the most recent appraisal value has been used for

properties for own use. In the latter case, the value for solvency purposes is higher than the financial statement value by 12,901 thousand euros and 12,423 thousand euros as at 31 December 2025 and 2024, respectively.

The "other property, plant and equipment" heading takes into account the provisions of international standards (IFRS 16) regarding leases.

Investment and loan portfolio

The assets of the investment portfolio as at 31 December 2025 and 2024, with the comparative valuation, are presented in the following table:

Financial year 2025:

<i>(In thousand euro)</i>	Solvency	Financial Statements
Investments (other than index-linked and unit-linked assets)	1.199.217	1.152.039
Property (other than for own use)	1.996	1.888
Investments in subsidiaries	104.535	68.263
Equities	51.850	51.850
Equities - listed	51.844	51.844
Equities - unlisted	6	6
Bonds	977.180	966.494
Government bonds	457.884	453.959
Corporate bonds	519.296	512.535
Structured finance securities	-	-
Asset-backed securities	-	-
Collective investment funds	58.594	58.594
Derivatives	5.062	4.950
Deposits (other than cash equivalents)	-	-
Other investments	-	-
Mortgages and loans	18.669	18.663
Loans to individuals	-	-
Other	18.669	18.663

Financial year 2024:

<i>(In thousand euro)</i>	Solvency	Financial Statements
Investments (other than index-linked and unit-linked assets)	1.068.222	1.024.915
Property (other than for own use)	1.996	1.839
Investments in subsidiaries	103.866	68.621
Equities	44.149	44.149
Equities - listed	44.143	44.143
Equities - unlisted	6	6
Bonds	837.380	829.795
Government bonds	359.806	357.660

Corporate bonds	477.574	472.135
Structured finance securities	-	-
Asset-backed securities	-	-
Collective investment funds	56.179	56.179
Derivatives	4.652	4.332
Deposits (other than cash equivalents)	20.000	20.000
Other investments	-	-
Mortgages and loans	19.042	19.027
Loans to individuals	-	-
Other	19.042	19.027

The following are highlights regarding the main headings:

Holdings

The Entity's holdings in subsidiaries are valued in the financial statements at acquisition value adjusted for potential impairment, whereas in the solvency balance sheet they are recorded according to the net book value of each entity. This includes unrealised gains corresponding to accumulated profits that have not been distributed as dividends, amounting to 36,272 thousand euros and 35,246 thousand euros as at 31 December 2025 and 2024, respectively, as well as adjustments to Solvency regulations.

Listed shares

There are no differences in the valuation of this asset category between the financial statements and for solvency purposes, as in both cases they are valued at the quoted price in active markets.

Government and corporate bonds

This asset category is valued in the financial statements and for solvency purposes at fair value, which, barring evidence to the contrary, shall be the transaction price. Changes are recorded directly in net equity until the asset is disposed of or impaired. Furthermore, in the case of debt securities, valuation adjustments are made if there is objective evidence that their value has been impaired as a result of a reduction or delay in estimated future cash flows, which may be motivated by the debtor's insolvency.

Accrued but not yet due interest on financial investments, when not part of the redemption value in the financial statements, is classified as an increase in the value of the investment portfolio for solvency purposes, whereas in the financial statements it is classified as "other assets not shown under other headings," amounting to 10,691 thousand euros and 7,585 thousand euros as at 31 December 2025 and 2024, respectively.

Investment funds

This balance sheet heading includes holdings in investment funds and private equity funds, which are valued at the latest net asset value (NAV) for both solvency and financial statement purposes.

Deposits

Deposits are valued at acquisition cost plus the accrual of interest corresponding to the date considered, for both financial statement and solvency purposes.

Accrued but not yet due interest on financial investments, when not part of the redemption value in the financial statements, is classified as an increase in the value of the investment portfolio for solvency purposes, whereas in the financial statements it is classified as “other assets not shown under other headings”. As at 31 December 2025, the Entity holds no deposits.

Loans with and without mortgage guarantee

This solvency balance sheet heading accounts for an amount of 18,669 thousand euros and 19,042 thousand euros as at 31 December 2025 and 2024, respectively. This corresponds to two loans granted by the Entity to two subsidiaries and various balances receivable, also from subsidiaries, for advance corporate tax payments made by the Entity on their behalf as the head of the Tax Group, which are subsequently settled.

Reinsurance recoverables

“Reinsurance recoverables” in the Solvency balance sheet corresponds to the heading “reinsurers’ share of technical provisions” in the financial statements.

Financial year 2025:

Reinsurance recoverables:		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Reinsurance recoverables:	20.253	27.210
Non-life insurance and health insurance similar to non-life insurance	20.253	27.210
Non-life insurance, excluding health insurance	19.256	16.632
Health insurance similar to non-life insurance	997	10.578

Financial year 2024:

Reinsurance recoverables:		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Reinsurance recoverables:	31.851	31.002
Non-life insurance and health insurance similar to non-life insurance	31.851	31.002
Non-life insurance, excluding health insurance	29.447	20.986
Health insurance similar to non-life insurance	2.404	10.016

The valuation criteria between the financial statements and solvency differ primarily in the following aspects:

- The reinsurers’ share of the unearned premium provision in the financial statements has been replaced in the solvency balance sheet by the recoverable amount corresponding to the premium provision for direct insurance.
- Reinsurance recoverables have been calculated using the same methodology as the best estimate for technical provisions in the solvency balance sheet liabilities, considering the reinsurance programme in force during the exposure period.
- When estimating the reinsurance recoverable amount, the potential for counterparty default has been considered.

Reinsurance receivables

This heading contains the outstanding balance from reinsurance contracts. There is no valuation difference between the financial statements and Solvency II as they are valued at fair value.

Other receivables

In the local balance sheet, this heading contains premium receipts, both issued and pending issuance, which are outstanding for collection from policyholders. It also includes claims recoveries considered certain that are pending settlement or collection, which account for almost the entire balance of the heading. Historically, these recoveries are materialised satisfactorily and with great speed, as they are largely settled through claims settlement agreements.

A less significant portion consists of positions with sundry debtors.

In the solvency balance sheet, non-issued instalment premiums amounting to 55,304 thousand euros as at December 2025 (48,550 thousand euros in 2024) are reclassified to the balance sheet liabilities (premium provision). Similarly, the amount of all certain claims recoveries, totaling 47,258 thousand euros as at December 2025 (40,827 thousand euros in 2024), is reclassified to the claims provision in the solvency balance sheet liabilities.

Cash and cash equivalents

This solvency balance sheet heading includes the same concepts and valuation criteria as its equivalent in the financial statements.

The balance corresponds to positions in current accounts and short-term liquid assets. For almost the entire balance, the counterparty is Bankinter, amounting to 9,426 thousand euros (8,076 thousand euros in 2024).

Any other assets, not elsewhere shown

This solvency balance sheet heading includes items that have not been classified under other asset headings.

Financial year 2025:

Other assets, not elsewhere classified		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Other assets, not elsewhere classified	3.163	13.855

Financial year 2024:

Other assets, not elsewhere classified		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Other assets, not elsewhere classified	4.242	11.842

The valuation difference between solvency and the financial statements is due to interest accruals amounting to 10,692 thousand euros (7,600 thousand euros in 2024), which in the financial statements are included under this "other assets" heading, whereas in the Solvency balance sheet they are reclassified to the headings where the assets generating the interest are classified (primarily under the Bonds headings within investments).

D.2. TECHNICAL PROVISIONS

The most significant item in the liabilities of the solvency balance sheet as at 31 December 2025 and 2024 is technical provisions, as shown in the following table:

Financial year 2025:

COMPARISON OF LIABILITY BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Technical Provisions	765.210	1.063.660
Deferred tax liabilities	118.502	22.432
Other liabilities	74.157	107.162
TOTAL LIABILITIES	957.869	1.193.254

Financial year 2024:

COMPARISON OF LIABILITY BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Technical Provisions	683.780	955.649
Deferred tax liabilities	114.578	19.007
Other liabilities	74.672	101.219
TOTAL LIABILITIES	873.030	1.075.875

The solvency balance sheet heading for technical provisions, compared with its equivalent in the financial statements as at 31 December 2025 and 2024, is as follows:

Financial year 2025:

TECHNICAL PROVISIONS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Non-life technical provisions (Excluding health)	758.860	1.039.009
TPs calculated as a whole	-	
Best Estimate	724.179	
Risk margin	34.681	
Non-life technical provisions (Health similar to non-life)	6.350	24.651
TPs calculated as a whole	-	
Best Estimate	6.099	
Risk margin	251	

Financial year 2024:

TECHNICAL PROVISIONS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Non-life technical provisions (Excluding health)	675.282	931.223
TPs calculated as a whole	-	
Best Estimate	648.090	
Risk margin	27.192	
Non-life technical provisions (Health similar to non-life)	8.498	24.426
TPs calculated as a whole	-	
Best Estimate	8.241	
Risk margin	257	

Technical provisions on the solvency balance sheet liabilities have been valued in accordance with the Methods for calculating technical provisions under Section 3 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 and the EIOPA Guidelines on the valuation of technical provisions contained in document EIOPA-BoS-14/166 EN.

Technical provisions in the Financial Statements have been valued in accordance with the Regulation on the Organisation, Supervision and Solvency of Insurance Entities (ROSSEAR).

The breakdown of technical provisions by line of business for the solvency balance sheet liabilities is detailed in the following table:

Financial year 2025:

TECHNICAL PROVISIONS BY LINE OF BUSINESS						
<i>Technical provisions calculated as the sum of a best estimate and a risk margin (in thousand euro)</i>	Motor vehicle liability insurance	Other motor vehicle insurance	Fire and other damage to property insurance	Assistance insurance	Medical expenses insurance	TOTAL
Best estimate:						
Premium provisions						
Gross	131.641	137.642	38.768	313	(2.284)	306.080
Total reinsurance recoverables	2.620	10	880	(244)	(3.136)	130
Net best estimate of premium provisions	129.021	137.632	37.888	557	852	305.950
Claims provisions						
Gross	304.000	81.792	29.586	438	8.383	424.199
Total reinsurance recoverables	12.306	279	3.378	28	4.132	20.123
Net best estimate of claims provisions	291.694	81.513	26.208	410	4.251	404.076
Total gross best estimate	435.641	219.434	68.354	751	6.099	730.279
Total net best estimate	420.715	219.145	64.096	967	5.103	710.026
Risk Margin:	20.698	10.781	3.153	48	251	34.931
TOTAL TECHNICAL PROVISIONS:						
Total technical provisions	456.339	230.215	71.507	799	6.350	765.210
Total reinsurance recoverables	14.926	289	4.258	(216)	996	20.253
Total technical provisions net of reinsurance recoverables	441.413	229.926	67.249	1.015	5.354	744.957

Financial year 2024:
TECHNICAL PROVISIONS BY LINE OF BUSINESS

<i>Technical provisions calculated as the sum of a best estimate and a risk margin (in thousand euro)</i>	Motor vehicle liability insurance	Other motor vehicle insurance	Fire and other damage to property insurance	Assistance insurance	Medical expenses insurance	TOTAL
Best estimate:						
Premium provisions						
Gross	120.264	118.343	35.266	(55)	(817)	273.001
Total reinsurance recoverables	7.151	-	2.182	(88)	(2.051)	7.194
Net best estimate of premium provisions	113.113	118.343	33.084	33	1.234	265.807
Claims provisions						
Gross	272.992	73.283	27.804	194	9.058	383.331
Total reinsurance recoverables	13.566	655	5.981	2	4.454	24.658
Net best estimate of claims provisions	259.426	72.628	21.823	192	4.604	358.673
Total gross best estimate	393.256	191.626	63.070	139	8.241	656.332
Total net best estimate	372.539	190.971	54.907	225	5.838	624.480
Risk Margin:	16.374	8.394	2.413	10	257	27.448
TOTAL TECHNICAL PROVISIONS:						
Total technical provisions	409.630	200.020	65.483	149	8.498	683.780
Total reinsurance recoverables	20.717	655	8.163	(86)	2.403	31.852
Total technical provisions net of reinsurance recoverables	388.913	199.365	57.320	235	6.095	651.928

A) Bases, methodologies and assumptions used in the calculation of claims provisions

With regard to the **Provision for outstanding claims** for the **motor and fire and other damage to property lines of business**, the Entity uses the "Chain Ladder" statistical methodology, which is actuarially accepted and widely used for projecting claims experience and falls within the set of methods based on the "run-off" of triangles, adopting the best estimate value for all lines of business. For the purposes of IFRS financial statements, the Merz & Wüthrich stochastic methodology is used for motor and multi-risk home insurance, while for the health line (medical expense), the case-by-case provision is used, as the Entity lacks sufficient experience to apply a statistical method.

The provision for claims incurred but not reported (IBNR) for the health line is calculated in accordance with Article 41.2 of the Regulation on the Organisation and Supervision of Private Insurance (approved by Royal Decree 2486/1998 and amended by Royal Decree 239/2007 of 16 February).

For guarantees that are fully reinsured—belonging to the motor (other guarantees), fire and other damage to property, and health (medical expense) lines of business—the provision for outstanding claims is estimated based on the exposed policies containing the guarantee and a sector-based claims module equivalent to the risk premium when information is unavailable, with no significant valuation differences.

For travel assistance coverage, the valuation methodology used to calculate the provision for outstanding claims, for both solvency and financial statement purposes, is individual case-by-case, as claims for the period are settled pending payment and there is no uncertainty regarding the future evolution of their cost.

The provision for claims incurred but not reported is calculated as 5% of the provision for outstanding claims, with no significant valuation differences between solvency and financial statement purposes.

Regarding the Provision for claims settlement expenses (which forms part of the Claims Provision), the method used by the Entity to calculate the provision for internal claims settlement expenses is based on Article 42 of the Regulation on the Organisation and Supervision of Private Insurance (approved by Royal Decree 2486/1998 and amended by Royal Decree 239/2007 of 16 February).

B) Bases, methodologies and assumptions used in the calculation of the premium provision

The premium provision on the solvency balance sheet replaces the unearned premium provision on the financial statements' balance sheet.

Regarding the Premium Provision for the motor and fire and other damage to property lines of business on the solvency balance sheet, the Entity calculates the best estimate for contracts in force at the reference date plus tacit renewals by taking into account the expected present value of future cash flows. The assessment of the portfolio of contracts subject to projection is performed according to Article 18 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 and the response to the consultation submitted to the DGSFP (4/2016), which clarifies that tacit renewals as at 31 December include renewals for January and February of the following year, as the Entity cannot oppose the extension of said contracts, taking into account a lapse assumption based on the Entity's experience.

The cash flow projections used take into account all expenses relating to recognised insurance and reinsurance obligations as referred to in Article 78(1) of Directive 2009/138/EC.

To project the future claims cash flows at best estimate, the Entity's historical claims data is used to obtain a cost prediction for each of the motor and fire and other damage to property lines. A simulation procedure is used to obtain a final distribution of the annual aggregate claims cost, the mean value of which represents the best estimate of future claims cost cash flows.

Claims management expenses and projected current management expenses are estimated based on the planning exercise.

Cash flows are discounted to present value by applying the risk-free interest rate term structure published quarterly by EIOPA. The estimation of technical provisions takes into account future management actions, which largely stem from the annual planning exercise where various scenarios and management actions are considered to achieve strategic, financial, and solvency objectives.

For the calculation of the best estimate of the premium provision for the assistance and medical expense insurance lines of business, the Entity uses the simplification described in Technical Annex III of the EIOPA guidelines on the valuation of technical provisions, which is based on applying the planned combined ratio to the unearned premium at the calculation date and the release of the profit margin or implicit loss in tacit renewals at that date.

C) Other considerations regarding technical provisions

The Entity does not apply the matching adjustment referred to in Article 77b of Directive 2009/138/EC.

The Entity does not use the volatility adjustment referred to in Article 77d of Directive 2009/138/EC.

The Entity does not apply the transitional risk-free interest rate term structure referred to in Article 308c of Directive 2009/138/EC, nor the transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D) Bases, methodologies and assumptions used in the calculation of the Risk Margin

The Entity uses a simplified calculation to obtain the risk margin by line of business. Based on Guideline 62 regarding the hierarchy of methods for calculating the risk margin on the valuation of technical provisions, the Entity uses Method 2.

This method takes into account the maturity and run-off pattern of the net reinsurance obligations.

D.3. OTHER LIABILITIES

Tax liabilities

This solvency balance sheet heading includes the same concepts and valuation criteria as the financial statements, except for the tax liability included in the solvency balance sheet due to adjustments between accounting standards and Solvency II regulations, which generate a deferred tax liability.

Financial year 2025:

Tax liabilities		
(In thousand euro)	Solvency	Financial Statements
Current corporation tax liabilities	8.272	8.272
Deferred tax liabilities from temporary differences	22.432	22.432
Deferred tax liability arising from the reconciliation reserve	96.070	-
	126.774	30.704

Financial year 2024:

Tax liabilities		
(In thousand euro)	Solvency	Financial Statements
Current corporation tax liabilities	5.437	5.437
Deferred tax liabilities from temporary differences	19.007	19.007
Deferred tax liability arising from the reconciliation reserve	95.571	-
	120.015	24.444

Liabilities arising from temporary differences in assets and liabilities with a credit balance stem from past corporate tax settlements and payments on account for the current year. In 2015, the Entity notified the Tax Authorities of its decision to be taxed under the tax consolidation regime provided for in the Corporate Tax Law, forming a tax consolidation group and acting as the Parent Company thereof.

The deferred tax liability included under Solvency II regulations is estimated as the valuation difference between accounting regulations and Solvency II for those adjustments that generate a deferred tax liability.

Other liabilities

For the remaining liability items, there are no valuation differences between the solvency balance sheet and the financial statements, with the exception of "provisions other than technical provisions" and "other debts" due to the inclusion of lease liabilities under IFRS 16, as detailed in the following table:

Financial year 2025:

COMPARISON OF OTHER LIABILITY BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Provisions other than technical provisions	9.012	44.441
Insurance intermediary payables	2.752	2.752
Reinsurance payables	936	936
Derivatives	-	-
Other payables (other than those arising from insurance operations) and other liabilities	61.457	59.033
	74.157	107.162

Financial year 2024:

COMPARISON OF OTHER LIABILITY BALANCE SHEET ITEMS		
<i>(In thousand euro)</i>	Solvency	Financial Statements
Provisions other than technical provisions	3.594	32.678
Insurance intermediary payables	3.491	3.491
Reinsurance payables	346	346
Derivatives	-	-
Other payables (other than those arising from insurance operations) and other liabilities	67.241	64.704
	74.672	101.219

The following concepts are included:

- The variation in the heading "provisions other than technical provisions" corresponds to the estimated payments for repairs to non-fault policyholders under claims settlement agreements which, under Solvency II regulations, are included within the calculation of the best estimate of the claims provision.
- Under the heading "insurance and intermediaries payables", the majority of the balance with intermediaries refers to Ámbar Medline, which is an exclusive agent of the Entity that intermediates policies both directly and through its insurance tied agents.
- The heading "reinsurance payables" includes cash accounts with various reinsurers arising from reinsurance contracts.
- "Any other liabilities, not elsewhere shown" includes various balances payable to suppliers, public administrations, and other counterparties.

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

The capital planning carried out by the Entity covers the own funds requirements projected over a three-year period for regulatory capital requirements, as well as the overall solvency needs (economic capital) estimated through the ORSA (Own Risk and Solvency Assessment) process, with a minimum solvency threshold set by the Board of Directors which, in any case, is always above 120% (with a risk appetite of 150%).

Reconciliation of the valuation of own funds for solvency purposes and according to financial statements

Article 70 of the aforementioned Delegated Regulation details the general content of the reconciliation reserve.

In the case of the Entity, the reconciliation reserve as at 31 December 2025 and 2024 is as follows:

Financial year 2025:

Reconciliation reserve	
<i>(In thousand euro)</i>	Total
Excess of assets over liabilities	455.389
Own shares (included as assets in the balance sheet)	-
Foreseeable dividends and distributions	15.000
Other basic own fund items (share capital)	43.537
Adjustment of own fund items for restricted availability funds	-
Total reconciliation reserve	396.852

Financial year 2024:

Reconciliation reserve	
<i>(In thousand euro)</i>	Total
Excess of assets over liabilities	408.542
Own shares (included as assets in the balance sheet)	-
Foreseeable dividends and distributions	15.000
Other basic own fund items (share capital)	43.537
Adjustment of own fund items for restricted availability funds	-
Total reconciliation reserve	350.005

The composition of the **excess of assets over liabilities within the reconciliation reserve** is detailed in the following table:

Financial year 2025:

Reconciliation of Excess of Assets over Liabilities with financial statements equity		
Notes	(In thousand euro)	Total
	Own funds per the financial statements	357.591
1	Share Capital	43.537
1	Retained earnings and profit for the year	285.470
1	Equalisation reserve net of tax	60.854
1	Own shares	(1.331)
1	Dividends and equalisation on account	(39.237)
1	Portfolio unrealised gains net of tax	8.298
	Asset valuation differences	(179.540)
2	Intangible assets	(51.778)
3	Reinsurers' share of technical provisions	(6.957)
4	Property, plant and equipment and investment properties	10.145
5	Investments in group entities and associates	36.272
6	Other Assets. Prepaid commissions and other acquisition costs	(167.222)
	Liability valuation differences	298.451
7	Effect of Premium Provision on Unearned Premium	264.524
8	Claims provision	68.859
9	Risk Margin	(34.932)
10	Tax effect on previous valuation differences	(21.113)
	Total Excess of assets over liabilities	455.389

Financial year 2024:

Reconciliation of Excess of Assets over Liabilities with financial statements equity		
Notes	(In thousand euro)	Total
	Own funds per the financial statements	320.090
1	Share Capital	43.537
1	Retained earnings and profit for the year	260.003
1	Equalisation reserve net of tax	51.634
1	Own shares	(217)
1	Dividends and equalisation on account	(37.795)
1	Portfolio unrealised gains net of tax	2.928
	Asset valuation differences	(153.934)
2	Intangible assets	(44.392)
3	Reinsurers' share of technical provisions	849
4	Property, plant and equipment and investment properties	8.950
5	Investments in group entities and associates	35.246
6	Other Assets. Prepaid commissions and other acquisition costs	(154.587)
	Liability valuation differences	271.869
7	Effect of Premium Provision on Unearned Premium	241.209
8	Claims provision	58.108
9	Risk Margin	(27.448)
10	Tax effect on previous valuation differences	(29.484)
	Total Excess of assets over liabilities	408.541

The chapter of this report on the valuation of assets and liabilities explains the main valuation differences for each item between the solvency balance sheet and the financial statements. The following details the reason and justification for each item comprising the reconciliation reserve according to the notes in the table above:

1. These headings comprise the **net equity according to the Entity's financial statements**.
2. The entire balance of **intangible assets** is removed from the assets of the Solvency balance sheet, on the understanding that the items comprising it—primarily software licences and IT developments at net book value—lack a market price that can be objectively justified.
3. The **reinsurers' share of technical provisions** decreases by 6,957 thousand euros (increases by 849 thousand euros in 2024) in the assets of the solvency balance sheet when estimating reinsurance recoverables at best estimate.
4. **Properties, both for own use and for investment**, are valued in the financial statements' balance sheet at acquisition cost, net of depreciation and net of impairment, if applicable, whereas in the solvency balance sheet they are valued at market value. We include the unrealised gains existing between the appraisal values and the local book value in the reconciliation reserve. International standard IFRS 16 has been taken into account under Solvency II.
5. **Participations in group and associated entities** in the financial statements' balance sheet are valued at acquisition cost adjusted for impairment; for solvency purposes, market value is taken as the net asset value of each participation. Unrealised gains of

36,272 thousand euros (35,246 thousand euros in 2024), constituting the difference between both values, increase the reconciliation reserve.

6. **Prepaid commissions and the deferral of acquisition costs** from the assets of the financial statements' balance sheet are removed from the solvency balance sheet, reducing the reconciliation reserve; **premiums yet to be issued** are reclassified to the premium provision calculated at best estimate. **Claims recoveries** are also removed as they are taken into account in the calculation of the claims best estimate..
7. The **unearned premium provision** is removed from the liabilities of the solvency balance sheet and is replaced by the **premium provision** calculated at best estimate.
8. The **provision for claims**, which includes the provision for outstanding claims, the provision for claims incurred but not reported (IBNR) and the provision for claims settlement expenses, contributes 68,859 thousand euros (58,108 thousand euros in 2024) to the reconciliation reserve when calculated at best estimate in the liabilities of the Solvency balance sheet.
9. The **risk margin** is an item in the liabilities of the solvency balance sheet that does not exist in the liabilities of the local balance sheet. Method 2 is applied.
10. The **tax effect on all the above adjustments** is calculated at 25%, which is the current corporate tax rate in Spain. A 95% exemption on capital gains is applied to the adjustment for participations.

Structure and quality of own funds

The Entity has no subordinated liabilities as at the reference date; therefore, its basic own funds consist exclusively of the excess of assets over liabilities. The own funds from the financial statements are reconciled with basic own funds through the reconciliation reserve as detailed in the following section.

The Entity does not intend to make use of ancillary own funds and, therefore, has not requested authorisation from the supervisor for such purpose.

In short, the Entity's own funds as at 31 December 2025 and 2024 are classified entirely as basic own funds.

Tiering of own funds

Basic own fund items shall be classified as Tier 1 where they substantially possess the following characteristics:

- a) the item is available, or can be called up, to fully absorb losses both on a going-concern basis and in the case of winding-up (permanent availability);
- b) in the case of winding-up, the total amount of the item is available to absorb losses and the repayment of the item to its holder is refused until all other obligations, including insurance and reinsurance obligations towards policyholders and beneficiaries of insurance and reinsurance contracts, have been met (subordination).

Should these requirements not be met, they would be classified as Tier 2 or Tier 3.

The Entity considers that **all basic own funds** (paid-up share capital and components of the reconciliation reserve) meet the above requirements and are therefore **classified as Tier 1**.

Financial year 2025:

Basic Own Funds	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital	43.537	43.537			
Share premium					
Initial mutual fund					
Subordinated mutual member accounts					
Surplus funds					
Preferred shares					
Share premium account related to preferred shares					
Reconciliation reserve	396.852	396.852			
Subordinated liabilities					
Amount equal to the value of net deferred tax assets					
Other items approved by the supervisory authority					
Total	440.389	440.389			

Financial year 2024:

Basic Own Funds	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital	43.537	43.537			
Share premium					
Initial mutual fund					
Subordinated mutual member accounts					
Surplus funds					
Preferred shares					
Share premium account related to preferred shares					
Reconciliation reserve	350.005	350.005			
Subordinated liabilities					
Amount equal to the value of net deferred tax assets					
Other items approved by the supervisory authority					
Total	393.542	393.542			

Considering the Entity's view, as previously stated, that all of its available own funds are Tier 1, the limits and restrictions of the Directive and the Delegated Regulation are met with regard to their **100% eligibility** to cover the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

Financial year 2025:

Available and Eligible Basic Own Funds (In thousand euro)	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Eligible own funds to cover the Solvency Capital Requirement	440.389	440.389	-	-	-
Eligible own funds to cover the Minimum Capital Requirement	440.389	440.389	-	-	-

Financial year 2024:

Available and Eligible Basic Own Funds (In thousand euro)	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Eligible own funds to cover the Solvency Capital Requirement	393.542	393.542	-	-	-
Eligible own funds to cover the Minimum Capital Requirement	393.542	393.542	-	-	-

There are no basic own fund items to which the **transitional provisions** referred to in Article 308b(9) and (10) of Directive 2009/138/EC apply.

There are no **ancillary own fund items** as referred to in Article 89(1)(a) to (c) of Directive 2009/138/EC.

Information on deferred taxes

The breakdown of deferred taxes between the financial statements and Solvency II is as follows:

Financial year 2025:

Deferred taxes	Solvency	Financial Statements	Difference
Deferred tax liabilities (DTA)	87.363	12.406	74.957
Deferred tax assets (DTL)	118.502	22.432	96.070
Deferred tax liabilities less deferred tax assets	31.139	10.026	
Absorption by deferred taxes used in the SCR	(80.397)		
Excess (shortfall) of loss absorption	(49.258)		

To determine future taxable profits, the Entity's projected data has been used, which is prepared annually and approved by the Board of Directors.

The difference between the "Solvency II Value" and the financial statements for deferred tax assets and liabilities is primarily explained by the valuation differences in the following items:

Deferred tax assets	
Reinsurance recoverables	2.617
Intangible assets	12.945
Deferred acquisition costs	25.129
Other receivables	25.533
Non-life Risk Margin	8.670
Health Risk Margin	63
Deferred tax assets (DTA)	74.957

Deferred tax liabilities	
Reinsurance recoverables	(877)
Property, plant and equipment and investment properties	(2.536)
Investments in group entities and associates	(454)
Elimination of CICOS provision	(8.857)
Technical provisions (excl. RM) Non-life	(78.708)
Technical provisions (excl. RM) Health	(4.638)
Deferred tax liabilities (DTL)	(96.070)

Financial year 2024:

Deferred taxes	Solvency	Financial Statements	Difference
Deferred tax liabilities (DTA)	74.892	8.805	66.087
Deferred tax assets (DTL)	114.578	19.007	95.571
Deferred tax liabilities less deferred tax assets	39.686	10.202	
Absorption by deferred taxes used in the SCR	(70.746)		
Excess (shortfall) of loss absorption	(31.060)		

The difference between the "Solvency II Value" and the "Book Value" of deferred tax assets and liabilities is primarily explained by the valuation differences in the following items:

Deferred tax assets	
Reinsurance recoverables	2.209
Intangible assets	11.098
Deferred acquisition costs	22.817
Other receivables	23.101
Non-life Risk Margin	6.798
Health Risk Margin	64
Deferred tax assets (DTA)	66.087

Deferred tax liabilities	
Reinsurance recoverables	(2.421)
Property, plant and equipment and investment properties	(2.238)
Investments in group entities and associates	(8.812)
Elimination of CICOS provision	(7.271)
Technical provisions (excl. RM) Non-life	(70.783)
Technical provisions (excl. RM) Health	(4.046)
Deferred tax liabilities (DTL)	(95.571)

To determine future taxable profits, the Entity's projected data has been used, which is prepared annually and approved by the Board of Directors. The Entity prepares a five-year plan, approved by the Audit and Compliance Committee, which serves as the basis for the post-stress business plan.

This post-stress test takes into account management actions to adapt the business following the shock scenario.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The Solvency Capital Requirement (SCR) broken down by risk module as at 31 December 2025 and 2024 is as follows:

Solvency Capital Requirement (SCR)		
<i>(In thousand euro)</i>	31.12.2024	31.12.2025
Underwriting Risk	201.179	228.181
Market Risk	106.446	124.322
Counterparty Risk	5.273	5.604
Health Underwriting Risk	4.123	4.242
Diversification	(63.787)	(73.111)
Basic Solvency Capital Requirement (BSCR)	253.234	289.238
Operational Risk	29.749	32.351
Deferred tax adjustment	(70.746)	(80.397)
Solvency Capital Requirement (SCR)	212.237	241.192

Given the nature of the Entity and the lines of business in which it operates, the Minimum Capital Requirement (MCR) is the lower of 45% of the SCR and the higher of the Linear MCR and 25% of the SCR.

<i>Supporting data for the MCR calculation</i>	31.12.2024	31.12.2025
Linear MCR	132.913	149.676
SCR	212.237	241.192
Maximum MCR (45% of SCR)	95.507	108.536
Minimum MCR (25% of SCR)	53.059	60.298
Minimum Capital Requirement (MCR)	95.507	108.536

Therefore, the solvency ratios over the Solvency Capital Requirement (SCR) and over the Minimum Capital Requirement (MCR) are as follows:

Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)		
<i>(In thousand euro)</i>	31.12.2024	31.12.2025
Solvency capital requirement	212.237	241.191
Minimum capital requirement	95.507	108.536
Ratio of eligible own funds to SCR	185%	183%
Ratio of eligible own funds to MCR	412%	406%

There has been **no significant change** in the Solvency Capital Requirement or the Minimum Capital Requirement during the reporting period.

The Entity does not use any **simplifications** in the calculations of the risk modules that comprise the Solvency Capital Requirement.

On 16 April 2016, the Entity received authorisation for the application of **an undertaking-specific parameter (USP) for premium risk within the motor insurance line of business, other guarantees.**

This parameter has been determined using standardised methods, based on internal data of the Entity or data directly relevant to its operations. The Entity updates the specific parameter annually using the standardised method approved by the supervisor, incorporating new applicable business data and verifying that the required assumptions are met.

The Entity does not use **internal models** to calculate the required capital for any risk category.

The Entity does not use the **duration-based equity risk sub-module** provided for in the option under Article 304 of Directive 2009/138/EC to calculate its Solvency Capital Requirement.

The Entity has **no non-compliance** with the Minimum Capital Requirement nor any significant non-compliance with the Solvency Capital Requirement.

F. APPENDICES

F.1. KEY CONCEPTS AND ABBREVIATIONS USED

Economic Balance Sheet	This is the solvency balance sheet.
Best Estimate	This is the best estimate value, principally applied in the valuation of technical provisions in the solvency balance sheet.
SCR	Solvency Capital Requirement (SCR) as required capital resulting from the application of the standard formula.
MCR	Minimum Capital Requirement (MCR). This is the minimum required capital to operate as an insurance undertaking and is calculated on an undertaking-specific basis
BSCR	Basic Solvency Capital Requirement, which comprises the total capital required for all risks on a correlated basis, excluding operational risk and the deferred tax and technical provisions loss-absorbing capacity adjustments.
DGSFP	Directorate General of Insurance and Pension Funds. This is the national insurance supervisor.
Directive (Solvency)	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 (Solvency II)
EIOPA	European Insurance and Occupational Pensions Authority (EIOPA). It is the European insurance regulator.
RSR	Regular Supervisory Report (RSR) which each undertaking must submit to the regulator on a triennial basis.
SFCR	Solvency and Financial Condition Report, an annual report intended for the market.
Risk Margin	This is a solvency balance sheet liability item included in the technical provisions that quantifies the margin to be paid to another undertaking for the transfer of business and which does not exist in the financial statements balance sheet liabilities.
AMSB	Administrative, Management or Supervisory Body of each undertaking.
ORSA, EIRS	Own Risk and Solvency Assessment (ORSA): The insurer's internal process for assessing its own risks and capital needs.
Regulation (Solvency)	COMMISSION DELEGATED REGULATION (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)
ROSSEAR	Insurance and Reinsurance Undertakings Organisation, Supervision and Solvency Regulation.

F.2. REPORTING TEMPLATES

This section includes the templates that must accompany this report as required by Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

Reporting templates that do not apply to the Entity (primarily templates relating to life insurance activity, entities using a partial or full internal model, and those relating to groups) have been excluded. As all of the Entity's activity is carried out in Spain, template S.05.02.01, specifying information on premiums, claims and expenses by country, has not been attached.

The amounts in all attached templates are reported in **thousands of euros**.

Code	List of attached templates
S.02.01.02	Solvency balance sheet
S.05.01.02	Premiums, claims and expenses per the financial statements
S.17.01.02	Non-life technical provisions by line of business
S.19.01.21	Non-life insurance claims information in claims development triangle format
S.23.01.01	Own funds, including basic own funds and ancillary own funds
S.25.01.21	Solvency capital requirement calculated using the standard formula
S.28.01.01	Minimum capital requirement for life-only or non-life-only insurance undertakings

S.02.01.02 Information on the Solvency balance sheet

		Solvency II Value	Book value
Assets	X0010		
Goodwill	R0010		-
Deferred acquisition costs	R0020		100.516
Intangible assets	R0030	-	51.778
Deferred tax assets	R0040	87.363	12.406
Assets and claims from employee benefit provisions	R0050	-	-
Property, plant and equipment for own use	R0060	50.823	38.475
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1.199.217	1.152.038
Property (other than for own use)	R0080	1.996	1.888
Investments in subsidiaries	R0090	104.535	68.262
Equities	R0100	51.850	51.850
Equities - listed	R0110	51.844	51.844
Equities - unlisted	R0120	6	6
Bonds	R0130	977.180	966.494
Government bonds	R0140	457.884	453.959
Corporate bonds	R0150	519.296	512.535
Structured finance securities	R0160	-	-
Asset-backed securities	R0170	-	-
Collective investment funds	R0180	58.594	58.594
Derivatives	R0190	5.062	4.950
Deposits other than cash equivalents	R0200	-	-
Other investments	R0210	-	-
Assets held for index-linked and unit-linked contracts	R0220	-	-
Mortgages and loans	R0230	18.669	18.663
Policy loans	R0240	-	-
Loans to individuals	R0250	-	-
Other	R0260	18.669	18.663
Reinsurance recoverables	R0270	20.253	27.210
Non-life insurance and health insurance similar to non-life insurance.	R0280	20.253	27.210
Non-life insurance, excluding health	R0290	19.256	16.632
Health insurance similar to non-life insurance	R0300	997	10.578
Life insurance and health insurance similar to life insurance, excluding health and index-linked and unit-linked	R0310	-	-
Health insurance similar to life insurance	R0320	-	-
Life insurance, excluding health and index-linked and unit-linked	R0330	-	-
Index-linked and unit-linked life insurance	R0340	-	-
Deposits to cedants	R0350	-	-
Insurance and coinsurance receivables	R0360	14.741	69.618
Reinsurance receivables	R0370	-	-
Other receivables	R0380	9.603	56.861
Own shares	R0390	-	-
Amounts due from shareholders	R0400	-	-
Cash and cash equivalents	R0410	9.426	9.426
Other assets, not elsewhere classified	R0420	3.163	13.854
TOTAL ASSETS	R0500	1.413.258	1.550.845

		Solvency II Value	Book value
Liabilities	X0440		
Technical provisions - non-life insurance	R0510	765.210	1.063.660
Technical provisions - non-life insurance (Excluding health)	R0520	758.860	1.039.009
TPs calculated as a whole	R0530	-	-
Best estimate (BE)	R0540	724.179	-
Risk margin (RM)	R0550	34.681	-
Technical provisions - health insurance (similar to non-life insurance)	R0560	6.350	24.651
TPs calculated as a whole	R0570	-	-
Best estimate (BE)	R0580	6.099	-
Risk margin (RM)	R0590	251	-
Technical provisions - life insurance (excluding index-linked and unit-linked)	R0600	-	-
Technical provisions - health insurance (similar to life insurance)	R0610	-	-
TPs calculated as a whole	R0620	-	-
Best estimate (BE)	R0630	-	-
Risk margin (RM)	R0640	-	-
Technical provisions - life insurance (excluding health, index-linked and unit-linked)	R0650	-	-
TPs calculated as a whole	R0660	-	-
Best estimate (BE)	R0670	-	-
Risk margin (RM)	R0680	-	-
Technical provisions - index-linked and unit-linked	R0690	-	-
TPs calculated as a whole	R0700	-	-
Best estimate (BE)	R0710	-	-
Risk margin (RM)	R0720	-	-
Other technical provisions	R0730	-	-
Contingent liabilities	R0740	-	-
Provisions other than technical provisions	R0750	9.012	44.441
Pension benefit obligations and similar provisions	R0760	-	-
Deposits from reinsurers	R0770	-	-
Deferred tax liabilities	R0780	118.502	22.432
Derivatives	R0790	-	-
Debts owed to credit institutions	R0800	-	-
Debts owed to resident credit institutions	ER0801	-	-
Debts owed to credit institutions resident in the rest of the euro area	ER0802	-	-
Debts owed to credit institutions resident in the rest of the world	ER0803	-	-
Financial liabilities other than debts owed to credit institutions	R0810	-	-
Debts owed to non-credit institutions	ER0811	-	-
Debts owed to resident non-credit institutions	ER0812	-	-
Debts owed to non-credit institutions resident in the rest of the euro area	ER0813	-	-
Debts owed to non-credit institutions resident in the rest of the world	ER0814	-	-
Other financial liabilities (debt securities issued)	ER0815	-	-
Insurance and coinsurance payables	R0820	2.752	2.752
Reinsurance payables	R0830	936	936
Other payables	R0840	60.759	58.447
Subordinated liabilities	R0850	-	-
Subordinated liabilities not in basic own funds (BOF)	R0860	-	-
Subordinated liabilities included in basic own funds (BOF)	R0870	-	-
Other liabilities, not elsewhere classified	R0880	698	586
TOTAL LIABILITIES	R0900	957.869	1.193.254
EXCESS OF ASSETS OVER LIABILITIES	R1000	455.389	357.591

S.05.01.02 Information on premiums, claims and expenses according to financial statements

		Non-life insurance and non-proportional reinsurance					
		Medical expenses insurance	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Assistance insurance	TOTAL
		C0020	C0040	C0050	C0070	C0110	C0200
Premiums earned	X0010						
Direct business - gross	R0110	38.815	460.973	463.187	167.843	3.943	1.134.761
Proportional reinsurance accepted - Gross	R0120	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0130	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0140	17.814	2.789	3.096	4.763	279	28.741
Net amount	R0200	21.001	458.184	460.091	163.080	3.664	1.106.020
Premiums written	X0060						
Direct business - gross	R0210	37.796	420.127	453.799	163.814	2.834	1.078.370
Proportional reinsurance accepted - Gross	R0220	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0230	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0240	16.871	2.789	3.096	4.763	279	27.798
Net amount	R0300	20.925	417.338	450.703	159.051	2.555	1.050.572
Claims incurred	X0010	-	-	-	-	-	-
Direct business - gross	R0310	23.509	333.896	303.758	88.847	547	750.557
Proportional reinsurance accepted - Gross	R0320	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0330	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0340	11.414	2.485	(18)	1.217	26	15.124
Net amount	R0400	12.095	331.411	303.776	87.630	521	735.433
Changes in other technical provisions	X0160	-	-	-	-	-	-
Direct business - gross	R0410	-	-	-	-	-	-
Proportional reinsurance accepted - Gross	R0420	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0430	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0440	-	-	-	-	-	-
Net amount	R0500	-	-	-	-	-	-
Technical expenses	R0550	14.116	116.370	98.939	55.875	2.050	287.350
Administrative expenses		-	-	-	-	-	-
Direct business - gross	R0610	703	6.405	11.258	6.002	39	24.407
Proportional reinsurance accepted - Gross	R0620	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0630	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0640	-	-	-	-	-	-
Net amount	R0700	703	6.405	11.258	6.002	39	24.407
Investment management expenses							
Direct business - gross	R0710	-	2.825	1.389	-	-	4.214
Proportional reinsurance accepted - Gross	R0720	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0730	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0740	-	-	-	-	-	-
Net amount	R0800	-	2.825	1.389	-	-	4.214
Claims management expenses							
Direct business - gross	R0810	2.715	35.774	7.981	13.282	20	59.772
Proportional reinsurance accepted - Gross	R0820	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0830	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0840	-	-	-	-	-	-
Net amount	R0900	2.715	35.774	7.981	13.282	20	59.772
Acquisition expenses							
Direct business - gross	R0910	10.695	69.008	74.519	36.360	1.991	192.573
Proportional reinsurance accepted - Gross	R0920	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R0930	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R0940	-	-	-	-	-	-
Net amount	R1000	10.695	69.008	74.519	36.360	1.991	192.573

		Non-life insurance and non-proportional reinsurance					
		Medical expenses insurance	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Assistance insurance	TOTAL
General expenses							
Direct business - gross	R1010	-	2.284	4.015	-	-	6.299
Proportional reinsurance accepted - Gross	R1020	-	-	-	-	-	-
Non-proportional reinsurance accepted - Gross	R1030	-	-	-	-	-	-
Reinsurance ceded (Reinsurers' share)	R1040	-	-	-	-	10	10
Net amount	R1100	-	2.284	4.015	-	(10)	6.289
Other expenses	R1200	-	(28.458)	1.449	-	-	(27.009)
Total expenses	R1300						260.246

S.17.01.02 Information on non-life technical provisions by line of business

		Direct business and proportional reinsurance					
		Medical expenses insurance	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Assistance insurance	TOTAL
		C0020	C0050	C0060	C0080	C0120	C0180
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-
Total recoverables from reinsurance, SPV and finite reinsurance after the adjustment for expected losses due to counterparty default, associated with technical provisions calculated as a whole	R0050	-	-	-	-	-	-
Technical provisions calculated as a sum of best estimate and risk margin	X0030	-	-	-	-	-	-
Best estimate:	X0030	-	-	-	-	-	-
Premium provisions	X0030	-	-	-	-	-	-
Gross	R0060	(2.284)	131.641	137.642	38.768	313	306.080
Total recoverables from reinsurance, SPV and finite reinsurance after the adjustment for expected losses due to counterparty default	R0140	(3.136)	2.630	-	879	(244)	129
Net best estimate of premium provisions	R0150	852	129.011	137.642	37.889	557	305.951
Claims provisions	X0060						
Gross	R0160	8.384	304.000	81.792	29.586	438	424.200
Total recoverables from reinsurance, SPV and finite reinsurance after the adjustment for expected losses due to counterparty default	R0240	4.132	12.306	279	3.378	28	20.123
Net best estimate of claims provisions	R0250	4252	291.694	81.513	26.208	410	404.077
Total gross best estimate	R0260	6.100	435.641	219.434	68.354	751	730.280
Total net best estimate	R0270	5.104	420.705	219.155	64.097	967	710.028
Risk margin	R0280	251	20.698	10.781	3.153	48	34.931
Technical provisions subject to transitional measure	X0120	-	-	-	-	-	-
Technical provisions calculated as a whole	R0290	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-
TOTAL TECHNICAL PROVISIONS:	X0150	-	-	-	-	-	-
Total technical provisions	R0320	6.351	456.339	230.215	71.507	799	765.211
Total recoverables from reinsurance, SPV and finite reinsurance after the adjustment for expected losses due to counterparty default	R0330	996	14.936	279	4.257	-216	20.252
Total technical provisions minus recoverables from reinsurance and SPV and finite reinsurance	R0340	5.355	441.403	229.936	67.250	1.015	744.959
Expected profits included in future premiums (EPIFP)	R0500	-	16.885.849	15.929.675	10.860.413	-	43.675.937

S.19.01.21 Non-life insurance claims – Total non-life business

Total non-life business – Accident year

Gross claims paid (non-cumulative) (absolute amount)

	Year	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +		In current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0170	C0180
Prior	R0100																(46)	Prior	(46)	3.470.180
N-14	R0110	296.215	93.753	14.446	6.650	3.545	2.302	483	764	729	114	(48)	56	213	473	7		N-14	7	419.703
N-13	R0120	272.780	81.976	13.440	5.805	2.763	2.228	329	711	160	415	(20)	99	(85)	(131)			N-13	(131)	380.470
N-12	R0130	259.565	79.499	11.997	4.340	2.981	3.123	1.423	(290)	(510)	82	(50)	89	(87)				N-12	(87)	362.161
N-11	R0140	240.886	80.042	14.312	6.144	4.277	2.589	747	994	(70)	(192)	48	1					N-11	1	349.777
N-10	R0150	247.882	81.549	16.241	6.802	4.697	1.906	670	621	1.652	174	(425)						N-10	(425)	361.770
N-9	R0160	254.659	82.956	21.838	14.066	6.591	3.300	2.178	2.786	1.652	57							N-9	57	389.870
N-8	R0170	274.878	101.162	25.329	11.483	6.165	1.885	1.441	842	1.439								N-8	825	424.008
N-7	R0180	302.136	111.284	27.437	12.301	4.266	3.556	2.571	1.010									N-7	1.010	464.561
N-6	R0190	338.329	115.365	24.914	12.415	5.478	9.481	1.301										N-6	1.301	507.283
N-5	R0200	279.694	85.906	18.735	8.734	5.274	2.889											N-5	2.889	401.233
N-4	R0210	339.130	113.677	26.988	11.269	5.922												N-4	5.922	496.986
N-3	R0220	371.682	136.806	25.087	10.824													N-3	10.824	544.398
N-2	R0230	407.128	148.168	25.862														N-2	25.862	581.158
N-1	R0240	391.905	139.769															N-1	139.769	531.674
N	R0250	419.586																N	419.586	419.586
																		Total	607.364	10.104.818



Gross undiscounted Best Estimate of Claims Provisions (absolute amount)

Development year

	Year	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																-
N-14	R0110	137.598	40.140	22.568	12.004	6.984	4.131	2.036	371	(608)	(838)	250	(21)	(24)	-	-	
N-13	R0120	119.920	31.993	14.891	6.733	4.805	3.043	1.861	362	(247)	248	46	(2)	-	-		
N-12	R0130	119.490	26.316	10.308	6.029	2.918	687	(25)	(1.421)	390	550	60	163	-			
N-11	R0140	125.905	30.669	14.209	7.953	2.997	1.719	1.186	1.395	35	69	436	284				
N-10	R0150	124.883	34.935	14.980	6.980	2.942	298	904	333	(67)	(358)	665					
N-9	R0160	141.748	53.765	29.838	9.213	4.854	3.329	661	395	2.275	1.252						
N-8	R0170	141.901	43.670	15.979	6.800	4.754	1.616	1.738	1.188	(108)							
N-7	R0180	129.018	30.119	17.911	9.565	3.242	3.987	5.804	4.407								
N-6	R0190	136.224	51.395	24.845	6.406	8.331	8.289	5.161									
N-5	R0200	109.237	39.154	14.363	12.734	7.918	6.709										
N-4	R0210	163.750	71.164	24.106	15.942	11.485											
N-3	R0220	180.563	61.554	43.660	26.743												
N-2	R0230	243.924	112.538	36.813													
N-1	R0240	172.586	128.997														
N	R0250	191.110															

		Sum of years (discounted data)
		C0360
Prior	R0100	-
N-14	R0110	-
N-13	R0120	-
N-12	R0130	-
N-11	R0140	264
N-10	R0150	620
N-9	R0160	1.170
N-8	R0170	(101)
N-7	R0180	4.165
N-6	R0190	4.889
N-5	R0200	6.385
N-4	R0210	10.967
N-3	R0220	25.598
N-2	R0230	35.365
N-1	R0240	124.671
N	R0250	186.092
Total	R0260	400.085

S.23.01.01 Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds						
Ordinary share capital (including own shares)	R0010	43.537	43.537		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Initial mutual fund	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation Reserve	R0130	396.852	396.852			
Subordinated liabilities	R0140	-	-	-	-	-
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 elsewhere	R0180	-	-	-	-	-
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						
Own funds from the financial statements that should not be represented by the reconciliation reserve	R0220	-	-			
Deductions not included in the reconciliation reserve						
Deduction for participations in financial and credit institutions	R0230	-	-	-	-	
Total basic own funds after adjustments	R0290	440.389	440.389	-	-	-
Ancillary Own Funds						
Unpaid and uncalled ordinary share capital	R0300	-			-	
Unpaid and uncalled initial mutual fund	R0310	-			-	
Unpaid and uncalled preference shares	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2)	R0340	-			-	
Other letters of credit and guarantees	R0350	-			-	-
Supplementary calls pursuant to the first subparagraph of Article 96 point 3	R0360	-			-	
Supplementary calls - other than those pursuant to the first subparagraph of Article 96 point 3 of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						

Total available own funds to meet the SCR	R0500	440.389	440.389	-	-	-
Total available own funds to meet the MCR	R0510	440.389	440.389	-	-	
Total eligible own funds to meet the SCR	R0540	440.389	440.389	-	-	
Total eligible own funds to meet the MCR	R0550	440.389	440.389	-	-	
SCR	R0580	241.191				
MCR	R0600	108.536				
Ratio of eligible own funds to SCR	R0620	1,83				
Ratio of eligible own funds to MCR	R0640	4,06				

		C0060
Reconciliation Reserve		
Excess of assets over liabilities	R0700	455.389
Own shares (included as assets in the balance sheet)	R0710	-
Foreseeable dividends and distributions	R0720	15.000
Other basic own fund items	R0730	43.537
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Total reconciliation reserve	R0760	396.852
Expected profits		
Expected profits included in future premiums (EPIFP) - Life activities	R0770	-
Expected profits included in future premiums (EPIFP) - Non-life activities	R0780	43.676
Total EPIFP	R0790	43.676

S.25.01.21 Solvency Capital Requirement — for undertakings using the standard formula

		Gross solvency capital requirement	Undertaking-specific parameters	Simplifications
		C0030	C0040	C0050
Market risk	R0010	124.322	-	-
Counterparty risk	R0020	5.604	-	-
Life underwriting risk	R0030	-	-	-
Health underwriting risk	R0040	4.242	-	-
Non-life underwriting risk	R0050	228.181	Desviación típica del riesgo de prima de seguros de no vida;	-
Diversification	R0060	(73.111)	-	-
Intangible asset risk	R0070	-	-	-
Basic solvency capital requirement	R0100	289.238	-	-

		C0100
Operational risk	R0130	32.351
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(80.397)
Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement, excluding capital add-on	R0200	241.191
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	241.191
Other information on the SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of notional SCRs for remaining part	R0410	241.191
Total amount of notional SCRs for ring fenced funds	R0420	-
Total amount of notional SCRs for matching adjustment portfolios	R0430	-
Diversification effects due to RFF notional SCR aggregation for article 304	R0440	-

S.28.01.01 Minimum Capital Requirement — Life or non-life insurance or reinsurance activity only

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR _{NL} Result	R0010	149.676

		Net best estimate and TPs calculated as a whole	Net written premiums
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	5.102	21.019
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	420.705	458.147
Other motor insurance and proportional reinsurance	R0060	219.154	460.017
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	64.096	163.078
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	967	2.922
Miscellaneous financial loss and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

I, Mr. Pablo González-Schwitters Grimaldo, in my capacity as Secretary of the Board of Directors of LINEA DIRECTA ASEGURADORA S.A, COMPAÑÍA DE SEGUROS Y REASEGUROS, with Tax Identification Number (CIF) A80871031 (hereinafter, the "Entity"), and currently holding said office, DO HEREBY CERTIFY that, according to the minutes of the meeting of the Entity's Board of Directors held on 24 March 2026, the Board of Directors ADOPTED THE RESOLUTION to approve the Solvency and Financial Condition Report for the 2025 financial year as contained in this document, which consists of 83 pages (including this one), all of which have been initialled by me.

Pablo González-Schwitters Grimaldo
Secretary of the Board of Directors