SOLVENCY AND FINANCIAL CONDITION REPORT

31 December 2025

ADMIRAL EUROPE INSURANCE COMPANY INSURANCE COMPANY

ADMIRAL EUROPE COMPAÑIA de SEGUROS Sociedad Anónima Unipersonal [AECS]: registered office in Spain at Calle Rodríguez Marín, 61, Pta. 1ª 28016, Madrid. AECS is subject to the management and coordination activity of Admiral Group plc. Registration number in Spain n° C0805 - Share Capital € 9.016.000. The Company is registered in the register of insurance companies with the Directorate General of Insurance and Pension Funds (DGSFP). Details can be consulted on the DGSFP website (www.dgsfp.mineco.es).

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EXECUTIVE SUMMARY

This report is framed within the requirements of Law 20/2015 of 14 July on the regulation, supervision and solvency of insurance and reinsurance entities, and Royal Decree 1060/2015 of 20 November on the regulation, supervision and solvency of insurance and reinsurance entities. Both provisions assume the transposition into Spanish law of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of insurance and reinsurance (Solvency II Directive).

Delegated Regulation (EU) 2015/35 complements the before mentioned Directive and regulates the minimum content to be included in the Solvency and Financial Condition Report.

Section A. Activity and results

Admiral Europe Compañía de Seguros, S.A. Sociedad Unipersonal (hereinafter, AECS, the Entity, the Company or the Company) is a public limited company that forms part of Admiral Group Plc (AGp or Admiral Group), one of the entities with the largest presence in the UK motor insurance market. AECS was formed as part of the Brexit process, obtaining a license to write, inter alia, motor and home insurance in Spain on 18 July 2018. Subsequently, AECS has obtained license to underwrite the same lines in Italy and France under the freedom to provide services.

AECS commenced business on 1 January 2019, at which time it received the policies transferred from Admiral Insurance Company Limited ("AICL") and Admiral Insurance Gibraltar Limited ("AIGL") (the pre-Brexit Solvency II regulated individual PGA entities), from their businesses in Spain, Italy and France. AICL and AIGL were individual entities regulated under Solvency II by the Prudential Regulatory Authority (PRA) and the Gibraltar Financial Services Commission (GFSC), respectively.

AECS's profit before tax in 2025 improved compared to 2024 to EUR 1.4 million. France and Italy recorded a better result than in the previous year, in France due to higher sales volumes and in Italy due to a more favourable technical claims performance. Spain's result was lower than in the same period, mostly due to a lower recovery of ceded commissions, following the entry into force of the new reinsurance contracts, despite an improvement in the technical claims ratio and increases in average premiums.

Following the sharp upturn in inflation in 2022 and 2023, we are witnessing an environment whose uncertainty in all economic aspects, accompanied by geopolitical tensions, has a strong impact on the markets where AECS carries out its insurance business.

Section B. System of governance

AECS is overseen by the Board of AGp and its Committees. However, the AECS Board of Directors is the main decision-making body and provides business leadership directly and through its committees, delegating authority to the executive team.

AECS takes advantage of the governance systems within the Admiral Group. The Admiral Group has several standing Committees that deal with issues in accordance with written operating rules:

AGp Board Committees (with delegated authority from the Admiral Group Board):

- Group Risk Committee
- Group Audit Committee
- Group Governance and Nominations Committee
- Group Remuneration Committee

AGp Management Committees:

- Group Investment Committee (reports directly to the Board of AGp)
- Group Reserves Committee (reports to the Group Audit Committee).
- Group Assets and Liabilities Committee (reports to the Group Risk Committee).
- Group Disclosure Committee

AECS has participants on all Group Management Committees as required.

The AECS Board is supported by a number of standing Committees that deal with issues in accordance with written rules of operation:

AECS Board Committee ("AECS Board Committee"):

- AECS Audit Committee

AECS Management Committee:

- AECS Governance Committee ("AECS GMC")

In 2018, the structure of the AECS Governance System, after submission to the Directorate General of Insurance and Pension Funds (DGSFP), was approved by the AECS Board of Directors, which also approved the main policies governing the Company's internal processes from 1 January 2020. The policies are reviewed and/or approved annually.

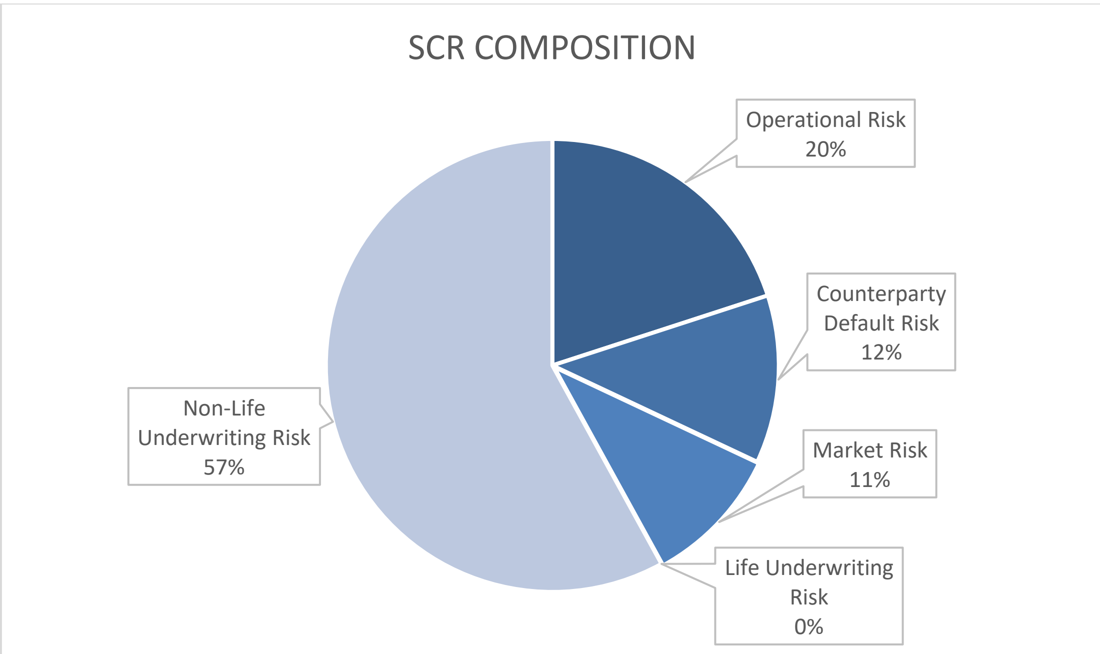
Section B in the body of this report details the functioning of the governance system in practice, including a part dedicated to the remuneration policy, the internal control system and the key Solvency II functions: Risk Management, Compliance, Internal Audit and Actuarial Function.

Section C. Risk Profile

The Board of Directors of AECS is responsible for determining the risk strategy and risk tolerance at AECS, as well as its risk management and internal control system, within the Admiral Group Risk Management Framework.

However, the AECS Board of Directors has delegated the development of the AECS risk management framework to the Group Risk Committee, and the AECS Corporate Governance Committee is responsible for its implementation and maintenance. Both the AECS Board and the AECS Audit Committee will receive reports from these Committees for the purpose of reviewing and reporting on the overall effectiveness of this system.

AECS calculates the Solvency Capital Requirement (SCR) in accordance with the methodology established by the Solvency II Directive, in the application of the Standard Formula. The composition of the different modules as of 31 December 2025 is as shown in the graph below:



Section D. Valuation for solvency purposes.

Section D focuses on the Solvency II balance sheet and the valuation of assets and liabilities. In line with Solvency II rules, assets and liabilities on the Solvency II balance sheet are carried at fair value, i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

The following tables show the composition of the Solvency II balance sheet and its comparison with the financial statements as at 31 December 2025 and at the end of the previous year (in thousands of euros):

	31/12/2025	
thousands of euros	**Financial Statements**	**Solvency II**
Assets	1,351,792	1,292,090
Liabilities	1,168,172	1,113,681
Excess of assets over liabilities	**183,620**	**178,409**

	31/12/2024	
thousands of euros	**Financial Statements**	**Solvency II**
Assets	1,282,634	1,196,827
Liabilities	1,124,934	1,042,328
Excess of assets over liabilities	**157,700**	**154,499**

On the asset side, investments are measured at fair value, so there are no changes in valuation between the two standards. The main differences are the elimination of deferred acquisition costs and intangible assets. Regarding receivables from policyholders and intermediaries, the changes are due to the elimination of receivables from policyholders under claim settlement agreements and future premiums, as the latter are already recognized in the best estimate of future obligations. In terms of shareholders' equity, the latter adjustment has no impact, as it is also made on the liabilities side.

On the liabilities side, the differences arise mainly from the change in valuation of technical provisions (calculated in Solvency II based on realistic assumptions) and the elimination of obligations under claim settlement agreements, as well as future premiums to be settled to reinsurance, both of which are already recognized in the best estimate of future obligations. Finally, on the liabilities side, a profit share payable by quota share reinsurers to AECS is recognized, which reduces the reinsurance payables on the liabilities side.

In addition, deferred taxes are generated on both assets and liabilities because of adjustments made to transform balance sheet items into economic ones.

Section E. Capital management

AECS manages its capital to ensure the functioning of the Entity and to meet regulatory requirements with an adequate margin. In the event of capital surpluses, these are paid to AGp in the form of dividends.

AECS's capital requirement is calculated based on the Standard Formula, for the risks applicable at the end of 2025, and stood at 123,523 thousand euros at the same date. The breakdown by risk modules is presented in the table below:

thousands of euros	31/12/2025	31/12/2024
Non-Life Underwriting Risk	80,228	74,888
Life Underwriting Risk	70	88
Market risk	15,938	12,687
Counterparty risk	16,250	14,802
Diversification	(17,468)	(14,904)
SCR Basic	95,018	87,561
Operational risk	28,505	26,268
LAC DT	-	-
Not modelled	-	-
SCR	**123,523**	**113,829**

With this volume of SCR and considering the own funds eligible for coverage, the solvency ratio calculated on 31 December 2025 was 144%, higher than the minimum required by the regulator and above the AECS risk appetite, set by the Board of Directors at 135% for 2025.

thousands of euros	31/12/2025	31/12/2024
SCR	123,523	113,829
Callable shareholders' equity	178,409	154,499
Surplus	54,886	40,670
Solvency Ratio	**144%**	**136%**

Statement of Directors' responsibilities

The directors of AECS are responsible for ensuring that the Solvency and Financial Condition Report is prepared, in all aspects, in accordance with the rules of the DGSFP and the SII Regulations.

AECS has a written policy to ensure the ongoing appropriateness of the information disclosed and to ensure that its Solvency and Financial Condition Report is submitted for approval by the directors.

The contents of this Report have been approved by the Board of Directors in writing at a meeting held on 26 February 2026 and have been previously reviewed by the Company's Management. The report has been reviewed by Deloitte Auditores, S.L., through a team made up of actuaries and auditors in accordance with Circular 1/2018 of 17 April of the DGSFP.

AECS publishes this document on the website www.admiraleurope.com.

A. ACTIVITY AND RESULTS

A.1 ACTIVITY

AECS was incorporated in Madrid on 20 December 2017 under the name "Admiral Europe Compañía de Seguros, Sociedad Anónima Unipersonal" with the exclusive purpose of carrying out private insurance operations authorized in accordance with private insurance legislation and other relevant provisions, operations preparatory or complementary to the above and damage prevention activities linked to insurance activity. Specifically, it includes coverage for its policyholders, natural or legal persons, of the risks covered and the services provided in the insurance branches of accidents, non-rail land vehicles, civil liability of motor vehicles, other damage to material goods, civil liability in general, various pecuniary losses, fire and natural elements, legal defense, assistance, as well as in all other branches duly authorized by the DGSFP, in accordance with the procedure stipulated by law.

Origin and purpose

AECS was created in the context of Brexit with the aim of continuing the insurance activities of the individual entities of AGp, AICL and AIGL, which had been underwriting motor insurance in the Spanish, Italian and French markets since 2006.

Start of operations

AECS commenced operations on 1 January 2019. Its registered office is currently located at Calle Rodríguez Marín, 61, Pta. 1ª 28016, Madrid.

Supervision of the company

Admiral Europe Compañía de Seguros, S.A.U. is subject to the supervision of the Spanish regulator, the DGSFP.

The DGSFP is an administrative body that reports to the Secretary of State for the Economy and Business Support, attached to the Ministry of Economic Affairs and Digital Transformation, (currently the Ministry of Economy, Trade and Enterprise in accordance with the ministerial restructuring established by Royal Decree 829/2023, of 20 November), pursuant to Royal Decree 403/2020, of 25 February, which develops the basic organizational structure of the Ministry of Economic Affairs and Digital Transformation.

The contact information is presented below:

Directorate General of Insurance and Pension Funds.
Paseo de la Castellana, 44
28046 Madrid
Telephone: +34 952 24 99 82

As an insurance group, AGp is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

External auditor

The details of the entity that carries out the external audit of AECS are as follows:

Deloitte Auditores, S.L.
Torre Picasso - Plaza Pablo Ruiz Picasso 1, 28020 Madrid, Spain

Relevant shareholders

AECS is wholly owned by Admiral Group, plc.

Insurance companies

During the 2018 financial year, AECS obtained the license to underwrite motor, home and pet insurance products with the right of establishment in Spain and the authorization to underwrite on a Freedom to Provide Services basis in Italy and France, starting to operate as an insurance company on 1 January 2019.

From this date, AECS started its activity in the underwriting of policies and the transfer of business from the before mentioned countries became effective. The main lines of business in which AECS operates, using the list of lines of business set out in the current Solvency II regulations, are as follows:

Motor vehicle liability

Private motor vehicle insurance, including liability for bodily injury (with potential future rental payments) and property damage to third parties.

Motor vehicles, other guarantees

Private motor vehicle insurance, including liability for accident damage (fire, theft and glass, among others).

Non-life insurance annuities

Private motor vehicle insurance, including bodily injury liability (whose payments have been converted into annuities and are treated as life under Solvency II).

Fire and other property damage

Family property insurance, including both own property damage and third-party liability, as well as assistance and other services.

Business Model and Strategy

AECS' strategy is focused on building sustainable business, with policyholder satisfaction as its primary concern. The Board of Directors and Management of AECS conduct an annual review of the strategy, as well as the potential challenges and risks the Company faces. AECS aims to be one of the best insurers in the countries in which it operates. To this end, its three main strategic objectives are:

Maintain our competitive advantages:

Maintain our focus on accident management processes and specialization in pricing as the basis for profitable underwriting, together with a culture of permanent pursuit of efficiency and excellent service to AECS policyholders.

Sustained and profitable growth:

Develop profitable, growing and sustainable insurance businesses that reflect the UK model.

Continuous development of products and new channels:

Maximize the value of AECS' core business and continue the strategy of diversification in channels and products.

In addition to the above, AECS remains a Great Place to Work. All Group companies have created an environment where employees want to go to work and provide excellent service to policyholders. As a responsible employer, AECS aims to create an inclusive work environment and to support employees wherever possible.

Sustainability

AECS' approach to sustainability is rooted in its cultural DNA and defined by its purpose: "to help more people care for their future, always striving for the best, together". By 2025, sustainability has been integrated more deeply into the business, taking practical steps to support long-term progress.

AECS' approach is underpinned by the United Nations Sustainable Development Goals (SDGs), which provide the global framework for addressing the world's most pressing challenges. These goals guide how the Entity balances environmental, social and governance (ESG) priorities in all regions where it operates. From reducing emissions and promoting circularity in claims management, to supporting financial resilience and well-being, the SDGs help prioritize where the greatest impact can be made. By aligning initiatives with this framework, AECS focuses on actions that make a real difference to its customers, employees and communities. This perspective helps to consider the needs of future generations alongside current priorities, reinforcing the Company's commitment to responsible business practices in all markets where it operates.

For AECS, sustainability goes beyond regulatory compliance to focus on creating lasting value. It relies on collaboration and innovation to drive progress, integrating sustainable thinking into its decision-making and operations, all underpinned by its corporate culture. This includes working with suppliers and partners to accelerate responsible practices and improve the measurement and reporting of the Entity's impact.

By 2025, AECS has linked sustainability to everyday behaviours through initiatives focused on climate action, economic opportunity and wellbeing, while continuing to foster inclusiveness in its global operations. Its ambition is clear: to integrate sustainability into every area of business so that progress is practical, lasting and generates a positive impact for people and the planet.

Significant developments during the reporting period

During 2025, the insurance market in Spain, France and Italy continued to be affected by the cumulative effects of rising costs in previous years, largely linked to rising inflation. The price increases implemented by the sector since 2023 have partially offset the rise in claims and have been reflected in the market's performance throughout 2025. In non-life business, these dynamics have reduced some of the pressure on the technical margin seen in previous years.

In Motor, the frequency of claims has continued to increase after the pandemic, although it has remained below pre-pandemic levels. At the same time, the average cost per claim has remained high, mainly due to the higher cost of repairs, the increase in the cost of labour in workshops, the higher price of spare parts and the services associated with claims management. These factors, linked to the inflation accumulated in recent years, continued to influence the technical margin of the industry in 2025, although the pace of cost growth was slower than in previous years.

In Italy, the update of the Milan Tables applied in 2024 continued to have a significant impact in 2025. The change in the criteria for valuing personal injury has structurally increased the average cost of personal injury claims and has had a direct effect on the market price level. This adjustment has continued to develop during the year and has not been reflected uniformly and cannot yet be considered fully absorbed by the market.

A.2 UNDERWRITING RESULTS

AECS was licensed to operate in Accident, Sickness, Motor Vehicles (Auto Other Guarantees), Fire and Natural Perils, Motor Liability (Auto CR), General Liability (other than nuclear risks), Miscellaneous Pecuniary Losses, Legal Defense and Assistance. However, as of the date of this report, AECS has captured business only in motor, household and pet policies, with Motor being the most relevant line of business in all policies marketed by AECS. For materiality reasons, AECS business has been reported on the Auto RC, Auto Other Guarantees and Fire and Other Property Damage lines of business. From the second quarter of 2025, the Pets business has been reported separately. In accordance with Solvency II regulations, this business is reported together with Household under the Fire and other property damage line and excluded from the line Motor, Other.

Despite the rate increases in Italy, AECS business volume met the company's initial forecasts with a year-on-year change of +7% driven by higher volumes in France and higher average premiums within the portfolio, in response to the deterioration of the technical loss ratio, linked to the effects of the Milan tables on Bodily Injury claims.

The number of active policies was also impacted by the general price increase, closing at 1.92 million, down 2.7% from the number of policies in force at year-end 2024. Persistency was one of the metrics most affected by the price increase, closing 2025 down 3.1 percentage points compared to the previous year. The technical expense ratio developed negatively by 6 percentage points compared to 2024, because of lower fee income ceded from the quota share, despite savings through targeted actions on both variable and fixed expenses.

Reinsurance gross earned premium volumes for the financial years 2025 and 2024 were as shown in the table below:

thousands of euros	**31/12/2025**	**31/12/2024**
Motor, Third Party Liabity	345,898	332,242
Motor, Other	358,950	332,021
Fire and other damage	19,316	13,366
Total	**724,164**	**677,629**

The gross written premium volumes for reinsurance written in each country are shown in the tables below for 2025 and for the previous year:

	31/12/2025			
thousands of euros	**Italy**	**France**	**Spain**	**Total**
Motor, Third Party Liabity	211,985	37,809	96,104	345,898
Motor, Other	67,915	241,961	49,074	358,950
Fire and other damage*	3,294	16,022	-	19,316
Total	**283,194**	**295,792**	**145,178**	**724,164**

*From the second quarter of 2025 the pet business is reported separately under the line Fire and other damage. Until then, for materiality reasons, it had been reported under Motor, Other.

	31/12/2024			
thousands of euros	**Italy**	**France**	**Spain**	**Total**
Motor, Third Party Liabity	216,401	27,449	88,392	332,242
Motor, Other	75,970	207,267	48,784	332,021
Fire and other damage	-	13,366	-	13,366
Total	**292,371**	**248,082**	**137,176**	**677,629**

In 2025, AECS achieved total gross premiums written in direct insurance of 724.2 million euros. Italy and France accounted for 80% of the premiums sold, with respective shares of 39% and 41%, while Spain accounted for 20% of the total premiums.

The following table shows premiums, claims and expenses related to underwriting business, net of reinsurance, as well as the related result and its comparison with the previous year:

thousands of euros	31/12/2025	31/12/2024
Total income	**256,427**	**243,876**
Earned premiums net of reinsurance	255,600	243,131
Other income	827	745
Total expenses	**(264,898)**	**(267,270)**
Paid claims net of reinsurance	(162,697)	(185,316)
Operating expenses	(97,186)	(81,464)
Other expenses	(5,015)	(490)
Underwriting result	**(8,471)**	**(23,394)**

Imputed premiums net of reinsurance amounted to 256 million euros. On the other hand, paid claims amounted to 163 million and, also considering other income and expenses, the technical underwriting result for AECS at the end of 2025 was -8 million (before tax).

A.3 RETURN ON INVESTMENTS

AECS follows the investment strategy established by the Admiral Group. The main objective is the protection of capital, but also the reduction of volatility in returns, high levels of liquidity and an appropriate match between the durations of assets and liabilities. All these objectives have been met in 2025, following the path of previous years.

The Admiral Group's Investment Committee conducts regular reviews of its investment strategy to ensure that it remains appropriate given the characteristics of the business and the portfolio under the supervision of the AECS Board of Directors. Admiral's investment approach has remained stable in 2025 compared to the previous year, and is based on the following strategies:

Responsible Investment

Formal adoption of a responsible investment strategy, focused on ensuring that environmental, social and governance sustainability criteria are considered in investment decisions.

Options Expansion

Extending the range of investment options analysed to try to obtain better returns without generating relevant changes in the market risk associated with the investments.

Cash and investments on balance sheet

Details of cash and on-balance sheet investments, and their comparison with the previous year, are shown below:

thousands of euros	31/12/2025	31/12/2024
Bonds	313,834	256,103
Collateralised securities	46,084	49,802
Collective Investments Undertakings	94,246	93,753
Cash	8,859	12,103
Cash equivalent deposit	5,006	5,000

As of 31 December 2025, the level of AECS investments amounted to 468,029 thousand of euros (416,761 thousand of euros on 31 December 2024). Most of the portfolio is invested in bonds and in investment funds whose underlying assets are also bonds. In 2025 AECS started investing in two new money market funds, both of which are mainly composed of private debt.

The income from investments in 2025 was 10,818 thousand of euros (10,119 thousand of euros in 2024).

The following tables show the income and expenses from financial investments in the financial years 2025 and 2024 that have an impact on the income statement:

	31/12/2025				
thousands of euros	Available for sale	Held for trading	Deposits with credit institutions	Other income and expenses	Total
Income from financial investments	**8,576**	**2,131**	**95**	**16**	**10,818**
Income arising from financial investments	7,956	2,131	95	16	**10,198**
Profit in realization	620	-	-	-	**620**
Financial investments expenses	**(336)**	**-**	**-**	**(566)**	**(902)**
Losses from financial investments	-	-	-	-	**-**
Losses in realization	(336)	-	-	-	**(336)**
Other investment expenses	-	-	-	(566)	**(566)**
Result of financial investments	**8,240**	**2,131**	**95**	**(550)**	**9,916**

	31/12/2024				
thousands of euros	Available for sale	Held for trading	Deposits with credit institutions	Other income and expenses	Total
Income from financial investments	**6,156**	**3,661**	**171**	**131**	**10,119**
Income arising from financial investments	6,045	3,661	171	131	**10,008**
Profit in realization	111	-	-	-	**111**
Financial investments expenses	**(166)**	**-**	**-**	**(274)**	**(440)**
Losses from financial investments	-	-	-	-	**-**
Losses in realization	(166)	-	-	-	**(166)**
Other investment expenses	-	-	-	(274)	**(274)**
Result of financial investments	**5,990**	**3,661**	**171**	**(143)**	**9,679**

In the financial year 2025, the total expenses for the management and custody of the securities in the investment portfolio amount to 566 thousand of euros (274 thousand of euros in 2024). On the other hand, the available-for-sale investment portfolio has generated losses which have been recognized in equity. The details of these figures and their comparison with the previous year are shown in the following table:

thousands of euros	**31/12/2025**	**31/12/2024**
Profit recognized in equity	2,255	2,035
Losses recognized in equity	(3,014)	(3,880)
Net result in equity	**(759)**	**(1,845)**

A.4 RESULTS OF OTHER ACTIVITIES

AECS did not carry out any activities other than policy underwriting or investment management in 2025.

A.5 ANY OTHER INFORMATION

There is no additional information that needs to be disclosed.

B. SYSTEM OF GOVERNANCE

B.1 GENERAL INFORMATION ON THE GOVERNANCE SYSTEM

Structure of the administrative, management or supervisory body

The AECS Board of Directors is the primary decision-making forum for AECS and provides business leadership directly and through its Committees, delegating authority to the Executive Team.

AECS also takes advantage of the governance systems in place within the Admiral Group. The Admiral Group has several standing Committees that deal with various issues in accordance with the written Operating Rules for each Committee:

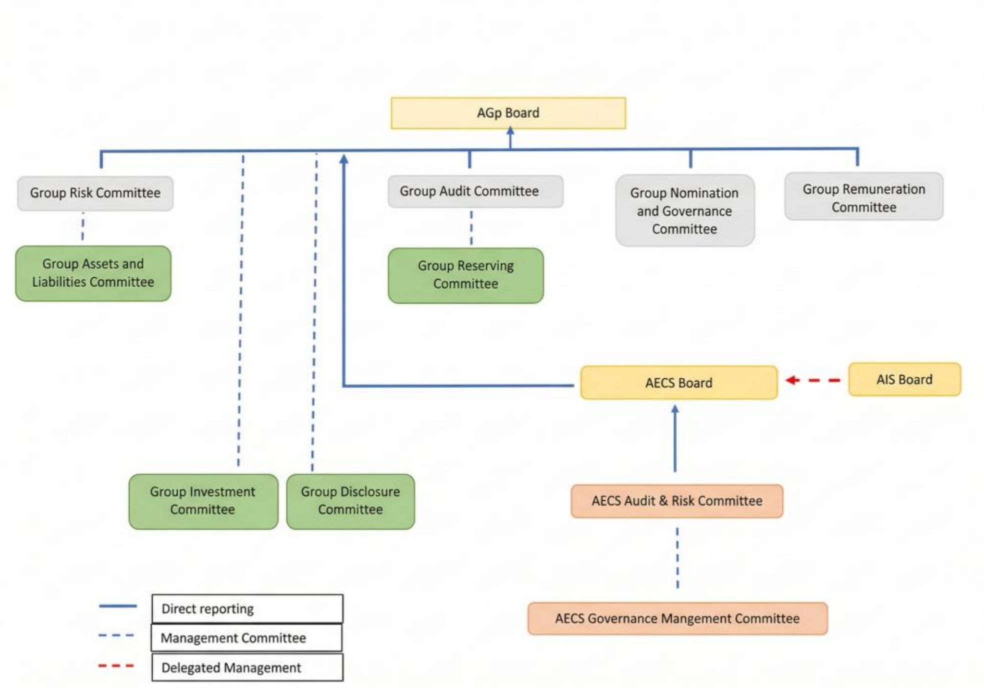
AGp Board Committees (with delegated authority from the Admiral Group Board of Directors).

Group Risk Committee, Group Audit Committee, Group Nominating and Governance Committee and Group Remuneration Committee.

AGp Management Committees

Group Investment Committee, Group Reserves Committee, Group Assets and Liabilities Committee and Group Disclosure Committee.

Communication and reporting between AECS and the Group Board Committees is two-way, ensuring effective oversight and constant strategic alignment.



All AGp Board Committees are chaired by an independent non-executive director, except for the Nominating and Governance Committee, which is chaired by the Chairman of the AGp Board and comprises most non-executive directors. Appointments to Committee positions are made on the recommendation of the Nominating and Governance Committee, for a term of up to three years, extendable to two additional three-year terms, provided that the Chairman remains independent.

The Committees are constituted with their own written operating rules, which are reviewed annually to ensure that they remain appropriate, and to reflect any changes in good practice and governance. These operating rules are available on request from the AGp Secretary and are also available on the Company's website: www.admiralgroup.co.uk.

Each of the Group Management Committees (Investment Committee, Reserves Committee and Asset & Liability Committee) is chaired by a senior manager approved and authorized to carry out the relevant activities within the scope of the Group Management Committee. AECS has assistants on all Group Management Committees whenever required.

The AECS Board of Directors uses the Group Governance and Nominating Committee and the Group Remuneration Committee directly, rather than creating AECS-specific Committees. In addition, the AECS Board of Directors delegates certain powers to the Group Governance and Nominating Committee:

- The responsibility to ensure that AECS' governance arrangements remain appropriate in relation to good corporate governance practices, having regard to applicable regulations, guidelines and industry practice.
- The responsibility is to review and approve all appointments to the AECS Board of Directors, considering their diverse skills, knowledge and experience.
- The responsibility to review the positions of Chairman and other positions held by Directors and to consider whether these may affect the Directors' independence, their ability to devote the time they have committed or give rise to an actual or potential conflict of interest.

The AECS Board delegates to the Group Remuneration Committee:

- The determination of the remuneration structure and policy for all AECS employees, as well as the fees of the members of the Board of Directors.

AECS reports as appropriate to both the Group Board Committees and the Group Management Committees for collation or approval. AECS is informed of all matters discussed at Group Board Committees and Group Management Committees relevant to AECS. To assist in this process, AECS participants are present at the meetings of the Group Management Committees.

To enhance operational efficiency and considering that the Audit and Risk Committee (ARC) and the AECS Board share the same membership, the ARC has incorporated the governance matters previously reported to the AECS Board, effective as of the third quarter of 2025 meeting. This transition began as a pilot program and will be fully implemented in 2026.

AECS Governance Structure

The AECS Council is supported by a few standing Committees that deal with issues in accordance with written rules of operation:

- AECS Board Committee: AECS Audit Committee
- AECS Management Committee: AECS Governance Committee ("AECS GMC") consisting of the executives responsible for the business and the Chief Executive Officer of AECS.

The AECS Board of Directors and the AECS Audit Committee are chaired by non-executive directors. The Board of Directors, as of 31 December 2025, is composed of the following members, appointed by the AGp Nominating and Governance Committee:

- Julián López Zaballos, Non-Executive Director, was re-elected member of the Board of Directors of AECS with effect from 15 June 2023, and appointed Chairman of the Board of Directors with effect from 1 January 2022. He was also re-elected member of the Audit Committee of AECS with effect from 16 August 2023. On 3 October 2024, he was appointed Chairman of the Audit Committee.
- Costantino Moretti, CEO of the European and US insurance business, was appointed member of the AECS Board of Directors with effect from 9 December 2020.
- Geraint Jones was appointed to the Board of Directors, as Executive Director, effective 12 December 2024.
- Delphine Asseraf was appointed member of the Board of Directors, as independent Director, effective 27 April 2023 and member of the AECS Audit Committee, effective 7 December 2023.
- Annette Court was appointed as a member of the Board of Directors, as an independent Director, effective 15 June 2023 and as a member of the AECS Audit Committee, effective 7 December 2023.

The AECS GMC and the Audit Committee will share information received from the Admiral Seguros, ConTe and L'olivier GMCs (hereinafter the local "GMCs") with the AECS Board and other Boards and/or Committees as they deem appropriate.

- The local GMCs shall refer to the AECS GMC and the Audit Committee relevant information on salient issues within the scope of the GMC. Local GMCs may raise with the AECS GMC, the Audit Committee and the Council any issue they deem appropriate, in addition to those specifically indicated. Local GMCs will be responsible for risk management within their business, compliance with AECS and Group requirements, and the preparation of risk information reports.
- AECS will be responsible for monitoring, controlling, coordinating, consolidating, reporting and advising the AECS board on any issues requiring its attention.

Admiral Group has modified the operating model of the governance functions so that greater responsibility is given to subsidiary entities, such as AECS.

Sustainability Governance

In 2025, Admiral Group continued to strengthen its sustainability governance under the ongoing oversight of the Group's Board of Directors. The Group Sustainability team, including the Head of Sustainability for the Group's European entities, has worked closely with the governance committees to integrate sustainability into decision-making and operations, ensuring alignment with long-term objectives.

The tiered governance structure remains key to this approach. The Sustainability Steering Committee (SSC) and five specialist working groups play a key role in supporting stakeholders and providing expertise to integrate sustainability considerations into all areas of the business. The SSC meets quarterly to maintain a cohesive approach, oversee progress towards the zero net emissions target and monitor strategic developments. It is authorized by the Group's Board of Directors to make decisions on sustainability initiatives identified by the working groups and escalate material issues for Board approval. In 2025, this included approval of the new RISE (Responsibility, Inclusion, Security, Employability) sustainability framework, the agreement to become a signatory to the Partnership for Carbon Accounting Financials (PCAF), the 2025 dual materiality analysis and the Sustainability Risk Policy.

The SSC is chaired by the Chief Risk Office of the Admiral Group, who is also appointed as Executive Sponsor for sustainability and DEI (Diversity, Equity and Inclusion). Other members of the Committee include the CEO of Admiral Group, the CEO of Admiral Europe Insurance Company (AECS), the Chief Sustainability Officer of Admiral Group, the Group Finance Director and the chairs of the five sustainability working groups. SCR reports regularly to the Group Board of Directors, the Board of Directors of the other Group entities (including AECS) and other governance committees to ensure transparency and accountability.

Sustainability governance is executed in alignment with other key committees, ensuring integration in risk, reporting and remuneration:

- Group Risk Committee (GRC): oversees climate-related risks and ESG risks in general as part of the Group's risk management framework. The GRC receives a sustainability risk scorecard and the CRO report presented at each meeting has a fixed section for sustainability risks.
- Group Audit Committee (GAC): Reviews sustainability reporting controls and assurance processes to maintain accuracy and credibility.
- Remuneration Committee (RemCo): Incorporates sustainability-linked performance measures into executive remuneration, reinforcing accountability for progress against our objectives.

This governance structure provides a robust framework for integrating sustainability into long-term planning, ensuring regulatory compliance and risk management, while enabling transparent monitoring of sustainability performance. The priority for 2026 is, building on what we have built over the years, to drive the implementation and execution of our new sustainability framework RISE (Responsibility, Inclusion, Safety, Security, Employability) and to further integrate sustainability even more deeply into strategic business decisions.

Remuneration policy

AECS, as part of AGp, is committed to the primary objective of maximizing shareholder value and ensuring a strong link between business performance, risk and incentives. This is reflected in the focus of our remuneration philosophy, which is competitively positioned, performance-linked and aligned with shareholders. Our remuneration formula includes agreed fixed remuneration, together with a shareholding based on various indicators.

AECS' remuneration policy is aligned with the Group's remuneration policy and seeks to ensure that members of management are appropriately encouraged to maximize AECS' performance and comply with AECS' risk management and internal control systems.

Fixed remuneration at AECS includes base salary or agreed gross annual fixed remuneration and other benefits. In line with the principles outlined above, fixed base salaries reflect the responsibilities, functions, job evaluation and associated demands. Market economic conditions and developments in corporate governance are considered in setting fixed base salaries, which are also used to determine the appropriate associated benefits.

The balance between fixed remuneration and any variable remuneration ensures that there is an element of linkage to AECS' long-term strategy and risk management, as well as shareholder and client value.

Approved Free Share Scheme (AFSS) Programme

As part of our loyalty program, after their first year with the company, all employees receive an annual share option of equal value, subject to 3-year business performance criteria, as part of AGp's Approved Free Share Scheme (AFSS) model. This scheme seeks to align the interests of employees with those of the company, encouraging them to contribute to its success and growth. It is an incentive for permanence, as the options vest over a period of three years.

DFSS (Discretionary Free Share Scheme) Programme

In addition, AECS managers can also receive an additional individual stock option, also with a 3-year exercise right, DFSS (Discretionary Free Share Scheme). This remuneration in kind is based on the management role as well as on the individual value contributed to the business.

Under the DFSS model, the 3-year stock option grant does not involve any payout until maturity but accrues the corresponding expense on an annual basis. Inclusion in the DFSS loyalty programme is subject to the criteria defined below, although individual awards may be granted based on an alternative criterion set on an exceptional basis.

Once three years have elapsed since the stock option was granted, i.e. at the expiry date, and provided that the employee continues to work for the company, delivery of 50% of these shares is guaranteed, the other 50% being subject to the performance criteria and "DFSS internal rules".

In addition, each AECS employee, on a voluntary basis by the company, has the option to participate in the annual cash payment linked to the number of DFSS granted and not yet expired, equivalent in value to the dividends that a shareholder would receive for the same shares.

STIP Programme (Short Term Incentives Program)

In the case of the executive programme, a model called STIP (Short Term Incentives Program) is applied, which depends on the achievement of targets associated with financial and non-financial indicators. This model contributes to the cultural commitment to focus on the overall result rather than individual success, on the long term rather than the short term, and is fully aligned with the Company's philosophy on the efficient use of capital and the distribution of surplus profits.

Significant related party transactions

Details of transactions with related parties during 2025 are as follows:

thousands of euros	**Parent Company**	**Other Group companies**
Insurance and reinsurance operations	-	215,474
Rendering and receiving of services	-	1,415

The following is a breakdown of the balance sheet balances with related parties at year-end 2025, based on the value shown in the Company's books:

thousands of euros	**Parent Company**	**Other Group companies**
Outstanding balances with brokers	-	148,335
Group Debtors	-	1,237
Outstanding balances with intermediaries	-	168
Commercial Creditors	-	1,846

B.2 FIT AND PROPER REQUIREMENTS

The Board of Directors of AECS has adhered to the AGp Fit and Proper Policy approved by the Admiral Group's Nomination Committee, based on best practices. In addition, AECS has its own Fit and Proper Policy.

The AECS **Fit and Proper Persons** policy aims to ensure that personnel representing certain key functions and/or positions within the organisation meet the requirements of fit and proper qualifications, ability, honesty and integrity. In accordance with the policy, for all potential appointments of management personnel and certain key positions, a series of checks must be carried out before an offer is made. These checks include information on the candidate's knowledge, skills and experience for the role, as well as a statement from the person responsible for making the recruitment confirming that they have carried out a fit and proper assessment of the candidate's suitability and integrity in line with the policy. In addition, the candidate will hold interviews with relevant members of the company, who will assist in completing the assessment of the candidate's fit and proper character in relation to the position.

AECS's **Fit and Proper** Policy includes, for the purposes of articles 4.1.f) and 18 of Royal Decree 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance entities, the following information that AECS shall report to the DGSFP:

i. Appointment of the persons who will hold positions in the effective management of AECS.
ii. Appointment of the persons who will perform the key functions that make up the governance system of these entities.

The communication of appointments to the DGSFP shall include the information indicated in said regulations in relation to the person holding the position.

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

In line with AGp and Solvency II regulations, AECS has an approach based on the Three Lines Risk Management Model.

First Line

The first line oversees the analysis and continuous monitoring of risks. It is responsible for calculating the gross and net risk for those risks in its processes, using the risk register matrix, which combines impact by probability for its assessment defined in the policy. The result of this assessment is integrated according to the risk universe defined by the Group, prioritising the result in a Top 10. Associated controls are also described for the management of the business that have a direct impact on the inherent risk.

The controls are designed to mitigate the risk adequately, are managed by the business units and are supervised by the

Governance Committees of each business unit to ensure compliance and review deviations in the controls, as well as the adequacy of process management and unexpected risks.

In addition to the AECS risk universe, the teams conduct a review of emerging risks. For Admiral, an emerging risk is an issue that is perceived as potentially material but may not be fully understood or allowed for in the terms and conditions of insurance, pricing, reserving or capitalisation. AECS, as part of its control framework, collects them in a register to track their crystallisation and potential impact. In addition, AECS attends quarterly meetings with the Group to keep abreast of the perimeter and evolution of emerging risks identified by the Group.

Second Line

The second line tests the risks and controls defined in the first line. It has the necessary functions to provide an overview of the effective internal control framework and checks that risk management is in line with the risk appetite defined globally by the Group for the business and in accordance with the guidelines set by the Board of Directors of AECS. The Group periodically supervises all controls, after AECS has checked the information supplied by the business units.

The second line is reinforced thanks to the advice and supervision provided by the following functions:

Risk Function
Defines and establishes the risk assessment processes for the business, establishes and manages a risk register and conducts periodic reviews of risks and controls together with the risk owners.

Regulatory Compliance Function
It advises the areas on the application of the corresponding regulations and guidelines, including the need to propose the necessary changes for their application, and carrying out the activities required for the supervision of regulatory risks, as well as adherence to the established policies.

Data Protection Function

It advises on applicable European data protection regulations, maintains internal data protection policies and procedures and monitors compliance. AECS also has a Data Protection Delegate, in accordance with the provisions of the General Data Protection Regulation and local implementing regulations.

Third Line

The third line of the Three Lines Model is represented by the Internal Audit Function, which reports directly to the AECS Audit Committee, thus guaranteeing its independence and objectivity.

The Internal Audit Function develops a risk-based audit plan, providing independent and objective assurance on the adequacy and effectiveness of the system of governance, risk management and internal controls implemented by the operational and supervisory functions, corresponding to the first and second line of the model.

The results of the audits are communicated and reported to management, the Executive and Supervisory Committees and the AECS Audit Committee in accordance with internal reporting and monitoring procedures.

Risk and Solvency Self-Assessment (ORSA)

AECS' risk strategy is directly linked to the business plan. This approach is incorporated in the Risk and Solvency Self-Assessment Report (ORSA) and is linked to the Entity's planning process.

The Risk Management Function has the following key responsibilities:

- Defines and establishes risk assessment processes in accordance with the taxonomy for the business.
- Performs second line reviews, including the reserving and capital model processes.
- Manages risk registers.
- Conducts periodic risk reviews in conjunction with management.
- Manages the Risk and Solvency Self-Assessment Report (ORSA).
- Records any actual or operational losses arising from the materialisation of a risk.

The AECS risk officer is responsible for ensuring that the management bodies are aware of their risk management obligations, providing them with support and advice, and ensuring that the risk management strategy is adequately communicated throughout the organisation. In addition, reports are prepared on the most significant risks identified and on the controls in place to mitigate them. The Internal Audit function, as the third line of the Three Lines Model, uses, among other elements, the risk registers, for the planning and preparation of its risk-based audit plan, with the objective of providing independent and objective assurance on the adequacy and effectiveness of the controls in place and their effective functioning.

On an annual basis, and when there are significant changes in the risk profile of the business, the Risk Management function prepares the ORSA report, in line with the ORSA Policy and the applicable Solvency II regulations. This report is reviewed by the AECS Board prior to its submission to the Group Risk Committee and the AGp Board.

The ORSA report is also submitted to the Directorate General of Insurance and Pension Funds (DGSFP) as part of the reporting requirements established in the Solvency II regulations.

Determination of Solvency Requirements

In ORSA, the Solvency Capital Requirement is calculated based on two criteria:

- **Regulatory criterion:** based on the Solvency II Standard Formula.
- **Economic criterion:** Calculated based on the Entity's own historical data.

Both criteria are quantified and their differences are presented in the ORSA report. To determine solvency requirements, the key components that generate regulatory capital needs are taken into account, as well as the assumptions that will determine the economic capital requirements.

B.4 INTERNAL CONTROL SYSTEM

AECS has adopted the Internal Control Policy of the Admiral Group with the necessary adaptations related to the compliance based on the Spanish regulations. This Policy documents the procedures in place to ensure that an effective internal control system is in place. The internal control system is managed through the effective functioning of the governance systems established in AECS and through the three lines of defence strategy adopted by the entity.

The Internal Control framework is broadly defined as a continuous management process, involving the Board of Directors, management and all levels of staff, and is designed to provide reasonable assurance of the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations, in terms of their risks and objectives.
- Availability and reliability of financial and non-financial information.
- Compliance with applicable laws, regulations and administrative provisions.

Internal control consists of four interrelated components:

Control environment

Established in the organisation through the business plan, risk tolerance and risk profile.

Control activities

Policies and procedures that help to ensure that the necessary measures are taken to address risks with a view to achieving business objectives.

Information and communication.

Relevant information must be identified, collected and communicated in a form and timeframe that enables the appropriate persons to carry out their responsibilities.

Monitoring

Internal control systems should be monitored to assess their quality over time. This is achieved through continuous monitoring activities, reporting deficiencies in the internal control framework to the AECS Board.

The control environment of AECS is determined by the AECS Board of Directors, with the oversight of the AGp Board and the support of several Committees that establish the AECS organisation in line with Admiral's culture, principles, business plan and risk tolerance. All of these have been approved and monitored at AECS during the year. Since 2024, a new methodology introduced by the Group regarding the monitoring of controls has been applied, following which there has been an improvement in the control framework, especially in the prioritisation of those identified as key controls.

Key control activities are assigned to the main risks assumed in the AECS risk universe.

Lines of defence of the internal control system

First Line

The first line of the Three Lines Model (operational functions) is responsible for monitoring all risks affecting their area, either through call listening, file review or audit review. The results of these monitoring activities are delivered to the managers of the operational functions and then distributed through the AECS governance structure.

Second Line

The second line of the Three Lines Model, comprising the Risk Management, Compliance, Data Protection and Actuarial functions, is responsible for overseeing and supporting the first line, as well as for monitoring AECS' risk management and internal control framework.

These responsibilities are materialised, inter alia, through the following mechanisms:

- Risk reviews: business unit risks and controls are analysed in the local CMGs. Significant risks and key risk indicators are raised to the AECS Governance Committee and subsequently to the AECS Board through the Consolidated Risk Report.
- Compliance monitoring and follow-up: The AECS Governance Committee and the AECS Board receive regular information on the monitoring activities performed by the Compliance function, as well as the advice provided by the Compliance function.
- Actuarial reviews and validation activities, in accordance with applicable regulations and internal policies.

Third Line

The third line of the Three Lines Model is represented by the Internal Audit function, which provides independent and objective assurance on the adequacy and effectiveness of AECS' system of governance, risk management and internal controls.

The Internal Audit function carries out its activities through a risk-based audit plan, approved annually by the AECS Audit Committee and overseen by the Group Audit Committee.

The results of the audits are communicated and reported to management, the executive and supervisory committees and the AECS Audit Committee in accordance with established internal procedures, including, where appropriate, the follow-up of recommendations made.

The external auditors perform reviews of specific AECS processes, depending on the scope of the work required of them.

Compliance Function

The AECS Regulatory Compliance Function leads the strategic business direction in terms of regulatory compliance and exercises, vis-à-vis the Board of Directors of the Entity, a supervisory and control function on the effectiveness of the first line of defence in its responsibilities in terms of regulatory compliance and the guidelines established by the insurance regulator "DGSFP" as well as other regulatory bodies, where applicable.

The AECS Compliance Function is responsible for the implementation, monitoring and review of the conduct risk management framework defined by the Group, as well as the identification and communication of new requirements that may arise because of regulatory changes. The AECS Compliance Function, together with the AECS Risk Function, reviews the processes of the First Line of Defence to identify and manage conduct risks on an ongoing basis, including the implementation of new regulatory requirements. The head of the AECS Compliance Function reports regularly to the AECS Board of Directors and the AECS Governance Committee which monitors the Entity's risk behaviour in accordance with the risk appetite approved by the AECS Board of Directors.

The AECS Compliance Function works together with the Risk Function and advises and proposes action plans to mitigate risk events that may arise. Conduct risk events are managed in accordance with the Group Risk Management Policy.

B.5 INTERNAL AUDIT FUNCTION

The Internal Audit Function is responsible for performing an independent and objective assessment of all AECS activities and controls, financial and otherwise, through a risk-based plan, which must be approved annually by the AECS Audit Committee. It is responsible for assessing and reporting to the Board of Directors and the Audit Committee, providing assurance on the operating effectiveness of the controls implemented by management.

The Internal Audit Function is also responsible for providing assurance on risk management, control and governance arrangements, compliance with internal policies, procedures and controls and efficient use of resources, where relevant. The Internal Audit Function reports to the relevant Boards/Committees on the results and recommendations of its review, including the expected timeframe for resolving any deficiencies, and the outcome of the regular follow-up of recommendations. It is management's responsibility to implement these arrangements, to determine whether to accept audit recommendations and to recognise and accept the risks of inaction.

Management should provide an appropriate level of justification and, where appropriate, supporting documentation, to justify its reasoning, when deciding to accept a particular risk or reject a recommendation.

The Annual Audit Plan is based on a systematic risk analysis, considering all activities and the entire governance system, as well as future developments in activities and innovations. Significant risk areas, according to the Risk Registers, are considered for inclusion in the Annual Audit Plan each year.

Independence and Objectivity of the Internal Audit Function

The internal audit policy states that the Internal Audit department and all its employees shall be functionally and organisationally independent from the business processes, events and operational functions of the company. The Internal Audit department shall perform its duties with impartiality and is free to express its views in its reports. Among other things, the Internal Audit department should have direct access to the AECS Board of Directors, the Audit Committee and the General Management and be able to communicate and interact directly with them when deemed necessary. Such an independent structure should enable the internal auditor to make impartial and objective judgements essential for the proper performance of his or her work.

The internal audit activity should be unconstrained in determining the scope of audits, performing the work and communicating the results.

Unless approved by the Audit Committee, internal auditors shall not conduct audit reviews in areas where they have performed a consulting/operational role within the last twelve months.

Where feasible, areas under review will be assigned on a rotational basis among Internal Audit staff members to avoid potential conflicts of interest.

The AECS Audit Committee shall confirm to the Board of Directors, on an annual basis, through the declaration of independence of the members of the Internal Audit Function, that it is satisfied with the resources and independence with which they act in the conduct of their activities.

Organisation and responsibilities

The AECS Internal Audit Function reports hierarchically to the AECS Audit Committee and functionally to the Group Internal Audit Director.

B.6 ACTUARIAL FUNCTION

The Actuarial Function has several responsibilities in Technical Provisions and in issuing an opinion on the adequacy of reinsurance and underwriting, as well as ensuring the effective implementation of the risk management system.

The Solvency II requirements state that the Actuarial Function shall be performed by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business, and who can demonstrate relevant experience with professional standards.

Furthermore, the Actuarial Function must make decisions without the influence of third parties, which could compromise its ability to perform its functions objectively, fairly and independently.

The Actuarial Function submits the Actuarial Function Report ("AFR") at least annually to the AECS Board of Directors. This consists of 4 reports and includes all tasks performed, identifies deficiencies and makes recommendations to remedy these deficiencies:

Technical Provisions

The Actuarial Function coordinates the calculation of Technical Provisions and assesses the adequacy of methodologies, assumptions, data and systems. It also reviews the best estimate against reality. Finally, it assesses the adequacy and reliability of the Technical Provisions and the degree of uncertainty.

Opinion on Underwriting Policy

The Actuarial Function assesses the adequacy of premiums to cover future claims and expenses, the effect of inflation or any risks to adjust premiums. It also covers the adequacy of price governance and anti-selection.

Opinion on Reinsurance Contracts

The Actuarial Function assesses the adequacy of reinsurance contracts in accordance with the risk profile and reinsurance policy. They also assess the calculation of recoverable and protection under stress scenarios.

Contribution to Risk Management

The Actuarial Function supports the Enterprise Risk Management (ERM) Framework, contributes to the calculation of the Solvency Capital Requirement (SCR) and to the Internal Risk and Solvency Assessment (ORSA).

The AFR is carried out in accordance with Solvency II legislation and the recommendations of actuarial bodies such as the Spanish Actuarial Institute (IAE).

B.7 OUTSOURCING

The Admiral Group's Hiring and Outsourcing Policy ensures that any agreement with third parties granted by AECS does not lead to the deterioration of AECS' governance and internal control systems, of the supervisory activity that must monitor compliance risks, nor does it lead to the undue increase of operational risk, nor to the impairment of the continuous and satisfactory service to customers.

AECS has outsourced relevant operational activities to cloud service providers and certain activities in claims management, which are reported to the DGSFP in compliance with applicable regulations.

B.8 ANY OTHER INFORMATION

There is no additional information that needs to be disclosed.

C. RISK PROFILE

Risk assessment and management

The AECS Board of Directors is responsible for defining the Entity's strategy and risk appetite, as well as its risk management and internal control system. The AECS Board of Directors has delegated the development, implementation and maintenance of the risk management framework to the AECS Governance Committee (in which the Risk area participates), which reports on its activities to the AECS Board, the Group Audit Committee and the AECS Directors for matters affecting the Entity's activities, for the purpose of reviewing and reporting on the overall effectiveness of this system.

Risk management is an ongoing process that forms an essential part of AECS' business operations. Successful risk-taking is necessary to achieve its short, medium and long-term business objectives. Admiral has always sought to protect itself by using various tools in its risk management such as the reinsurance model, a prudent approach to claims reserving, an organic growth strategy, a trial-and-error approach to acting before investing further and a conservative approach to investment management.

The Enterprise Risk Management Framework (ERMF) is designed to identify, assess and manage the risks to which AECS is exposed. Risk appetite is a core element of the ERMF: it determines the level of net risk that the AECS Board and the Group consider appropriate for the business, as well as controls and mitigating factors, such as reinsurance and other management actions.

The AECS Risk Appetite operates within the AGp Risk Appetite. During the 2025 financial year, AECS has maintained its risk appetite level for the Solvency Ratio at 135%.

Significant risks

AECS' key risks during the 2025 financial year are defined based on the main Solvency II Solvency Capital Requirement (SCR) risk categories and are detailed below:

Key Risk	Risk Overview
Life and non-life underwriting risk	Uncertainty about the occurrence, amount or timing of claims that may occur on policies underwritten by AECS.
Market risk	Fluctuations in the value of market prices of investments affecting both assets and liabilities, or in the income and expenses generated by part of these assets and liabilities.
Counterparty or credit risk	The risk that counterparties (primarily reinsurers and banks) will default on their payment obligations.
Operational risk	Risks resulting from operational processes and procedures. This includes risks related to people, processes, IT systems, information security, business continuity and customer requirements.

As a general insurance underwriter, underwriting risk represents the largest concentration of risk for AECS.

AECS has a process for identifying significant risks which aims to ensure that all risks to which the Entity is exposed are correctly identified. To this end, AECS has a series of continuous processes for the identification of risks, which are developed, among others, in the Internal Control, Enterprise Risk Management (ERMF), Compliance and ORSA policies.

The first level of analysis of this process identifies all risks included in the SCR calculation, and their measurement and control is mandatory. The second level of analysis identifies all risks associated with the processes that affect the Entity's operations. In addition, at least once a year, a comprehensive risk self-assessment process is conducted to ensure that all relevant risks are properly identified, including forward-looking stress testing and scenario analysis to assure the Board and regulators that AECS is adequately capitalised and considers the potential risks of losses that may affect the business in the future. This process is part of the ORSA process, the procedures and results of which are reflected in the ORSA report.

For reporting purposes, the capital charge valuation for the risks included in the SCR calculation is determined by the Standard Formula, which includes aggregation mechanisms that allow for the comprehensive measurement of these risks.

In most of the stress tests and scenarios run during the year, the AECS capital adequacy ratio remains above 100%.

C.1 UNDERWRITING RISK

AECS' underwriting risk is significantly concentrated in non-life underwriting risk, as it is only authorised to operate in general insurance lines.

Non-life underwriting risk

AECS' non-life underwriting risk consists of the following risk components:

- Non-life premium risk
- Non-life reserve risk
- Falls risk
- Catastrophe risk

The capital valuation of non-life underwriting risk will be based on the quantification of premium and reserve, catastrophe and catastrophe risks.

Non-life reserving risk is defined as the risk of adverse movements in the level of claims reserves for underwritten business arising from a higher-than-expected increase in the number of claims or in claims costs. This risk is therefore due to the adverse development in the valuation of liabilities which is largely impacted by longer-term bodily injury claims arising from motor business. These types of claims have a higher uncertainty associated with the final cost of claims than, for example, property damage claims. These claims can develop over several years, so the reserve risk figure will refer to several years of underwriting.

Premium risk, on the other hand, is the risk that AECS will incur losses on risks arising in the 12 months following the valuation date, focusing primarily on the future occurrence and severity of claims (mainly property damage exposure), rather than on the development of existing claims. It is defined as the risk that premiums collected on policies written are inadequate to cover claims costs and expenses associated with unearned business. This could be caused by fluctuations in the timing, frequency and severity of insured events related to policies written during the period (including renewals) and unexpired risks on existing contracts. Premium risk also includes the risk resulting from the volatility of expense payments associated with such policies.

Expense risk is implicitly included as part of premium risk.

The SCR figures obtained as of 31 December 2025 by risk sub-module are presented below:

thousands of euros	**31/12/2025**	**31/12/2024**
Premium and Reserve Risk	79,358	73,702
Lapse Risk	2,985	6,900
Catastrophic Risk	3,042	3,212
Diversification	(5,157)	(8,926)
SCR Underwriting Risk	**80,228**	**74,888**

The table below shows the risk exposure relating to premiums and reserves, catastrophe and catastrophe risks and which generated the Non-Life Underwriting SCR charges:

thousands of euros	**31/12/2025**	**31/12/2024**
Volume of premiums	226,876	222,553
Volume of reserves	229,687	204,056
Expected profit in future premium (EPIFP)	7,462	17,249
Volume measure flood	3,259	2,946
Volume measure hail	4,906	4,625
Num vehicles < 24M	801	960
Num vehicles > 24M	991	913
Max sum insured in 200m	2	-

The figures in the table above show the risk exposures of the Motor, Third Party Liabity, Motor Other Guarantees and Fire and other damage to property lines of business. The highest concentration of risk is in the Auto CR line of business, as it is the primary collateral in the vast majority of policies. The catastrophic risk of Home has been modelled for the first time this year, with a small amount to date. As for the expected benefit in future premiums, the calculation methodology was reviewed in 2025, which led to a more appropriate EPIFP based on the AECS business.

Life underwriting risks

Although AECS is not authorised to operate in the life business, it markets motor products whose injuries may result in annuities. In 2020, a claim was settled in France which generates this payment scheme. Based on Solvency II regulations, this annuity is calculated using techniques analogous to life and is classified under business line 34 "*Annuities arising from non-life insurance contracts and corresponding to insurance obligations other than health insurance obligations*". This requires AECS to report this line of business and calculate the life risks associated with such income.

Consequently, PPO (Periodical Payment Order) risk arises, defined as the risk of higher-than-expected claims costs associated with Periodical Payment Orders due to a higher number of claims settled as annuities or due to changes in the valuation basis of existing annuities. Since 2020, there have been no new claims converted to annuities.

The risks applicable to AECS for this type of annuity are:

- Longevity
- Expenses

For its evaluation, AECS uses the simplifications established by the Standard Formula in accordance with the principle of proportionality, as it is a single claim and immaterial over the total portfolio.

On 31 December 2025, AECS has only recorded a capital charge for Longevity risk, amounting to EUR 70 thousand (EUR 88 thousand in 2024). It should be noted that the expenses associated with income are not directly allocated as these policies are managed jointly with the rest of the portfolio, which is why no capital charge has been generated for expense risk.

Risk Mitigation

A key part of AECS' underwriting risk mitigation strategy is the use of coinsurance and reinsurance (both proportional quota share reinsurance and non-proportional excess of loss reinsurance).

Traditionally, AGp has used reinsurance as a risk mitigation technique in all lines of business. As part of the AECS transfer process, existing coinsurance and reinsurance contracts continue to function as a risk mitigation tool and keep underwriting risk at acceptable levels but otherwise generate credit risk under the Standard Formula.

The following table presents the amounts and weights in terms of reinsurance recoverable reserves that each type of reinsurance represents within the AECS portfolio.

thousands of euros	**31/12/2025**	**%**
Ceded to Quota Share	637,533	95,5%
Ceded to XoL	29,781	4,5%
Total Reinsurance recoverable	**667,314**	**100,0%**

thousands of euros	**31/12/2024**	**%**
Ceded to Quota Share	604,726	94,1%
Ceded to XoL	37,741	5,9%
Total Reinsurance recoverable	**642,467**	**100,0%**

The total amount of mitigation generated by reinsurance contracts in the best estimate of technical provisions (PT) can be seen in the table below:

thousands of euros	**31/12/2025**	**31/12/2024**
Gross Best Estimate of TPs	995,793	953,738
Net Best Estimate of TPs	328,479	311,271
Reinsurance mitigation (ceded)	**667,314**	**642,467**

C.2 MARKET RISK

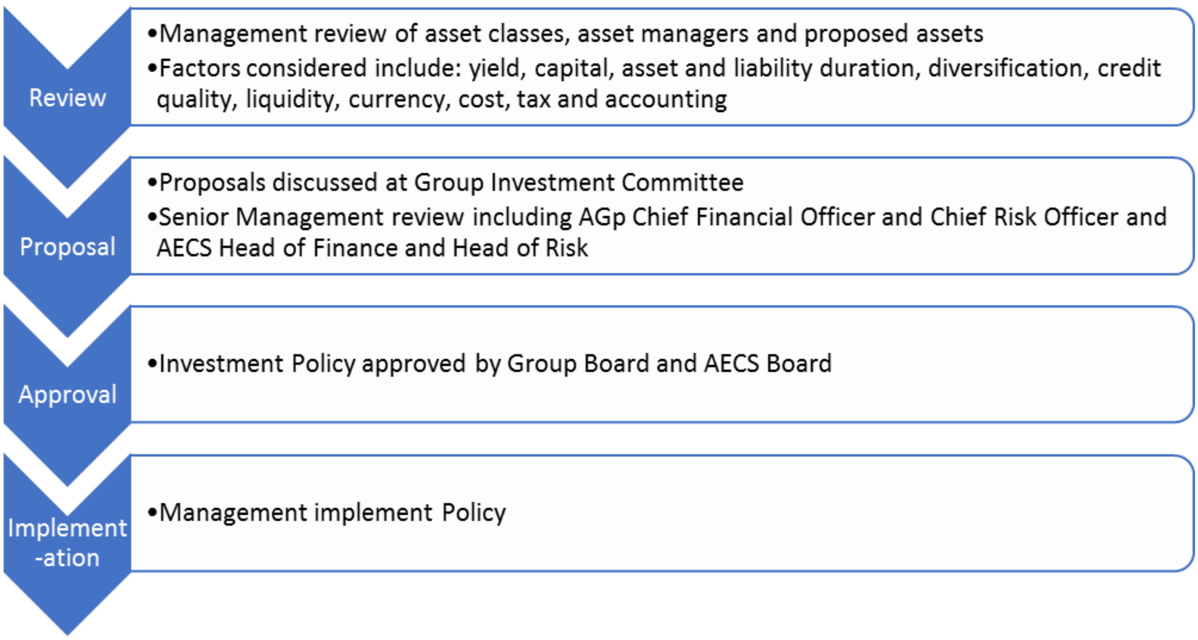
In line with AGp, AECS' investment strategy is primarily focused on capital preservation. Additional priorities are to maintain low levels of volatility in asset returns and to maintain high levels of liquidity. At year-end 2025, AECS holds mainly money market funds and fixed income securities in its portfolio.

Principle of Prudence

The Solvency II Directive has introduced the Prudent Principle for investment management. It replaces the previous rules of "eligible assets" and is a requirement to invest in a way that ensures the safety, quality, liquidity and profitability of the investment portfolio. It is an example of how risk management and strategic decision-making can be part of an insurer and its governance framework.

The Prudence Principle seeks to ensure that the industry understands and can manage its investment risks. Specifically, insurers must be able to demonstrate that they can adequately identify, measure, monitor, manage, control and report their investment risks and not rely on information provided by third parties.

AECS' risk management and strategic decision-making process in relation to asset investment takes place in the AGp Investment Committee. The Investment Committee is a Management Committee that includes non-executive representation of AGp. The governance process for material asset investment decisions can be summarised as follows:



At each stage of the process, the proposal is subject to review by members of management. The investment decision is implemented only when approval has been obtained at all stages. Quantitative analysis is considered, but management's experience allows for the addition of relevant qualitative analysis.

Once the purchase takes place, the asset becomes part of the ongoing process of valuation, income and capital. The AGp Investment Committee meets quarterly and reviews the detailed management information presented for review, covering the safety, quality, liquidity and profitability of the portfolio.

Environmental, Social and Governance (ESG) Factors

AECS' sustainability risk management is integrated into the Group's Enterprise Risk Management (ERM) Framework. In 2025, the Entity broadened its approach to explicitly include social and governance risks, along with the climate risk management framework introduced in 2024. AECS also simplified tools and methodologies to align them with the Group's overall approach, facilitating the use of risk registers and improving consistency across teams.

These improvements enable the monitoring of physical risks, transition risks, social risks and governance risks. In addition, AECS continues to integrate climate risk into its Internal Risk and Solvency Assessment (ORSA), modelling three climate scenarios to assess potential impacts on solvency.

Responsible investment

AECS adheres to the Group's Investment Policy, which is aligned with the Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment Framework 2.0. Its portfolio strategy supports the ambition of achieving net zero emissions by 2040. In 2025, the Entity further strengthened this approach by maintaining exclusions in sectors incompatible with this goal, such as coal and oil sands, while increasing positive screening of climate solutions. AGp monitors progress against its climate neutrality targets through metrics such as Weighted Average Carbon Intensity (WACI) and contribution to the UN Sustainable Development Goals (SDGs). Active dialogue through asset managers remained a central focus to ensure that sustainability considerations are incorporated into investment decisions.

Components of market risk

Market risk is the risk of diminishing returns and/or the value of investments, through financial or reputational losses, due to unfavourable market movements. It arises from exposures to equities, property, bonds and other assets and from the impact of interest rates and currency values. It is composed of:

- Interest rate risk
- Spread risk
- concentration risk
- Foreign exchange risk
- Equity risk
- Property risk

In addition, for AECS, market risk encompasses funding risk and liquidity risk, although these two are not quantified in the Standard Formula as they are not included in the risks defined by EIOPA.

AECS investments as of 31 December 2025 are mainly based on bonds and funds investing in money market assets which generate low spread and interest rate risk due to the short duration of the investments. In addition, there is also exposure to senior securitised assets that meet the conditions of being simple, transparent and standardised (STS).

This overall market risk, in terms of capital, represents 11.3% of the SCR (pre-diversified) on 31 December 2025 (9.9% on 31 December 2024). This market risk is calculated by analysing the individual typology of each of the assets making up the investment portfolio by applying a look-through approach to money market funds.

Components of market risk

The following table shows the capital charges obtained for each risk sub-module within market risk:

EUR thousands	31/12/2025	31/12/2024
Interest rate risk	4,854	2,102
Equity Risk	481	-
Property Risk	25	26
Spread risk	14,800	11,437
Concentration risk	359	1,159
Diversification	(4,581)	(2,037)
SCR Market Risk	**15,938**	**12,687**

The table below shows the risk exposure of the applicable sub-modules within market risk:

thousands of euros	31/12/2025	31/12/2024
Discounted value of assets	455,229	410,064
Discounted value of liabilities	311,833	295,058
Government bonds	100,294	63,236
Corporate bonds	302,767	278,895
Collateralised securities	46,160	49,962
Deposits	4,602	6,839
Other loans	1,407	-

During 2025, an investment has been made in money market funds for which the composition is not available and for which it is not possible to apply a look-through approach. For this reason, SCR of type 2 shares has been computed in 2025 to reflect the risk of this type of product.

Additionally, there is an amount of EUR 100 thousand (EUR 105 thousand in 2024) corresponding to property, plant and equipment for own use which is being included as property risk according to EIOPA specifications.

C.3 CREDIT RISK

This is the risk of diminished earnings and/or asset value through financial or reputational loss because of non-performance of obligations by the party with whom we have contracted (both on and off-balance sheet).

It arises from the default of reinsurers, intermediaries and other counterparties who hold net balances payable to AECS, in line with the Standard Formula approach. This risk is approximately 11.5% of the SCR (pre-diversified) on 31 December 2025 (31 December 2024: 11.5%).

The following table presents the capital charges obtained for each risk sub-module within the counterparty default risk:

thousands of euros	**31/12/2025**	**31/12/2024**
Type 1	10,927	10,373
Type 2	6,358	5,336
Diversification	(1,035)	(907)
SCR Counterparty	**16,250**	**14,802**

The following table shows the exposure to counterparty risk differentiated by the main components considered in the calculation of Type 1 and Type 2:

thousands of euros	**31/12/2025**	**31/12/2024**
*Reinsurance recoverable	659,920	635,680
Reinsurance receivable	15,125	32,160
Cash	16,292	20,283
Derivatives	654	-
Receivables < 3months	42,388	35,570
Receivables > 3months	-	-

** Corresponds to the amount of recoverable of the modelled business before adjustment for counterparty credit risk.*

C.4 LIQUIDITY RISK

As mentioned in section C.2, liquidity risk is included in Market Risk within the AECS risk universe. However, it is not quantified in the Standard Formula.

Liquidity risk is not expected to be key for AECS, as in all applicable lines of business cash inflows occur in advance of claims payments and expenses and are therefore expected to be lower than total premiums received. This reduces the risk of liquidity stress.

As explained in section C.2, one of AECS' strategic considerations in determining investment strategy is liquidity, and a significant proportion of the funds invested are in immediately liquid money market funds.

The expected return on future premiums as calculated on 31 December 2025 amounted to 7,462 thousand of euros (17,249 thousand of euros on 31 December 2024). In 2025, there has been a change in methodology with respect to the calculation of the expected benefit of future premiums, to achieve better alignment with market practices, while remaining in line with Solvency II regulations.

C.5 OPERATIONAL RISK

Operational risk is the risk of a decrease in shareholders' equity, through financial or reputational losses, through inadequate or failed internal processes and systems, or through external or people-related events.

Operational risk is inherent in all areas of the business. AECS, through its ERMF, implements, maintains and monitors a range of internal controls that aim to mitigate the range of operational risks faced by AECS.

The capital requirement for operational risk is calculated using the Standard Formula and has been set at 28,505 thousand of euros on 31 December 2025 (26,268 thousand of euros on 31 December 2024). The exposure on 31 December 2025 and its comparison with the previous year is shown below:

thousands of euros	31/12/2025	31/12/2024
Gross written premiums (last 12 months)	648.109	607.227
Gross written premiums (12 months prior to previous 12 months)	608.768	546.705
Total gross best estimate	971.316	929.917

C.6 OTHER SIGNIFICANT RISKS

Not applicable.

C.7 ANY OTHER INFORMATION

Loss Absorbing Capacity of Deferred Taxes (LACDT)

AECS performs at each quarter end a deferred tax recoverability study both to study the possibility of using the net deferred tax assets in the economic balance sheet as Tier 3 Own Funds, if any, and to apply deferred tax loss absorbency to Solvency II capital requirements.

The study consists of a tax projection for all economic balance sheet and SCR items generating deferred taxes with the objective of demonstrating sufficient future profits against which to utilise the deferred tax assets obtained, considering the applicable tax regulations. Furthermore, taking into consideration the maximum amount of tax justified, AECS has defined thresholds that will determine the percentage of tax to be applied as net deferred tax assets (nDTA) and as loss absorption capacity for deferred taxes (LACDT) based on its solvency ratio before adjustment.

On 31 December 2025, the AECS balance sheet shows a net deferred tax asset of Euros 1,188 thousand. After performing the tax recoverability test, despite demonstrating the adequacy of future profits, AECS has not included the net deferred tax asset in the balance sheet, so that no Level 3 Own Funds have been computed on 31 December 2025. Regarding the LACDT, no amount has been applied to the SCR to absorb losses.

Risk sensitivity

AECS has established processes for stress and scenario testing on an ongoing basis, which will take place at least once a year. The stress testing processes are conducted in collaboration with the Corporate Governance Committees and involve members of the Board and operational management. The results of the tests conducted are intended to improve the AECS Board's understanding of risk to influence business decisions and form a fundamental part of the Entity's Risk Management Framework.

In addition, the sensitivity of the solvency ratio is regularly reported to the AECS Board of Directors and the Group Board and its Committees.

Furthermore, during the ORSA process, AECS has conducted sensitivity analyses for the most significant risks to which the Company is exposed. For these risks, the Entity additionally performs stress tests for a period of five years. In the stress tests, capital injections are considered when necessary.

D. VALUATION FOR SOLVENCY PURPOSES

The economic balance sheet of AECS as of 31 December 2025 has been valued in accordance with Article 75 of the Solvency II Directive, taking as a starting point the Company's balance sheet under PCEA and following the principle of proportionality.

The following sections detail the valuation differences of the most significant items of the economic balance sheet, as well as their comparison with the previous year.

D.1 ASSETS

D.1.1 Valuation of assets

The assets of the balance sheet as of 31 December 2025 on an accounting basis and under Solvency criteria (and their comparison with the financial year 2024) are shown in the table below:

	31/12/2025		31/12/2024	
thousands of euros	Financial Statements	Solvency II	Financial Statements	Solvency II
Deferred acquisition costs	35,654	-	44,940	-
Intangible assets	9,637	-	10,056	-
Deferred tax assets	1,274	93,785	1,496	65,745
Property, plant and equipment for own use	100	100	105	105
Investments (other than assets held for index-linked and unit-linked contracts)	454,164	457,745	399,658	402,124
Government bonds	93,874	94,504	61,649	62,157
Corporate bonds	219,960	222,796	194,454	196,252
Collateralised securities	46,084	46,199	49,802	49,962
Collective Investments Undertakings	94,246	94,246	93,753	93,753
Reinsurance recoverable of:	645,476	667,313	650,750	642,467
Non-life excluding health	645,476	658,913	650,750	634,011
Life excluding health and index-linked and unit-linked	-	8,400	-	8,456
Insurance and intermediaries receivables	150,264	42,556	115,957	36,124
Reinsurance receivables	10,796	15,125	17,895	32,160
Receivables (trade, not insurance)	26,910	1,529	22,121	912
Cash and cash equivalents	13,865	13,865	17,103	17,103
Any other assets, not elsewhere shown	3,652	72	2,553	87
Total assets	**1,351,792**	**1,292,090**	**1,282,634**	**1,196,827**

The following sections detail the valuation criteria used under both standards for each of the balance sheet items.

D.1.2 Methods and assumptions used in the valuation

Investments and cash

AECS follows the Group's policy for the valuation of financial assets and liabilities. Level 1 refers to the first level of the fair value hierarchy which classifies information into three levels. The hierarchy gives the highest priority (Level 1) to quoted prices in an active market and the lowest priority to unobservable market inputs (Level 3).

In line with the Group, AECS will classify its valuation of money market fund investments as Level 1.

Level 1 inputs for money market funds reflect the fair value (the amount that a third party would pay for the asset at the valuation date) and are externally sourced from observable market data. This valuation is consistent with the local valuation.

The cash amount is measured at amortised cost and is consistent with the market value, being aligned with the accounting valuation.

Level 1 data

Level 1 data are quoted prices in active markets for identical assets or liabilities that the Entity can access at the measurement date.

The quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure value when available, with some exceptions.

Level 2 data

Level 2 data are inputs other than market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 data include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are not active.
- Variables other than quoted prices that are observable for the asset or liability, e.g. interest rates and yield curves observable at commonly quoted intervals; implied volatility; debt spreads.

These are variables that are primarily corroborated by observable market data through correlation or other means ("market corroborated variables").

Level 3 data

Level 3 data are unobservable variables for the asset. These inputs are used to determine fair value only to the extent that there are no relevant observable market data. They are used to reflect assumptions that market participants would use in pricing the asset, including assumptions about risk.

Level 3 inputs include:

- Internally estimated variables: Data developed using the best information available in the circumstances, which may include the Entity's own data (such as financial projections or historical cash flows).
- Adjustments for illiquidity or market: Variables that reflect the uncertainty or absence of recent transactions for specific assets.
- Complex valuation models: Use of discounted cash flow techniques or option models where key parameters (such as long-term growth rates, specific risk premia or correlations) cannot be directly corroborated by market data.

In these cases, the Entity maximises the use of relevant observable data and only uses unobservable data when strictly necessary, ensuring that it accurately reflects market conditions at the measurement date.

As of 31 December 2025, the Entity's Level 3 investments consist of an investment in a fund that invests in debt instruments.

This investment is valued based on the Entity's proportionate share of the Net Asset Value (NAV) reported by the investment vehicle. The fund's investment policy focuses on direct corporate lending, commercial mortgages, infrastructure debt, and other private debt. However, as of 31 December 2025, the fund was primarily invested in cash and listed assets.

The primary unobservable input in the valuation of these private debt instruments is the discount rate, which is determined by considering the credit quality and the expected performance of the underlying assets. A deterioration in credit quality or in the future performance expectations of such assets would lead to an increase in the applied discount rate and, consequently, a decrease in the estimated fair value.

Reinsurance recoverable

Reinsurance recoverable are assessed following two different methodologies, according to local accounting and by the application of realistic assumptions in Solvency II calculations.

Deferred tax assets

Deferred tax assets in the Solvency II balance sheet reflect the calculations derived from the valuation rules of IAS 12. These assets will be measured under Solvency by adding to the accounting deferred tax assets the tax effect of valuation differences in the other balance sheet items.

Receivables and other assets

The fair value of receivables shall be based on the amortised cost valuation, in line with Level 2 of the Fair Value hierarchy above. Such amortised cost valuation approximates fair value. However, under Solvency II criteria, future (unwritten) premiums considered in Receivables from policyholders and intermediaries will be eliminated from this heading, as they are already recognised in the calculation of the present value of the best estimate of technical provisions.

Deferred acquisition costs, Intangible assets and Premises, land and equipment for own use

For these categories, AECS follows the Group's valuation methodology. Deferred acquisition costs as well as intangible assets are valued at zero under Solvency II criteria.

Main changes during the year

The table below shows the breakdown of assets in the economic balance sheet as of 31 December 2025 and a comparison with the previous year:

thousands of euros	**31/12/2025**	**31/12/2024**
Deferred acquisition costs	-	-
Intangible assets	-	-
Deferred tax assets	93,785	65,745
Property, plant and equipment for own use	100	105
Investments (other than assets held for index-linked and unit-linked contracts)	457,745	402,124
Government bonds	94,504	62,157
Corporate bonds	222,796	196,252
Collateralised securities	46,199	49,962
Collective Investments Undertakings	94,246	93,753
Deposits other than cash equivalents	-	-
Reinsurance recoverable of:	667,313	642,467
Non-life excluding health	658,913	634,011
Life excluding health and index-linked and unit-linked	8,400	8,456
Insurance and intermediaries receivables	42,556	36,124
Reinsurance receivables	15,125	32,160
Receivables (trade, not insurance)	1,529	912
Cash and cash equivalents	13,865	17,103
Any other assets, not elsewhere shown	72	87
Total assets	**1,292,090**	**1,196,827**

The main changes were in reinsurance recoverable, which moved in line with the increase in technical provisions, in investments, whose increase in 2025 was mainly due to the acquisition of bonds, and in reinsurance receivables, which, together with debts, saw an increase in the net creditor position as a result of changes in quota share treaties in 2025.

D.2 LIABILITIES

The balance sheet liabilities as of 31 December 2025 on a Solvency basis (and comparative with the previous year) are shown in the table below:

	31/12/2025		31/12/2024	
thousands of euros	Financial Statements	Solvency II	Financial Statements	Solvency II
Technical provisions – non-life	**993,462**	**998,347**	**1,001,007**	**954,350**
Technical provisions – non-life (excluding health)	**993,462**	**998,347**	**1,001,007**	**954,350**
Best Estimate	-	985,177	-	942,541
Risk margin	-	13,170	-	11,809
Technical provisions - life (excluding index-linked and unit-linked)	**-**	**10,703**	**-**	**11,315**
Best Estimate	-	10,617	-	11,197
Risk margin	-	86	-	118
Provisions other than technical provisions	43,776	-	34,822	-
Pension benefit obligations	-	-	388	388
Deferred tax liabilities	1,428	93,785	678	63,860
Financial liabilities other than debts owed to credit institutions	-	-	-	-
Insurance and intermediaries payables	168	168	554	554
Reinsurance payables	75,149	-	46,633	-
Payables (trade, not insurance)	10,678	10,678	11,861	11,861
Any other liabilities, not elsewhere shown	43,511	-	28,991	-
Total liabilities	**1,168,172**	**1,113,681**	**1,124,934**	**1,042,328**

D.2.1 Non-life technical provisions

Technical provisions consist of the amount of the Best Estimate of Liabilities and a Risk Margin, in line with Solvency II regulations. These calculations are based on realistic assumptions, using the Entity's own experience to reflect the market value of these obligations.

D.2.1.1 Valuation of technical provisions

The detail of technical provisions at the end of 2025 is shown in the table below:

thousands of euros	31/12/2025	31/12/2024
Technical provisions - non-life	**998,347**	**954,350**
Technical provisions - non-life (excluding-health)	**998,347**	**954,350**
Best estimate	985,177	942,541
Risk margin	13,170	11,809
Technical provisions - life (excluding index-linked and unit-linked)	10,703	11,315
Best estimate	10,617	11,197
Risk margin	86	118

The calculation of the best estimate of liabilities is carried out by country and by homogeneous risk group and, finally, the results are aggregated to obtain the amounts per line of business (LoB) under the Solvency II classification. The table below shows the best estimate and risk margin amounts for each of the business lines in which AECS operates as of 31 December 2025:

thousands of euros	Best Estimate	Risk margin	Total
Motor, Third Party Liabity	830,347	10,388	840,735
Motor, Other	131,477	1,797	133,274
Fire and other damage	23,353	985	24,338
Total Non-Life	**985,177**	**13,170**	**998,347**
Annuities stemming from non-life contracts related to insurance obligation other than health insurance obligations	10,617	86	10,703
Total Life	**10,617**	**86**	**10,703**

France's Household business is reported in the Fire and other property damage line of business. In this 2025, due to the growing volume of the line, the calculation model has been developed to model Home using a methodology consistent with the rest of the non-life risk groups, considering the particularities of the line.

84% of the best estimate for non-life comes from Non-Life Motor. This LoB has claims with a longer settlement tail, while the claims of the other lines of business are mostly closed in the first year. Additionally, there are PPOs in France, which is the result of having an Auto RC claim and reaching an agreement to pay the indemnity in a periodic annuity.

D.2.1.2 Methods and assumptions used in valuation

Technical provisions - bases, methods and main assumptions

The best estimate of technical provisions obtained under Solvency II consists of a claims provision and a premium provision. Both provisions determine the expected cost of all future claims arising from the business that AECS is contractually obliged to cover. This includes an allowance for the costs of running the Entity and of handling and processing claims.

The allowance for future income is based on business already underwritten as well as business that has not yet commenced but for which AECS is obliged to provide cover, i.e. policies already underwritten but for which the period of cover has not commenced at the valuation date (BBNI).

AECS uses a consistent best estimate calculation methodology for all homogeneous non-life risk groups (loss types), which is also applied to annuities arising from non-life contracts, and in each homogeneous risk group all estimated future cash inflows and outflows are projected based on realistic assumptions.

The **claims provision** is the best discounted estimate of all future claims-related cash flows from events occurring prior to the measurement date. These cash flows consist of:

Outflows:

- Claims payments
    - o Reported claims payments

o Unreported claims payments

- Expenditure
- Allowance for events not included in the data (ENID)

The **premium provision** is the discounted best estimate of all future cash flows relating to future claims not yet incurred in respect of policies for which the Company is obliged to provide cover at the valuation date. These cash flows consist of:

Outflows:

- Claims payments, including policies committed but not in force (BBNI).
- Expenses
- Allocation for events not included in the data (ENID)

(-) Inflows:

- Future premiums of in-force business, mainly those with monthly payouts, considering cancellations.
- Future new business premiums and renewals, corresponding to BBNI policies.

The rate curve applied to discount future cash flows is the risk-free curve published by EIOPA at the valuation date. No adjustments have been applied to the curve. Details of the gross best estimate for reinsurance at year-end 2025 are shown in the table below:

thousands of euros	Premium Provision	Claims Provision	Total
Motor, Third Party Liabity	163,450	666,897	830,347
Motor, Other	79,454	52,023	131,477
Fire and other damage	8,969	14,384	23,353
Total non-life	**251,873**	**733,304**	**985,177**
Annuities stemming from non-life contracts related to insurance obligation other than health insurance obligations			10,617
Total business			**995,794**

It should be noted that there is a part of the business that is not modelled in the best estimate and represents a small percentage of the total business. For these policies, the accounting provision is added to the modelled number of technical provisions for Motor Other Guarantees to obtain the total provision amount. As can be seen in the table below, this amount is not significant:

thousands of euros	2025 Best Estimate	%	2024 Best Estimate	%
Modelled business	969,152	97,3%	911,801	95,6%
Non-modelled business	26,642	2,7%	41,937	4,4%
Total	**995,794**	**100,0%**	**953,738**	**100,0%**

Technical Provisions - Reinsurance Recoverable

Reinsurance recoverable are a significant element of AECS' technical provisions. Reinsurance premiums and reinsurance recoverable for claims and expenses must be considered in the technical provisions, together with the possibility of reinsurers' default and the consequent reduction in potential reinsurance recoverable amounts.

The reinsurance recoverable of the AECS Technical Provisions reflect the following reinsurance contracts currently in force. For AECS in 2025 they will be as follows:

- Excess of loss reinsurance
- Proportionate share reinsurance

Technical Provisions - Risk Margin

The risk margin is defined in Article 77 of the Directive as follows:

The risk margin shall be such as to ensure that the value of the technical provisions is equal to the amount which insurance and reinsurance undertakings would foreseeably require to be able to assume and fulfil insurance and reinsurance obligations.

The calculation of the risk margin in AECS is calculated separately for life and non-life and is based on the second simplification of the Implementing Measures, which is applied as follows:

- The SCR of the different modules is projected in line with the *run-off* pattern of the best estimate of the technical provisions.
- A cost of capital of 6% is applied to each SCR.

Finally, the SCRs are discounted to the valuation date using the risk-free rate curve published by EIOPA and the corresponding correlation matrices are applied to obtain the risk margin to be imputed to the life and non-life technical provisions.

D.2.1.3 Level of uncertainty associated with the valuation of technical provisions

The valuation of technical provisions is subject to a certain degree of uncertainty due to the nature of their calculation. In this calculation, techniques based on estimates are applied to obtain the ultimate cost of both claims that have occurred before year-end but have not been settled at the valuation date and claims that have not occurred at the valuation date.

The projected ultimate cost of claims is calculated using a variety of different techniques commonly used in the market (including chain ladder projections of incurred and paid claims and an average claims cost approach) that allow for an actuarial assessment of the potential impact. A provision is also included for unreported claims.
The greatest sensitivity in the use of projection techniques arises from any future changes in the severity of claims, as well as inflation in the cost of claims and, therefore, their deviation from the historical trend.

The main sources of uncertainty considered are in the inflation trend, the assumptions made in the calculations in relation to serious claims and in the development of bodily injury claims:

- Uncertainty in the number of claims and average cost, particularly in the case of serious bodily injury claims.
- Consistency of reserving criteria over time, which impacts claims development patterns and other variables.

- Significant observed and expected changes in claims outcomes due to external agents, e.g. changes in the Spanish Schedule or the Milan Tables for Italy.
- Data for the most recent quarters, as they are at an early stage of development.
- Uncertainty about inflation developments.
- Evolution of annuities expected to be paid to the policyholder receiving PPOs, as well as potential PPO claims and associated longevity risk.

Considering the above areas of uncertainty, in each country the estimate is derived from a weighted average of several methods with different assumptions to capture and mitigate the volatility around these sources of uncertainty and the trend in the speed of claims settlement.

In addition, external actuaries validate the Entity's calculations, making it possible to compare and rely on internal projections.

D.2.1.4 Material differences between Solvency II and financial statements

The valuation differences between the Solvency II Technical Provisions and those calculated in the financial statements are shown in the table below:

2025

thousands of euros	**Financial Statements**	**Solvency II**
Technical provisions - non-life	**993,462**	**998,347**
Technical provisions - non-life (excluding-health)	**993,462**	**998,347**
Best estimate	-	985,177
Risk margin	-	13,170
Technical provisions - life (excluding index-linked and unit-linked)	**-**	**10,703**
Best estimate	-	10,617
Risk margin	-	86

2024

thousands of euros	**Financial Statements**	**Solvency II**
Technical provisions - non-life	**1,001,007**	**954,350**
Technical provisions - non-life (excluding-health)	**1,001,007**	**954,350**
Best estimate	-	942,541
Risk margin	-	11,809
Technical provisions - life (excluding index-linked and unit-linked)	**-**	**11,315**
Best estimate	-	11,197
Risk margin	-	118

Solvency II technical provisions for AECS are lower than the equivalent number of technical provisions under local accounting in the financial statements.

The main reasons why technical provisions differ under the two standards are:

- Accounting provisions are calculated based on Spanish regulation, as opposed to those under Solvency II which are obtained by applying realistic assumptions.
- The Solvency II approach to calculate the premium provision (including the transfer of future cash flows in the technical provisions under other headings of the financial statements): under local accounting, future premiums can only be included if this has been established in the technical note of the product.
- Consideration of all sources of cash flows. The premium provision shall be comparable to the provision for book unearned premiums plus the provision for ongoing risks, if any. The Solvency valuation will project future premium flows (in case of instalment payments) as well as claims and associated expenses and may have a negative or lower best estimate than the accounting provision.
- Under the Solvency II approach, the claims provision is calculated through a cash flow projection approach with the intention of estimating the ultimate cost of incomplete claims at the valuation date. Under accounting standards, the benefit provision is obtained in accordance with the Regulation on the Regulation, Supervision and Solvency of Insurance Undertakings (ROSSEAR) as the sum of the Provision for Claims Pending Settlement or Payment (PPLP), the Provision for Claims Pending Declaration (IBNR) and the Provision for Claims Settlement Expenses (PGILS).
- Credit risk adjustment on reinsurance recoverable from technical provisions under Solvency II. No adjustment is applied to book reserves.
- Discounted approach to technical provisions, applying the EIOPA risk-free curve (no adjustment applied). No discounting is applied to book reserves.
- In Solvency, a risk margin is added to the balance sheet, whereas this concept does not exist under accounting rules.

All the above is applicable to all business lines as there are no transition measures recognised by individual business line.

The total impact on Technical Provisions of the changeover from the accounting standard to the Solvency II standard is around 16 million euros.

D.2.1.5 Main changes during the year

Non-life technical provisions under Solvency II have increased by 44 million euros compared to the previous year due to the growth in business volumes. There were no significant changes in assumptions between the two years.

D.2.1.6 Significant changes in the assumptions used for the calculation of Technical Provisions

The inflation assumptions have been updated to be in line with the current economic interest rate environment.

D.3. OTHER LIABILITIES

The following table shows the detail of Other Liabilities under local accounting and Solvency II at the end of 2025 (and its comparison with the previous year):

	31/12/2025		31/12/2024	
thousands of euros	**Statutory**	**Solvency II**	**Statutory**	**Solvency II**
Provisions other than technical provisions	43,776	-	34,822	-
Pension benefit obligations	-	-	388	388
Deferred tax liabilities	1,428	93,785	678	63,860
Financial liabilities other than debts owed to credit institutions	-	-	-	-
Insurance & intermediaries payables	168	168	554	554
Reinsurance payables	75,149	-	46,633	-
Payables (trade, not insurance)	10,678	10,678	11,861	11,861
Any other liabilities, not elsewhere shown	43,511	-	28,991	-
Total other liabilities	**174,710**	**104,631**	**123,927**	**76,663**

Other payables and other liabilities are valued in relation to amortised cost, which is basically consistent with fair value. The valuation differences mainly arise from the elimination of obligations from claim settlement agreements under "Provisions other than technical provisions" as well as future premiums due to reinsurance under "Reinsurance business liabilities", as both are already recognised in the best estimate of future obligations. In addition, deferred acquisition costs recorded on the liability side of the balance sheet have also been eliminated as deferred costs as a principle do not exist under Solvency II.

D.4. VALUATION METHODS ALTERNATIVE VALUATION METHODS

No alternative valuation methods have been applied.

D.5. ANY OTHER INFORMATION

Considering the assets and liabilities of the balance sheet, the following table shows the Excess of Assets over Liabilities under accounting and Solvency II criteria:

thousands of euros	**Statutory**	**Solvency II**
Assets	1,351,792	1,292,090
Liabilities	1,168,172	1,113,681
Excess of assets over liabilities	**183,620**	**178,409**

The following table shows a comparison with the previous year's balance sheet:

thousands of euros	**31/12/2025**	**31/12/2024**
Assets	1,292,090	1,196,827
Liabilities	1,113,681	1,042,328
Excess of assets over liabilities	**178,409**	**154,499**

E. CAPITAL MANAGEMENT

The AECS Solvency Ratio on 31 December 2025 was 144% (136% in 2024). This ratio is obtained as the ratio of Solvency II Eligible Own Funds to the AECS Solvency Capital Requirement at the end of 2025. No deferred tax loss absorbency has been applied.

No other adjustments or transitional measures have been applied in the calculations.

E.1 OWN FUNDS

Capital management objectives

AECS manages its capital to ensure that it will be able to continue as a going concern and to meet regulatory requirements with an adequate margin.

Future capital developments are analysed with a five-year planning perspective and are included in AECS' annual ORSA process.

Structure, amount and quality of Own Funds

The Equity classification for AECS at 31 December 2025 is as follows:

	31/12/2025				
thousands of euros	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Ordinary share capital	9,016	9,016	-	-	-
Reconciliation reserve	169,393	169,393	-	-	-
Net deferred tax assets	-	-	-	-	-
Own funds not represented by the reconciliation reserve	**-**	**-**	**-**	**-**	**-**
Total basic own funds after deductions	**178,409**	**178,409**	**-**	**-**	**-**
Available and eligible own funds					
Total own funds available to meet SCR	178,409	178,409	-	-	-
Total own funds available to meet MCR	178,409	178,409	-	-	-
Total own funds eligible to meet SCR	**178,409**	**178,409**	**-**	**-**	**-**
Total own funds eligible to meet MCR	178,409	178,409	-	-	-
SCR	**123.523**				
MCR	45.916				
Ratio of Eligible own funds to SCR	**144%**				
Ratio of Eligible own funds to MCR	389%				

AECS' own fund's structure complies with the classification and Tier limits established in Solvency II regulations. This structure is mainly composed of the highest quality own funds, classified as Tier 1.

On 31 December 2025, the AECS balance sheet shows a net deferred tax asset of 1,188 thousand of euros, in contrast to 2024, which showed a net deferred tax asset of 1,885 thousand of euros. After performing the tax recoverability test, despite demonstrating the adequacy of future profits, AECS has not included the net deferred tax asset in the balance sheet, so that no Tier 3 equity has been computed on 31 December 2025.

As can be seen in the table above, the shareholders' equity is sufficient to cover the SCR and MCR, with a surplus to meet the risk appetite established by the Company.

The following table presents the Own Funds classification for AECS on 31 December 2024:

	31/12/2024				
thousands of euros	**Total**	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
Ordinary share capital	9,016	9,016	-	-	-
Reconciliation reserve	143,598	143,598	-	-	-
Net deferred tax assets	1,885	-	-	-	1,885
Own funds not represented by the reconciliation reserve	**-**	**-**	**-**	**-**	**-**
Total basic own funds after deductions	**154,499**	**152,614**	**-**	**-**	**1,885**
Available and eligible own funds					
Total own funds available to meet SCR	154,499	152,614	-	-	1,885
Total own funds available to meet MCR	152,614	152,614	-	-	-
Total own funds eligible to meet SCR	**154,499**	**152,614**	**-**	**-**	**1,885**
Total own funds eligible to meet MCR	152,614	152,614	-	-	-
SCR	**113,829**				
MCR	44,116				
Ratio of Eligible own funds to SCR	**136%**				
Ratio of Eligible own funds to MCR	346%				

AECS has no additional own funds or other funds approved by the DGSFP that are considered as basic own funds. However, during the financial year 2025 AECS has received three cash contributions from its Sole Shareholder totalling 24 million of euros, in order to maintain the solvency ratio above AECS's risk appetite (135%).

Material differences with equity in the financial statements

The reconciliation reserve is the difference between the Excess of Assets over Liabilities in the Solvency II balance sheet and the caption Other Basic Own Funds and this difference is mainly explained by the equalisation reserve, other shareholders' funds and the profit in the income statement.

thousands of euros	31/12/2025	31/12/2024
Ordinary share capital (gross of own shares)	9,016	9,016
Other shareholder contributions	232,313	208,313
Accounting reserves	18,348	15,643
Result (year and previous)	(72,593)	(73,428)
Dividend and stabilisation reserve application	(2,705)	-
Adjustments for Changes in Value	(759)	(1,844)
Statutory Own Funds	**183,620**	**157,700**
Valuation SII vs Statutory*		
Differences in assets	(133,786)	(106,329)
Differences in TPs valuation**	4,689	20,293
Differences in other liabilities	(125,074)	(82,835)
Net DTA not considered in Tier3	(1,188)	-
Adjustments for Solvency II	**(5,211)**	**(3,201)**
Excess of Assets over Liabilities	**178,409**	**154,499**

*Valuation differences include those resulting from valuing the balance sheet differently between local accounting and Solvency II, as well as the impact on deferred taxes caused by these valuation differences.
**This item considers valuation differences of assets less liabilities for technical provisions.

Shareholders' equity not represented by the reconciliation reserve

There are no own funds in AECS that are not represented by the reconciliation reserve and there are no restrictions on their availability.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Calculation of the AECS Solvency Capital Requirement

The AECS Solvency Capital Requirement is calculated based on the Standard Formula in line with the risks applicable at year-end 2025. The Solvency Capital Requirement as of 31 December 2025 for each risk module is shown below:

thousands of euros	31/12/2025	31/12/2024
Market Risk	15,938	12,687
Counterparty Default Risk	16,250	14,802
Life Underwriting Risk	70	88
Non Life Underwriting Risk	80,228	74,888
Diversification	(17,468)	(14,904)
BASIC SCR	**95,018**	**87,561**
Operational risk	28,505	26,268
Loss absorbing capacity of deferred taxes	-	-
SCR	**123,523**	**113,829**

Solvency ratio

When combined with Eligible Own Funds, the reported solvency position is as follows:

thousands of euros	**31/12/2025**	**31/12/2024**
SCR	123,523	113,829
Eligible own funds	178,409	154,499
Surplus	54,886	40,670
SCR Ratio	**144%**	**136%**

The AECS solvency ratio stood at 144% on 31 December 2025. The capital injections provided by the Group have contributed to maintaining this ratio at optimal levels.

Calculation of the Minimum Capital Requirement

The AECS Minimum Capital Requirement is calculated in accordance with Article 129 of the Directive and in line with the Standard Formula.

The eligible own funds coverage for the MCR as of 31 December 2025 is as follows:

EUR thousands	**31/12/2025**	**31/12/2024**
MCR	45,916	44,116
Eligible own funds	178,409	152,614
Surplus	132,493	108,498
MCR Ratio	**389%**	**346%**

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

Not applicable - The duration-based equity risk sub-module has not been used for the Solvency Capital Requirement calculation.

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

Not applicable - No internal models have been used in the reporting period.

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

Not applicable - There have been no instances of non-compliance with the Minimum Capital Requirement and Solvency Capital Requirement during the period.

E.6. ANY OTHER INFORMATION

Not applicable.

ANNEX I - QUANTITATIVE REPORTING TEMPLATES (QRTs)

AECS is obliged to disclose only the following templates for 2025:

S.02.01.02	Balance sheet
S.04.05.21	Premiums, claims and expenses per country
S.05.01.02	Premiums, claims and expenses by line of business
S.12.01.02	Life Technical Provisions
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life Insurance Claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - Standard formula only
S.28.01.01	Minimum Capital Requirement - Life or non-life insurance or reinsurance business only

S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0.00
Deferred tax assets	R0040	93,784,805.18
Pension benefit surplus	R0050	0.00
Property, plant and equipment for own use	R0060	99,983.46
Investments (other than assets for index-linked or unit-linked contracts)	R0070	457,744,854.56
Property (not for own use)	R0080	0.00
Shares in related companies, including participations	R0090	0.00
Securities	R0100	0.00
Securities - quoted	R0110	0.00
Securities - unquoted	R0120	0.00
Bonds	R0130	363,498,535.85
Government bonds	R0140	94,503,866.37
Corporate bonds	R0150	222,796,055.11
Structured bonds	R0160	0.00
Guaranteed securities	R0170	46,198,614.37
Collective investment undertakings	R0180	94,246,318.71
Derivatives	R0190	0.00
Deposits other than cash equivalents	R0200	0.00
Other investments	R0210	0.00
Assets for index-linked or unit-linked contracts	R0220	0.00
Loans and mortgages	R0230	0.00
Policy loans	R0240	0.00
Loans and mortgages to individuals	R0250	0.00
Other loans and mortgages	R0260	0.00
Reinsurance recoveries from:	R0270	667,313,569.57
Non-life and health similar to non-life	R0280	658,913,307.68
Non-life excluding health	R0290	658,913,307.68
Health similar to non-life	R0300	0.00
Life and health similar to life, excluding health and index- and unit-regulated	R0310	8,400,261.89
Life-like health	R0320	0.00
Life excluding health and index and unit regulated	R0330	8,400,261.89
Index-linked and unit-linked life	R0340	0.00
Deposits with ceding companies	R0350	0.00
Receivables from intermediaries and insurance	R0360	42,555,618.64
Reinsurance receivables	R0370	15,124,594.71
Accounts receivable (trade, non-insurance)	R0380	1,529,051.63
Treasury shares (directly held)	R0390	0.00
Amounts due in respect of own funds or initial funds called up but not paid out	R0400	0.00
Cash and cash equivalents	R0410	13,864,613.01
Other assets, not included under other headings	R0420	71,772.82
Total assets	R0500	**1,292,088,863.58**

Liabilities		Solvency II Value C0010
Technical provisions - non-life	R0510	998,346,658.73
Technical provisions - non-life (excluding health)	R0520	998,346,658.73
Technical provisions calculated as a whole	R0530	0.00
Best estimate	R0540	985,176,733.27
Risk margin	R0550	13,169,925.46
Technical provisions - health (similar to non-life)	R0560	0.00
Technical provisions calculated as a whole	R0570	0.00
Best estimate	R0580	0.00
Risk margin	R0590	0.00
Technical provisions - life (excluding index-linked or unit-linked)	R0600	10,702,660.53
Technical provisions - health (similar to life)	R0610	0.00
Technical provisions calculated as a whole	R0620	0.00
Best estimate	R0630	0.00
Risk margin	R0640	0.00
Technical provisions - life (excluding health and index- or unit-linked)	R0650	10,702,660.53
Technical provisions calculated as a whole	R0660	0.00
Best estimate	R0670	10,617,018.47
Risk margin	R0680	85,642.06
Technical provisions - index-linked or unit-linked	R0690	0.00
Technical provisions calculated as a whole	R0700	0.00
Best estimate	R0710	0.00
Risk margin	R0720	0.00
Other technical provisions	R0730	0.00
Contingent liabilities	R0740	0.00
Provisions other than technical provisions	R0750	0.00
Pension benefit obligations	R0760	0.00
Deposits from reinsurers	R0770	0.00
Deferred tax liabilities	R0780	93,784,805.18
Derivatives	R0790	0.00
Amounts owed to credit institutions	R0800	0.00
Financial liabilities other than amounts owed to credit institutions	R0810	0.00
Insurance and intermediaries' payables	R0820	167,830.06
Reinsurance payables	R0830	0.00
Accounts payable (commercial, non-insurance)	R0840	10,677,725.01
Subordinated liabilities	R0850	0.00
Subordinated liabilities not in Basic Own Funds	R0860	0.00
Subordinated liabilities in Basic Own Funds	R0870	0.00
Other liabilities, not included under other headings	R0880	0.00
Total liabilities	**R0900**	**1,113,679,679.51**
Surplus of assets over liabilities	**R1000**	**178,409,184.07**

S.04.05.21

Premiums, claims and expenses by country: Non-life insurance and reinsurance obligations

		Home country	Country (by amount of gross premiums written) - non-life obligations	
		SPAIN	ITALY	FRANCE
		C0010	C0020	C0021
Premiums written				
Gross - Direct Business	R0020	138,198,182.11	283,195,401.05	295,790,809.47
Gross - Proportional reinsurance	R0021	92,907,575.21	151,978,034.86	185,869,409.05
Gross - Non-proportional reinsurance	R0022	12,452,399.20	7,375,439.41	16,095,162.43
Premiums earned				
Gross - Direct Business	R0030	134,703,700.76	286,386,029.65	275,079,300.01
Gross - Proportional reinsurance	R0031	89,839,579.05	148,459,614.65	172,777,016.19
Gross - Non-proportional reinsurance	R0032	12,271,629.66	7,478,318.77	16,087,769.53
Claims incurred				
Gross - Direct Business	R0040	89,735,489.66	161,413,572.15	143,322,553.60
Gross - Proportional reinsurance	R0041	56,208,600.83	83,204,011.69	88,123,134.57
Gross - Non-proportional reinsurance	R0042	10,826,651.87	12,675,479.62	2,935,382.82
Expenses incurred				
Gross - Direct Business	R0050	39,802,591.59	94,946,163.14	45,602,995.45
Gross - Proportional reinsurance	R0051	17,061,092.01	18,741,316.49	23,506,267.80
Gross - Non-proportional reinsurance	R0052	0.00	0.00	0.00

S.05.01.02
Premiums, claims and expenses by business line

		Line of Business for: non-life insurance and reinsurance obligations (direct business and proportional reinsurance accepted)			
		Motor vehicle liability insurance	Other motor vehicle insurance	Fire and other property damage	Total
		C0040	C0050	C0070	C0200
Premiums written					
Gross - Direct Business	R0110	341,537,104.60	356,330,983.31	19,316,304.72	717,184,392.63
Gross - Proportional reinsurance accepted	R0120	4,362,096.74	2,617,227.79	0.00	6,979,324.53
Gross -- Accepted non-proportional reinsurance	R0130				0.00
Reinsurers' share	R0140	231,523,855.62	236,950,219.71	-1,796,055.18	466,678,020.15
Net	R0200	114,375,345.72	121,997,991.39	21,112,359.90	257,485,697.01
Premiums earned					
Gross - Direct Business	R0210	333,638,549.59	344,946,463.06	17,584,017.77	696,169,030.42
Gross - Proportional reinsurance accepted	R0220	3,891,630.38	2,453,650.90	0.00	6,345,281.28
Gross -- non-proportional reinsurance accepted	R0230				0.00
Reinsurers' share	R0240	223,175,071.54	224,993,724.24	-1,254,867.95	446,913,927.83
Net	R0300	114,355,108.43	122,406,389.72	18,838,885.72	255,600,383.87
Claims incurred					
Gross - Direct Business	R0310	285,454,499.08	98,406,238.47	10,610,877.86	394,471,615.41
Gross - Proportional reinsurance accepted	R0320	2,883,162.24	1,076,871.53	0.00	3,960,033.77
Gross -- non-proportional reinsurance accepted	R0330				0.00
Reinsurers' share	R0340	190,582,628.16	64,678,706.05	-1,288,072.82	253,973,261.39
Net	R0400	97,755,033.16	34,804,403.95	11,898,950.68	144,458,387.79
Changes in other technical provisions					
Gross - Direct Business	R0410	0.00	0.00	0.00	0.00
Gross - Proportional reinsurance accepted	R0420	0.00	0.00	0.00	0.00
Gross -- non-proportional reinsurance accepted	R0430				0.00
Reinsurers' share	R0440	0.00	0.00	0.00	0.00
Net	R0500	0.00	0.00	0.00	0.00
Expenses incurred	R0550	**77,499,422.42**	**32,968,761.74**	**10,341,854.82**	**120,810,038.98**
Other expenditure	R1200				**233,034.90**
Total expenditure	R1300				**121,043,073.88**

S.12.01.02
Life Technical Provisions

		Income from non-life contracts relating to insurance obligations other than health contracts	Total (Life other than health, incl. Unit-Linked)
		C0190	C0210
Technical provisions calculated as a whole	R0010	**0.00**	**0.00**
Total Recoverable from reinsurance/SPV and Finite Reinsurance after adjustment for expected losses due to counterparty default associated with the Technical Provisions calculated as a whole	R0020	**0.00**	**0.00**
Technical provisions calculated as the sum of the Best Estimate and the Risk Margin			
Best Estimate			
Gross Best Estimate	R0030	**10,617,018.47**	**10,617,018.47**
Total Recoverable from reinsurance/SPV and Finite Reinsurance after adjustment for expected losses due to counterparty default	R0080	8,400,261.89	8,400,261.89
Best estimate less reinsurance/SPV and Finite Reinsurance recoverable	R0090	2,216,756.58	2,216,756.58
Risk margin	R0100	**85,642.06**	**85,642.06**
Technical provisions - Total	R0200	**10,702,660.53**	**10,702,660.53**

S.17.01.02
Non-Life Technical Provisions

		Motor Vehicle Liability Insurance	Other motor vehicle insurance	Fire and other damage to property	Total non-life liabilities
		C0050	C0060	C0080	C0180
Technical provisions calculated as a whole	R0010	**0.00**	**0.00**	**0.00**	**0.00**
Total recoveries from reinsurance/ECE and finite reinsurance after adjustment for expected losses due to counterparty default associated with technical provisions calculated as a whole	R0050	0.00	0.00	0.00	0.00
Technical provisions calculated as the sum of best estimate and risk margin					
Best estimate					
Provisions for premiums					
Gross	R0060	163,450,371.87	79,453,788.50	8,969,208.28	251,873,368.65
Total reinsurance/ECE and finite reinsurance recoveries after adjustment for expected losses due to counterparty default	R0140	111,728,821.72	44,822,720.05	19,284.37	156,570,826.14
Best estimate net of provisions for premiums	R0150	51,721,550.15	34,631,068.45	8,949,923.91	95,302,542.51
Claims Provisions					
Gross	R0160	666,896,272.24	52,023,071.86	14,384,020.52	733,303,364.62
Total reinsurance/ECE and finite reinsurance recoveries after adjustment for expected losses on counterparty default	R0240	465,454,882.31	36,852,812.60	34,786.63	502,342,481.54
Best estimate net of claims provisions	R0250	201,441,389.93	15,170,259.26	14,349,233.89	230,960,883.08
Total best estimate - gross	R0260	**830,346,644.11**	**131,476,860.36**	**23,353,228.80**	**985,176,733.27**
Total best estimate - net	R0270	**253,162,940.08**	**49,801,327.71**	**23,299,157.80**	**326,263,425.59**
Risk margin	R0280	**10,387,886.09**	**1,797,283.54**	**984,755.83**	**13,169,925.46**
Technical provisions - total					
Technical provisions - total	**R0320**	840,734,530.20	133,274,143.90	24,337,984.63	998,346,658.73
Recoveries from reinsurance/ECE and finite reinsurance contract after adjustment for expected losses due to counterparty default - total	R0330	577,183,704.03	81,675,532.65	54,071.00	658,913,307.68
Technical provisions less reinsurance/ECE and finite reinsurance recoveries - total	R0340	263,550,826.17	51,598,611.25	24,283,913.63	339,433,351.05

S.19.01.21
Non-Life insurance claims

Gross claims paid gross (non-cumulative) - development year (Absolute amounts) Total Non-Life Business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											425,755,221
N-9	R0160	60,574,139	42,409,171	13,620,515	5,547,606	3,032,416	2,668,530	2,182,938	1,153,170	2,133,527	287,831	
N-8	R0170	81,588,155	47,863,254	19,127,486	5,625,614	3,087,362	1,821,347	1,728,894	1,929,544	896,010		
N-7	R0180	91,462,507	53,383,369	14,737,963	9,153,566	4,568,815	3,023,813	4,756,598	2,624,107			
N-6	R0190	119,276,683	62,813,178	20,695,714	11,103,914	5,178,457	4,416,156	4,037,612				
N-5	R0200	103,356,330	61,521,276	20,320,651	9,926,855	7,969,971	8,561,137					
N-4	R0210	141,464,623	86,924,615	23,060,149	15,824,879	5,511,613						
N-3	R0220	175,235,080	116,856,271	39,610,441	16,478,186							
N-2	R0230	206,068,440	126,090,268	37,724,747								
N-1	R0240	213,893,592	116,896,507									
N	R0250	221,486,150										

Gross claims paid (non-cumulative) - Current year, sum of years (cumulative). Total Non-Life business

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100	3,900,475	425,755,221
N-9	R0160	287,831	133,609,843
N-8	R0170	896,010	163,667,665
N-7	R0180	2,624,107	183,710,737
N-6	R0190	4,037,612	227,521,715
N-5	R0200	8,561,137	211,656,220
N-4	R0210	5,511,613	272,785,879
N-3	R0220	16,478,186	348,179,978
N-2	R0230	37,724,747	369,883,455
N-1	R0240	116,896,507	330,790,100
N	R0250	221,486,150	221,486,150
Total	**R0260**	**418,404,374**	**2,889,046,962**

Gross Best Estimate Undiscounted Claims Provision - Development Year (absolute amount). Total Non-Life business

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											140,735,980
N-9	R0160				27,511,624	29,110,601	24,917,036	23,088,825	25,451,732	24,163,593	25,440,633	
N-8	R0170			33,850,375	30,325,844	23,561,576	20,719,952	13,446,372	13,258,199	12,803,979		
N-7	R0180		41,032,190	39,195,662	27,556,422	23,331,624	17,091,347	17,155,935	13,356,109			
N-6	R0190	166,119,558	56,316,155	47,274,587	37,733,063	24,404,920	26,627,283	14,975,458				
N-5	R0200	152,596,287	71,480,525	65,669,739	48,849,432	40,695,216	27,726,181					
N-4	R0210	221,711,294	98,382,100	78,400,979	64,926,932	61,229,661						
N-3	R0220	185,121,134	127,520,271	112,550,010	83,759,882							
N-2	R0230	271,503,336	125,471,125	98,090,681								
N-1	R0240	311,994,576	136,703,528									
N	R0250	311,996,996										

Gross Best Estimate Discounted Claims Provision - Current year, sum of years (cumulative). Total Non-Life business

		Year end (discounted data)
		C0360
Prior	R0100	7,011,780.18
N-9	R0160	18,069,556.91
N-8	R0170	12,149,810.73
N-7	R0180	12,337,134.58
N-6	R0190	14,019,947.97
N-5	R0200	25,919,586.17
N-4	R0210	53,385,296.42
N-3	R0220	68,207,277.85
N-2	R0230	85,669,334.22
N-1	R0240	126,576,273.63
N	R0250	292,306,810.61
Total	**R0260**	**715,652,809.26**

S.23.01.01
Own funds

		Total	Category 1 - unrestricted	Category 1 - restricted	Category 2 - restricted	Category 3 - restricted
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for holdings in other financial sectors as referred to in Article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	9,016,000.00	9,016,000.00		0.00	
Share premiums related to ordinary share capital	R0030	0.00	0.00		0.00	
Initial funds, members' contribution or equivalent basic own funds item for mutual and mutual-type enterprises	R0040	0.00	0.00		0.00	
Subordinated mutual funds accounts	R0050	0.00		0.00	0.00	0.00
Surplus funds	R0070	0.00	0.00			
Preference shares	R0090	0.00		0.00	0.00	0.00
Share premiums related to preference shares	R0110	0.00		0.00	0.00	0.00
Conciliation reserve	R0130	169,393,184.07	169,393,184.07			
Subordinated liabilities	R0140	0.00		0.00	0.00	0.00
An amount equal to the value of net deferred tax assets	R0160	0.00				0.00
Other own funds items approved by the supervisory authority as original own funds not specified above	R0180	0.00	0.00	0.00	0.00	0.00
Own funds from the financial statements which should not be represented in the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements which should not be represented in the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0.00				
Deductions						
Deductions from equity investments in credit and financial institutions	R0230	0.00	0.00	0.00	0.00	0.00
Total basic own funds after deductions	R0290	178,409,184.07	178,409,184.07	0.00	0.00	0.00
Additional own funds						
Ordinary share capital outstanding unpaid not called up callable on demand	R0300	0.00			0.00	
Initial funds, members' contributions or equivalent basic own fund items for mutual and mutual-type undertakings and similar undertakings outstanding but not called up on demand	R0310	0.00			0.00	
Unpaid uncalled preference shares due on demand	R0320	0.00			0.00	0.00
A legally binding commitment to subscribe and pay subordinated liabilities on call	R0330	0.00			0.00	0.00
Letters of credit and guarantees pursuant to Article 96(2) of Directive 2009/138/EC	R0340	0.00			0.00	
Letters of credit and guarantees other than those under Article 96(2) of Directive 2009/138/EC	R0350	0.00			0.00	0.00
Additional contributions from members under the first subparagraph of Article 96(3) first subparagraph of Directive 2009/138/EC	R0360	0.00			0.00	
Additional contributions from members other than under Article 96(3) first subparagraph of Directive 2009/138/EC	R0370	0.00			0.00	0.00
Other ancillary own funds	R0390	0.00			0.00	0.00

Total ancillary own funds	R0400	0.00			0.00	0.00
Available and eligible own funds						
Total own funds available to meet SCR	R0500	178,409,184.07	178,409,184.07	0.00	0.00	0.00
Total own funds available to meet MCR	R0510	178,409,184.07	178,409,184.07	0.00	0.00	
Total eligible own funds to comply with SCR	R0540	178,409,184.07	178,409,184.07	0.00	0.00	0.00
Total eligible own funds to fulfil MCR	R0550	178,409,184.07	178,409,184.07	0.00	0.00	
SCR	R0580	123,522,922.12				
MCR	R0600	45,916,077.12				
Eligible own funds ratio for SCRs	R0620	1.44				
Eligible own funds ratio for MCR	R0640	3.89				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	178,409,184.07
Treasury shares (held directly and indirectly)	R0710	0.00
Foreseeable dividends, distributions and charges	R0720	0.00
Other basic own funds	R0730	9,016,000.00
Adjustments for restricted own funds in relation to matched portfolios and funds with limited availability	R0740	0.00
Reconciliation reserve	**R0760**	**169,393,184.07**
Expected benefits		
Expected benefits included in future premiums (EPIFP) - Life	R0770	0.00
Expected profit included in future premiums (EPIFP) - Non-Life	R0780	23,303,914.87
Total Expected Profit included in future premiums (EPIFP)	**R0790**	**23,303,914.87**

S.25.01.21

Solvency Capital Requirement - under Standard Formula.

		Gross Solvency Capital Requirement	Simplifications
		C0110	C0120
Market risk	R0010	15,938,238.07	0.00
Counterparty default risk	R0020	16,249,681.13	
Life underwriting risk	R0030	70,000.57	0.00
Health underwriting risk	R0040	0.00	0.00
Non-life underwriting risks	R0050	80,228,465.06	0.00
Diversification	R0060	17,468,752.43	
Intangible asset risk	R0070	0.00	
Basic Solvency Capital Requirement	**R0100**	**95,017,632.40**	

		Value
		C0100
Operational risk	R0130	28,505,289.72
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	0.00
Capital Requirement for businesses operated in accordance with Article 4 of Directive 2003/41/EC	R0160	0.00
Solvency Capital Requirement excluding capital add-on	**R0200**	**123,522,922.12**
Capital increase already established	R0210	0.00
Solvency capital requirement	**R0220**	**123,522,922.12**
Information on the SCR		
Capital Requirement for the duration-based equity risk sub-module	R0400	0.00
Total amount of Notional Solvency Capital Requirement for the remaining part	R0410	0.00
Total amount of Notional Solvency Capital Requirement for funds of limited availability	R0420	0.00
Total amount of Notional Solvency Capital Requirement for matching portfolio combination	R0430	0.00
Diversification effects due to aggregation of limited availability funds and SCR for section 304	R0440	0.00

S.28.01.01.01

Linear formula component for non-life insurance and reinsurance liabilities

		MCR components
		C0010
Result MCR_{NV}	**R0010**	**45,869,525.23**

		Best estimate and technical provisions calculated as a whole net (of reinsurance/ECE)	Net premiums written (reinsurance) for the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0.00	0.00
Income protection and proportional reinsurance insurance	R0030	0.00	0.00
Workers' compensation and proportional reinsurance insurance	R0040	0.00	0.00
Motor vehicle liability insurance and proportional reinsurance	R0050	253,162,940.08	131,941,681.24
Other motor insurance and proportional reinsurance	R0060	49,801,327.71	65,613,491.76
Marine, aviation and transport insurance and proportional reinsurance	R0070	0.00	0.00
Fire and other property damage insurance and proportional reinsurance	R0080	23,299,157.80	14,692,333.21
General liability insurance and proportional reinsurance	R0090	0.00	0.00
Credit and suretyship insurance and proportional reinsurance	R0100	0.00	0.00
Legal expenses insurance and proportional reinsurance	R0110	0.00	0.00
Assistance and proportional reinsurance	R0120	0.00	0.00
Miscellaneous financial losses insurance and proportional reinsurance	R0130	0.00	0.00
Non-proportional health reinsurance	R0140	0.00	0.00
Non-proportional accident reinsurance	R0150	0.00	0.00
Non-proportional marine, aviation and transport reinsurance	R0160	0.00	0.00
Non-proportional property reinsurance	R0170	0.00	0.00

Straight-line formula component for life insurance and reinsurance obligations

		C0040
MCR_Vresult	**R0200**	**46,551.89**

Total capital at risk for all life (re)insurance obligations.

		Best estimate and technical provisions calculated as a whole net (reinsurance/ECE)	Total capital at risk net (of reinsurance/ECE)
		C0050	C0060
Profit participating obligations - guaranteed benefits	R0210	0.00	
Profit-sharing bonds - future discretionary benefits	R0220	0.00	
Index-linked or unit-linked insurance obligations	R0230	0.00	
Other (re)life and (re)health (re)insurance obligations	R0240	2,216,756.58	
Total capital at risk for all (re)life insurance obligations,	R0250		0.00

General MCR calculation

		C0070
Linear MCR	R0300	45,916,077.12
SCR	R0310	123.522.922,12
MCR upper limit	R0320	55.585.314,95
Lower limit MCR	R0330	30.880.730,53
Combined MCR	R0340	45,916,077.12
Absolute lower limit of MCR	R0350	4,000,000.00
Minimum Capital Requirement	R0400	**45,916,077.12**

GLOSSARY

Term	Definition
Actuarial best estimate	Probability-weighted average of all future claims and cost scenarios calculated using historical data, actuarial methods and judgements.
Claims reserves	Monetary amount considered for the future payment of claims incurred but not yet settled, thus representing a balance sheet liability.
Coinsurance	An arrangement in which two or more insurance companies agree to underwrite insurance business with a specific portfolio in specific proportions. Each of the co-insurers is directly liable to the insured for its proportionate share.
Net claims	The cost of claims incurred during the period, less costs of claims recovered under reinsurance contracts. Includes claims payments and movements in claims reserves.
Premium income, net of reinsurance	Also called imputed net premiums and corresponds to premiums written, less reinsurance premiums, imputed in the period.
PPO	*Periodical Payment Order*. A judge-stipulated annuity arising from serious personal injury claims.
Premium	Payments made by the insured, usually monthly or annually, for part or all of the contract. Premiums written refer to the total amount that the insured has contracted for, while imputed premiums refer to the recognition of these premiums during the life of the contract.
Reinsurance	Contracts whereby part or all the accepted insurance risk is transferred to a reinsurance company. It may be on a quota share basis (a percentage of premiums, claims and expenses) or on an excess of loss basis (full reinsurance of claims above an agreed value).
Underwriting year	Year in which the policy comes into force.
Underwritten/earned	A policy may be underwritten in one calendar year but earned in the following calendar year.