ESPAÑA, S.A.
COMPAÑÍA NACIONAL DE SEGUROS

SOLVENCY AND FINANCIAL CONDITION REPORT

BRIEF ENGLISH SUMMARY

-

YEAR 2025

The full version of our Solvency and Financial Condition Report is available in Spanish and Portuguese languages at www.espanasa.com.

SUMMARY

Activity and results

"ESPAÑA, S.A., Compañía Nacional de Seguros" is a Spanish insurance company, a leader in solvency, independent, and specialized in life insurance since 1928.

Our mission is to help individuals plan their financial future by protecting their families in the event of death and ensuring economic stability during retirement through traditional life insurance policies with guaranteed capital.

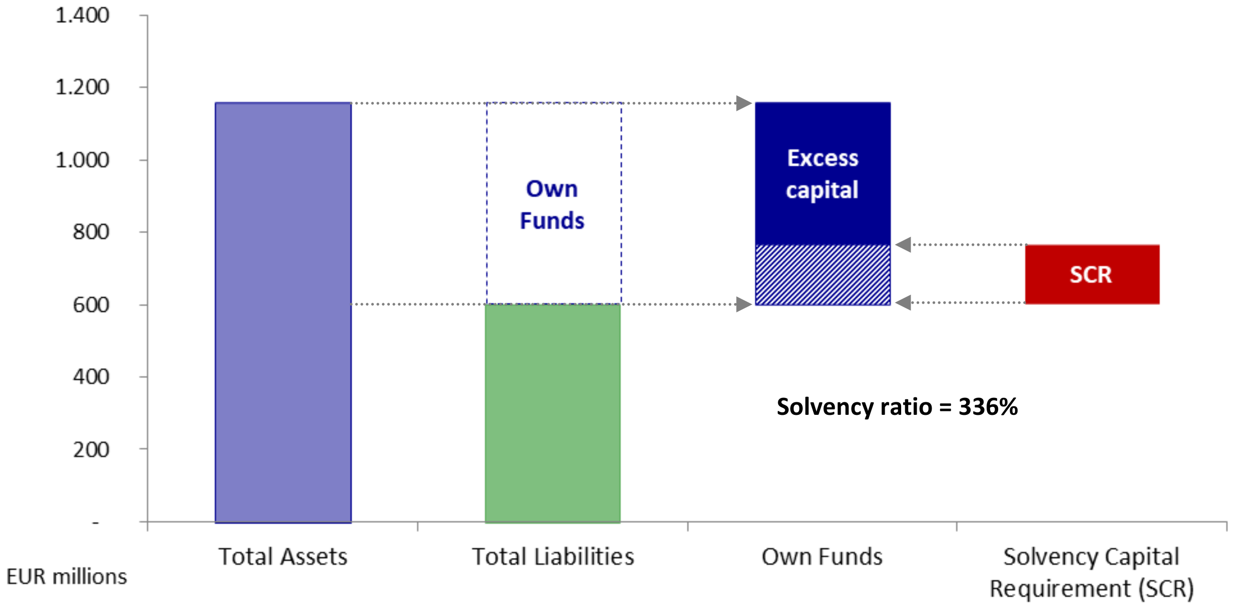
The Company's target market consists of risk averse households and families with needs related to family protection and long-term savings. We specialize in guaranteed products for family protection and savings.

For nearly 100 years, we have been offering individual and group life insurance in Spain and Portugal. Since its foundation in 1968 we are also a member of INSUROPE, the international network of insurance companies that provides employee coverage in Spain for large multinational corporations.

In 2025, the Company's revenues reached €105,519 thousand, with a 14.8% increase compared to the previous fiscal year. Total insured capital in the life insurance segment exceeded €7,055,963 thousand by year-end. The Company's total assets for solvency purposes reached a market value of €1,163,995 thousand.

Solvency position and risk profile

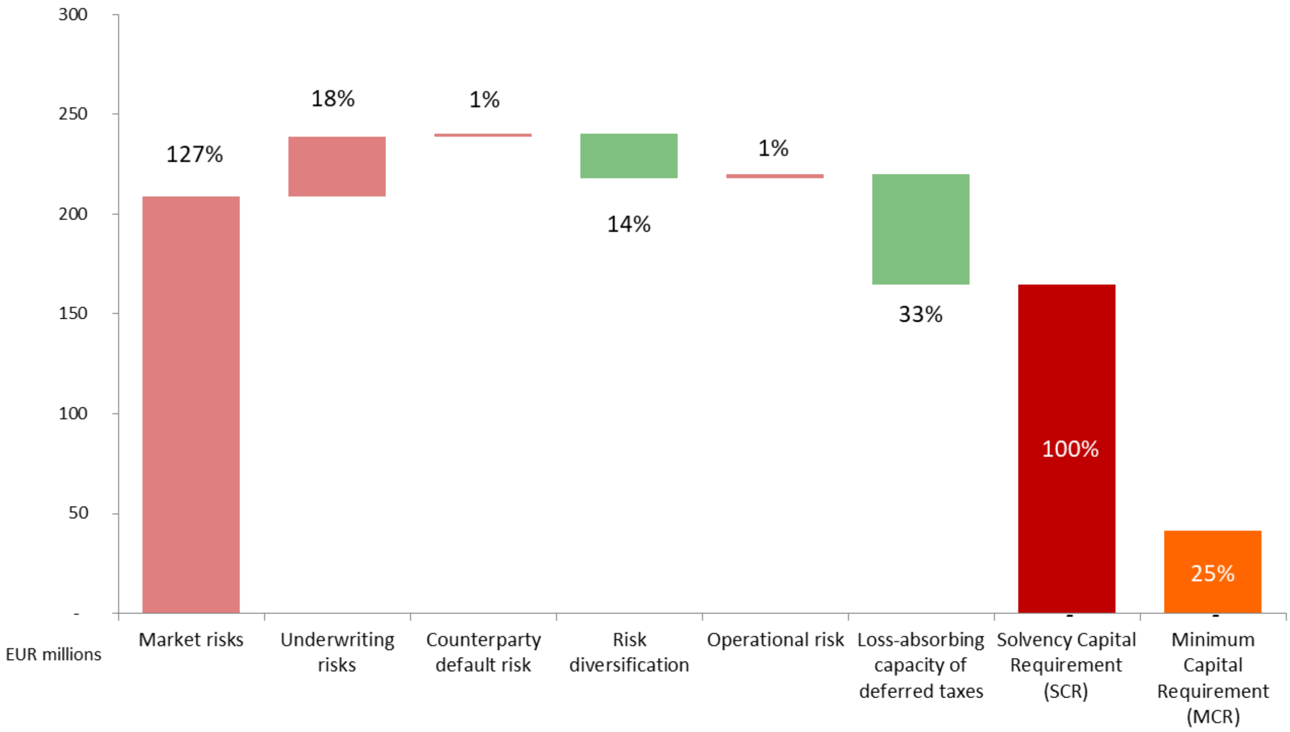
The Company enjoys a very strong financial position, derived from the surplus value of its assets (properties and rights owned by the Company) compared to its liabilities or committed obligations. For solvency purposes assets and liabilities are valued at fair or market value, as explained in Section D of the full version of this document.



Equity, defined as the difference between assets and liabilities, constitutes the Company's available capital to absorb potential losses. It is compared with the Solvency Capital Requirement (SCR), which is calculated for every insurance company based on the risks they undertake. The Company’s Solvency Ratio at the end of 2025 stood at 336%, with a 10-point decrease from the previous year. This ratio results from dividing available own funds by the Solvency Capital Requirement.

The Solvency Capital Requirement represents the maximum potential loss that an insurance company should be able to withstand under the worst-case scenario out of 200 possible outcomes, taking into account specific risks and their interrelations. It is calculated using a standardized methodology across the European Union under Solvency II, making the solvency ratios of different companies comparable across European insurance entities.

As is typical for most life insurance companies that must maintain long-term investments to meet their insurance commitments, the main risks the Company faces are market risks associated to potential losses in its investment portfolio. The Company’s risk profile is further detailed in Section C of the full version of this document. The composition of the Solvency Capital Requirement is summarized in the chart below:



It is important to emphasize that the Company’s high solvency ratio is particularly solid because it applies the Standard Formula and has not adopted an Internal Model to calculate its Solvency Capital Requirement. Additionally, it has not used any mitigating adjustments or transitional measures, which have generally been applied by European life insurance entities to enhance solvency ratios under Solvency II.

Section B of this report provides a detailed overview of the Company’s governance system, which features four distinct and independent key functions, each led by its respective head: the Risk Management Function, the Actuarial Function, the Compliance Function, and the Internal Audit Function.

In fiscal year 2025, there were no significant changes in the Company's activity, results, governance system, risk profile, or capital management. The Company's net equity increased primarily due to investment assets growing more than technical provisions on the liabilities side.

The Company's eligible own funds for solvency purposes reached €556 million, exceeding the book value of shareholders' equity under accounting rules by 76%.

For the purposes of this document, information is considered significant if its omission or inaccuracy could influence decision-making or the judgment of report users. In general, variations below 1% of the economic balance sheet's total assets are considered not material.

Our Values

Security

Our clients seek certainty and assurance that their families will be protected and their retirement secured. That is why we offer traditional, fully guaranteed life insurance and maintain a level of solvency beyond any doubt.

Quality and Trust

Our professional network of life insurance advisors and managers provides comprehensive support to clients, tailoring our services to their personal circumstances.

Specialization

For nearly 100 years, since 1928, we have focused exclusively on exceeding at one thing: meeting our clients' family protection and retirement savings needs through traditional life insurance products.

Independence

We value our independence as a family-owned company with a long-term focus, ensuring full sustainability. We are not dependent on any financial or banking groups - we are accountable only to our policyholders and clients.

Tradition and Sustainability

We are committed to carrying forward the legacy of those who came before us, enriching it with our own experience and passing it on to future generations. We take pride in our nearly 100-year-long commitment to the core principles of traditional life insurance, practicing sustainable long-term management always in favour of our policyholders.

"Traditional" life insurance is a long-term policy that, from the outset and throughout its duration, fully guarantees both insured capital and return at maturity (e.g., at retirement), as well as the death and disability benefits (which only after many years may be matched by other financial products), in addition to surrender and paid-up values in case of early termination. Traditional life insurance is one of the greatest achievements of humankind, designed to address in a single product the main savings and protection needs that arise throughout the life cycle of typical families and households, which represent the broadest segments of the population.