

GLOSSARY

In accordance with the ESMA (European Securities and Markets Authority) directives regarding transparency for the protection of investors in the European Union, this glossary includes the **ALTERNATIVE PERFORMANCE MEASURES (APMs)**, which correspond to those financial measures that are used but not defined or explained in the applicable financial information framework. The definition of these measures establishes equivalences with accounting items used, facilitating the interpretation of the information.

APMs

CONCEPT	DEFINITION		
Consolidated Recurring Revenue	Insurance revenue + Reinsurance revenue + Operating revenue from Other Activities.		
	Purpose: To measure the dimension, growth, and development of operational income in a specific period of time. The Group considers the use of this measure by geographic areas and business units relevant, as it makes it possible to assess their total contribution and monitor their development.		
		<u>June 2025</u>	<u>June 2024</u>
	Insurance revenue	13.164,9	12.711,7
	+ Reinsurance revenue	521,0	1.234,0
	+ Operating revenue from Other Activities	279,9	343,5
	Consolidated recurring revenue (Million euros)	13.965,8	14.289,2
Contractual Service Margin (CSM)	CSM of Insurance contracts measured using the Building Block Approach (BBA) + CSM of insurance contracts measured using the Variable Fee Approach (VFA) - CSM of reinsurance contracts measured using the Building Block Approach (BBA).		
	Purpose: The Contractual Service Margin is a component of the asset or liability for the group of insurance and reinsurance contracts that represents the unearned profit the entity will recognize as it provides services in the future. It makes it possible to assess the viability of the company in the short-medium term, since the volume of future profits generated by written contracts can be determined.		
		<u>June 2025</u>	<u>December 2024</u>
	CSM BBA Insurance contracts	2.075,5	2.096,3
	+ CSM VFA Insurance contracts	450,3	419,0
	- CSM BBA reinsurance contracts	-14,8	-14,0
	Contractual Service Margin (Million euros)	2.511,0	2.501,3

Financial Autonomy Ratio	Total equity / Financial debt		
	Purpose:		
	To measure the dependence that the company has on its creditors. This calculation involves determining the equity that the company has in relation to its debt. In consequence, the ratio gives us a relationship with their ability to borrow.		
		<u>June 2025</u>	<u>December 2024</u>
	<u>Numerator</u>		
	Total equity	10.080,8	9.985,5
	<u>Denominator</u>		
	Financial debt, calculated as:		
	Subordinated debt	1.620,3	1.629,9
	+ Senior debt	858,3	864,9
	+ Debt due to credit institutions	314,7	178,0
	Financial Autonomy Ratio	3,6	3,7
	(Million euros, except Ratio)		
Income / Total Income / Consolidated Income / Total Consolidated Revenue	Insurance revenue + Reinsurance revenue + Insurance/Reinsurance finance revenue + Finance revenue not related to Insurance service + Reversal of financial asset impairment provision + Result from equity-accounted companies + Other non-technical revenue + Positive exchange differences + Reversal of asset impairment provision + Revenue from other activities (see definition).		
	Purpose:		
	To measure the dimension, growth, and development of the company in a specific period of time. The Group considers the use of this measurement by geographic areas and business units to be relevant, as it makes it possible to assess their total contribution and monitor their development.		
		<u>June 2025</u>	<u>June 2024</u>
	+ Insurance revenue	13.164,9	12.711,7
	+ Reinsurance revenue	521,0	1.234,0
	+ Insurance/Reinsurance finance revenue	634,4	361,1
	+ Finance revenue not related to Insurance	1.424,7	1.558,8
	+ Reversal of financial asset impairment provisi	5,7	9,2
	+ Result from equity-accounted companies	27,8	8,3
	+ Other non-technical income	38,1	39,2
	+ Positive exchange differences	378,9	469,7
	+ Reversal of asset impairment provision	0,0	0,0
	<u>Other Activities</u>		
	+ Operating revenue	279,9	343,5
	+ Revenue from fixed assets and investments	17,7	11,9
	+ Financial income	19,9	18,7
	+ Reversal of asset impairment provision	2,6	2,5
	+ Result from equity-accounted companies	14,4	9,4
	+ Positive exchange differences	0,0	0,0
	Consolidated Income	16.530,0	16.778,0
	(Million euros)		

Insurance and Reinsurance Contract Liability	Insurance Contract Liabilities + Reinsurance Contract Liabilities		
	Purpose: To measure the obligations that the insurer has towards the insured or beneficiary in the event that the insured risk occurs, both for the losses that have occurred and for the remaining coverage.		
		June 2025	December 2024
	Insurance Contract Liabilities	38.660,7	39.792,9
	+ Reinsurance Contract Liabilities	17,7	17,1
	Insurance and Reinsurance Contract Liability	38.678,4	39.810,0
	(Million euros)		
Insurance and Reinsurance Revenue	Insurance revenue + Reinsurance revenue		
	Purpose: As with the figure for Income, it makes it possible to measure the dimension, growth and development of the company in a specific period of time. The use of this measurement by geographic areas and business units is also considered to be relevant, as it makes it possible to assess their total contribution and monitor their development.		
		June 2025	June 2024
	Insurance revenue	13.164,9	12.711,7
	+ Reinsurance revenue	521,0	1.234,0
	Insurance and Reinsurance revenue	13.685,9	13.945,7
	(Million euros)		
Leverage / Debt ratio	Financial debt / (Equity + Financial debt).		
	Purpose: To measure the company's financial dependence on third party resources. That is, the specific debt ratio level at which the company is financially dependent on third parties.		
	Numerator	June 2025	December 2024
	Financial debt, calculated as:		
	Subordinated debt	1.620,3	1.629,9
	+ Senior debt	858,3	864,9
	+ Debt due to credit institutions	314,7	178,0
	Denominator		
	Equity	10.080,8	9.985,5
	+ Financial debt	2.793,3	2.672,8
	Debt ratio	21,7%	21,1%
	(Million euros, except %)		
Non-Life Expense Ratio	Other fulfillment expenses + Acquisition expenses / (Insurance revenue + Reinsurance expenses)		
	Purpose: It reflects the percentage of income from premiums that is dedicated to the expenses of the insurance activity. The lower the value of the ratio, the higher the profitability.		

	<table><tr><td><u>Numerator</u></td><td><u>June 2025</u></td><td><u>June 2024</u></td></tr><tr><td>Other fulfillment expenses</td><td>431,0</td><td>427,2</td></tr><tr><td>+ Acquisition expenses</td><td>2.266,6</td><td>2.171,4</td></tr><tr><td>+ Reinsurance commissions^(*)</td><td>-362,7</td><td>-339,7</td></tr><tr><td><u>Denominator</u></td><td></td><td></td></tr><tr><td>Insurance service revenue</td><td>10.994,6</td><td>10.720,7</td></tr><tr><td>+ Reinsurance service expense</td><td>-2.031,0</td><td>-2.128,2</td></tr><tr><td>- Reinsurance commissions^(*)</td><td>362,7</td><td>339,7</td></tr><tr><td>Non-Life Expense Ratio</td><td>27,1%</td><td>27,4%</td></tr><tr><td>(Million euros, except ratio)</td><td></td><td></td></tr><tr><td>(*) Included in "Reinsurance service expense"</td><td></td><td></td></tr></table>	<u>Numerator</u>	<u>June 2025</u>	<u>June 2024</u>	Other fulfillment expenses	431,0	427,2	+ Acquisition expenses	2.266,6	2.171,4	+ Reinsurance commissions ^(*)	-362,7	-339,7	<u>Denominator</u>			Insurance service revenue	10.994,6	10.720,7	+ Reinsurance service expense	-2.031,0	-2.128,2	- Reinsurance commissions ^(*)	362,7	339,7	Non-Life Expense Ratio	27,1%	27,4%	(Million euros, except ratio)			(*) Included in "Reinsurance service expense"						
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Non-Life Loss Ratio	(Claims + Losses in onerous contract groups and reversals of these losses + Changes in liability for incurred claims + Reinsurance revenue) / (Insurance service revenue + Reinsurance expenses). Purpose: Percentage that reflects the amount of premium that is consumed by claims. The lower the value of the ratio, the higher the profitability. <table><tr><td><u>Numerator</u></td><td><u>June 2025</u></td><td><u>June 2024</u></td></tr><tr><td>Claims</td><td>6.448,3</td><td>6.629,2</td></tr><tr><td>+ Losses in onerous contract groups and reversals of these losses</td><td>-1,6</td><td>22,9</td></tr><tr><td>+ Changes in liabilities from incurred claims</td><td>-471,8</td><td>8,7</td></tr><tr><td>+ Reinsurance revenue</td><td>-473,4</td><td>-1.197,6</td></tr><tr><td><u>Denominator</u></td><td></td><td></td></tr><tr><td>Insurance service revenue</td><td>10.994,6</td><td>10.720,7</td></tr><tr><td>+ Reinsurance service expense</td><td>-2.031,0</td><td>-2.128,2</td></tr><tr><td>- Reinsurance commissions^(*)</td><td>362,7</td><td>339,7</td></tr><tr><td>Non-Life Loss ratio</td><td>64,0%</td><td>66,2%</td></tr><tr><td>(Million euros, except ratio)</td><td></td><td></td></tr><tr><td>(*) Included in "Reinsurance service expense"</td><td></td><td></td></tr></table>		<u>Numerator</u>	<u>June 2025</u>	<u>June 2024</u>	Claims	6.448,3	6.629,2	+ Losses in onerous contract groups and reversals of these losses	-1,6	22,9	+ Changes in liabilities from incurred claims	-471,8	8,7	+ Reinsurance revenue	-473,4	-1.197,6	<u>Denominator</u>			Insurance service revenue	10.994,6	10.720,7	+ Reinsurance service expense	-2.031,0	-2.128,2	- Reinsurance commissions ^(*)	362,7	339,7	Non-Life Loss ratio	64,0%	66,2%	(Million euros, except ratio)			(*) Included in "Reinsurance service expense"		
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Non-Life Combined Ratio	(Non-Life expense ratio + Non-Life loss ratio) Purpose: To measure the technical profitability of Non-Life insurance. It is ideal to establish comparisons between companies in the insurance sector, since it measures the loss experience and insurance service expenses as a percentage over insurance and reinsurance revenue. A combined ratio below 100% indicates that the technical result is positive, while a combined ratio above 100% indicates that said result is negative. <table><tr><td></td><td><u>June 2025</u></td><td><u>June 2024</u></td></tr><tr><td>Non-Life expense ratio</td><td>27,1%</td><td>27,4%</td></tr><tr><td>+ Non-Life loss ratio</td><td>64,0%</td><td>66,2%</td></tr><tr><td>Non-Life Combined Ratio</td><td>91,1%</td><td>93,6%</td></tr></table>			<u>June 2025</u>	<u>June 2024</u>	Non-Life expense ratio	27,1%	27,4%	+ Non-Life loss ratio	64,0%	66,2%	Non-Life Combined Ratio	91,1%	93,6%																								
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ROE (Return on equity)	Attributable result last 12 months / Arithmetic mean of equity at the beginning and closing of the period (12 months) x 100		
	Purpose:		
	The ROE (Return on equity) is an indicator used to measure the relationship between the earnings and the resources necessary to obtain them.		
	It makes it possible to measure the return the shareholders obtain from the funds invested in the Company, i.e. the company's capacity to remunerate its shareholders.		
		<u>Junio 2025</u>	<u>December 2024</u>
	<u>Numerator</u>		
	Attributable result last 12 months	1.069,5	967,5
	<u>Denominator</u>		
	Arithmetic mean of attributable equity at the beginning and closing of the period		
	Current period	8.987,4	8.888,7
	Previous year	8.540,2	8.466,6
	ROE	12,2%	11,1%
	(Million euros, except ratio)		

Some of the figures included in this report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

OTHER DEFINITIONS

CONCEPT	DEFINITION
Assets held for sale	Non-current assets classified as held for sale and from discontinued operations.
Assets under management	Investment portfolio + Pension funds + Mutual funds and other.
Attributable equity per share	Equity attributable to the controlling company's shareholders / number of outstanding shares
Attributable result	Result for the year. Attributable to the controlling company.
Dividend yield	Amount of dividend paid in the year / Average share market price in the year
Equity attributable to the controlling company	Equity attributable to the controlling Company's shareholders
Financial debt	Subordinated debt + Senior debt + Debt due to credit institutions.
Foreign exchange differences	Positive foreign exchange differences + Negative foreign exchange differences.
Financial income from investments	Insurance and reinsurance contract finance revenue + Finance revenue not related to insurance service + Result from equity-accounted companies + Reversal of financial asset impairment provision + Positive exchange differences from insurance business + Reversal of asset impairment provision from insurance business + Financial income (from other activities).

Income from non-insurance companies and other income	Operating revenues from Other Activities + Reversal of the asset impairment provision from insurance business + Reversal of the asset impairment provision from Other Activities + Other non-technical revenue + Positive foreign exchange differences.
Income tax	Income tax from ongoing operations.
Interest coverage	(Results before tax and before financial expenses) / Financial expenses.
Liabilities held for sale	Liabilities linked to non-current assets classified as held for sale and from discontinued operations
Minority shareholders	Non-controlling interests.
Modified duration	Asset value sensitivity to interest rate changes, representing an approximate value of the percentage variation of financial assets for each percentage point (100 basis points) change in interest rates Mathematically, it is calculated using the following formula: $D_m = -\frac{1}{(1+r)} \times \frac{\sum \frac{tC_t}{(1+r)^t}}{P} \times 100$ Where: Ct: coupon paid for the bond in period t. r: internal rate of return (IRR) of the bond. P: is the price of the bond.
(Insurance business) Net financial income / Financial result	Insurance and Reinsurance Service finance revenue + Finance revenue not related to insurance service + Share in profits from equity-accounted companies + Reversal of financial asset impairment provision + Positive exchange differences from insurance business + Reversal of asset impairment provision from insurance business + Insurance/reinsurance service finance expense + Finance expense not related to insurance activity + Allowance to financial asset impairment provision + Allowance to asset impairment provision + Share in losses from equity-accounted companies.
(Other activities) Revenue from other activities	Operating revenue + Revenue from fixed assets and investments + Financial income + Share in profits from equity-accounted companies + Positive exchange differences + Reversal of asset impairment provision.
(Other activities) Net financial income and other	Revenue from fixed assets and investments + Expense from fixed assets and investments + Net financial income + Negative consolidation differences + Share in profits from equity-accounted companies + Positive exchange differences + Negative exchange differences + Reversal of asset impairment provision + Allowance to asset impairment provision + Result from disposal of non-current assets held for sale, not included in discontinued activities
Other assets	Inventories + Tax on profits receivable + Other tax receivables + Corporate and other receivables + Other assets + Adjustments for prepayment.
Other liabilities	Other financial liabilities + Tax on profits payable + Other tax liabilities + Other debts + Adjustments for prepayment.

<i>Other non-technical revenue and expenses</i>	Other non-technical revenue + Other non-technical expenses.
<i>(Other comprehensive income) Other recognized revenue and expenses in equity</i>	Equity-accounted entities + Other recognized revenue and expenses.
<i>Pay out</i>	(Total dividend / Result for the year attributable to the controlling company) x 100
<i>Real estate</i>	Real estate for own use + real estate investment.
<i>Result after tax</i>	Result after tax from ongoing operations.
<i>Result before tax</i>	Result before tax from ongoing operations.
<i>Result before tax and financial expenses (EBIT)</i>	Result before tax and before financial expenses.
<i>Result for the period</i>	Cumulative result for the period.
<i>Senior debt</i>	Issue of debentures and other negotiable securities.
<i>Shareholders' equity</i>	Equity attributable to the controlling Company's shareholders.
<i>Subordinated debt</i>	Subordinated liabilities.
<i>Technical result</i>	Result from Insurance and reinsurance Service
<i>Total dividend</i>	Interim dividend + Final dividend.
<i>Total equity</i>	Equity