



MAPFRE, S.A.

(incorporated as a limited liability company (*sociedad anónima*) under the laws of Spain)

EUR 500,000,000

2.875% Fixed Rate Subordinated Notes due 2030

The issue price of the EUR 500,000,000 2.875% Fixed Rate Subordinated Notes due 2030 (the "Notes") of MAPFRE, S.A. (the "Issuer" or "MAPFRE") is 99.060 per cent. of their principal amount. The Notes were issued on 13 April 2022 (the "Issue Date").

The Notes have been issued in denominations of €100,000.

Subject to Mandatory Deferral of Interest as set out in Condition 4(a) (*Mandatory Deferral of Interest*), each Note will bear interest on its principal amount at a fixed rate of 2.875 per cent. per annum (the "Interest Rate") payable annually in arrear on 13 April in each year (each, an Interest Payment Date), commencing on 13 April 2023. Payment of interest on the Notes will be mandatorily deferred on each Interest Payment Date (as defined in the Terms and Conditions) which is a Mandatory Interest Deferral Date (as defined in the Terms and Conditions). Any interest which is deferred will, for so long as it remains unpaid, constitute "Arrears of Interest". Arrears of Interest will not themselves bear interest, and will be payable as provided in Condition 4 (*Deferral of Interest*). Payments on the Notes will be made in Euro with deduction for or on account of taxes imposed or levied by the Kingdom of Spain as described under Condition 9 (*Taxation*).

The payment obligations of the Issuer under the Notes on account of principal constitute unsecured and subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Royal Legislative Decree 1/2020 of 5 May approving the related text of Insolvency Law (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "Insolvency Law"), and in accordance with Article 281 of the Insolvency Law, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer would rank: (i) *junior* to (a) any non-subordinated obligations of the Issuer (including, without limitation, any policyholders of the Issuer, if any) and (b) any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank senior to the Notes; (ii) *pari passu* without preference or priority (a) among themselves, (b) with claims on account of principal under the Existing Callable Tier 2 Subordinated Notes, and (c) with any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank *pari passu* with the Notes; and (iii) *senior* to (a) the common shares of the Issuer, and (b) any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank junior to the Notes.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on 13 April 2030 (the "Scheduled Maturity Date"). Subject to certain pre-conditions (including the previous consent of the Relevant Regulator (as defined in the Terms and Conditions), where necessary, and continued compliance with applicable Regulatory Conditions (as defined in the Terms and Conditions)), the Notes are subject to redemption, in whole but not in part, prior to such date at the option of the Issuer following the occurrence of a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event (as these terms are defined in the Terms and Conditions) or if the Issuer purchases 80 per cent. or more of the aggregate principal amount of the Notes (**provided that**, in the case of any redemption prior to the fifth anniversary of the Issue Date, the Notes are redeemed out of the proceeds of a new issuance of own-funds capital of at least the same quality as the Notes or fulfilling the requirements of Condition 5(b)(ii) (unless otherwise being permitted under the Relevant Rules (as defined in the Terms and Conditions))). The redemption of the Notes on their Scheduled Maturity Date or any other date fixed for the redemption of the Notes shall be deferred in certain circumstances as set out in Condition 5 (*Redemption, Substitution, Variation and Purchase*). Payments on redemption by the Issuer will be subject to the Regulatory Deficiency Redemption Deferral Event (as defined in the Terms and Conditions) having not occurred or occurring if the Notes were to be redeemed.

If a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event occurs and is continuing, the Issuer may substitute or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders (as defined in the Terms and Conditions) but subject to certain conditions (including compliance with applicable Regulatory Conditions), so that they become or remain Qualifying Tier 3 Securities (as defined in the Terms and Conditions) or Rating Agency Compliant Securities (as defined in the Terms and Conditions), as the case may be.

This document (together with the information incorporated by reference) constitutes a listing prospectus (the "Prospectus") for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European

Union of 14 June 2017 (the "**Prospectus Regulation**") and has been prepared in accordance with, and including the information required by Annexes 7 and 15 of Delegated Regulation (EU) 2019/980 of 14 March 2019.

The period of validity of this Prospectus is up to (and including) the admission to trading of the Notes. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the admission to trading of the Notes.

Application has been made for the Notes to be admitted to trading on the Spanish AIAF Fixed Income Securities Market ("**AIAF**"). AIAF is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MiFID II**"). The Notes may also be admitted to trading on any other secondary market as may be agreed by MAPFRE.

Title to the Notes is evidenced by book entries, and each person shown in the central registry of the Spanish settlement system managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("**Iberclear**") and in the registries maintained by the participating entities (*entidades participantes*) in Iberclear ("**Iberclear Members**") as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein (a "**Holder**").

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are rated "BBB-" by Fitch Ratings Ltd. Fitch Ratings Ltd is established in the United Kingdom ("**UK**") and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Fitch Ratings Ltd appears in the list of registered credit rating agencies on the UK Financial Conduct Authority ("**FCA**")'s Financial Services Register. The rating Fitch Ratings Ltd has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the European Economic Area ("**EEA**") and registered under Regulation (EU) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

An investment in the Notes involves certain risks. For a discussion of these risks see "*Risk Factors*" beginning on page 11.

Global Coordinators and Lead Managers

Citigroup

Santander Corporate &
Investment Banking

BNP Paribas

Joint Lead Managers
Crédit Agricole CIB

Morgan Stanley

19 April 2022

IMPORTANT NOTICES

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes.

The Issuer has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

None of the Joint Lead Managers, nor any of their respective affiliates, has separately verified the information contained or incorporated by references in the Prospectus. None of the Joint Lead Managers, nor any of their respective affiliates, has authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or other information supplied by MAPFRE, or assumes any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Lead Managers) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Joint Lead Managers shall not be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of MAPFRE or the Group contained in the Prospectus, or any other agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. All references in this Prospectus to (i) "**USD**" or "**U.S. dollars**" are to United States dollars, the lawful currency for the time being of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and (ii) "**BRL**" or "**Brazilian Reals**" are to Brazilian Reals, the lawful currency for the time being of Brazil. References to "**billions**" are to thousands of millions.

MAPFRE and its consolidated subsidiaries are referred to herein as the "**MAPFRE Group**" or the "**Group**". Words and expressions defined in the Conditions (see "*Terms and Conditions of the Notes*") shall have the same meanings when used elsewhere in this Prospectus unless otherwise specified.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Potential investors are advised to exercise caution in relation to any purchase of the Notes. If a potential investor is in any doubt about any of the contents of this Prospectus, it should obtain independent professional advice. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus, taking into account that the Notes are a suitable investment for professional or institutional investors only;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for payments in respect of the Notes is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes, including the provisions relating to redemption or substitution of the Notes and any variation of their terms, and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

This Prospectus includes forward-looking statements that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates. These forward-looking statements are based on numerous assumptions regarding MAPFRE's present and future business and the environment in which it expects to operate in the future. The forward-looking events described in this Prospectus may not occur. These forward-looking statements speak only as at the date on which they are made. Except as otherwise required by applicable securities law and regulations and by any applicable stock exchange regulations, MAPFRE undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus. Given the uncertainty inherent in forward-looking statements, MAPFRE cautions prospective investors not to place undue reliance on these statements.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Offers of the Notes in Spain shall only be directed specifically at or made to professional investors (*clientes profesionales*) as defined in Article 205 and 206 of the Restated Securities Market Act approved by Royal Legislative Decree 4/2014, of 23 October (*Texto Refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (the "**Spanish Securities Market Law**") and eligible counterparties (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes

or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and its Group and the industry in which it operates together with all other information contained in this Prospectus, including, in particular the risk factors described below. Investors should consider carefully an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus (particularly in section "Description of the Issuer and its Group—Capital Requirements") have the same meanings in this section.

Only risks which are specific to the Issuer and its Group and to the Notes are included herein as required by the Prospectus Regulation. Additional risks and uncertainties relating to the Issuer and its Group that are not currently known to the Issuer or that it currently deems immaterial or that apply generally to insurance industry (such as market exposure in the real estate portfolio, reliance on the network of intermediaries, effects of litigation, exposures to possible downgrades in credit ratings, inefficiencies of the risk management system, strong competition in the insurance sector, or capacity to attract or retain key personnel), for which reason have not been included herein, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and its Group and, if any such risk should occur, the business, financial conditions or results of operations of the Group could be materially adversely affected and the price of the Notes may decline and investors could lose all or part of their investment. Risks that apply generally to negotiable securities such as those related to the secondary market in general (for instance, liquidity and price fluctuations, the reliance on the clearing and settlement systems, those related to investors' currencies, the lack of restrictions on the amount or type of further securities or indebtedness which the Issuer may incur or the possibility that an active secondary market is never established) have not been included herein. However, such additional risks may affect the value and liquidity of the Notes.

RISK FACTORS RELATING TO THE ISSUER

Financial and Credit risks

Results of operations may be affected by fluctuations in financial markets

Fluctuations in financial markets, particularly in fixed income markets, may reduce the value or revenues of the investment portfolio of the Group. This could have a material adverse effect on the Group's revenues, operating results and financial position.

The table below shows the breakdown of the financial investments, liquid assets and other investments as at 31 December 2021 and 31 December 2020:

	31/12/2021	% over total	31/12/2020	% over total
Cash	2,887.6	6.3%	2,418.9	5.4%
Investment on behalf of life insurance policyholders bearing the investment risk	2,957.3	6.4%	2,502.4	5.6%
Total Real estate	2,331.8	5.1%	2,239.9	5.0%
Property for own use	1,071.8	2.3%	1,040.4	2.3%
Property investments	1,260.0	2.7%	1,199.5	2.7%
Financial investments	36,243.3	78.5%	36,511.2	81.3%
Shares	3,051.8	6.6%	2,694.9	6.0%
Total fixed income	30,496.3	66.1%	31,531.7	70.2%
Government Fixed income	22,879.0	49.6%	23,395.9	52.1%
Spain	12,041.2	26.1%	12,761.1	28.4%
Rest of Europe	4,691.8	10.2%	4,401.2	9.8%
United States	1,537.8	3.3%	1,523.9	3.4%
Latin America	3,937.7	8.5%	3,941.8	8.8%
Other	670.5	1.5%	767.9	1.7%
Fixed income – corporate	7,617.3	16.5%	8,135.8	18.1%
Spain	1,819.7	3.9%	1,595.8	3.6%
Rest of Europe	2,760.0	6.0%	3,317.5	7.4%
United States	2,058.1	4.5%	2,110.2	4.7%
Latin America	707.5	1.5%	744.3	1.7%
Other	272.0	0.6%	368.0	0.8%
Mutual funds	1,877.3	4.1%	1,414.6	3.2%

Other financial investments	817.9	1.8%	870.0	1.9%
Other investments	1,739.6	3.8%	1,220.8	2.7%
Investments recorded by applying the equity method	657.0	1.4%	336.4	0.7%
Deposits established for accepted reinsurance	835.0	1.8%	652.2	1.5%
Hedging derivatives	0.0	0.0%	0.0	0.0%
Other investments	247.6	0.5%	232.2	0.5%
TOTAL	46,159.6	100.0%	44,893.2	100.0%

Figures in € million.

The "VaR" or value at risk (maximum variation expected in a one-year time horizon and for a confidence level of 99 per cent.) of equities and mutual funds exposed to stock market risk amounted to EUR 1.3 billion and EUR 1.4 billion as at 31 December 2021 and 2020, respectively.

Furthermore, fluctuations in financial markets affect consumer behaviour, thereby specifically and negatively affecting the life insurance and asset management business of some of the Issuer's subsidiaries. The demand for products benchmarked to fixed income securities, such as pension funds, which invest in this type of asset, may decrease if equity markets perform favourably and may increase when equity markets are weaker. Demand for investment products benchmarked to equity securities, such as mutual funds that invest in this type of asset, may increase when equity markets perform favourably, and usually decreases when markets show a downward trend.

The Group analyses the impact on solvency of potential fluctuations in financial markets through the sensitivity of the Solvency Ratio. The following table shows, as at 31 December 2020 (the last sensitivity available information -as published in the 2020 Solvency and Financial Condition Report), the variations on the Solvency Ratio due to the following potential scenarios: changes in interest rates (increases and decreases), ultimate forward rate (decrease), currency (Euro appreciation), variable income valuation (decrease) and corporate and sovereign spreads (increase):

	31/12/2020	Percentage points change
Solvency Ratio ("SR")	192.9%	-
SR in the event of a 100 basis points increase in the interest rate	185.5%	-7.4 p.p
SR in the event of a 100 basis points decrease in the interest rate	200.0%	7.1 p.p
SR in the case of UFR (Ultimate Forward Rate) 3.50%	192.6%	-0.3 p.p
SR in the event of a 10% Euro appreciation	192.3%	-0.6 p.p
SR in the event of a 25% decrease in variable income	186.7%	-6.2 p.p
SR in the event of a 50 basis points increase in corporate spreads	190.2%	-2.7 p.p
SR in the event of a 50 basis points increase in corporate and sovereign spreads	179.3%	-13.6 p.p

p.p: percentage points

Interest rates exposure

The level of, and changes in, interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect the Group's life insurance and asset management results and interest payable on debt. In particular, interest rates can affect consumer behaviour (especially in the life and asset management businesses), the availability of disposable income for investment in life assurance and other savings products, asset values, levels of bad debts, levels of investment income, gains and losses on investments, funding costs and interest margins. Interest rates increases may also result in a decrease in fixed income asset values.

As at 31 December 2021, the fair value of the consolidated financial assets of the Issuer with fixed interest rates amounted to EUR 29,563.9 million (EUR 30,837.1 million as at 31 December 2020), while the fair value of the consolidated financial assets of the Issuer not exposed to interest rate risk amounted to EUR 6,679.5 million (EUR 5,674.0 million as at 31 December 2020). As at 31 December 2021 the average interest rate of fixed income investments of the Group was 3.42 per cent., while as at 31 December 2020 it was 3.34 per cent.

Significant changes in interest rates could have a material adverse effect on the Group's business, results of operations and financial performance, as shown above on the sensitivity analyses of the Solvency Ratio to increases and decreases of interest rates.

Interest rate sensitivity is measured by "Modified Duration". "Modified Duration" is an internal metric calculated using management criteria that reflects the sensitivity of the assets value to movements in interest rates, it represents an approximation of the percentage variation that the value of financial assets would experience for every percentage point (100 basis points) of variation of interest rates. As at 31 December 2021 the Modified

Duration of the Fixed Income investment portfolio is 6.95 per cent., while as at 31 December 2020 it was 7.55 per cent.

Foreign currency exchange rates exposure

Although the Issuer prepares its consolidated annual accounts in Euro, a large part of its business and investment activities are carried out in non-Euro countries. Consequently, fluctuations in the exchange rate of those currencies against the Euro may negatively affect the value of the Issuer's assets and liabilities and, thus, its equity, operating results and cash flow.

As at 31 December 2021, 43.4 per cent. of total consolidated assets (EUR 27,691.70 million) (37.8 per cent. and EUR 26,131.00 million, respectively, as at 31 December 2020) and 39.0 per cent. of total consolidated liabilities (EUR 21,151.30 million) (33.8 per cent. and EUR 20,022.40 million, respectively, as at 31 December 2020) were denominated in currencies other than the Euro. As at 31 December 2021, the largest currency exposures of total consolidated assets and liabilities as at that date being the Brazilian Reals (which represented 10.8 per cent. of total consolidated assets and 10.7 per cent. of total consolidated liabilities) (9.0 per cent. and 8.4 per cent., respectively, as of 31 December 2020), and the U.S. dollar (which represented 21.5 per cent. of total consolidated assets and 18.3 per cent. of total consolidated liabilities) (18.6 per cent. and 16.0 per cent., respectively, as of 31 December 2020). Moreover, as at 31 December 2021, over 52.7 per cent. of the consolidated direct insurance premiums (EUR 9,560.30 million) were denominated in currencies other than the Euro (52.3 per cent. and EUR 8,766.80 million, respectively, as at 31 December 2020).

Credit risk exposure

The Group is exposed to credit risk due to its creditor position in various fields related to its ordinary activity, such as the acquisition of any type of security, instrument or financial contract obliging a counterparty to return the amount invested by a certain date, as well as to pay explicit or implicit return, such as, for example, on bonds and derivatives. Likewise, a credit risk arises in receivables, which include amounts due under insurance policies, as well as by the public administration, shareholders, financial institutions and borrowers, among others.

The breakdown of the main assets exposing the Group to credit risk as at 31 December 2021 and 31 December 2020 is shown in the following table:

	31/12/2021	31/12/2020
Fixed income Securities	30,496.3	31,531.7
Receivables	5,594.7	5,359.1
Cash	2,887.6	2,418.9
TOTAL	38,978.6	39,309.7

Figures in € million.

The table below shows the breakdown of the Group's portfolio of fixed income securities, hybrid securities, deposits and cash as at 31 December 2021 and 31 December 2020:

Credit rating level (*)	Book value							
	Held-to-maturity portfolio		Available for sale portfolio		Trading portfolio		Cash	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
AAA	1,054.2	1,107.2	2,477.0	3,081.4	1,158.8	788.4	182.2	177.7
AA	83.2	47.6	2,919.9	3,164.4	346.1	316.4	147.0	173.1
A	27.4	184.7	13,607.0	14,761.9	566.0	456.1	1,845.1	1,208.1
BBB	167.6	29.6	6,553.5	6,223.1	759.9	848.5	402.5	546.5
BB or less	30.5	42.8	289.3	257.8	43.0	25.2	74.1	83.8
Without credit rating	142.3	145.2	284.7	270.5	202.7	96.5	236.7	229.8
TOTAL	1,505.2	1,556.9	26,131.4	27,759.1	3,076.5	2,531.1	2,887.6	2,418.9

Figures in € million.

() According to local criteria.*

The risk mitigation tools used by the Group (e.g. reinsurance contracts or financial instruments) also involve risks that may arise from the counterparty's insolvency. The following table shows the breakdown of receivables against reinsurers as at 31 December 2021 and 31 December 2020:

Ceded and retro-ceded reinsurance	Book value	
	31/12/2021	31/12/2020
Provision for Life insurance	54.4	55.6
Provision for outstanding claims	4,142.8	3,738.4
Other technical provisions	0.5	2.6
Receivables on ceded and retroceded reinsurance transactions	381.2	394.4
Due on ceded and retroceded reinsurance transactions	(892.1)	(690.1)
TOTAL NET POSITION	3,686.8	3,500.9

Figures in € million.

The risks outlined above may also cause a loss if the insolvency risk of the issuer or counterparty is presumed to have increased, leading to a fall in the market price of its listed assets and/or a requiring the recognition of an accounting impairment.

Although the economic solvency and reputation of issuers and counterparties are periodically reviewed, the possibility of suffering losses as those described above cannot be totally overruled, and could have a material adverse effect on the operating results and financial position of the Group.

Liquidity risk exposure

As a policy, the Group aims to keep at all times an amount of cash and liquid assets that is sufficient to cover any contingency derived from its obligations with insured parties and creditors. As at 31 December 2021, the consolidated cash balance of the Issuer amounted to EUR 2,887.60 million (EUR 2,418.90 million as at 31 December 2020), which represented 6.26 per cent. of the Issuer's total consolidated financial investment and cash (5.39 per cent. as at 31 December 2020). Without prejudice to the foregoing, liquidity levels in capital markets may significantly and suddenly decline thereby preventing the Group from acquiring or disposing of assets cost-effectively.

Liquidity risk exposure is also relevant for the real estate assets portfolio of the Group (which includes assets in different countries) because all investments in real estate assets are relatively illiquid. A future lack of liquidity in the real estate market could limit the possibility of changing the composition of the real estate investment portfolio at the right time or price.

The materialisation of the liquidity risk could expose the Group to the risk of value losses in asset sales (which is particularly serious for products offering a guaranteed minimum return) or increase its funding cost.

The Issuer and its subsidiaries are exposed to impairment in goodwill and intangible assets

The consolidated annual accounts, as at 31 December 2021, of the Issuer and its subsidiaries include amounts reflecting goodwill for EUR 1,472.4 million (EUR 1,409.8 million as at 31 December 2020) and other intangible assets amounting to EUR 1,438.8 million (EUR 1,370.3 million as at 31 December 2020), primarily generated through acquisitions and business combinations. Adverse developments in business performance, as well as changes in financial markets and interest rates, may require the recognition of an impairment of such assets, which could have a material adverse effect on the operating results and financial position of the Group, as well as its reputation.

In 2021, there was no impairment loss recorded. In 2020 out of the total impairment loss recorded of EUR 456.1 million, a total amount of EUR 127.5 million and EUR 7.3 million correspond, respectively, to an impairment in goodwill and portfolio acquisition expenses in MAPFRE Sigorta, Verti Assicurazioni and Assuransi Bina Dana Arta (ABDA) and were originated in the uncertainty and negative development of macroeconomic data as a result of COVID-19.

The growth, asset quality and profitability of the Group could be negatively affected by potential macroeconomic volatility

The level of income that the Group derives from certain products and services depends on the strength of the economies and prevailing market trends in the countries where it operates. The economies of those countries where the Group operates may be subject to macroeconomic volatility, and a slowdown or recession of one or

more of the economies in which the Group operates (such as the severe recession faced by most world economies as a result of COVID-19 pandemic during 2020 (see "*Pandemics may cause mayor increases on the loss ratio*") or the one which could derive from the volatility in financial markets globally, the increases in the prices of energy, oil and other commodities, and the new international sanctions landscape, provoked by the current military conflict between the Russian Federation and Ukraine) could entail slow or negative growth, reduced investment, a fall in demand or high inflation. Amongst other effects, this volatility may cause fluctuations in business volume and performance, with a potentially adverse impact on the Group's revenues, operating results and financial position.

Considering the Premiums¹ and the operating revenues from non-insurance activities, the following table shows the countries to which the Group is most exposed as at 31 December 2021 and 31 December 2020:

COUNTRY	2021	%*	2020	%*
Spain	7,759.4	34.5%	7,096.6	34.2%
Brazil	3,350.7	14.9%	3,094.1	14.9%
United States of America	1,738.0	7.7%	1,743.3	8.4%
Mexico	1,325.5	5.9%	779.6	3.8%
Peru	517.1	2.3%	507.3	2.4%

Figures in € million.

MAPFRE internal information with management criteria.

* Percentage calculated over the Consolidated Ordinary Revenues of the Group (EUR 22,470.2 million for the year ended 31 December 2021 and EUR 20,777.5 million for the year ended 31 December 2020). "Consolidated Ordinary Revenues" is an APM, the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

Macroeconomic volatility may negatively affect employment levels, consumer borrowing and spending, corporate spending, the availability of debt financing, inflation, as well as fluctuations in interest rates, and the prices of listed securities or property in the countries in which the Group operates. Such volatilities may be exacerbated or caused by catastrophic events, terrorism and acts of war and the governmental and political developments relating to the foregoing, as well as social or political instability, diplomatic relations and international conflicts. The aforesaid volatility may amplify general insurance industry cycles, which can be caused by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable large losses.

Moreover, a large part of the business is generated by the Group abroad, including developing economies (Latin America, Turkey and the Philippines), which means that the Group's business depends on surroundings with varying economic, social and political conditions that may be affected differently by the macroeconomic cycles or can even be affected by different macroeconomic events.

The tables below show the breakdown of the Premiums¹ and total result attributable to the controlling company before "Holdings & Consolidation Adjustments" obtained in Iberia, in other regional areas plus the Assistance business unit and that corresponding to MAPFRE Re Compañía de Reaseguros, S.A. ("**MAPFRE Re**") as at 31 December 2021 and 31 December 2020:

PREMIUMS BY REGIONAL AREA	31/12/2021 (% total)	31/12/2020 (% total)
Iberia	30.5%	30.4%
Other regional areas plus Assistance	44.3%	44.9%
MAPFRE Re	25.2%	24.7%

MAPFRE internal information with management criteria.

RESULT ATTRIBUTABLE TO THE CONTROLLING COMPANY BY REGIONAL AREA	31/12/2021 (% total)	31/12/2020 (% total)
Iberia	57.7%	57.6%
Other regional areas plus Assistance	26.1%	40.3%
MAPFRE Re	16.2%	2.1%

MAPFRE internal information with management criteria.

Conducting business in different countries also exposes the Group to different legal and regulatory requirements, including different tax regimes and laws on the repatriation of funds, increased tax rates on the payment of dividends abroad or asset nationalisation. Its international transactions also expose it to different risks, such as

¹ "Premiums" is an Alternative Performance Measure ("APM"), the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

exchange rate or political risks (as at the date of this Prospectus the Group does not hedge its interest or exchange rate increases).

In addition, the Group's business, operating results and financial position could also be materially adversely affected by sovereign debt crises, mainly in Europe and, more specifically, in Spain (to which the Group is most exposed in terms of business activities and investments, investments in sovereign debt of Spain represent, as at 31 December 2021, 26.09 per cent. over the total investment portfolio —28.43 per cent. as at 31 December 2020). The initiatives enacted by governments and institutions to counter the impact of such crises may prove to be partially or fully ineffective and/or could lead to new measures that may eventually be adverse to the Group.

All of the foregoing could have a material adverse impact on the business, operating results, financial position and reputation of the Group.

Risks inherent to insurance activity

Pandemics may cause mayor increases on the loss ratio

The Group is exposed to the risk of a new epidemic or pandemic and to the increase of the intensity or persistence of COVID-19 over time occurring in one or more of the countries in which it operates or globally. The Group can be impacted through higher mortality rates, lower sales, higher lapses on products, increased withdrawals and increased uncertainty.

Years 2020 and 2021 were marked by the emergence of the coronavirus disease (COVID-19). This pandemic and its spread, together with the measures aimed at containing and mitigating its effects, caused a slowdown in economic activity. In the insurance market, lockdown and mobility restriction measures had a significant effect on business volume and an uneven impact on claims depending on the business line.

As at December 2020, Premiums² decreased by 11.1 per cent. (with a significant impact on the automobile business), and the declared direct losses derived from claims directly attributable to COVID-19 accumulated by business lines rose to EUR 366.7 million (with the most affected business line being reinsurance accepted by business underwritten by the Reinsurance business unit, mainly due to business interruption coverage).

In 2021, the COVID-19 crisis has had the greatest impact of the risks materialised in the year. Although Premiums³ increased, the losses directly attributable to the pandemic amounted to EUR 460 million, most of which was concentrated in Brazil (EUR 188.7 million) and in Latam North (EUR 130.1 million).

Losses incurred as a result of claims directly allocated to COVID-19 in 2021, by line of business, are as follows:

LINES	31/12/2021	31/12/2020
Health	88.7	58.8
Burial	15.0	30.0
Life Protection	278.0	83.5
Travel Assistance (Travel insurance)	8.0	23.2
Other lines (Homeowners, Multirisk...)	17.7	13.7
IBNR*	-	44.1
TOTAL INSURANCE	408.2	253.3
Accepted Reinsurance	52.1	113.4
TOTAL	460.3	366.7

Figures in € million.

**Incurred But Not Reported*

² "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Losses incurred as a result of claims directly allocated to COVID-19 in 2021 (excluding incurred but not reported), by region and business unit, is as follows:

BUSINESS UNITS	31/12/2021	31/12/2020
Iberia	32.7	39.1
Brazil	188.7	46.2
Latam North	130.1	63.3
Latam South	42.7	33.5
North America	2.7	0.8
Eurasia	3.3	3.1
TOTAL INSURANCE	400.2	186
Reinsurance	52.1	113.4
Assistance	8	23.2
TOTAL	460.3	322.6

Figures in € million.

The Non-Life Combined Ratio³ as at 31 December 2021 and 31 December 2020 by line of business is broken down below:

LINES	NON-LIFE COMBINED RATIO	
	31/12/2021	31/12/2020
Auto	100.8 %	91.7 %
Health & Accident	100.1 %	94.1 %
General P&C	90.8 %	92.5 %
Burial	100.5 %	112.1 %
Travel Assistance	107.4 %	102.3 %
Life Protection	94.6 %	85.4 %

MAPFRE internal information with management criteria.

Advances in the vaccination process in Europe and the United States allow for growing optimism in the evolution of the pandemic situation, only threatened by the possibility of new, more contagious and lethal variants that may be more resistant to existing vaccines. However, the impact in Latin America in 2021 has been greater than that of 2020, characterised both by the spike in COVID-19 infections, the slow and uneven pace of vaccination and containment confinements, and by its effects on the social situation, which has translated into lower confidence and economic activity. It is expected that economic activity will take several years to reach pre-crisis levels.

Exposure to losses due to catastrophic events

The Group may suffer material losses due to disasters and catastrophic events which may potentially increase due to the climate change. These events could have a material adverse effect on its business, operating results and financial position, as well as on its reputation and the continuity of its business activities.

Some products offered by the Group cover losses arising from natural or man-made catastrophic events, such as pandemics, hurricanes, windstorms, earthquakes, terrorism, riots, fires and explosions, which are very unpredictable by nature. Such events may not only affect insurance claims, but could also adversely impact investment markets and cause declines in the value of the Group's investment portfolio. The Group pays particular attention to losses due to such disasters by using selective underwriting practices, entering into reinsurance contracts and following up accumulation risks. In some countries, these losses are covered by public entities (such as the *Consortio de Compensación de Seguros* in Spain).

The earthquakes in Puerto Rico in January and May 2020 and the "*Filomena*" snowstorm that took place in Spain in January 2021 stand out as materialisation of these events. The total net retained effect for the Group in 2020 of the Puerto Rico earthquakes amounted to EUR 67.7 million, EUR 28.4 million for MAPFRE Puerto Rico and EUR 31.8 million and EUR 7.5 million for the Reinsurance and Global Risks business units, respectively. In 2021, the "*Filomena*" snowstorm, with more than 40,000 claims reported, had a net impact of almost EUR 20 million between MAPFRE Re and MAPFRE Spanish companies.

The increase in natural catastrophes as a result of the climate change poses difficulties in modeling them adequately, which impacts on the definition of premiums and rates of (re)insurance companies. MAPFRE's

³ "Non-Life Combined ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

presence in countries with high catastrophe risks (earthquakes, hurricanes etc.) requires special treatment, as well as continuous management and mitigation measures over time.

As regards the climate change risk, in addition to extreme climatic events, the transition to a low-carbon and sustainable economy may increase future litigation as potential claims for environmental responsibility when climate risks are not prevented, mitigated or disclosed may arise.

Exposure to the risk of insufficient technical provisions (insurance risk)

The Group's business requires using models, assumption and estimates, which presents the risk of actual experience not matching the assumptions that were used initially. In this sense, unearned premium reserves are calculated based on the assumption that the tariffs applied will be sufficient to cover the claims and expense rate expected in all current contracts until their expiry date.

Nevertheless, claims and expenses rate volatility in certain lines or multi-annual contracts may cause negative differences between the premiums applied and the actual rate incurred, often referred to as "insufficient premiums". In these cases, the Issuer's insurance subsidiaries establish "reserves for ongoing risks", charged against their results, to cover any insufficient premiums known at the end of each financial year. Charging these reserves could have an adverse material effect on their operating results and financial position, as well as on the reputation.

Provisions for outstanding claims are calculated on the basis of the claims' final cost estimates. These estimates are based on actuarial and statistic studies, which are elaborated using facts and circumstances known at a particular point of time. The development of these facts and circumstances depends on multiple factors and could be affected by changes in the legal regulations applicable or in the general economic environment. A change in these variable factors could imply the obligation to increase the provisions for outstanding claims.

Provisions for life insurance are calculated on the basis of estimates. These estimates are based on actuarial and statistical studies which are based on the facts and circumstances known at a specific time, but the performance may depend on many different factors and may be affected by changes in applicable laws or in the general economic scenario. It should also be noted that the Group operates in the annuity business, which exposes it to a significant longevity risk. Actual future results may differ from those estimated, which could have a material adverse effect on the operating results, financial position and reputation of the Group.

The following table shows the technical provisions for direct insurance and accepted reinsurance for the last two years:

TECHNICAL PROVISIONS	31/12/2021	31/12/2020
Provisions for unearned premiums and unexpired risks	7,638.6	7,195.3
Provisions for life insurance	19,089.5	19,588.9
Provision for outstanding claims	11,986.1	11,210.5
Other technical provisions	1,254.1	1,195.5

Figures in € million.

In order to monitor the insurance risk the Group conducts a sensitivity analysis. This sensitivity analysis measures the effect on capital fluctuations upward and downward of the determining factors of insurance risk (number of insured risks, the average premium value, frequency and cost of claims).

One measure of the sensitivity to the non-life insurance risk is the impact that a 1 percentage point change in the Non-Life Combined Ratio⁴ would have on the annual results and, consequently, on equity. The following table

⁴ "Non-Life Combined Ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

shows this effect and the volatility index of the ratio (calculated according to the standard deviation in a five-year time horizon):

BUSINESS UNITS	IMPACT ON RESULTS OF 1% VARIATION IN THE NON-LIFE COMBINED RATIO		NON-LIFE COMBINED RATIO VOLATILITY INDEX ^(*)
	31/12/2021	31/12/2020	
Insurance			
• Iberia	28.9	33.7	2.6%
• Brazil	10.6	10.2	4.8%
• Latam North	6.4	5.7	2.5%
• Latam South	5.2	4.4	2.0%
• North America	11.1	12.9	2.8%
• Eurasia	6.4	5.8	4.1%
Reinsurance	23.1	18.9	2.3%
Assistance	(0.9)	4.1	2.3%
Global Risks	1.5	1.5	16.8%
CONSOLIDATED	99.4	93.2	1.2%

Figures in € million. (except for %).

(*) MAPFRE internal information with management criteria.

The Group calculates its Solvency Capital Requirement (SCR) in line with the requirements of the standard formula for all risks except the longevity sub-risk for MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana ("MAPFRE Vida"), which is calculated with a partial internal model and approved by the Directorate General for Insurance and Pensions Funds (*Dirección General de Seguros y Fondos de Pensiones*) ("DGSFP") in Spain.

For the Life business, MAPFRE uses the standard formula to measure and manage the conditioning factors of insurance risk, which contemplates the following aspects: mortality, morbidity, revision, expenses, lapse and catastrophe. The sensitivity of the SR to these aspects as at 31 December 2020 (last sensitivity analysis available information) are shown in the following table:

	31/12/2020	p.p. change
SR	192.9%	-
SR in case of a 5% increase in the mortality ratio (products without a risk of longevity)	190.2%	-2.7 p.p
SR in case of a 5% decrease in the mortality ratio (only products with a risk of longevity)	189.9%	-3.0 p.p
SR in case of 5% increase in disability ratio	192.9%	0.0 p.p
SR in case of a 10% increase in expenses	189.8%	-3.1 p.p
SR in case of a 10% increase in losses	191.4%	-1.5 p.p

p.p: percentage points

Based on the sensitivity analysis carried out regarding the main technical variables (mortality, disability, expenses and lapses) in the Group's main Life insurers, there are no relevant deviations from Life insurance provisions and, therefore, from the own funds of these entities or the Group.

Prolonged investment underperformance of the Group's funds under management may cause existing customers to withdraw funds and potential customers not to grant investment mandates, which could have a material adverse effect on the Group's business, revenues, results and financial condition

Access to reinsurance coverage

The Issuer's subsidiaries regularly enter into contracts with reinsurance companies not belonging to the Group in order to control their risk exposure. Market conditions beyond the Group's control determine the availability and cost of the reinsurance protection it purchases. Accordingly, the Group may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect the Group's ability to write future business, as well as its operating results and financial position.

The following table shows the breakdown of receivables against reinsurers in the last two years:

Ceded and retro-ceded reinsurance	Book value	
	31/12/2021	31/12/2020
Provision for Life insurance business	54.4	55.6
Provision for outstanding claims	4,142.8	3,738.4
Other technical provisions	0.5	2.6
Receivables on ceded and retroceded reinsurance transactions	381.2	394.4
Due on ceded and retroceded reinsurance transactions	(892.1)	(690.1)
TOTAL NET POSITION	3,686.8	3,500.9

Figures in € million.

Operational risks

Operational risk

The Group may suffer financial losses, interruption in its business activities, larger liabilities *vis-à-vis* its clients or intervention from the public administration due to inadequate computer systems or maintenance/investment standards, data protection incidents, inadequate processes and/or internal systems (including, the risk management system), failures therein, or inadequate staff or the behaviour of third parties (including brokers, agents or other staff in charge of product sales). These operational risks include actuarial, legal, technological, staff, collaborators, procedures, information, fraud, market, material assets, compliance, cybercrime and computer system risks. The Group could also be affected by increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist-financing procedures and their effectiveness, and regulatory investigations of the asset management and insurance industries.

Should operational risks materialise, they could have a material adverse effect on the business, operating results and financial position of the Group, as well as its reputation. Any of the above could also lead to increased regulatory supervision, affect the Group's ability to attract and retain customers, impair access to the capital markets or have other adverse effects on the Group in ways that are not predictable.

The operational risk of the Group is quantified pursuant to the standard formula established in the Solvency II framework. In 2020 (last available information) the operational risk amounted EUR 520 million, which represents 9.8 per cent. of the risks comprising the total the Group's SCR.

CyberRisk

The Group is exposed to CyberRisks as the Group carries out its business activity, including data management and control, in a digital or "Cyber" environment. There are risks arisen from the use, treatment and transmission of electronic data through information systems, communications networks and the Internet itself, potential damages caused by Cyber-incidents, as well as fraud committed by the inappropriate or improper use of the data.

Furthermore, the generalised lockdown and confinements caused by COVID-19 forced the mass implementation of remote working, which expanded the access routes to Group's computing resources and made additional technical and organisational measures necessary to allow access in a secure manner.

As an example of materialisation of this risk, MAPFRE detected a malfunction in its computer systems, a malware (in particular a ransomware) that affected part of the servers and equipment in Spain affecting the activity of the MAPFRE companies in the country. Despite having an insurance policy that covers damage and loss of profits resulting from these types of events, the impact of that malware amounted to EUR 5 million in the year ended 31 December 2020.

Effects of regulatory and legislative changes on the Issuer's business

Insurance companies are subject to extensive special laws and regulations in those countries where they operate, which, additionally, are administered and enforced by a number of different supervisory authorities.

In light of wider financial and economic conditions, some of these authorities are considering, or may in the future consider, enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision (increased requirements may also derive from the classification as a particular type of insurance group, such as an Internationally Active Insurance Group or a Global Systemically Important Insurer). These authorities may also seek to exercise their supervisory or enforcement authority in new

or more robust ways. All of these possibilities, if they occurred, could affect the way the Group conducts business and manages capital, and may require the Group to satisfy increased capital requirements.

Legislative changes can (i) involve a risk if the Group is unable to adapt to them or (ii) affect the Group's operations to the extent that the supervisory authorities have broad administrative control over various aspects of the insurance business. This may affect premium amounts, risk selection and underwriting rules, marketing and sales practices, the distribution of benefits among policyholders and shareholders, advertising, license agreements, policy models and contracts, solvency, capital requirements, investment portfolio management, and the requirements for publishing the financial and non-financial information of insurance companies. Changes in taxation may affect the benefits of certain products marketed by the company or its subsidiaries that currently enjoy favorable tax treatment.

Among the legislative changes, in March/June 2022, insurance companies must start reporting information in accordance with the new criteria established in the International Financial Reporting Standards adopted by the EU ("IFRS-EU") 17 "Insurance Contracts" and IFRS-EU 9 "Financial Instruments", which, respectively, require insurance companies to apply changes in the recognition of insurance and reinsurance operations, affecting the valuation and presentation of income, expenses, assets and liabilities derived from the insurance business, and the classification and valuation of financial assets. Implementing these regulations poses operational challenges for insurance companies, which must collect and prepare information during 2022 according to the new criteria to comply with the regulations as of the date of application.

Another remarkable regulatory development that has affected insurance companies is the Solvency II framework. As described in "*Description of the Issuer and its Group—Capital Requirements—Solvency II capital framework*", the Solvency II framework significantly changed all former regulations as regards valuation of the balance sheet, calculation of technical reserves and measurement of admissible capital resources and required solvency; corporate governance; and the reporting to the supervisory authorities and to the market of relevant data on solvency levels and of the risk management system. Regulators may deeply review the Solvency II framework, which may result in new requirements or in amendments and new versions of regulations and guidelines with other interpretations or different requirements. This could require further adjustments by the Issuer and makes it difficult to predict the exact effect of Solvency II on the Issuer and the Group.

In the event of a failure by the Issuer to meet the applicable regulatory capital requirements (including the minimum consolidated group SCR and the SCR), the DGSFP has broad authority to require or take various regulatory actions, including the development of a realistic recovery plan for approval by the DGSFP. Please also see "*Capital adequacy requirements*" below.

In addition, due to the financial and economic conditions derived from the health, economic and energy crises derived from the Covid-19 pandemic, the insurance industry authorities in Latin America and Brazil are considering a reinforcement of the regulatory requirements in order to ensure the stability of the companies under their supervision.

Consequently, any future changes in legislation and regulations currently applicable to the Issuer or its subsidiaries could have a material adverse effect on their business, operating results and financial position (among them the review of the Solvency II framework, which may affect the way the Group conducts business, may introduce a new resolution regime or may make instruments issued by the Group no longer (fully or partially) eligible as own funds and/or not sufficient to comply with any (existing, increased or new) capital requirements).

Additionally, supervisory authorities have extensive administrative control over various aspects of the insurance business. This control may affect premium amounts, risk selection and underwriting rules, marketing and sales practices, the distribution of profits among policyholders and shareholders, advertising, license agreements, standard policies and contracts, the solvency and capital requirements, investment portfolio management, and the requirements for publishing the financial and non-financial information of insurance companies. The powers granted by law to supervisory authorities to carry out this regulation and supervision of the insurance industry include the possibility of prohibiting the exclusion of certain risks in insurance coverage, such as risks derived from terrorism.

Capital adequacy requirements

Under the Solvency II framework the Group is required to maintain a minimum level of assets in excess of its liabilities (established by means of the SCR and the MCR or minimum consolidated group SCR). Please see "*Description of the Issuer and its Group—Capital Requirements—Solvency II capital framework*".

As at 31 December 2021, the Group satisfied all of its current regulatory requirements in this regard (see "*Description of the Issuer and its Group—Capital Requirements—Issuer's position*"). However, the Group's future regulatory capital requirements will depend on many factors, including its operational results, capital market developments, the volume of newly generated business and regulatory changes to capital requirements or other regulatory developments.

Any inability on the part of the Group to meet its regulatory capital requirements in the future would require the Group to take steps to restore the level of regulatory capital held to acceptable levels (please see "*Description of the Issuer and its Group—Capital Requirements—Solvency II capital framework—The Issuer in difficulty or in an irregular situation*"). Such capital may not be available on commercially favourable terms and the Group may need to adjust its business practices to preserve its capital.

In addition, a breach of the regulatory capital requirements of the Group can also lead to a deferral of the redemption of the Notes or to an interest deferral (please see "*Risk Factors Relating to the Notes—Maturity and postponement*" and "*Risk Factors Relating to the Notes—Interest deferral*" below).

Strategic and corporate governance risks

Effects of changes in acquisitions and strategic alliances

Over the last two years, the Group has acquired minority or controlling stakes in various companies. New acquisitions or strategic agreements may also be executed in the future.

The most relevant acquisition during 2020 was the agreement reached between MAPFRE and León BHD Financial Center, S.A. ("**León BHD Financial Center**") in which MAPFRE acquired 51 per cent. of the health insurance company ARS Palic, transforming into MAPFRE Salud ARS. The León BHD Financial Center holds the remaining 49 per cent. and the acquisition of the stake came to USD 40.1 million.

Over the 2021 the MAPFRE Group acquired additional stakes from minority shareholders in the companies MAPFRE Middlesea plc, in Malta, and MAPFRE Atlas Compañía de Seguros, S.A., in Ecuador, representing 1.27 per cent. and 7.66 per cent. of the share capital, respectively, for a total amount of EUR 2.5 million. On 17 September, the MAPFRE Group acquired an additional 32.46 per cent. of the shares of MAPFRE Perú Vida Compañía de Seguros y Reaseguros, S.A. ("**MAPFRE Perú Vida**"), for an amount of EUR 109.2 million, taking its holding in the company to 99.87 per cent.

Although the Group executes caution and applies professional criteria when selecting and analysing opportunities, success in this acquisition and alliance policy cannot be guaranteed. An unsuccessful or incomplete integration of the acquired businesses or any unsuccessful current/future alliances, or under-performance in such ventures or alliances, could have a material adverse effect on the business, revenues, operating results and financial position of the Group, as well as its reputation.

A materialisation of this risk has arisen from the banking restructuring process underway in Spain, which has involved one of the financial entities with which the Group held a strategic alliance in the bancassurance business. This refers to the termination, due to the absorption of Bankia, S.A. ("**Bankia**") by CaixaBank, S.A. ("**CaixaBank**"), of the bancassurance agreement that the Group had with Bankia (the "**Bankia Agreement**"). The termination was formalised on 29 December 2021 between MAPFRE and CaixaBank, based on the valuations made by the independent expert. The termination agreement resulted in MAPFRE receiving EUR 570.8 million in 2021, which implied an extraordinary result of EUR 167.1 million. This could be increased by EUR 52 million if the arbitration proceeding sides in favor of MAPFRE's interests. In addition, MAPFRE has expressed, both to the independent expert as well as to CaixaBank its disagreement with the value assigned to the Life business, as it was not measured in line with market methodology and criteria, in the terms of the mandate and the agreements, with the corresponding reserve of actions and rights. As a result, MAPFRE may take legal action to defend its legitimate interests.

Possible increases in reinsurance activity, a highly cyclical sector, are subject to specific risks

The reinsurance industry is cyclical. Traditionally reinsurance transaction results have significantly fluctuated due to various factors, such as: competitive prices; frequency and severity of catastrophic events; increase in the risk of terrorist attacks; and the withholding of claim payments by insurers and reinsurers.

Furthermore, reinsurance demand is particularly affected by technical results and insurer capacity, as well as general economic conditions. Reinsurance supply is related to the level of market rates applicable to risks, the amounts of insurance claims and available surplus in the reinsurance industry.

Due to the foregoing, the growing volume of activity of the Group in the reinsurance business could have a material adverse effect on its operating results and financial position.

The following tables show the breakdown for the last two years of Premiums⁵ classified according to the type of business underwritten, where a 21.19% increase of the underwritten catastrophe risk premiums from accepted reinsurance is observed in 2021:

ITEM	2021	2020	Variation
Written premiums, direct insurance*			
Direct insurance			
Catastrophic risk	491.8	467.7	5.15%
Other risks			
Life	4,252.2	3,813.9	11.49%
Non- Life			
Automobile	5,335.8	5,542.9	-3.74%
Other	8,047.8	6,942.9	15.91%
TOTAL PREMIUMS INSURANCE**	18,127.6	16,767.3	8.11%
Premiums from accepted reinsurance*			
Accepted reinsurance			
Life	630.0	553.7	13.78%
Non- Life			
Catastrophic risk	404.4	333.7	21.19%
Other risks	2,992.6	2,827.5	5.84%
TOTAL PREMIUMS REINSURANCE**	4,027.0	3,714.9	8.40%

Figures in € million.

*MAPFRE internal information with management criteria.

** "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Put options over shares held in certain subsidiaries

The Issuer has granted a put option to the minority shareholders in MAPFRE Re for the amounts of their stake in this company (6.23 per cent.), which can be exercised at any time. The put option does not have a maturity.

If this put option is exercised, the Issuer or any other Group company designated by the Group shall be obliged to acquire the shares from the minority shareholder intending to sell. The purchase price of MAPFRE Re shares will be the result of applying a previously agreed formula. Consequently, the Group shall need to have/provision sufficient funds for these commitments (however, as of the date of this Prospectus no accounting provision has been established in this regard). As at 31 December 2021, taking into account all variables included in the aforementioned formula, MAPFRE's maximum liability would amount to approximately EUR 112 million.

The Issuer depends on the dividends and other cash flows it obtains from its subsidiaries

As a holding company, the Issuer needs an adequate cash supply in order to cover its operating costs and meet its financial liabilities, which it obtains primarily from the dividends paid by its subsidiaries.

The dividends received by the Issuer from its Group companies amounted to EUR 1,340.3 million and EUR 1,134.7 million as at 31 December 2021 and 2020, respectively.

Although most governments in the countries where the Issuer is present through its subsidiaries have not prohibited the repatriation of dividends or capital divestments, the possibility of restrictive exchange control policies being established in the future cannot be dismissed.

If, for any reason, subsidiaries were forced to reduce or cancel the payment of dividends, the Issuer's ability to cover its operating costs and meet its financial liabilities may be reduced, even significantly.

⁵ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Additionally, as a shareholder of its subsidiaries, the Issuer's claims in the event of the insolvency of its subsidiaries will rank junior to any other claims over their assets.

RISK FACTORS RELATING TO THE NOTES

The obligations of the Issuer under the Notes are unsecured and subordinated

The payment obligations of the Issuer under the Notes are unsecured and subordinated obligations of the Issuer and, therefore, in accordance with Spanish law rank junior in priority of payment to all unsubordinated obligations of the Issuer. Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is an enhanced risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent.

Pursuant to Article 281 of the Insolvency Law after payment in full of unsubordinated claims but before distributions to shareholders as a consequence of their condition as equity holders, the Issuer will meet subordinated payment claims (*créditos subordinados*) in the order detailed below and *pro rata* within each class: (i) claims lodged late; (ii) contractually subordinated claims (which includes not only the Notes but also the Existing Callable Tier 2 Subordinated Notes); (iii) interest payments (including accrued and unpaid interest due on the Notes); (iv) fines; (v) claims of creditors which are specially related to the Issuer (subject to certain exceptions); (vi) claims of creditors declared in bad faith as a consequence of an insolvency revocation; and (vii) claims arising from contracts with reciprocal obligations when the insolvency court finds that the relevant creditor has repeatedly hindered their fulfilment to the detriment of the insolvency interests. Holders of the Notes by subscribing the Notes are accepting to be subordinated to any subordinated obligations of the Issuer which by law or by their terms, to the extent permitted by Spanish law, rank senior to the Notes.

Under the Insolvency Law, accrual of interest on the Notes shall be suspended from the date of the declaration of insolvency of the Issuer.

Moreover, since the Issuer is the ultimate holding company of the Group, in the event of a winding-up of a subsidiary, creditors of such subsidiary would have to be paid in full before sums would be available to its shareholders (i.e., the Issuer) and, eventually, to the Holders. The Conditions do not limit the amount of liabilities that the members of the Group may incur. In addition, the Issuer may not necessarily have access to the full amount of cashflows generated by its subsidiaries (for example, due to tax constraints, contractual restrictions or regulatory requirements of the subsidiaries).

Maturity and postponement

The Notes are scheduled to be redeemed at par on the Interest Payment Date falling on 13 April 2030 (the "**Scheduled Maturity Date**"), subject to Condition 5(a)(ii) and provided that on such date the conditions set forth in Condition 5(b) are fulfilled. Before that date, the Issuer has, under certain conditions, the right to redeem or repurchase the Notes, but is under no obligation to do so. Under the Conditions, the Holders have no right to call the Notes for early redemption.

In any event, redemption, as well as repurchase of the Notes, are subject to compliance with Condition 5(a)(ii) (i.e., no Regulatory Deficiency Redemption Deferral Event having occurred and continuing or would occur if redemption were made on the otherwise redemption date, provided that none of the circumstances established in the referred Condition 5(a)(ii) applies), Regulatory Conditions and other conditions set forth in Condition 5(b) (jointly, the "**Conditions to Redemption**"). Where such conditions are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. Therefore, Holders may receive their investment back at a later point in time than initially expected.

If the Notes are not redeemed on the Scheduled Maturity Date due to the reasons set out above, Holders will — subject to any compulsory deferral— continue to receive interest but will not receive any additional compensation for the postponement of the redemption.

Risks in case of an early redemption of the Notes

At the Issuer's option and subject to the Conditions to Redemption, the Notes may be redeemed at any time at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption, if a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event (each as defined in the Terms and Conditions) occur.

If the Notes are redeemed prior to the Scheduled Maturity Date, a Holder is exposed to the risk that due to the early redemption its investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption (there can be no assurance that Holders will be able to reinvest the amount received upon redemption at a rate and under conditions that will provide the same return as their investment in the Notes). Holders will receive the principal amount (together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption) upon any early redemption. The principal amount may be lower than the then prevailing market price of the Notes.

Substitution and variation of the Notes without the Holders' consent

Subject to compliance with all applicable Regulatory Conditions and other requirements set forth in Condition 5(b), if a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing, the Issuer may, at any time and at its discretion, and without the consent or approval of the Holders, elect either (i) to substitute all (but not some only) of the Notes or (ii) to vary the terms of all (but not some only) of the Notes, so that they remain or, as appropriate, become Qualifying Tier 3 Securities (as this term is defined in the Conditions) (in the case of a Capital Disqualification Event or a Tax Event) or Rating Agency Compliant Securities (as this term is defined in the Conditions) (in the case of a Ratings Methodology Event).

Any such substitution or variation may have adverse consequences for Holders, depending on a number of factors, including the nature and terms and conditions of the relevant Qualifying Tier 3 Securities or Rating Agency Compliant Securities and any tax laws to which a particular Holder of Notes is subject.

Interest deferral

In certain cases, interest on the Notes will not be due and payable on the scheduled Interest Payment Date (as defined in the Terms and Conditions). Moreover, payment of the resulting Arrears of Interest is subject to certain further conditions and Arrears of Interest will not bear interest.

Compulsory deferral of interest payments

In case a Regulatory Deficiency Interest Deferral Event (as defined in the Terms and Conditions) occurs and is continuing, or would occur if payment of interest were made on such Interest Payment Date on the relevant Interest Payment Date, interest which accrued during the period ending on (but excluding) such Interest Payment Date will not be due and payable on that Interest Payment Date.

Any such deferral of payment will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose, and will not give Holders any right to accelerate repayment of the Notes or take any other action under the Notes.

Interest deferred will constitute Arrears of Interest. Holders will not receive any additional interest or compensation for the compulsory deferral of payments. In particular, the resulting Arrears of Interest will not bear interest.

Restrictions on payment of Arrears of Interest

The Issuer will only be entitled to voluntarily pay Arrears of Interest if at such time a Regulatory Deficiency Interest Deferral Event is not subsisting and would not occur if payment of the Arrears of Interest were made.

Notes may be traded with accrued interest which payment may subsequently be deferred

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several interest payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the relevant Holders to receive less interest than initially anticipated and as a result to lose part of their investment in the Notes

No gross-up obligation under the Notes

All payments made by or on behalf of the Issuer in respect of the Notes will be made subject to and after deduction or withholding required to be made by law for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax. The Issuer will not be required to pay

any additional or further amounts in respect of such deduction or withholding. Accordingly, Holders may receive less than the full amount of principal or interest due under the Notes, and the market value of the Notes may be adversely affected.

The SCR ratio and the MCR ratio will be affected by the Issuer's and/or the Group's business decisions and, in making such decisions, the Issuer's and/or the Group's interests may not be aligned with those of the Holders

The SCR ratio and the MCR ratio (as these terms are defined in Solvency II) could be affected by a number of factors (including changes in Spanish or EU laws or in accounting rules and policies). They will also depend on the Issuer's or the Group's decisions relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of the Holders in connection with the strategic decisions of the Issuer or the Group, including in respect of capital management. Holders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Issuer or the Group, including its capital position. Such decisions could cause Holders to lose all or part of the value of their investment in the Notes.

Interest rate risk

The Notes bear interest at a fixed rate. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

In addition, Holders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Holders want to invest such proceeds in comparable transactions, Holders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spread respectively).

The Conditions of the Notes do not contain express events of default or provisions allowing for early redemption of the Notes at the option of the Holders

The Terms and Conditions do not contain any express events of default provision that would allow Holders to accelerate the Notes in case of the occurrence of an event of default. Moreover, the deferral of any payment in accordance with the Conditions will not constitute a default by the Issuer or any breach of its obligations under the Notes, or for any other purpose, and will not give Holders any right to accelerate repayment of the Notes or take any other action under the Notes.

In addition, pursuant to Solvency II, the Issuer is prohibited from including in the Conditions terms that would oblige it to redeem the Notes prior to their stated maturity at the option or at the request of the Holders. As a result, the Conditions do not include provisions allowing for early redemption of the Notes at the option of the Holders.

The Conditions contain a waiver of set-off rights

The Conditions provide that Holders waive any set-off, netting or compensation rights against any right, claim, or liability the Issuer has, may have or acquire against any Holder, directly or indirectly, howsoever arising. As a result, Holders will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer.

The Notes are intended to qualify as Tier 3 instruments which are relatively new types of instruments for which there is no trading history in Spain

Although certain European insurance companies have issued Tier 3 instruments with similar features in the past, there is no trading history for instruments of this type of Spanish insurance companies. Market participants are in the initial stages of evaluating the risks associated with this type of instruments and it is possible that, over time, the value of Tier 3 instruments will be lower than those expected by investors at the time of issuance of the Notes. If so, Holders may incur losses in respect of their investments in the Notes.

In addition, the absence of trading history in Spain for this type of instruments may also affect the liquidity of the Notes and, therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Credit ratings assigned to the Issuer or any Notes may not reflect all of the risks associated with an investment in those Notes

Fitch Ratings Ireland Limited has assigned credit ratings to the Issuer and Fitch Ratings Ltd has assigned a BBB-credit rating to the Notes. The rating may not reflect the potential impact of all risks related to structure, the market, the additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Any change in the credit ratings of the Notes or the Issuer could adversely affect the price that a subsequent purchaser will be willing to pay for the Notes.

In general, European (including UK) regulated investors are restricted under the CRA Regulation (which also forms part of the domestic law of the UK by virtue of the EUWA, the UK CRA Regulation) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation or, as applicable, in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended). Such general restrictions will also apply in the case of credit ratings issued by non-EU credit rating agencies or, as applicable, non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended) or, as applicable endorsed by an by an UK-registered credit rating agency or the relevant non-UK rating agency is certified in accordance with the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency of the Notes changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Notes which may impact the value of the Notes in the secondary market.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. See, in particular, "Terms and Conditions of the Notes".

The Issuer:	MAPFRE, S.A.
Global Coordinators:	Banco Santander, S.A. and Citigroup Global Markets Europe AG
Joint Lead Managers:	Banco Santander, S.A., BNP Paribas, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank and Morgan Stanley Europe SE.
The Notes:	EUR 500,000,000 2.875% Fixed Rate Subordinated Notes due 2030.
Issue Price:	99.060 per cent. of the principal amount of the Notes.
Issue Date:	13 April 2022.
Form and Denomination:	<p>The Notes have been issued in uncertificated, dematerialised book-entry form (<i>anotaciones en cuenta</i>) and have been registered with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal as managing entity of the central registry of the Spanish clearance and settlement system (the "Spanish Central Registry") and its member entities (the "Iberclear Members").</p> <p>The Notes have been issued in an aggregate nominal amount of EUR 500,000,000 and an individual nominal amount of EUR 100,000.</p>
Title and transfer:	<p>Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the Iberclear Members as being a holder of the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. The "Holder" means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and Holder shall be construed accordingly.</p> <p>The Notes were issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Holder will be (except as otherwise required by Spanish law) treated as the legitimate owner (<i>titular legítimo</i>) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest, or any writing on, or the theft or loss of, the Certificate (as defined in the Terms and Conditions) issued in respect of it), and no person will be liable for so treating the Holder.</p>
Status:	<p>The payment obligations of the Issuer under the Notes on account of principal constitute unsecured and subordinated obligations (<i>créditos subordinados</i>) of the Issuer according to Article 281.1.2º of the Royal Legislative Decree 1/2020 of 5 May approving the related text of Insolvency Law (<i>Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal</i>) (the "Insolvency Law"), and in accordance with Article 281 of the Insolvency Law, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer would rank: (i) <i>junior</i> to (a) any non-subordinated obligations of the Issuer</p>

(including, without limitation, any policyholders of the Issuer, if any) and (b) any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank senior to the Notes; (ii) *pari passu* without preference or priority (a) among themselves, (b) with claims on account of principal under the Existing Callable Tier 2 Subordinated Notes, and (c) with any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank *pari passu* with the Notes; and (iii) *senior* to (a) the common shares of the Issuer, and (b) any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank junior to the Notes.

Interest: Each Note will bear interest on its principal amount at a fixed rate of 2.875 per cent. per annum (the "**Interest Rate**") payable annually in arrear on 13 April in each year (each, an Interest Payment Date), commencing on 13 April 2023.

Mandatory Deferral of Interest: Payment of interest on the Notes by the Issuer will be mandatorily deferred on each Interest Payment Date which is a Mandatory Interest Deferral Date (as set out in Condition 4(a) (*Mandatory Deferral of Interest*)).

Mandatorily deferred interest shall constitute arrears of interest.

Any such deferral of any payment of interest will not constitute a default by the Issuer or any breach of its obligations under the Notes or for any other purpose and will not give Holders any right to accelerate repayment of the Notes or to take any other action under the Notes.

Arrears of Interest: Any interest in respect of the Notes not paid on an Interest Payment Date as a result of the obligation of the Issuer to defer such payment of interest pursuant to Condition 4(a) ("*Deferral of Interest — Mandatory Deferral of Interest*"), together with any other interest not paid on an earlier Interest Payment Date, shall, so long as the same remains unpaid, constitute Arrears of Interest. Arrears of Interest shall not themselves bear interest and will be payable by the Issuer as provided in 4(c) ("*Deferral of Interest — Arrears of Interest*").

Scheduled Maturity Date: Interest Payment Date falling on 13 April 2030.

Redemption on the Scheduled Maturity Date is subject to Condition 5(a)(ii) ("*Redemption, substitution, Variation and Purchase — Redemption*") and 5(b) ("*Redemption, substitution, Variation and Purchase — Conditions to Redemption, substitution, Variation and Purchase*").

Redemption, Substitution or Variation upon a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event: Subject to Conditions 5(a)(ii) ("*Redemption, substitution, Variation and Purchase — Redemption*") and 5(b) ("*Redemption, substitution, Variation and Purchase — Conditions to Redemption, substitution, Variation and Purchase*"), the Issuer may, upon the occurrence of (i) a Tax Event (as defined in the Terms and Conditions) or (ii) a Capital Disqualification Event (as defined in the Terms and Conditions) or (iii) a Ratings Methodology Event (as defined in the Terms and Conditions), either (A) redeem the Notes in whole (and not in part) at their principal amount together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed of redemption; or (B) substitute all (but not some only) of the Notes for, or vary the terms of all (but not some only) of the Notes so that they become or remain, Qualifying Tier 3 Securities (as defined in the Terms and Conditions) (in the case of a Tax Event or a Capital Disqualification Event) or Rating Agency Compliant Securities (as defined in the Terms and Conditions) (in the case of a Ratings Methodology Event).

Issuer's Clean-up Call Option: Subject to Conditions 5(a)(ii) ("*Redemption, substitution, Variation and Purchase — Redemption*") and 5(b) ("*Redemption, substitution, Variation and Purchase — Conditions to Redemption, substitution, Variation and Purchase*"), if at any time after the Issue Date, 80 per cent. or more of the aggregate principal

amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 12 will be deemed to have been originally issued) has been purchased by the Issuer or any of the subsidiaries of the Group, then the Issuer may elect to redeem in accordance with the Conditions all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption.

Withholding Tax:	All payments made by or on behalf of the Issuer in respect of the Notes will be made subject to and after deduction or withholding required to be made by law for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.
Rating:	The Notes have been rated "BBB-" by Fitch Ratings Ltd.
Governing Law:	The Notes (and any non-contractual obligations arising out of or in connection with them) will be governed by Spanish law.
Jurisdiction:	The Spanish courts of the city of Madrid are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with them).
Listing and Trading:	Application has been made for the Notes to be admitted to trading on the AIAF within 30 days after the Issue Date.
Clearing System:	Iberclear.
Syndicate of Holders:	Holders shall meet in accordance with the Regulations (as defined in the Terms and Conditions) governing the Syndicate (as defined in the Terms and Conditions). The Regulations contain the rules governing the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 14 (" <i>Regulations of the Syndicate of Holders</i> "). Bondholders, S.L. has been appointed as Commissioner (as defined in the Terms and Conditions) of the Syndicate of Holders.
Selling Restrictions:	See " <i>Subscription and Sale</i> ".
Risk Factors:	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".
Use of Proceeds:	see " <i>Use and Estimated Amount of Net Proceeds</i> ".
Agent Bank:	Banco Santander, S.A. All payments under the Notes will be carried out by Banco Santander, S.A. through Iberclear.

INFORMATION INCORPORATED BY REFERENCE

The information set out below shall be deemed to be incorporated in, and to form part of, this Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

- (i) The Spanish language original MAPFRE Group's audited consolidated annual accounts and the directors' report, together with the audit report of KPMG Auditores, S.L. as at and for the year ended 31 December 2021, prepared in accordance with IFRS-EU, available at MAPFRE's website (<https://www.mapfre.com/media/accionistas/2022/05-informe-anual-consolidado-2021.pdf>) (together, the "**2021 Consolidated Financial Statements**").
- (ii) The Spanish language original MAPFRE Group's audited consolidated annual accounts and the directors' report, together with the audit report of KPMG Auditores, S.L. as at and for the year ended 31 December 2020, prepared in accordance with IFRS-EU, available at MAPFRE's website (<https://www.mapfre.com/media/accionistas/2021/informe-anual-consolidado-2020.pdf>) (together, the "**2020 Consolidated Financial Statements**").

Each document incorporated herein by reference is only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of MAPFRE or the MAPFRE Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

English translations

English translations of the 2021 Consolidated Financial Statements and of the 2020 Consolidated Financial Statements:

- (i) 2021 Consolidated Financial Statements: <https://www.mapfre.com/media/shareholders/2022/05-consolidated-annual-accounts-2021.pdf>.
- (ii) 2020 Consolidated Financial Statements: <https://www.mapfre.com/media/shareholders/2021/consolidated-annual-accounts-2020.pdf>.

The referred English translations are for information purposes only. In the event of a discrepancy, the original Spanish-language versions prevail.

The information contained in the website referred to in this section has not been scrutinised or approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV").

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes (save for the paragraphs in italics which are for disclosure purposes only).

The EUR 500,000,000 2.875% Fixed Rate Subordinated Notes due 2030 (the "**Notes**") are issued by MAPFRE, S.A. (the "**Issuer**") by virtue of the resolution passed by the Board of Directors (*Consejo de Administración*) of the Issuer on 11 March 2022.

1. **Definitions**

For the purposes of the Notes, the following expressions shall have the following meanings:

"**Agency Agreement**" means the agency agreement entered into on 8 April 2022 by the Issuer and Banco Santander, S.A.;

"**Agent Bank**" means the paying agent appointed by the Issuer from time to time in accordance with Condition 3(c);

"**AIAF**" means the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija*);

"**Arrears of Interest**" has the meaning provided in Condition 4(c);

"**Authorised Signatories**" means any two of the Directors of the Issuer or any other two authorised persons appointed by the Issuer and notified to the Commissioner in writing;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in Madrid and London and, if on that day a payment is to be made, a day which is a TARGET Business Day also;

"**Capital Disqualification Event**" is deemed to have occurred if, in circumstances where the Issuer remains subject to the supervisory authority of the Relevant Regulator, the Notes (in whole or in part) have ceased to be eligible to qualify for inclusion in own funds as Tier 3 Capital, for the purposes of the Issuer or the Group, whether on a solo, group or consolidated basis, except, in any case, where such non-qualification is only as a result of any applicable limitation on the amount of such capital;

"**Certificate**" has the meaning provided in Condition 2;

"**Clearstream**" means Clearstream Banking, S.A.;

"**CNMV**" means the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*);

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Commissioner**" means the *comisario*, as this term is defined under the Spanish Companies Act (*Ley de Sociedades de Capital*), of the Syndicate;

"**Conditions**" means these terms and conditions of the Notes;

"**Directors**" means the directors of the Issuer;

"**EEA**" means the European Economic Area;

"**Euro**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities as amended;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Existing Callable Tier 2 Subordinated Notes**" means the EURO 600,000,000 Fixed/Floating Rate Reset Callable Subordinated Notes due March 2047 and the EUR 500,000,000 Fixed/Floating Rate Reset Callable Subordinated Notes due September 2048 issued by the Issuer;

"Expert" means, in relation to an Expert Certificate, an independent financial institution, independent accounting firm or independent financial adviser with appropriate expertise and of international repute, appointed by an authorised representative of the Issuer for the purpose of issuing an Expert Certificate;

"Expert Certificate" means a certificate signed by an authorised representative of an Expert stating that (i) in the opinion of such Expert the changes determined by the Issuer pursuant to a substitution or variation of the Notes under Condition 5 will result in the Qualifying Tier 3 Securities or the Rating Agency Compliant Securities (as applicable) having terms not materially less favourable to the Holders than the terms of the Notes upon issue; and (ii) the differences between the terms and conditions of the Qualifying Tier 3 Securities or the Rating Agency Compliant Securities (as applicable) and these Conditions are only those strictly necessary to (a) in the case of a Capital Disqualification Event, comply with the requirements of the Relevant Regulator in relation to Tier 3 Capital in accordance with the Relevant Rules existing at that time or (b) in the case of a Tax Event or a Ratings Methodology Event, cure the relevant Tax Event or Ratings Methodology Event;

"Extraordinary Resolution" has the meaning given to it in Condition 8(c);

"FATCA" means Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof), any agreement described in Section 1471(b) of the Code, and any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement);

"General Meeting" means the general meeting of Holders convened in accordance with the Regulations;

"Group" means, at any time, the Group Holding Company and its Subsidiaries at such time;

"Group Holding Company" means the Issuer or, if the Issuer has an ultimate insurance holding company that is subject to consolidated supervision by an EEA regulatory authority for the purpose of the Solvency II Directive, such ultimate insurance holding company (such company being, as at the Issue Date, the Issuer);

"Group Supervisor" means the regulatory authority exercising group supervision over the Group in accordance with the Relevant Rules (such regulatory authority being, as at the Issue Date, the Spanish Regulator);

"Holders" has the meaning provided in Condition 2;

"Iberclear" means the Spanish clearing and settlement system (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal);

"Iberclear Member" has the meaning provided in Condition 2;

"Insolvency Law" means the Royal Legislative Decree 1/2020 of 5 May approving the restated text of the Insolvency Law (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*);

"Insolvent Insurer Winding-up" means the winding-up or liquidation of any insurance undertaking within the Group where the assets of that insurance undertaking may or will be insufficient to meet all the claims of the policyholders pursuant to a contract of insurance of that insurance undertaking which is in winding-up or liquidation;

"insurance undertaking" has the meaning given to it in the Solvency II Directive;

"insurance holding company" has the meaning given to it in the Solvency II Directive;

"Interest Payment Date" means 13 April in each year, starting on (and including) 13 April 2023, without prejudice to the provision contained in Condition 3(d);

"Interest Period" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"Interest Rate" has the meaning given to it in Condition 3(a);

"Issue Date" means 13 April 2022, being the date of the initial issue of the Notes;

"Issuer" has the meaning given to it in the preamble to these Conditions;

"Junior Liabilities" has the meaning given to it in Condition 2(d);

"Liquidation Amount" means for each Note an amount equal to the principal amount of the relevant Note, together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Note, including any Arrears of Interest and any other accrued and unpaid interest thereon;

"Mandatory Interest Deferral Date" means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date;

"Notes" has the meaning given to it in the preamble to these Conditions;

"Parity Liabilities" has the meaning given to it in Condition 2(d);

"Proceedings" has the meaning given to it in Condition 13;

"Qualifying Tier 3 Securities" means securities issued directly by the Issuer or issued indirectly by the Issuer and guaranteed by the Issuer that:

- (a) have terms not materially less favourable to the Holders than the terms of the Notes with any differences between their terms and conditions and these Conditions being those strictly necessary to (in the case of a Capital Disqualification Event) comply with the requirements of the Relevant Regulator in relation to Tier 3 Capital in accordance with the Relevant Rules existing at that time and/or (in the case of a Tax Event or a Ratings Methodology Event) cure the relevant Tax Event or Ratings Methodology Event, as applicable, (provided that the Issuer shall have delivered a certificate of two Authorised Signatories to that effect and an Expert Certificate to the Commissioner (copies thereof will be available at the Commissioner's specified office during its normal business hours) at least 15 Business Days prior to the issue or, as appropriate, variation of the relevant securities (upon which the Commissioner shall be entitled to rely without further enquiry and without liability to any person)), and, subject thereto, which (1) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 3 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time, any one or more of the redemption events which are included in the Notes); (2) include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes; (3) rank senior to or have the same ranking as the Notes; (4) preserve any existing rights under these Conditions to any accrued interest, Arrears of Interest and any or other amounts which have not been paid; (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (6) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; (7) contain terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favourable to an investor than the mandatory deferral provisions, respectively, contained in the terms of the Notes and (8) shall not at such time be subject to a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event; and
- (b) are (a) listed and admitted to trading on AIAF or (b) listed on such other stock exchange that is an internationally recognised and regularly trading stock exchange at that time as selected by the Issuer; and
- (c) where the Notes which have been substituted or varied had a published rating from the Rating Agency immediately prior to their substitution or variation, the Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying Tier 3 Securities;

"Rating Agency" means Fitch Ratings Ltd. or any successor thereto;

"Rating Agency Compliant Securities" means Qualifying Tier 3 Securities that are assigned by the Rating Agency substantially the same equity content or, at the absolute discretion of the Issuer, a lower equity content (provided such equity content is still higher than the equity content assigned to the Notes after the occurrence of the Ratings Methodology Event) as that which was assigned by the Rating Agency to the Notes on or around the Issue Date and provided that a certification to such effect of two Authorised Signatories shall have been delivered to the Commissioner (copies thereof will be available at the Commissioner's specified office during its normal business hours) prior to the issue of the relevant securities (upon which the Commissioner shall be entitled to rely without liability to any person);

"Ratings Methodology Event" will be deemed to occur upon a change in or a clarification to or withdrawal of the methodology of the Rating Agency (or a change in or a clarification to the interpretation of such methodology) as a result of which the equity content assigned by the Rating Agency to the Notes is, as notified by the Rating Agency to the Issuer or as published by the Rating Agency, reduced when compared to the equity content assigned by the Rating Agency to the Notes on or around the Issue Date or, otherwise, withdrawn;

"Redemption Date" means, as applicable, the Scheduled Maturity Date or any other date on which the Notes are to be redeemed in accordance with these Conditions;

"Regulations" has the meaning provided in Condition 8;

"Regulatory Conditions" means, in relation to any action at any time, any notifications to, or consent or non-objection (or, as appropriate, waiver) from, the Relevant Regulator for such action to be undertaken which are required at such time by the Relevant Regulator or the Relevant Rules;

"Regulatory Deficiency Interest Deferral Event" means (i) any breach of any Regulatory Minimum Capital Requirement applicable to the Issuer or all or part of the Group (which part includes the Issuer and at least one other member of the Group) and such breach is an event which under Solvency II and/or under the Relevant Rules means that the Issuer must defer payment of interest (or, if applicable, Arrears of Interest) in respect of the Notes (in order that the Notes qualify, and/or on the basis that the Notes are intended to qualify, as Tier 3 Capital under Solvency II and any other Relevant Rules); or (ii) the Relevant Regulator has prohibited the Issuer, in view of the financial condition of the Issuer or the Group, from making payments of interest (or, if applicable, Arrears of Interest) under the Notes in accordance with the Relevant Rules; or (iii) the Issuer is unable to meet regularly its due and payable liabilities as provided for in Article 2 of the Insolvency Law;

"Regulatory Deficiency Redemption Deferral Event" means (i) (a) any breach of any Regulatory Solvency Capital Requirement or any Regulatory Minimum Capital Requirement applicable to the Issuer or all or part of the Group (which part includes the Issuer and at least one other member of the Group) or (b) an Insolvent Insurer Winding-up; where and to the extent that such breach or winding-up or liquidation is an event which under Solvency II and/or under the Relevant Rules means that the Issuer must defer or suspend repayment or redemption of the Notes (in order that the Notes qualify, and/or on the basis that the Notes are intended to qualify, as Tier 3 Capital of the Issuer or the Group under Solvency II and any other Relevant Rules); or (ii) the Relevant Regulator has prohibited the Issuer, in view of the financial condition of the Issuer or the Group, from making payments of principal under the Notes in accordance with the Relevant Rules; or (iii) the Issuer is unable to meet regularly its due and payable liabilities as provided for in Article 2 of the Insolvency Law;

"Regulatory Minimum Capital Requirement" means the Minimum Capital Requirement or minimum consolidated group Solvency Capital Requirement (each as defined in the Solvency II Directive) or other minimum capital requirements of the Issuer or the Group, whether on a solo, group or consolidated basis (as applicable) referred to in Solvency II or the Relevant Rules;

"Regulatory Solvency Capital Requirement" means the Solvency Capital Requirement (as defined in the Solvency II Directive) or other solvency requirements of the Issuer or the Group, whether on a solo, group or consolidated basis (as applicable) referred to in Solvency II or the Relevant Rules;

"Relevant Regulator" means the Spanish Regulator or, if the Spanish Regulator at any time ceases to be the Group Supervisor, such other regulator as becomes the Group Supervisor for the purpose of

Solvency II or such other regulator having primary supervisory authority with respect to prudential matters in relation to the Group according to the Relevant Rules;

"Relevant Rules" means any legislation, rules or regulations (whether having the force of law or otherwise) in the jurisdiction of the Relevant Regulator (including, without limitation, those implementing Solvency II and any relevant prudential rules for insurers applied by the Relevant Regulator and any amendment, supplement or replacement thereof) from time to time relating to the characteristics, features or criteria of own funds or capital resources;

"Scheduled Maturity Date" has the meaning provided in Condition 5(a)(i);

"Solvency II" means the Solvency II Directive and any additional measures adopted to give effect to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of a regulation (including, without limitation, the Solvency II Delegated Regulation), a directive or otherwise);

"Solvency II Delegated Regulation" means the Commission Delegated Regulation (EU) No. 2015/35, of 10 October 2014, supplementing Solvency II Directive as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019;

"Solvency II Directive" means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) and which must be transposed by Member States of the EEA pursuant to Article 309 of Directive 2009/138/EC⁶;

"Spanish Central Registry" has the meaning provided in Condition 2;

"Spanish Companies Act" means the Royal Decree Legislative 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*);

"Spanish Regulator" means the Spanish General Directorate of Insurance and Pensions (*Dirección General de Seguros y Fondos de Pensiones*) or any successor Spanish regulatory authority having prudential supervisory responsibilities with respect to the Issuer and/or the Group;

"Subsidiary" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer;

"Syndicate" means the sindicato of Holders, as this term is described under the Spanish Companies Act (*Ley de Sociedades de Capital*);

"TARGET Business Day" means a day on which the TARGET System is operating;

"TARGET System" means the Trans European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

"Tax Event" is deemed to have occurred if, as a result of a Tax Law Change the Issuer is no longer entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the amount of such deduction is materially reduced, and, in any such case, the Issuer could not avoid the foregoing by taking measures reasonably available to it;

"Tax Law Change" means a change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, including any treaty to which the Kingdom of Spain is a party, or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation

⁶ The Solvency II Directive has been implemented in Spain by a law (*Ley 20/2015, de 14 de julio, de ordenación, supervisión y solvencia de entidades aseguradoras y reaseguradoras*) and a Royal Decree (*Real Decreto 1060/2015, de 20 de noviembre, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*).

to similar transactions, which change or amendment (x) (subject to (y)) becomes effective on or after the Issue Date, or (y) in the case of a change, if such change is enacted, on or after the Issue Date;

"**Tier 3 Capital**" has the meaning given to it (or to whatever is the relevant terminology employed by the Relevant Rules at the relevant time) for the purposes of the Relevant Rules;

"**Waived Set-Off Rights**" has the meaning provided in Condition 7; and

"**Winding-Up**" means that an order is made, or an effective resolution is passed, for the winding-up or dissolution of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, merger, demerger, consolidation or restructuring, the terms of which reorganisation, merger, demerger, consolidation or restructuring have previously been approved by an Extraordinary Resolution or where the continuing entity (i) assumes or maintains (as the case may be) liability as principal debtor in respect of the Notes and (ii) is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer at the time of such reorganisation, merger, demerger, consolidation or restructuring).

2. **Form, denomination, title, status and listing**

(a) *Form and denomination*

The Notes have been issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in euro in an aggregate nominal amount of Euro 500,000,000 and an individual nominal amount of Euro 100,000 each.

(b) *Registration, clearing and settlement*

The Notes have been registered with Iberclear as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**").

Investors who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold their investment in the Notes through bridge accounts maintained by each of Euroclear and Clearstream with Iberclear.

The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores Mobiliarios*) has assigned the following ISIN to identify the Notes: ES0224244105.

(c) *Title and transfer*

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the "**Iberclear Members**") as being a holder of the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the "**Holder**" means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book (or, in the case of a joint holding, the first named thereof) and Holder shall be construed accordingly.

One or more certificates (each a "**Certificate**") attesting to the relevant Holder's holding of Notes in the relevant registry will be delivered by the relevant Iberclear Member or by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

The Notes are issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Holder will be (except as otherwise required by Spanish law) treated as the legitimate owner (*titular legítimo*) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any

interest, or any writing on, or the theft or loss of, the Certificate issued in respect of it), and no person will be liable for so treating the Holder.

(d) *Status and subordination*

The payment obligations of the Issuer under the Notes on account of principal constitute unsecured and subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1.2º of the Insolvency Law, and in accordance with Article 281 of the Insolvency Law, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer would rank:

- (i) junior to any non-subordinated obligations of the Issuer (including, without limitation, any policyholders of the Issuer, if any) and any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank senior to the Notes;
- (ii) *pari passu* without preference or priority (i) among themselves, (ii) with claims on account of principal under the Existing Callable Tier 2 Subordinated Notes, and (iii) with any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank *pari passu* with the Notes (the "**Parity Liabilities**"); and
- (iii) senior to (i) the common shares of the Issuer, and (ii) any other subordinated liabilities (*créditos subordinados*) of the Issuer expressed by law or by their terms, to the extent permitted by Spanish law, to rank junior to the Notes (the "**Junior Liabilities**").

The Issuer has not assumed any negative pledge or equivalent commitment in the context of the issue of the Notes.

Holders of the Notes by subscribing the Notes are accepting to be subordinated to any obligations of the Issuer which by law or by their terms rank senior to the Notes.

(e) *Listing and admission to trading*

The Issuer undertakes to have the Notes admitted to listing and to trading on AIAF, within 30 days after the Issue Date.

3. **Interest payments**

(a) *Interest Rate*

The Notes bear interest at the rate of 2.875 per cent. per annum (the "**Interest Rate**") from (and including) the Issue Date in accordance with the provisions of this Condition 3.

Interest shall, subject to Condition 4, be payable on the Notes annually in arrear on each Interest Payment Date (the first interest Payment Date being 13 April 2023) and shall amount to Euro 2,875 per Euro 100,000 in principal amount of each Note.

Where it is necessary to compute an amount of interest in respect of any Note for a period which is less than a complete year, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

(b) *Interest Accrual*

The Notes will cease to bear interest from (and including) their date of redemption unless payment of all amounts due in respect of such Note (if any) is not properly and duly made, in which event interest shall continue to accrue on the Notes, both before and after judgment, and shall, subject to Condition 4, be payable, as provided in these Conditions up to (but excluding) the date of actual payment of all amounts due. Interest in respect of any Note shall be calculated

per Note and shall be equal to the product of the principal amount of each Note and the Interest Rate and the day-count fraction as described in Condition 3(a) for the relevant Interest Period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(c) *Agent Bank*

Banco Santander, S.A. will act as the Agent Bank of the issue in accordance with the terms of the Agency Agreement. No liability shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions except on the terms set out in the Agency Agreement entered into between the Issuer and the Agent Bank.

The Issuer may replace the Agent Bank with another major investment, merchant or commercial bank or financial institution in the eurozone. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in the eurozone to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

Notice of any change in the Agent Bank will be promptly given by the Issuer to the Holders in accordance with Condition 10.

The Agent Bank will act solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Holder.

Without prejudice to the generality of the foregoing, the Agent Bank shall not be liable to any person (including Holders) for the consequences of any such errors or omissions arising as a result of (i) any information provided to the Agent Bank that is subsequently proved to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent Bank on a timely basis.

(d) *Payments*

Payments of interest on the Notes will be made by the Issuer through the Agent Bank, as applicable, by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Interest Payment Date. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments of interest under the Notes.

Neither the Issuer nor the Agent Bank will have responsibility or liability for the records relating to payments made in respect of the Notes.

If any Interest Payment Date would fall on a date which is not a TARGET Business Day, the payment will be postponed to the next TARGET Business Day and Holders will not be entitled to any interest or other payment for any such delay.

Payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or regulations to which the Issuer or its agents (including the Agent Bank) agree to be subject and neither the Issuer nor the Agent Bank will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements (in accordance with Condition 9). No commissions or expenses shall be charged by the Issuer or the Agent Bank to the Holders in respect of such payments.

(e) *No participation in profits*

The Notes will confer no right to participating in the profits of the Issuer.

4. **Deferral of Interest**

(a) *Mandatory Deferral of Interest*

Any payment of interest otherwise due on the Notes on an Interest Payment Date will be mandatorily deferred if such Interest Payment Date is a Mandatory Interest Deferral Date (including when notice for payment of interest has been given). The Issuer shall notify the Holders in accordance with Condition 10 no later than 10 days prior to an Interest Payment Date (or as soon as reasonably practicable if a Regulatory Deficiency Interest Deferral Event occurs less than 10 days prior to an Interest Payment Date) if a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or if a Regulatory Deficiency Interest Deferral Event would occur on the relevant Interest Payment Date if payment of interest were made (provided that, for the avoidance of doubt, any delay in giving such notice shall not result in such interest becoming due and payable on the relevant Mandatory Interest Deferral Date).

A certificate signed by two Authorised Signatories and delivered to the Commissioner (copies thereof will be available at the Commissioner's specified office during its normal business hours) confirming that a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest on the Notes were made shall be treated and accepted by the Commissioner, the Holders and all other interested parties as correct and sufficient evidence thereof.

(b) *No default*

Notwithstanding any other provision in these Conditions, the deferral of any payment of interest in accordance with this Condition 4 will not constitute a default by the Issuer or any breach of its obligations under the Notes or for any other purpose and will not give Holders any right to accelerate repayment of the Notes or take any other action under the Notes.

(c) *Arrears of Interest*

Any interest in respect of the Notes not paid on an Interest Payment Date as a result of the obligation on the Issuer to defer such payment of interest pursuant to Condition 4(a), together with any other interest in respect of the Notes not paid on an earlier Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.

Any Arrears of Interest may be paid (in whole or in part) at any time at the election of the Issuer (provided that at such time a Regulatory Deficiency Interest Deferral Event is not subsisting and would not occur if payment of such Arrears of Interest were made) upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Holders in accordance with Condition 10, and in any event all Arrears of Interest will become due and payable in full (subject in the case of (i) and (iii) to any Regulatory Conditions) upon the earliest of the following dates:

- (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date and on which the then scheduled payment of interest (or any part thereof) on the Notes in respect of the corresponding Interest Period is made or is required to be made pursuant to these Conditions (and, for the avoidance of doubt, other than a voluntary payment of Arrears of Interest); or
- (ii) the date on which an order is made or a resolution is passed for the Winding-Up of the Issuer; or
- (iii) the date of any redemption or purchase of Notes by or on behalf of the Issuer or any of its Subsidiaries (subject to the deferral of such redemption pursuant to Condition 5(a)).

The Issuer shall as soon as reasonably practicable notify the Holders in accordance with Condition 10 of any payment of Arrears of Interest made in accordance with (i) or (iii) above.

5. **Redemption, Substitution, Variation and Purchase**

(a) *Redemption*

- (i) Subject to Condition 5(a)(ii) and compliance by the Issuer with applicable Relevant Rules, including any Regulatory Conditions, and provided that such redemption is permitted under applicable Relevant Rules (on the basis that the Notes are intended to qualify as Tier 3 Capital under Solvency II and the Relevant Rules), unless previously redeemed or purchased and cancelled or (pursuant to Condition 5(f)) substituted, the Notes will be redeemed at their principal amount, together with Arrears of Interest (if any) and any other accrued and unpaid interest, on the Interest Payment Date falling on 13 April 2030 (the "**Scheduled Maturity Date**"). Should the above redemption requirements not be met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time, until the occurrence of any of the events described in Condition 5(a)(iv)(X) to (Z). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.
- (ii) No Notes shall be redeemed on the Scheduled Maturity Date pursuant to Condition 5(a)(i) or prior thereto pursuant to Condition 5(c), (d), (e) or (g) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption were made on the otherwise applicable Redemption Date (including when notice for repayment or redemption of the Notes has been given), provided that there shall not be such a deferral if:
- (X) in the case of a Regulatory Deficiency Redemption Deferral Event caused otherwise than by an Insolvent Insurer Winding-up having occurred and being continuing, cumulatively, (a) the Relevant Regulator has exceptionally waived such deferral of redemption of the Notes (if and to the extent that the Relevant Regulator can give such a waiver in accordance with the Relevant Rules), (b) the Notes are exchanged for, or converted into, another basic own-fund item of at least the same quality upon or prior to redemption and (c) the Regulatory Minimum Capital Requirement is complied with immediately after the relevant Redemption Date; or
- (Y) in the case of a Regulatory Deficiency Redemption Deferral Event caused by an Insolvent Insurer Winding-up having occurred and being continuing, the Relevant Regulator has waived such deferral of redemption of the Notes (if and to the extent that the Relevant Regulator can give such a waiver in accordance with the Relevant Rules).
- (iii) If the Notes are not to be redeemed on the Scheduled Maturity Date pursuant to Condition 5(a)(i) or on any scheduled Redemption Date pursuant to Condition 5(c), (d), (e) or (g) as a result of circumstances where:
- (X) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed on such date; or
- (Y) the Relevant Regulator does not consent to the redemption (to the extent that consent is then required by the Relevant Regulator or the Relevant Rules) or the Relevant Regulator objects to the redemption (to the extent that non-objection is then required under the Relevant Rules) or such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date,
- the Issuer shall notify the Holders in accordance with Condition 10 no later than 10 days prior to the otherwise applicable Redemption Date (or as soon as reasonably practicable if the relevant circumstance requiring redemption to be deferred arises, or is determined, less than 10 days prior to the relevant Redemption Date).
- (iv) If redemption of the Notes under Condition 5(a)(i), (c), (d), (e) or (g) does not occur on the otherwise applicable Redemption Date as a result of Condition 5(a)(ii) above or

the Relevant Regulator does not consent to the redemption (to the extent that consent is then required by the Relevant Regulator or the Relevant Rules) or the Relevant Regulator objects to the redemption (to the extent that non-objection is then required under the Relevant Rules) or such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date, subject (in the case of (x) and (y) below only) to any Regulatory Conditions, such Notes shall be redeemed at their principal amount together with Arrears of Interest, if any, and any other accrued and unpaid interest thereon to (but excluding) the date of redemption, upon the earliest of:

- (X) in the case of a failure to redeem due to the operation of Condition 5(a)(ii) only, the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless, on such tenth Business Day, a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Notes on such date would result in a further Regulatory Deficiency Redemption Deferral Event occurring, in which case the provisions of Condition 5(a)(ii), Condition 5(a)(iii) and this Condition 5(a)(iv) shall apply mutatis mutandis to determine the applicable due date for redemption); or
 - (Y) the date falling 10 Business Days after the Relevant Regulator has agreed to the repayment or redemption of the Notes; or
 - (Z) the date on which a Winding-Up of the Issuer occurs.
- (v) A certificate signed by two Authorised Signatories and delivered to the Commissioner (copies thereof will be available at the Commissioner's specified office during its normal business hours) confirming (a) that a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if redemption of the Notes were to be made or (b) that the circumstances described in Condition 5(a)(iii)(Y) apply, shall be treated and accepted by the Commissioner, the Holders and all other interested parties as correct and sufficient evidence thereof.
 - (vi) Notwithstanding any other provision in these Conditions, the deferral of redemption of the Notes in accordance with this Condition 5(a) will not constitute a default by the Issuer or any breach of its obligations under the Notes or for any other purpose and will not give Holders any right to accelerate repayment of the Notes or take any other action under the Notes.
 - (vii) In circumstances where redemption of the Notes has been deferred, the Issuer will notify the Holders in accordance with Condition 10 as soon as reasonably practicable after it has determined the relevant deferred date for redemption, and (if applicable) of any subsequent redemption deferrals and corresponding deferred dates for redemption.

(b) *Conditions to Redemption, Substitution, Variation and Purchase*

Any redemption or purchase of the Notes or substitution or variation of the terms of the Notes is subject to the Issuer having complied with all applicable Regulatory Conditions relating to such action or event and otherwise being in compliance with the Relevant Rules applicable to it in relation to such action or event at the relevant time.

In addition, any redemption or purchase prior to the fifth anniversary of the Issue Date (or, if applicable, the fifth anniversary of the date on which the last tranche of Notes is issued pursuant to Condition 12) is subject (to the extent then required by the Relevant Regulator or the Relevant Rules):

- (i) to such redemption or purchase being funded out of the proceeds of a new issuance of, or the Notes being exchanged into, own-funds capital of at least the same quality as the Notes and being otherwise permitted under the Relevant Rules; or
- (ii) in the case of a redemption pursuant to either Condition 5(c) or Condition 5(d), to the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the relevant Regulatory Solvency Capital Requirement immediately after the relevant

redemption would be exceeded by an appropriate margin, taking into account the solvency position of the Issuer and the Group, including by reference to the Issuer's and the Group's medium-term capital management plan; and

- (X) in the case of any such redemption due to the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material; or
- (Y) in the case of any such redemption due to the occurrence of a Capital Disqualification Event, the Relevant Regulator considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and

in either case, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that such change was not reasonably foreseeable as at the Issue Date.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase of the Notes, the prevailing Relevant Rules permit the repayment, substitution, variation or purchase of basic own-fund items only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 5(b), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 5, the Issuer shall deliver to the Commissioner a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Qualifying Tier 3 Securities or (in the case of a Ratings Methodology Event) Rating Agency Compliant Securities comply with the definition thereof in Condition 1 (copies thereof will be available at the Commissioner's specified office during its normal business hours) and the Commissioner and the Holders shall accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent and it shall be conclusive and binding on the Commissioner and the Holders.

If the Issuer gives notice of redemption of the Notes, it will carry out any actions necessary to procure that the relevant payments are made to the Holders through Iberclear and the Iberclear Members on the relevant Redemption Date in accordance with the provisions contained in Condition 3(d) (as if references to interest payments contained therein were made to the payment of the relevant amounts payable on redemption).

(c) *Redemption Due to Tax Event*

If, prior to the giving of the notice referred to below in this Condition 5(c), a Tax Event has occurred and is continuing, then the Issuer may, subject to Conditions 5(a)(ii) and 5(b) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice but subject to Conditions 5(a) and 5(b), the Issuer shall redeem the Notes.

(d) *Redemption Due to Capital Disqualification Event*

If, prior to the giving of the notice referred to below in this Condition 5(d), a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to Conditions 5(a)(ii) and 5(b) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice but subject to Conditions 5(a) and 5(b), the Issuer shall redeem the Notes.

(e) *Redemption Due to Ratings Methodology Event*

If, prior to the giving of the notice referred to below in this Condition 5(e), a Ratings Methodology Event has occurred and is continuing, then the Issuer may, subject to Conditions 5(a)(ii) and 5(b) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice but subject to Conditions 5(a) and 5(b), the Issuer shall redeem the Notes.

(f) *Substitution or Variation*

If a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing, then the Issuer may, subject to Condition 5(b) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date for substitution or, as the case may be, variation of the Notes) but without any requirement for the consent or approval of the Holders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of all (but not some only) the Notes so that they remain or, as appropriate, become, Qualifying Tier 3 Securities (in the case of a Tax Event or a Capital Disqualification Event) or Rating Agency Compliant Securities (in the case of a Ratings Methodology Event).

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

Such substitution or variation shall be conditional upon the delivery to the Commissioner of the certificates referred to in Condition 5(b) above and in the definition of Qualifying Tier 3 Securities and/or Rating Agency Compliant Securities, as applicable.

Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 5(f), as the case may be. The Commissioner shall use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Tier 3 Securities or Rating Agency Compliant Securities (as applicable). Upon any such substitution of the Notes for Qualifying Tier 3 Securities or Rating Agency Compliant Securities (as applicable) the original Notes will be redeemed by the Issuer.

Holders shall, by virtue of purchasing and/or holding Notes, be deemed to have accepted the substitution or variation of the terms of the Notes in the terms foreseen in this Condition and to have granted to the Commissioner full power and authority to take any action and/or to execute and deliver any document or notices in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Notes according to this Condition.

In connection with any substitution or variation in accordance with this Condition 5(f), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading (including those of the relevant supervisor and of the relevant clearing system).

(g) *Issuer's Clean-up Call Option*

If at any time after the Issue Date, 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 12 will be deemed to have been originally issued) has been purchased by the Issuer or any of the subsidiaries of the Group, then the Issuer may, subject to Conditions 5(a)(ii) and 5(b) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed

for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Notes at their principal amount, together with Arrears of Interest, if any, and any other unpaid interest accrued to (but excluding) the date fixed for redemption. Subject to Conditions 5(a) and 5(b), upon the expiry of such notice the Issuer shall redeem the Notes.

(h) *Purchases*

The Issuer may, subject to Condition 5(b), at any time purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Notes in any manner and at any price. The Notes so purchased (or acquired), while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders.

(i) *Cancellation*

All Notes redeemed or substituted (and, subsequently, redeemed) by the Issuer pursuant to this Condition 5 will forthwith be deemed cancelled. All Notes purchased by or on behalf of the Issuer may, subject to any Regulatory Conditions, be held, resold or, at the option of the Issuer, redeemed and accordingly deemed cancelled. The obligations of the Issuer in respect of any Notes redeemed and deemed cancelled shall be discharged.

6. **Events of Default**

There will be no events of default in respect of the Notes.

However, in the event of a Winding-Up of the Issuer the Notes shall, when permitted by applicable Spanish law, become immediately due and payable at their Liquidation Amount, without presentment, demand, protest or other notice of any kind, all of which the Issuer expressly waives.

7. **Waiver of set-off**

No Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability that the Issuer has or may have acquired against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under, or in connection with, the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is, or would be, available to any Holder of any Note but for this Condition.

"**Waived Set-Off Rights**" means any and all rights or claims of any Holder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under, or in connection with, any Note.

8. **Constitution of the Syndicate and Exercise of Rights by Holders of Notes**

(a) *Regulations, Commissioner and Syndicate*

Holders shall meet in accordance with certain regulations governing the Syndicate (the "**Regulations**"). The Regulations contain the rules governing the Syndicate and the rules governing its relationship with the Issuer. A set of Regulations is included in Condition 14.

The Issuer has appointed Bondholders, S.L. as Commissioner for the Syndicate.

By acquiring a Note, the Holder will automatically become a member of the Syndicate. The Commissioner is the chairperson and the legal representative of the Syndicate. No person shall be entitled to acquire any Note without becoming a member of the Syndicate. The provisions

for meetings of the Syndicate are contained in the Regulations. The object and purpose of the Syndicate is to regulate the relationship between such Holders. The domicile of the Syndicate is Majadahonda (Madrid), at Carretera de Pozuelo, 52.

The Issuer may, with the consent of the Commissioner, but without the consent of the Holders amend these Conditions to (i) correct any manifest error, (ii) or to make any amendment of a formal, minor or technical nature or to comply with mandatory provisions of law, or (iii) make any amendment that is not prejudicial to the interests of the Holders. In addition, the Issuer and the Holders, the latter with the sanction of a resolution of the Syndicate of Holders as set out in Condition 8(c)(i) below, may agree any modification, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions.

(b) No voting rights at shareholder meetings

The Holders will have no voting rights at any extraordinary or ordinary meetings of shareholders of the Issuer.

(c) Voting rights etc

- (i) Except as provided in Conditions 5(g) and under (i), (ii) and (iii) in the last paragraph of Condition 8(a) above, any amendment to these Conditions shall be approved by the Holders by means of a resolution adopted in accordance with the procedures, quorum requirements and majorities established in the Regulations (an "**Extraordinary Resolution**").
- (ii) The Issuer may without the consent or sanction of the Holders take any action required to issue additional securities or instruments ranking senior, pari passu or junior to the Notes.
- (iii) Any modification, waiver or authorisation in accordance with this Condition 8 shall be binding on the Holders and shall be notified in accordance with Condition 10.
- (iv) The Notes do not grant their Holders pre-emption rights in respect of any possible future issues of Notes or any other securities issued by the Issuer or any Subsidiary.
- (v) No vote in respect of the Notes will be required for the Issuer to purchase or redeem and cancel the Notes.
- (vi) The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Condition 5(f) in connection with the variation of the terms of the Notes so that they become, alternative Qualifying Tier 3 Securities or Rating Agency Compliant Securities, as applicable.
- (vii) Notwithstanding that the Notes confer an entitlement to vote under any of the circumstances described above, neither the Issuer nor any Subsidiary, to the extent that it is a holder of Notes of the Issuer, shall be so entitled to vote.

9. **Taxation**

All payments made by or on behalf of the Issuer in respect of the Notes will be made subject to and after deduction or withholding required to be made by law for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.

In accordance with the above, if an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on or with respect to the Notes, the Issuer would have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer or any other party as a result of the deduction or withholding of such amount.

See "*Taxation*" for a fuller description of certain tax considerations relating to the Notes.

10. Notices

(a) *Notices to Holders*

The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading.

So long as the Notes are listed on AIAF, to the extent required by the applicable regulations, the Issuer shall ensure that (i) the communication of all notices will be made public through an announcement of inside information (*comunicación de información privilegiada*) or of other relevant information (*comunicación de otra información relevante*) to be filed with the CNMV and to be published on the CNMV's website at www.cnmv.es and (ii) all notices to the Holders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*).

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on any website referred to in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the CNMV.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Issuer may approve.

In addition, so long as the Notes are represented by book-entries in Iberclear, all notices to Holders shall be made through Iberclear for on transmission to their respective accountholders.

(b) *Notice of a General Meeting of the Syndicate of Holders*

Notice of a general meeting of the Syndicate of Holders must be given in accordance with the Regulations. A set of Regulations is included in Condition 14.

(c) *Notice to the Commissioner*

Copies of any notices given to Holders shall also be sent to the Commissioner of the Syndicate of Holders.

(d) *Certificates to be available to Holders*

Copies of any certificate delivered to the Commissioner pursuant to and in accordance with these Conditions will be made available to Holders at the Commissioner's specified office during its normal business hours.

(e) *Notices to the Agent Bank*

Copies of any notices given to Holders in accordance with Conditions 4 and 5 shall be sent simultaneously to the Agent Bank.

11. Prescription

To the extent that the Spanish Civil Code (*Código Civil*) applies to the Notes, claims relating to the Notes, both in the case of principal and interest, will become void unless such claims are duly made within 5 years from the relevant payment date, as established by Articles 1,964 and 1,966, respectively, of the Spanish Civil Code.

12. Further Issues

The Issuer may from time to time, without the consent of the Holders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and also the same Syndicate and Commissioner and so that such further issue shall be consolidated and form a single series with the Notes.

13. **Governing Law and Jurisdiction**

The Notes and any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and construed in accordance with, Spanish law.

The Spanish courts of the city of Madrid, are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly any suit, action or proceedings arising out of or in connection with the Notes (together referred to as "**Proceedings**") may be brought in such courts. The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying out of the venue of any Proceedings in the courts of the Spanish Courts of the city of Madrid.

14. **Regulations of the Syndicate of Holders**

The following are the Regulations of the Syndicate of Holders. The Spanish version of the Regulations of the Syndicate of Holders is the legally binding version. The English translation provided below of the Spanish text given for information purposes only.

REGLAMENTO

**TÍTULO I CONSTITUCIÓN, OBJETO,
DOMICILIO Y DURACIÓN DEL SINDICATO**

Artículo 1.- Con sujeción a lo dispuesto en el Capítulo IV del Título XI de la Ley de Sociedades de Capital se constituye, entre todos los tenedores de las obligaciones emitidas por MAPFRE, S.A. (la "**Sociedad**") en la emisión denominada "MAPFRE EUR 500,000,000 2.875% Fixed Rate Subordinated Notes 2022" (las "**Obligaciones**"), un Sindicato de Obligacionistas, que se regirá por este Reglamento, la Ley de Sociedades de Capital y demás disposiciones que le sean aplicables.

Artículo 2.- El Sindicato tiene por objeto la defensa de los derechos e intereses de los obligacionistas.

Artículo 3.- El Sindicato subsistirá mientras no hayan sido amortizadas y debidamente reembolsadas todas las obligaciones de la emisión que ha dado lugar a su constitución.

Artículo 4.- El domicilio del Sindicato queda establecido en Majadahonda (Madrid), Carretera de Pozuelo, 52.

**TÍTULO II
GOBIERNO Y ADMINISTRACION
Capítulo 1º Asamblea General**

Artículo 5.- Es el órgano de expresión de la voluntad del Sindicato. Los acuerdos que adopte con arreglo a este Reglamento obligan a todos los tenedores de las obligaciones, incluso los ausentes o disidentes.

Artículo 6.- Las reuniones podrán ser convocadas por el Consejo de Administración de la Sociedad o por el Comisario. Este debe convocarlas también cuando lo solicite un número de tenedores de obligaciones que

REGULATIONS

**TITLE I FORMATION, PURPOSE,
REGISTERED OFFICE AND DURATION OF
THE SYNDICATE**

Article 1.- Subject to the provisions of Chapter IV of Title XI of the Capital Companies Act, a Syndicate of Noteholders is formed of all holders of notes issued by MAPFRE, S.A. (the "**Company**") in the issue denominated "MAPFRE EUR 500,000,000 2.875% Fixed Rate Subordinated Notes 2022" (the "**Notes**"), to be governed by this Regulation, by the Capital Companies Act and other applicable provisions.

Article 2.- The purpose of the Syndicate is to defend the rights and interests of the Noteholders.

Article 3.- The Syndicate will remain in existence until all of the notes in the issue that gave rise to its formation have been redeemed and duly repaid.

Article 4.- The registered office of the Syndicate is established in Majadahonda (Madrid), at Carretera de Pozuelo, 52.

**TITLE II
GOVERNANCE AND ADMINISTRATION
Chapter 1 General Assembly**

Article 5.- This is the body for expressing the will of the Syndicate. The resolutions adopted in accordance with this Regulation will bind all Noteholders, including those not attending or dissenting thereat.

Article 6.- Meetings may be called by the Board of Directors of the Company or by the Commissioner. The latter must call them when so requested by a number of Noteholders that represents at least one-twentieth of the issued but not redeemed notes.

represente, al menos, la vigésima parte de las obligaciones emitidas y no amortizadas.

Artículo 7.- La convocatoria de la Asamblea General se hará mediante anuncio publicado (i) como otra información relevante en la página web de la Comisión Nacional del Mercado de Valores; y (ii) en la página web corporativa de la Sociedad.

Artículo 8.- Tendrán derecho de asistencia los tenedores de una o más obligaciones, que con cinco días de antelación por lo menos a aquel en que haya de celebrarse la reunión tengan inscritas sus obligaciones en el registro de anotaciones en cuenta. Los consejeros de la Sociedad tendrán derecho a asistir a la Asamblea General, aunque no hubieren sido convocados.

Artículo 9.- Todo obligacionista que tenga derecho de asistencia a la Asamblea podrá hacerse representar en la misma por cualquier medio permitido por la Ley de Sociedades de Capital. Además, todo obligacionista con derecho de asistencia podrá, en caso de no poder delegar su representación en otro obligacionista, hacerse representar por el Comisario. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea.

Artículo 10.- Los acuerdos se adoptarán por mayoría absoluta de votos emitidos. Por excepción, las modificaciones del plazo o de las condiciones del reembolso del valor nominal, de la conversión o del canje requerirán el voto favorable de las dos terceras partes de las obligaciones en circulación.

Cada obligación conferirá al obligacionista un derecho de voto proporcional al valor nominal no amortizado de las obligaciones de las que sea titular.

En cada convocatoria podrán habilitarse medios de comunicación a distancia y/o telemáticos a través de los cuales, los obligacionistas podrán emitir su voto. Tales medios garantizarán suficientemente la identificación del obligacionista y, en su caso, su debida representación. En caso de que tales medios se pongan a disposición de los obligacionistas, la convocatoria de la Asamblea deberá contener las instrucciones precisas para el ejercicio del derecho de voto o, alternativamente, designar una página web y/o dirección de correo electrónico en la que dichas instrucciones y los formularios u otros medios necesarios para la formulación del voto puedan obtenerse.

No obstante lo dispuesto en el presente artículo, la Asamblea se entenderá convocada y quedará válidamente constituida para tratar de cualquier asunto, siempre que estén presentes todas las

Article 7.- The General Assembly will be convened through an announcement that will be published (i) as other relevant information (*otra información relevante*) in the website of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*); and (ii) in the website of the Company.

Article 8.- Holders of one or more notes who, at least five days before the scheduled meeting date, are on record in the book-entry system as owners of the notes will have the right to attend. The directors of the Company will have the right to attend the General Assembly, even if they are not summoned.

Article 9.- All noteholders with a right to attend the General Meeting shall be entitled to delegate their representation in any manner permitted by the Spanish Companies Law. Furthermore, every noteholder may, in case it cannot delegate its representation in another noteholder, be represented by the Commissioner. Proxy appointments must be set out in writing specifically for each Assembly.

Article 10.- Resolutions shall be adopted by absolute majority of the votes casted. By way of exception, amendments to term of the notes or conditions for the redemption of the nominal value of the notes, for the conversion of the notes or its exchange will require the vote of two thirds of outstanding notes.

Each note shall confer the noteholder with a voting right proportionate to the outstanding nominal value of the notes owned by such noteholder.

In each call remote communication and/or telematics media may be enabled through which the bondholders can cast their vote. Such means shall sufficiently guarantee the identification of the bondholder and, where appropriate, its duly representation. In the event that such means are made available to the bondholders, the notice of the General Meeting shall contain the precise instructions for the exercise of voting rights or, alternatively, designate a web page and/or e-mail address in which such instructions and the forms or other means necessary for the formulation of the vote can be obtained.

Notwithstanding the provisions of this Article, the Assembly will be considered validly called and quorate to transact on any matter if all of the notes in

obligaciones en circulación y los asistentes acepten por unanimidad su celebración.

Artículo 12.- La Asamblea General será presidida por el Comisario, o en su defecto el obligacionista que la Asamblea designe y, en último término por el obligacionista asistente a la reunión con mayor número de obligaciones, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y dispondrá que los asuntos sean sometidos a votación. El Presidente podrá designar un Secretario que no será necesariamente obligacionista.

Artículo 13.- El Comisario formará, antes de entrar en el orden del día, la lista de asistentes, expresando el carácter o representación de cada uno y el número de obligaciones, propias o ajenas, que concurren, totalizándose al final de la lista el número de obligaciones presentes o representadas y el total de las que se hallan en circulación.

Artículo 14.- La Asamblea General representa a todos los tenedores de obligacionistas y, además de las restantes competencias establecidas por la Ley de Sociedades de Capital, podrá acordar lo necesario a la mejor defensa de los legítimos intereses de los obligacionistas frente a la entidad emisora; modificar, de acuerdo con la misma, las condiciones de la emisión; destituir y nombrar Comisarios; ejercer cuando proceda las acciones judiciales correspondientes y aprobar los gastos ocasionados para la defensa de los intereses comunes.

Artículo 15.- Los acuerdos de la Asamblea podrán ser impugnados en los términos previstos en la Ley de Sociedades de Capital.

Artículo 16.- El acta de la sesión podrá ser aprobada por la propia Asamblea acto seguido de haberse celebrado ésta, o, en su defecto, y dentro del plazo de quince días, por el Comisario y dos obligacionistas designados al efecto por la Asamblea.

Artículo 17.- Las certificaciones del libro de actas serán expedidas por el Comisario.

Artículo 18.- Los obligacionistas sólo podrán ejercitar individual o separadamente las acciones judiciales o extrajudiciales que les correspondan cuando no contradigan los acuerdos del Sindicato, dentro de su competencia, y sean compatibles con las facultades del mismo.

Capítulo 2º. El Comisario

Artículo 19.- El Comisario ostenta la representación legal del Sindicato y actúa de órgano de relación entre éste y la Sociedad.

circulation are present and those in attendance unanimously agree to hold the Assembly.

Article 12.- The General Assembly will be chaired by the Commissioner, or in default thereof by the noteholder designated by the Assembly and, in the last instance, by the noteholder present at the meeting with the largest number of notes. The Chair will direct the discussions, declare deliberations to have concluded when he or she deems fit and submit the matters to vote. The Chair will appoint a Secretary, who need not be a noteholder.

Article 13.- The Commissioner will draw up, before taking up the matters on the agenda, the attendance list, indicating the status or representation of each attendee and the number of notes each attendee holds or represents, summing up the total number of notes present or represented at the meeting and the total notes in circulation.

Article 14.- The General Assembly represents all Noteholders and, besides any other power conferred by the Spanish Companies Law, may decide as necessary for the best defence of the legitimate interests of the Noteholders vis-à-vis the issuer; amend, in agreement with the issuer, the terms of the issue; remove and appoint Commissioners; exercise, where applicable, the relevant court actions and approve the expenses incurred in the defence of the common interests.

Article 15.- Assembly resolutions may be challenged as provided under the Spanish Companies Law.

Article 16.- The minutes of the meeting will be approved by the Assembly itself immediately after the session ends or, in default thereof, within fifteen days by the Commissioner and two Noteholders appointed for such purpose by the Assembly.

Article 17.- Certificates of the minutes book will be issued by the Commissioner.

Article 18.- Noteholders may only individually or separately pursue the court and out-of-court remedies to which they may be entitled provided they do not contradict Syndicate resolutions that have been approved within its competence and are compatible with the powers of the Syndicate.

Chapter 2. The Commissioner

Article 19.- The Commissioner is the legal representative of the Syndicate and acts as the body charged with the relation between the latter and the Company.

Artículo 20.- El Comisario será nombrado por la Asamblea General, que también puede ratificar como tal a quien hubiere sido designado para ese cargo en el acuerdo de emisión. El Comisario ejercerá su cargo en tanto no sea removido por la misma Asamblea.

Article 20.- The Commissioner will be appointed by the General Assembly, which may also ratify the appointment as Commission of the person so designated in the issue resolution. The Commissioner will discharge his or her office until he or she is removed by the Assembly.

Artículo 21.- Sin perjuicio de las restantes facultades previstas en la Ley de Sociedades de Capital, serán facultades del Comisario:

Article 21.- Without any other powers established by the Spanish Companies Law, the Commissioner will have the following powers:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| (a) Ostentar la plena representación legal del Sindicato. | (a) Exercise the full legal representation of the Syndicate. |
| (b) Tutelar los intereses comunes de los tenedores de las obligaciones. | (b) Safeguard the common interests of the Noteholders. |
| (c) Ser el órgano de relación entre el Sindicato y la Sociedad. | (c) Act as body responsible for relations between the Syndicate and the Company. |
| (d) Ejercitar todas cuantas acciones correspondan al Sindicato. | (d) Exercise all actions that rest with the Syndicate. |
| (e) Convocar y presidir las Asambleas Generales. | (e) Call and chair the General Assemblies. |
| (f) Informar a la Sociedad emisora de los acuerdos del Sindicato. | (f) Report the resolutions of the Syndicate to the issuer Company. |
| (g) Requerir de la Sociedad emisora los informes que, a su juicio, o al de la Asamblea de obligacionistas, interesen a éstos. | (g) Request from the issuer Company the reports that the Commissioner or the Assembly of Noteholders deem of interest to the latter. |
| (h) Vigilar el pago de los intereses de las obligaciones y de su principal, así como las operaciones de amortización. | (h) Monitor the payment of interest on the notes and the principal, as well as the redemption operations. |
| (i) Ejecutar los acuerdos de las Asambleas Generales. | (i) Execute General Assembly resolutions. |
| (j) Asistir con voz pero sin voto a las Juntas Generales de la Sociedad emisora. | (j) Attend and address, without vote, General Meetings of the issuer Company. |
| (k) Y, en general, ejercitar cuantas facultades le hayan sido conferidas o atribuidas por la Asamblea General de obligacionistas. | (k) And, in general, exercise all such powers as have been conferred by the General Assembly of Noteholders. |

Estas mismas facultades corresponden al que ejerza el cargo de Comisario con carácter de sustituto.

These same powers will rest with the person who serves as substitute Commissioner.

Artículo 22.- Cuando la Sociedad haya retrasado más de seis meses el pago de los intereses vencidos o la amortización del principal, el Comisario podrá proponer al Consejo de Administración de la Sociedad la suspensión de cualquiera de los administradores y convocar la Junta General de Accionistas, si aquellos no lo hicieran cuando estimen que deben ser sustituidos.

Artículo 22.- If the Company delays more than six months in paying due interest or redemption amounts, the Commissioner may propose the suspension of any of the directors of the Company and convene a General Shareholders' Meeting of the Company if the directors of the Company do not do so at the time when suspension was required.

Para evitar dudas, esta facultad no resulta de aplicación en los supuestos de aplazamiento de pagos de acuerdo con los términos y condiciones de las Obligaciones

For the avoidance of doubt, the above power does not apply in payment deferrals in accordance with the terms and conditions of the Notes.

TÍTULO III DISPOSICIONES ESPECIALES

Artículo 23.- Los gastos normales que ocasione el sostenimiento del Sindicato correrán a cargo de la Sociedad, sin que en ningún caso pueda exceder del 2% de los intereses anuales devengados por las obligaciones emitidas.

Artículo 24.- El Comisario llevará las cuentas del Sindicato y las someterá a la aprobación de la Asamblea General de obligacionistas y del Consejo de Administración de la Sociedad.

Artículo 25.- Disuelto el Sindicato por haberse amortizado y reembolsado las obligaciones de la emisión, el Comisario que estuviere en ejercicio continuará sus funciones para la liquidación de la Asociación y rendirá cuentas definitivas a la última Asamblea y al Consejo de Administración de la Sociedad.

Artículo 26.- Para todas las cuestiones que se deriven o puedan surgir de este Reglamento, los obligacionistas, por el sólo hecho de serlo, se someten, con renuncia expresa de su propio fuero, a la jurisdicción de los Juzgados y Tribunales de la ciudad de Madrid.

Artículo 27.- En todo lo que no se halle expresamente previsto en el presente Reglamento, se estará a lo dispuesto por la legislación sobre la materia.

TITLE III SPECIAL PROVISIONS

Article 23.- The ordinary expenses incurred to maintain the Syndicate will be borne by the Company, and may in no event exceed 2% of the annual interest accrued by the notes issued.

Article 24.- The Commissioner will keep the Syndicate's accounts and submit them to the General Assembly of Noteholders and to the Board of Directors of the Company for approval.

Article 25.- After the Syndicate has been dissolved upon the redemption and repayment of the notes issued, the Commissioner in office at that time will continue exercising his or her functions in connection with the liquidation of the Association and rendering of the final accounts to the last Assembly and to the Board of Directors of the Company.

Article 26.- For all questions that arise or may arise from this Regulation, the Noteholders by mere fact of their status as such submit to the jurisdiction of the Courts and Tribunals of the city of Madrid with express waiver of their own forum.

Article 27.- All matters not expressly provided for in this Regulation shall be governed by the applicable legal provisions.

USE AND ESTIMATED AMOUNT OF NET PROCEEDS

The estimated amount of net proceeds of the issue of the Notes is EUR 493,477,000.

The net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes.

DESCRIPTION OF THE ISSUER AND ITS GROUP

GENERAL

The Issuer's legal and commercial names are MAPFRE, S.A. and MAPFRE, respectively.

The Issuer is a Spanish public limited company (*sociedad anónima*) incorporated in Spain by virtue of the public deed (*escritura pública*) executed before the Spanish notary public Mr. Raimundo Noguera Guzmán, under number 799 of his records, on 10 November 1942. The Issuer is subject to the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2 July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) and to Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurance and reinsurance undertakings (*Ley 20/2015, de 14 de julio, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*) ("**LOSSEAR**") and Royal Decree 1060/2015, of 20 November, on the regulation, supervision and solvency of insurance and reinsurance undertakings (*Real Decreto 1060/2015, de 20 de noviembre, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*) ("**ROSSEAR**").

The Issuer's registered office is in Majadahonda (Madrid), Spain, at Carretera de Pozuelo, 52 (28222), the telephone number of its registered office is +34 900 10 35 33 and its corporate website is "www.mapfre.com" (the information on the corporate website of the Issuer does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus, and has not been scrutinised or approved by the CNMV).

The Issuer is registered at the Mercantile Registry of Madrid, in volume 23,723, book 0, sheet 13, page No. M-6152. The tax identification number of the Issuer is A-08055741 and its LEI code is 95980020140005693107.

The shares of the Issuer are listed on the Madrid and Barcelona Stock Exchanges. They are also included in the IBEX 35, IBEX Top Dividend, FTSE All-World, FTSE Developed Europe and MSCI World Small Cap Index, as well as the FTSE4Good and FTSE4Good IBEX sustainability indexes, Bloomberg Gender Equality Index, IBEX Gender Equality Index, Ethibel Excellence and ESI Europe.

The Issuer's initial legal name was Central de Obras y Créditos, S.A.; at its Annual General Meeting held on 15 June 1966 the Issuer changed its corporate name to Central de Inversión y Crédito, S.A. and again on 27 June 1981 to Corporación MAPFRE, S.A. Later, at the Extraordinary General Meeting held on 28 April 1984 the Issuer changed again its corporate name to Corporación MAPFRE, Compañía Internacional de Reaseguros, S.A. On 21 April 2001, at its Annual General Meeting the Issuer changed its corporate name to Corporación MAPFRE, S.A. and modified its corporate purpose, excluding the reinsurance activity and limiting its corporate purpose to the development of activities as a business holding. Finally, at the Extraordinary General Meeting held on 29 December 2006 the Issuer changed its corporate name to the current legal name of MAPFRE, S.A.

RECENT HISTORY OF THE ISSUER AND ITS GROUP

2018

- (i) On 6 February 2018, the Issuer announced that it had signed a non-binding letter of intent with Banco do Brasil to update the terms of their strategic alliance in the insurance sector to increase the participation of the Group in the Brazilian business. According to the terms of the non-binding letter:
 - The Group would increase its participation in the business generated by (i) the agency network and (ii) the automobile and large risks insurance business (which is distributed through the Banco do Brasil bank channel), from 50 per cent. to 100 per cent.
 - The shareholding structure of (i) the life insurance business and (ii) the agriculture insurance business was maintained. The home insurance business (which is distributed through the Banco do Brasil bank channel) was incorporated into this structure, with the Group's participation being 25 per cent.

On 26 June 2018, the final agreement was signed, being the base price to be paid by the Issuer BRL 2,406 million, subject to adjustment in light of the dividends which could be paid to shareholders until the closing of the transaction. The transaction was closed on 30 November 2018 and it implied a payment of EUR 519 million, which was financed with excess cash available in Brazil and with debt. At the same time, there was an exit of non-controlling interests in the shareholdings of the above-mentioned Group

companies for the amount of EUR 331 million, and a reduction in consolidated reserves for the amount of EUR 197 million.

- (ii) In April 2018, MAPFRE approved a new configuration for its businesses insuring large industrial and commercial risks. Under this new structure, MAPFRE Global Risks Compañía Internacional de Seguros y Reaseguros, S.A. ("**MAPFRE Global Risks**") would continue to develop its management capacity and its market knowledge, and at the same time, the insurance or reinsurance risk would be assigned to the Group entities which, based on their specialisation, size or capacity, were able to take on said risk with the greatest efficiency and profitability. In March 2019, administrative authorisation was received to carry out said business restructuring operation for MAPFRE Global Risks, by means of which:
- The purely insurance and reinsurance activities of MAPFRE Global Risks, along with the assets and liabilities related to them, were transferred to MAPFRE España Compañía de Seguros y Reaseguros, S.A. ("**MAPFRE España**") and MAPFRE Re, respectively.
 - An entity was created that will continue with MAPFRE Global Risks's activity of analysis and underwriting of large industrial and commercial risks, and it will act on behalf of MAPFRE España and MAPFRE Re.
- (iii) In December 2018, MAPFRE and Bankia reached an agreement to reorganize their bancassurance alliance, by virtue of which MAPFRE Vida would acquire 51 per cent. of the share capital of the insurance entities Caja Granada Vida and Caja Murcia Vida y Pensiones, significantly increasing MAPFRE's Life insurance distribution in the southeast of Spain. Both agreements implied a payment by MAPFRE of EUR 161.7 million. In April 2019, the transaction was closed after receiving the corresponding administrative authorisations.

2019

- (i) On 21 January 2019, MAPFRE and Banco Santander, S.A. reached an agreement by means of which the financial entity would sell and distribute, exclusively, Auto, Commercial Multirisk, SME Multirisk and TPL insurance in its network in Spain, until December 2037.

By virtue of this binding agreement, in June 2019, MAPFRE, through its subsidiary MAPFRE España, acquired from Banco Santander, S.A. 50.01 per cent. of a newly created company for a consideration of EUR 82.3 million. This company would be responsible for exclusively selling the abovementioned insurance products through the Banco Santander, S.A. network.

In November 2019, authorisation to operate was received from the Directorate-General for Insurance and the new company began its activity in the first quarter of 2020.

- (ii) In March 2019, MAPFRE closed a strategic alliance in Mexico with the financial entity Actinver. The agreement includes the exclusive sale in the Actinver channel of all MAPFRE Mexico insurance products, for an indefinite period of time, and also includes an association agreement to share the results obtained by MAPFRE, as a result of the business in the Actinver channel. The agreement implied an upfront payment of EUR 24.8 million, plus a variable based on business development. This agreement entered into force in March 2019, immediately after it was signed.
- (iii) MAPFRE and Abante Asesores Distribución, A.V., S.A. ("**Abante**") signed a strategic alliance to develop insurance and asset management in the Spanish market. The insurance Group took a 10 per cent. stake in Abante through a capital increase which implied a payment of EUR 14.4 million which was made on 22 October 2019. MAPFRE also retained the option to acquire a further 10 per cent., up to a maximum of 20 per cent., within a period of three years.

2020

- (i) February 2020, MAPFRE reached an agreement with the León BHD Financial Center by means of which the Spanish company acquired 51 per cent. of the Health insurance company, ARS Palic, which changed its name to MAPFRE Salud ARS. The León BHD Financial Center holds the remaining 49 per cent. The acquisition of the stake was made for a consideration of USD 40.1 million, and was financed through a seven-year, USD 38 million bank loan.

- (ii) In June 2020, MAPFRE and Banco Santander, S.A. reached an agreement to jointly distribute Non-Life insurance products in Portugal, based on the acquisition of 50.01 per cent. of the existing company, Popular Seguros, by the MAPFRE subsidiary in Portugal. The agreement implied signing a contract for the exclusive distribution of new business of certain Non-Life products (auto, multirisk SME and TPL insurance) through the bank's network in Portugal, until 31 December 2037. This agreement was reinforced with the acquisition of 100 per cent. of a run-off Life Protection portfolio owned by Santander Totta Seguros.

2021

- (i) On 22 January 2021, MAPFRE and Abante agreed for MAPFRE to increase its stake in Abante, proceeding to subscribe and pay, via capital increase, the amount of EUR 27.4 million in June. With this operation, the stake in Abante capital reached 18.77 per cent.
- (ii) On 26 March 2021, the absorption of Bankia's by CaixaBank was executed. Previously, CaixaBank had already informed MAPFRE of its decision to not terminate its exclusive distribution agreements with other insurance entities, which were incompatible with maintaining, after the merger, the agreements signed between MAPFRE and Bankia.

In light of this situation, MAPFRE formally exercised its right to terminate the agreements with Bankia. This led to business valuations carried out by an independent expert in order to determine, following the contractually established procedures, the amounts to be received for the price of its 51 per cent. stake in Bankia Vida and for compensation for the termination of its Non-Life distribution agreement.

On 29 December, MAPFRE and CaixaBank formalised, based on the valuations made by the independent expert, the resolution of said agreements in the following terms:

- CaixaBank acquired MAPFRE's 51 per cent. stake in Bankia Vida for a consideration of EUR 323.7 million, which corresponds to 110 per cent. of the market value of the Life business determined by an independent expert.
- The agency contract for the distribution of Non-Life insurance was terminated, and CaixaBank paid MAPFRE EUR 247.1 million, corresponding to 110 per cent. of the market value of the Non-Life business determined by the independent expert.

In addition, an arbitration proceeding was initiated in which MAPFRE claimed its right to receive from CaixaBank an additional 10 per cent., equivalent to EUR 52.0 million. (as set out in the terms of the contract)

The above resulted in MAPFRE receiving in 2021 EUR 570.8 million, which implied an extraordinary result of EUR 167.1 million. This could be increased by EUR 52 million if the arbitration proceeding sides in favor of MAPFRE's interests.

Additionally, MAPFRE has expressed, both to the independent expert as well as to CaixaBank, its disagreement with the value assigned to the Life business, as it was not measured in line with market methodology and criteria, in the terms of the mandate and the agreements, with the corresponding reserve of actions and rights. As a result, MAPFRE may take legal action to defend its legitimate interests.

- (iii) On 17 September 2021, the MAPFRE Group acquired an additional 32.46 per cent. of the shares of MAPFRE Perú Vida, for an amount of EUR 109.2 million, taking its holding in the company to 99.87 per cent.
- (iv) MAPFRE Asistencia Compañía Internacional de Seguros y Reaseguros, S.A. ("**MAPFRE Asistencia**"), the MAPFRE Group business unit specialised in travel and roadside assistance as well as other specialty risks, closed the sale of InsureandGo in the United Kingdom in August. Additionally, the collective consultation process to close the MAPFRE Asistencia insurance branch in the United Kingdom was successfully finalised and the closure was carried out in the fourth quarter. Both transactions –the sale of InsureandGo and the close of the insurance branch– generated a gain of EUR 4.5 million net of taxes. These operations are part of the strategic restructuring that MAPFRE Asistencia has been carrying out since 2015, and which has led to the business exiting 14 countries.

2022

- (i) On 7 March 2022, in execution of its decision to exit the Indonesian insurance market, MAPFRE reached an agreement with Aseana Insurance Pte. Ltd, an entity domiciled in Singapore and belonging to investment funds managed or advised by Warburg Pincus LLC, for the sale of its holdings in the companies ABDA (62.33%) and PT MAPFRE Abda Assistance ("**ABDA Assitance**") (51.00%). The consideration for this transaction is USD 62.9 million, equivalent to approximately EUR 56.6 million, which will generate a result net of taxes of approximately EUR 600,000.

Final execution of this transaction will be carried out under the terms of the relevant contract, which requires the approval of the corresponding authorities.

BUSINESS OF MAPFRE AND ITS GROUP

Overview

The Issuer is the holding company of a global group of companies engaged mainly in insurance and reinsurance activities in 43 countries around the world through 212 companies. The Issuer, in turn, is a subsidiary of Cartera MAPFRE, S.L.U. ("**Cartera MAPFRE**"), fully controlled by Fundación MAPFRE.

The Group is structured around:

- (i) four business units: (a) Insurance (which comprises the business activities of the direct insurance subsidiaries of the Issuer); (b) Assistance (which comprises the business activities of MAPFRE Asistencia); (c) Global Risks (which comprises the business activities of MAPFRE Global Risks); and (d) Reinsurance (which comprises the business activities of MAPFRE Re).
- (ii) six regional areas: Iberia (which comprises Spain and Portugal), Brazil, Latam North (Mexico, Central America subregion and the Dominican Republic), Latam South (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela), North America (United States and Puerto Rico) and Eurasia (Europe, Middle East, Africa and Asia-Pacific).

The Insurance business unit is organised in line with the regional areas, which are the geographic units that plan, support and oversee the region. The Reinsurance and Global Risks business units are integrated within MAPFRE Re.

In Spain, at the close of 2021, the Group was the second largest insurance group as well as the second largest in Non-Life insurer, with market shares of 11.9 per cent. and 14.0 per cent., respectively. It holds leading positions across several segments in Spain, especially in motor, with a 20.0 per cent. market share at 31 December 2021, and in multiperil segments, with an 18.0 per cent. market share at 31 December 2021 (source: *ICEA, Total Seguro Directo. Entidades y Grupos. Year 2021*). In Europe, the Group ranked as the eleventh largest insurer by premium volume and the sixth largest insurer in Non-Life in 2020 (source: *Fundación MAPFRE, "2020 Ranking of the largest European insurance groups", June 2021*), while in Latin America at the close of 2020 the Group was the leading insurance company in Latin America in Non-Life and the fourth largest group overall, with market shares of 6.5 per cent. and 5.4 per cent. respectively (source: *Fundación MAPFRE, "2020 Ranking of insurance groups in Latin America", June 2021*).

Within Latin America the Group held leading positions in several countries in 2021. In Brazil, the Group was the fifth largest insurance group at 31 December 2020, with a market share of 7.7 per cent, and the second largest group in Non-Life at September 2021, with a market share of 13.8 per cent. In Non-Life insurance, at September 2021, the Group was the eighth largest insurance group in Mexico with a market share of 8.7 per cent., the eighth largest insurance group in Colombia with a market share of 5.6 per cent., the second largest insurance company in Panama with a market share of 17.9 per cent., the third largest company in Peru with a market share of 17.7 per cent., the third largest insurance company in Honduras with a market share of 15.9 per cent., the fourth largest insurance company in the Dominican Republic with a market share of 10.7 per cent., as well as the fifth largest company in Chile with a market share of 6.1 per cent. (source: *Fundación MAPFRE, "The Latin American Insurance Market in 2020", September 2021; "MAPFRE Economic Research", using data from the supervisors in each country*).

The Group also operates in the United States of America where, at the close of 2020, it was the country's 21st largest private passenger auto insurance company, and in Massachusetts it was the leading private passenger auto

insurance company with a market share of 20.7 per cent. (source: *Insurance Statutory Market Share Report, 2021 Edition*).

The Group's specialised Global Risks business unit (operated by MAPFRE Global Risks) manages global insurance programs. Furthermore, the Group's Reinsurance business unit (operated by MAPFRE Re) occupied position number 18 in the global reinsurance ranking in 2021 (source: *S&P Global Ratings*).

Regional areas and business units

Business units

Insurance

The Group offers a wide range of Life and Non-Life insurance products (e.g., motor, third party liability, health, accident, life, retirement or agriculture insurance policies) to both private and corporate customers, as well as mutual and pension funds management (saving business).

Assistance, Services and Specialty Risks

The Group, through this business unit which is headed by MAPFRE Asistencia, offers travel assistance, roadside assistance and other specialty risks of the Group.

Global Risks

This business unit, which is headed by MAPFRE Global Risks, and is consolidated within MAPFRE Re, is specialised in managing global multinational insurance programs (for example, policies that cover aviation, nuclear, energy, third party liability, fire, engineering and transport risks).

Reinsurance

MAPFRE Re is a global reinsurer and the professional reinsurer of MAPFRE Group, which has a significant percentage of proportional business (where the reinsurer assumes a fixed percentage that is agreed between the relevant parties for all insurance policies underwritten by a direct insurer in specific insurance lines or products that are defined by contract), but also of non-proportional business (where the reinsurer assumes responsibility for the cost of claims over and above an established level). MAPFRE Re offers reinsurance services and capacities, providing all kind of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

The table below shows the Premiums⁷, attributable result and ROE (return on equity) by regional area and business unit for the years ended 31 December 2021 and 31 December 2020:

AREA/BUSINESS UNIT	PREMIUMS			ATTRIBUTABLE RESULT			ROE ^(*)	
	31/12/2021	31/12/2020	21/20 % Variation	31/12/2021	31/12/2020	21/20 % Variation	31/12/2021	31/12/2020
Iberia	7,596.4	6,998.9	8.5%	540.7	453.3	19.3%	12.4%	10.6%
Brazil	3,340.1	3,085.4	8.3%	74.3	101.5	-26.8%	10.0%	11.3%
Latam North	2,187.7	1,574.6	38.9%	26.8	69.7	-61.6%	5.8%	15.8%
Latam South	1,617.7	1,450.5	11.5%	54.1	58.5	-7.5%	9.7%	10.3%
North America	2,073.1	2,097.9	-1.2%	88.8	76.3	16.3%	6.5%	5.6%
Eurasia	1,360.8	1,483.4	-8.3%	0.9	31.1	-97.0%	0.1%	4.4%
TOTAL INSURANCE	18,175.8	16,690.7	8.9%	785.6	790.5	-0.6%	--	--
Reinsurance	4,991.6	4,430.7	12.7%	117.8	1.7	--	--	--
Global Risks	1,283.0	1,255.8	2.2%	33.9	15.1	123.9%	--	--
MAPFRE RE ASSISTANCE	6,274.6	5,686.5	10.3%	151.7	16.9	--	8.5%	1.0%
Holdings, eliminations and other	486.4	618.9	-21.4%	0.6	(20.6)	102.9%	0.5%	-14.7%
MAPFRE GROUP	22,154.6	20,482.2	8.2%	765.2	526.5	45.3%	9.0%	6.1%

Figures in € million.

(*) "ROE" calculated under MAPFRE internal information with management criteria, except for the "ROE" corresponding to the MAPFRE GROUP. "ROE" corresponding to the MAPFRE Group is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

The breakdown of Premiums⁷ by product for the year ended 31 December 2021 is as follows:

PRODUCT	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASSISTANCE	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
Life	2,097.6	403.8	265.4	1,154.6	0.8	335	0	0	0	0.3	4,257.5
Automobile	2,258.6	244.1	388.7	461.4	1,282.2	749.1	3.6	0	0	-3	5,384.7
Homeowners and commercial risks	1,055.2	122.7	92.8	355.7	632.7	91.3	0	0	0	-0.6	2,349.8
Health	672.4	480	68.3	0.3	43.1	102.9	0	0	0	7	1,374.0
Accident	105.8	13.5	95.7	0	2	5.4	0	0	0	0.2	222.6
Other Non-Life	1,406.8	923.6	706.8	1,368.1	112.3	77.1	482.8	0	0	-348.9	4,728.6
Reinsurance	0	0	0	0	0	0	0	1,283.0	4,991.6	-2,437.2	3,837.4
TOTAL	7,596.4	2,187.7	1,617.7	3,340.1	2,073.1	1,360.8	486.4	1,283.0	4,991.6	-2,782.2	22,154.6

Figures in € million.

Figures by product are calculated under MAPFRE internal information with management criteria. Total Premiums by regional area and for the Assistance and Reinsurance business units are APMs, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

⁷ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

The breakdown of Premiums⁸ by product for the year ended 31 December 2020 is as follows:

PRODUCT	IBERIA	LATAM NORTH	LATAM SOUTH	BRAZIL	NORTH AMERICA	EURASIA	ASSISTANCE	GLOBAL RISKS	REINSURANCE	CORPORATE AREAS AND CONSOLIDATION ADJUSTMENTS	TOTAL
Life	1,676.9	424.1	226.3	1,209.5	2.3	279.7	0	0	0	0.1	3,818.8
Automobile	2,234.6	230.7	345.4	443.5	1,350.7	928.0	68.0	0	0	-67.6	5,533.3
Homeowners and commercial risks	1,013.4	118.6	184.3	322.7	626.7	84.4	0	0	0	-10.1	2,339.9
Health	611.7	443.3	72.7	0.4	48.5	111.4	0	0	0	1.6	1,289.6
Accident	103.0	12.6	75.0	0	1.7	5.7	0	0	0	0.1	198.0
Other Non-Life	1,359.3	345.4	546.8	1,109.3	68.0	74.2	551.0	0	0	-330.4	3,723.6
Reinsurance	0	0	0	0	0	0	0	1,255.8	4,430.7	-2,107.5	3,579.0
TOTAL	6,998.9	1,574.6	1,450.5	3,085.4	2,097.9	1,483.4	618.9	1,255.8	4,430.7	-2,514.0	20,482.2

Figures in € million.

Figures by product are calculated under MAPFRE internal information with management criteria. Total Premiums by regional area and for the Assistance and Reinsurance business units are APMs, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Regional areas⁹

Iberia

The Iberia regional area encompasses the business activities in Spain and Portugal.

As at 31 December 2021, the Iberia regional area recorded Premiums⁸ of EUR 7,596.4 million and an attributable result of EUR 540.7 million.

- (i) MAPFRE España, with Premiums⁸ amounting to EUR 5,467.1 million as at 31 December 2021, which specialises in retail Non-Life insurance products for families, primarily in the motor, property and personal risks lines. MAPFRE España consolidated figures include the Portuguese business, which generated total Premiums⁸ of EUR 130.4 million as at 31 December 2021 in the Life and Non-Life markets. The business in Portugal is managed by MAPFRE Seguros Gerais, S.A.
- (ii) MAPFRE Vida, with Premiums⁸ totalling EUR 2,129.5 million as at 31 December 2021, which specialises in life insurance, pension fund and plan management, as well as asset management.

Brazil

This regional area is headquartered in São Paulo (Brazil) and encompasses the business activities in Brazil.

As at 31 December 2021, the Brazil regional area recorded Premiums⁸ of EUR 3,340.1 million and an attributable result of EUR 74.3 million.

The largest contribution to this regional area's premiums and results comes from Brasilseg Companhia de Seguros ("**BrasilSeg**"), which resulted from the strategic alliance between the Banco do Brasil Group and the MAPFRE Group (for a description of the latest developments on the referred strategic alliance, please see "*History of the Issuer and its Group—2018*"). Thanks to this alliance, at the close of 2020 the Group was the largest insurance company in Latin America in Non-Life (source: *Fundación MAPFRE, "2020 Ranking of insurance groups in Latin America", June 2021*) and operates primarily in property, agricultural, life protection and motor insurance.

Latam North

This regional area includes Mexico, the sub-region of Central America and the Dominican Republic.

⁸ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

⁹ The figures for the regional areas correspond to the Insurance business activities. The Assistance, Global Risks and Reinsurance business units are run as single business activities globally and are therefore presented separately.

As at 31 December 2021, the Latam North regional area recorded Premiums¹⁰ of EUR 2,187.7 million and an attributable result of EUR 26.8 million.

The largest contribution to this regional area's premiums and results comes from Mexico, due to the relative importance of this country's economy within this regional area. Premiums¹⁰ volume for Insurance business unit in Mexico amounted to EUR 1,317.9 million as at 31 December 2021, which represented 60 per cent. of the regional area's total Premiums¹⁰. This amount includes a multi-year policy in the second quarter for the amount of USD 563 million (EUR 477.3 million). Excluding the extraordinary effect of this policy, Mexico Premiums¹⁰ would represent 49 per cent. of the regional area's total premiums.

Latam South

This regional area has its head office in Bogota (Colombia) and encompasses the business activities in Argentina, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

As at 31 December 2021, the Latam South regional area recorded Premiums¹⁰ of EUR 1,617.7 million and an attributable result of EUR 54.1 million.

During 2021 the largest contribution to this regional area's premiums and results came from Peru and Colombia. Premiums¹⁰ volume for the Insurance business unit in Peru and Colombia amounted to EUR 517.1 million and EUR 364.7 million as at 31 December 2021 respectively, which represented 55 per cent. of the regional area's total Premiums¹⁰.

North America

This regional area is headquartered in Webster, MA (U.S.A.) and encompasses the business activities in North America (the United States of America and Puerto Rico).

As at 31 December 2021, the North America regional area recorded Premiums¹⁰ of EUR 2,073.1 million and an attributable result of EUR 88.8 million.

During 2021, the largest contribution to this regional area's Premiums¹⁰ and results came from the United States of America, whose Premiums¹⁰ volume for the Insurance Unit amounted to EUR 1,738.0 million as at 31 December 2021, which represented 84 per cent. of the regional area's total Premiums¹⁰.

Eurasia

This regional area is headquartered in Madrid (Spain) and encompasses the business activities in Italy, Germany, Turkey, Malta, Indonesia and the Philippines.

As at 31 December 2021, the Eurasia regional area recorded Premiums¹⁰ of EUR 1,360.8 million and an attributable result of EUR 0.9 million.

The largest contribution to this regional area's premiums comes from Malta, Germany and Turkey, whose Premiums¹⁰ volume for the Insurance business unit amounted to EUR 405.2 million, EUR 372.8 million and EUR 304.1 million as at 31 December 2021 respectively, which represented 80 per cent. of the regional area's total Premiums¹⁰. As for results, main contributors were Germany and Turkey, with EUR 8.6 million and EUR 7.7 million as at 31 December 2021 respectively.

¹⁰ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

The breakdown of Premiums¹¹ by regional area and for the Assistance, Global Risks and Reinsurance business units for the years ended 31 December 2021 and 31 December 2020 was as follows:

REGIONAL AREA	31/12/2021	% total	31/12/2020	% total	21/20 % Variation
Iberia	7,596.4	30.5%	6,998.9	30.4%	8.5%
Brazil	3,340.1	13.4%	3,085.4	13.4%	8.3%
Latam North	2,187.7	8.8%	1,574.6	6.8%	38.9%
Latam South	1,617.7	6.5%	1,450.5	6.3%	11.5%
North America	2,073.1	8.3%	2,097.9	9.1%	-1.2%
Eurasia	1,360.8	5.5%	1,483.4	6.5%	-8.3%
TOTAL REGIONAL AREAS	18,175.8	72.9%	16,690.7	72.5%	8.9%
Reinsurance	4,991.6	20.0%	4,430.7	19.3%	12.7%
Global Risks	1,283.0	5.1%	1,255.8	5.5%	2.2%
Assistance	486.4	2.0%	618.9	2.7%	-21.4%
TOTAL AGGREGATE PREMIUMS	24,936.8	100.0%	22,996.1	100.0%	8.4%
Holdings, eliminations and other	(2,782.2)		(2,513.9)		10.7%
MAPFRE GROUP	22,154.6		20,482.2		8.2%

Figures in € million.

The breakdown of Premiums earned, net of ceded and retroceded reinsurance¹² by regional area and for the Assistance, Global Risks and Reinsurance business units for the year ended 31 December 2021 was as follows:

ITEM	Iberia	Latam North	Latam South	Brazil	North America
Premiums earned, net of ceded and retroceded reinsurance	6,641.9	1,178.8	842.6	2,369.4	1,505.0

Figures in € million.

ITEM	Eurasia	Assistance	Global Risks	Reinsurance	Corporate Areas & Cons.Adj.	TOTAL
Premiums earned, net of ceded and retroceded reinsurance	1,083.7	404.6	203.2	3,229.4	5.5	17,464.1

Figures in € million.

The breakdown of Premiums earned, net of ceded and retroceded reinsurance⁹ by regional area and for the Assistance, Global Risks and Reinsurance business units for the year ended 31 December 2020 was as follows:

ITEM	Iberia	Latam North	Latam South	Brazil	North America
Premiums earned, net of ceded and retroceded reinsurance	6,109.1	1,119.3	757.6	2,328.6	1,613.2

Figures in € million.

Item	Eurasia	Assistance	Global Risks	Reinsurance	Corporate Areas & Cons.Adj.	TOTAL
Premiums earned, net of ceded and retroceded reinsurance	1,097.9	502.9	205.8	2,965.7	1.3	16,701.4

Figures in € million.

¹¹ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

¹² "Premiums earned, net of ceded and retroceded reinsurance" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

The breakdown of attributable results by regional area and for the Assistance, Global Risks and Reinsurance business units for the years ended 31 December 2021 and 31 December 2020 is as follows:

REGIONAL AREA	31/12/2021	% total	31/12/2020	% total	21/20 % Variation
Iberia	540.7	57.7%	453.3	57.6%	19.3%
Brazil	74.3	7.9%	101.5	12.9%	-26.8%
Latam North	26.8	2.9%	69.7	8.9%	-61.5%
Latam South	54.1	5.8%	58.5	7.4%	-7.5%
North America	88.8	9.5%	76.3	9.7%	16.4%
Eurasia	0.9	0.1%	31.1	4.0%	-97.1%
TOTAL REGIONAL AREAS	785.6	83.8%	790.4	100.5%	-0.6%
Reinsurance	117.8	12.6%	1.7	0.2%	--
Global Risks	33.9	3.6%	15.1	1.9%	124.5%
Assistance	0.6	0.1%	(20.6)	-2.6%	102.9%
TOTAL RESULTS ⁽¹⁾	937.9	100.0%	786.6	100.0%	19.2%
Holdings, eliminations and other	(172.7)		(260.2)		33.6%
MAPFRE GROUP	765.2		526.5		45.3%

Figures in € million.

⁽¹⁾ Total Result attributable to controlling company before "Holdings and Consolidation Adjustments".

The tables below show the breakdown of the Group's consolidated income statement by regional area and for the Assistance and Reinsurance business units for the year ended 31 December 2021:

NON-LIFE INSURANCE AND REINSURANCE	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	TOTAL
Premiums ^(*)	5,498.8	1,783.9	1,352.4	2,185.5	2,072.3	1,025.8	486.4	5,644.6	(2,782.5)	17,267.1
Premiums earned, net of ceded and retroceded reinsurance ^(*)	4,568.1	848.3	627.2	1,350.3	1,502.0	753.5	404.7	2,942.3	5.4	13,001.7
Net claims incurred plus variation in other technical provisions plus profit sharing and returned premiums	(3,318.2)	(619.3)	(385.7)	(701.7)	(1,028.0)	(582.2)	(218.4)	(2,004.2)	(7.9)	(8,865.6)
Net operating expenses ⁽¹⁾	(963.4)	(191.3)	(224.7)	(483.0)	(470.5)	(241.2)	(177.7)	(846.3)	4.7	(3,593.3)
Other technical revenue and expenses	(200.6)	(2.7)	4.5	0.2	13.5	(1.8)	(16.9)	(7.8)	(0.2)	(211.8)
Technical result	85.9	35.0	21.2	165.8	17.0	(71.7)	(8.3)	84.0	1.9	330.9
Financial result and other non-technical revenue and expenses⁽²⁾	333.4	34.6	55.2	44.4	106.2	75.4	3.6	103.1	(15.0)	740.9
Result of Non-Life business	419.3	69.6	76.4	210.2	123.2	3.7	(4.6)	187.2	(13.1)	1,071.8
Loss Ratio ^{(3)(*)}	72.6%	73.0%	61.5%	52.0%	68.4%	77.3%	54.0%	68.1%		68.2%
Expense Ratio ^{(3)(*)}	25.5%	22.9%	35.1%	35.8%	30.4%	32.2%	48.1%	29.0%		29.3%
Combined Ratio ^{(3)(*)}	98.1%	95.9%	96.6%	87.7%	98.9%	109.5%	102.0%	97.1%		97.5%

LIFE INSURANCE AND REINSURANCE	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	TOTAL
Premiums ^(*)	2,097.6	403.8	265.4	1,154.6	0.8	335.0	0.0	630.0	0.2	4,887.5
Premiums earned, net of ceded and retroceded reinsurance ^(*)	2,074.0	330.5	215.6	1,019.1	2.9	330.3	0.0	490.2	0.1	4,462.7

Net claims incurred plus variation in other technical provisions plus profit sharing and returned premiums	(2,207.6)	(261.2)	(184.8)	(516.8)	(1.1)	(397.4)	0.0	(430.7)	(0.2)	(3,999.8)
Net operating expenses ⁽¹⁾	(247.3)	(123.3)	(99.1)	(466.7)	(1.6)	(21.2)	0.0	(102.8)	(0.1)	(1,062.0)
Other technical revenue and expenses	(50.1)	(2.8)	(0.2)	0.1	0.0	0.9	0.0	(1.0)	(0.0)	(53.2)
Technical result	(431.1)	(56.9)	(68.5)	35.8	0.3	(87.5)	0.0	(44.2)	(0.2)	(652.3)
Financial result and other non-technical revenue and expenses⁽²⁾	765.1	38.7	69.2	35.7	0.6	104.1	0.0	50.8	0.2	1,064.4
Result of Life business	334.0	(18.2)	0.6	71.5	0.9	16.6	0.0	6.6	(0.0)	412.1

	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	Total
Result from other business activities	49.4	0.6	3.6	20.8	(4.0)	0.7	(4.7)	(0.2)	(180.8)	(114.6)
Hyperinflation adjustments	0.0	0.0	(12.0)	0.0	0.0	0.0	(0.7)	0.0	(0.5)	(13.2)
Result before tax	802.5	52.0	68.6	302.5	120.0	20.6	(10.1)	193.8	(194.7)	1,355.1
Tax on profits	(188.7)	(13.4)	(12.0)	(71.2)	(31.2)	(6.5)	12.4	(42.1)	33.2	(319.5)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	(73.1)	(11.8)	(2.4)	(157.0)	0.0	(13.2)	(1.7)	(0.0)	(11.1)	(270.4)
Attributable Net result	540.7	26.8	54.1	74.3	88.8	0.9	0.6	151.7	(172.7)	765.2

Figures in € million (except percentages).

MAPFRE internal information with management criteria.

(1) "Net operating expenses" calculated as "acquisition expenses" plus "administration expenses" less "commissions and participation in reinsurance".

(2) Financial result and other non-technical revenue and expenses calculated as "share in profits from equity-accounted companies" plus "revenue from investments" plus "unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk" plus "other non-technical revenue" plus "positive foreign exchange differences" plus "reversal of the asset impairment provision from insurance business" less "share in losses from equity-accounted companies" less "investment expenses" less "unrealized losses on investments on account of life insurance policyholders bearing investment risk" less "other non-technical expenses" less "negative foreign exchange differences" less "allowance to the asset impairment provision".

(3) Ratios as percentage of net premiums earned.

(*) APMs, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

The tables below show the breakdown of the Group's consolidated income statement by regional area and for the Assistance and Reinsurance business units for the year ended 31 December 2020:

NON-LIFE INSURANCE AND REINSURANCE	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	TOTAL
Premiums ^(*)	5,322.0	1,150.6	1,224.2	1,875.9	2,095.6	1,203.8	618.9	5,132.9	(2,514.0)	16,109.8
Premiums earned, net of ceded and retroceded reinsurance ^(*)	4,463.7	757.3	588.3	1,304.7	1,609.3	823.1	502.8	2,744.1	1.2	12,794.6
Net claims incurred plus variation in other technical provisions plus profit sharing and returned premiums	(3,085.1)	(483.5)	(326.7)	(666.2)	(1,047.1)	(591.9)	(270.0)	(1,923.7)	(2.9)	(8,397.2)
Net operating expenses ⁽¹⁾	(941.1)	(191.4)	(228.1)	(476.7)	(534.8)	(213.4)	(210.6)	(836.2)	5.3	(3,627.0)
Other technical revenue and expenses	(78.4)	(10.1)	2.3	(0.2)	10.2	(8.6)	(14.4)	(2.1)	(0.1)	(101.3)
Technical result	359.0	72.3	35.7	161.6	37.7	9.2	7.8	(17.8)	3.6	669.0

Financial result and other non-technical revenue and expenses⁽²⁾	20.0	31.7	50.5	62.0	58.4	35.4	1.4	49.1	(104.2)	204.3
Result of Non-Life business	379.0	104.0	86.2	223.7	96.1	44.6	9.2	31.3	(100.6)	873.3
Loss Ratio ^{(3)(*)}	69.1%	63.8%	55.5%	51.1%	65.1%	71.9%	53.7%	70.1%		65.6%
Expense Ratio ^{(3)(*)}	22.8%	26.6%	38.4%	36.6%	32.6%	27.0%	44.7%	30.5%		29.14%
Combined Ratio ^{(3)(*)}	92.0%	90.5%	93.9%	87.6%	97.7%	98.9%	98.4%	100.6%		94.8%

LIFE INSURANCE AND REINSURANCE	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	TOTAL
Premiums ^(*)	1,676.9	424.1	226.3	1,209.5	2.3	279.7	0.0	553.6	0.1	4,372.4
Premiums earned, net of ceded and retroceded reinsurance ^(*)	1,645.5	362.1	169.3	1,023.9	4.1	274.7	0.0	427.4	0.0	3,907.0
Net claims incurred plus variation in other technical provisions plus profit sharing and returned premiums	(1,657.8)	(301.9)	(148.3)	(426.7)	(1.1)	(302.4)	0.0	(369.1)	(0.1)	(3,207.5)
Net operating expenses ⁽¹⁾	(246.8)	(81.0)	(86.8)	(506.9)	(2.3)	(21.6)	0.0	(114.6)	(0.0)	(1,060.1)
Other technical revenue and expenses	(34.1)	(3.0)	(0.0)	(0.6)	0.0	0.7	0.0	(0.4)	(0.0)	(37.4)
Technical result	(293.2)	(23.8)	(65.9)	89.7	0.7	(48.6)	0.0	(56.7)	(0.0)	(398.0)
Financial result and other non-technical revenue and expenses⁽²⁾	588.1	36.3	70.9	53.4	0.4	64.5	0.0	48.0	(0.0)	861.5
Result of Life business	294.8	12.5	5.0	143.0	1.1	15.9	0.0	(8.7)	(0.1)	463.5

	Iberia	Latam North	Latam South	Brazil	North America	Eurasia	MAPFRE Asistencia	MAPFRE RE	Corporate Areas and Consolidation Adjustments	Total
Result from other business activities	36.4	(1.9)	2.1	2.8	(2.4)	(0.7)	(31.3)	0.0	(209.5)	(204.5)
Hyperinflation adjustments	0.0	0.0	(8.7)	0.0	0.0	0.0	(0.5)	0.0	(4.7)	(13.9)
Result before tax	710.2	114.5	84.6	369.5	94.8	59.8	(22.6)	22.5	(314.8)	1,118.5
Tax on profits	(163.7)	(29.0)	(20.8)	(100.1)	(18.5)	(17.5)	3.9	(5.6)	53.5	(297.8)
Result from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	(93.2)	(15.8)	(5.3)	(167.9)	0.0	(11.2)	(2.0)	(0.0)	1.3	(294.1)
Attributable Net result	453.3	69.7	58.5	101.5	76.3	31.1	(20.6)	16.8	(260.2)	526.5

Figures in € million (except percentages).

MAPFRE internal information with management criteria.

(1) "Net operating expenses" calculated as "acquisition expenses" plus "administration expenses" less "commissions and participation in reinsurance".

(2) Financial result and other non-technical revenue and expenses calculated as "share in profits from equity-accounted companies" plus "revenue from investments" plus "unrealized gains on investments on behalf of life insurance policyholders bearing the investment risk" plus "other non-technical revenue" plus "positive foreign exchange differences" plus "reversal of the asset impairment provision from insurance business" less "share in losses from equity-accounted companies" less "investment expenses" less "unrealized losses on investments on account of life insurance policyholders bearing investment risk" less "other non-technical expenses" less "negative foreign exchange differences" less "allowance to the asset impairment provision"

(3) Ratios as percentage of net premiums earned.

(*) APMs, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Distribution Channels

The Issuer develops its own networks in the countries in which it operates in order to customize the service MAPFRE offers to clients and to contribute to job creation and activity in each market. MAPFRE's own networks are complemented by online channels and its distribution capacity as a result of the signing of agreements with different companies, notably its bancassurance agreements, but also including those with other financial companies, automobile dealerships, shopping malls and service companies, etc.

The most significant bancassurance agreements with financial institutions include agreements with the following: Banco Santander, S.A., Bankinter, S.A., Caja de Ahorros de Castilla-La Mancha (currently Unicaja Banco, S.A.), Banco do Brasil, S.A., Banco Múltiple BHD León S.A. and Bank of Valleta plc., among others. In 2021 MAPFRE distributed its products through 10,412 bancassurance offices, 4,368 in Brazil, 5,829 in Spain, 176 in Latam North and 39 in Eurasia.

At 31 December 2021, the MAPFRE global distribution network comprised 15,354 offices. The breakdown is shown below:

OFFICES	31/12/2021	31/12/2020	21/20 %Variation
Iberia	8,992	9,750	-7.8%
Direct and Delegate	3,163	3,160	0.1%
Bancassurance	5,829	6,590	-11.5%
Brazil	5,016	4,927	1.8%
Direct and Delegate	648	557	16.3%
Bancassurance	4,368	4,370	0.0%
Latam North	502	599	-16.2%
Direct and Delegate	326	338	-3.6%
Bancassurance	176	261	-32.6%
Latam South	396	419	-5.5%
Direct and Delegate	396	419	-5.5%
Bancassurance	0	0	
North America	28	28	0.0%
Direct and Delegate	28	28	0.0%
Bancassurance	0	0	
Eurasia	420	473	-11.2%
Direct and Delegate	381	431	-11.6%
Bancassurance	39	42	-7.1%
TOTAL OFFICES	15,354	16,196	-5.2%

At 31 December 2021, the regions where the Group was more present were Iberia with 8,992 offices and Brazil with 5,016 offices.

At 31 December 2021, more than 77,000 intermediaries, including agents, delegates and brokers, collaborated in the distribution of our products. The following table shows the breakdown:

SALES NETWORK	31/12/2021	31/12/2020	21/20 % Variation
Iberia	17,490	17,458	0.2%
Agents	10,898	9,612	13.4%
Delegates	2,865	2,834	1.1%
Brokers	3,727	5,012	-25.6%
Brazil	19,650	18,986	3.5%
Agents	0	570	-100.0%
Delegates	560	570	-1.8%
Brokers	19,090	17,846	7.0%
Latam North	11,573	17,537	-34.0%
Agents	3,688	9,095	-59.5%
Delegates	2,752	2,897	-5.0%
Brokers	5,133	5,545	-7.4%
Latam South	17,754	17,597	0.9%
Agents	7,889	6,366	23.9%
Delegates	446	446	0.0%
Brokers	9,419	10,785	-12.7%
North America	7,006	7,817	-10.4%
Agents	5,777	6,639	-13.0%
Delegates	15	57	-73.7%
Brokers	1,214	1,121	8.3%
Eurasia	4,281	2,781	53.9%
Agents	2,916	1,517	92.2%
Delegates	141	129	9.3%
Brokers	1,224	1,135	7.8%
TOTAL SALES NETWORK	77,754	82,176	-5.4%

In addition, MAPFRE and Euler Hermes have a strategic partnership in place to jointly develop the surety and credit insurance business in Spain, Portugal, and Latin America. Under this agreement, both companies hold a 50 per cent. stake in a joint venture called Solunion, integrating the businesses of both groups in the aforementioned markets. Solunion covers risks in countries all around the world and has an international network of risk analysts located in more than 50 countries, who continuously monitor the situation regarding the risks of their insured, in addition to an extensive distribution network in countries where it is present.

Management ratios

The development of the main Expense¹³, Loss¹⁴ and Combined Non-Life Ratios¹⁵ of the Issuer (consolidated) as 31 December 2021 and 31 December 2020, by regional area and for the Assistance, Global Risks and Reinsurance business units, is shown in the following table:

	Expense Ratio ¹³		Loss Ratio ¹⁴		Non-Life Combined Ratio ¹⁵	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
IBERIA	25.5%	22.8%	72.6%	69.1%	98.1%	92.0%
LATAM NORTH	22.9%	26.6%	73.0%	63.8%	95.9%	90.5%
LATAM SOUTH	35.1%	38.4%	61.5%	55.5%	96.6%	93.9%
BRAZIL	35.8%	36.6%	52.0%	51.1%	87.7%	87.6%
NORTH AMERICA	30.4%	32.6%	68.4%	65.1%	98.9%	97.7%
EURASIA	32.2%	27.0%	77.3%	71.9%	109.5%	98.9%
MAPFRE RE	29.0%	30.5%	68.1%	70.1%	97.1%	100.6%
Reinsurance	29.9%	31.2%	68.3%	70.0%	98.2%	101.2%
Global Risks	17.3%	22.5%	65.8%	70.8%	83.1%	93.3%
MAPFRE ASISTENCIA	48.1%	44.7%	54.0%	53.7%	102.0%	98.4%
MAPFRE GROUP	29.3%	29.1%	68.2%	65.6%	97.5%	94.8%

MAPFRE internal information with management criteria.

The above table reflects a 2.7 percentage point increase in the Non-Life Combined Ratio¹⁵. The main drivers of the variation of the ratio as of 31 December 2021 with respect to 31 December 2020 are as follows:

- (i) The motor Loss Ratio¹⁴ across regions in the insurance units was negatively affected by the normalisation of car use and mobility as a result of the improvement of the pandemic situation, with economies reopening.
- (ii) The Expense Ratio¹³ was impacted by restructuring expenses in Iberia, with a provision for EUR 175 million, and in Eurasia, with a provision for EUR 26 million. These two combined effects had a total impact of 1.4 percentage points on MAPFRE's expense ratio.
- (iii) There were strong improvements in the loss ratio in MAPFRE Re as a result of improved attritional losses in the reinsurance business, and a reduction in large losses, particularly in the Global Risks business unit.

Lastly, the Group's ROE (return on equity)¹⁶ (which is measured by the net attributable profit for the previous four quarters as a percentage of the average of shareholders' equity at the beginning and end of twelve-month period) evolved as follows:

31/12/2021	31/12/2020
9%	6.1%

¹³ "Non-Life Expense ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

¹⁴ "Non-Life Loss ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

¹⁵ "Non-Life Combined Ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

¹⁶ "ROE (return on equity)" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

Key consolidated financial information from the audited consolidated annual accounts

The tables below show the consolidated assets, liabilities and equity of the Issuer as at 31 December 2021 and 31 December 2020:

ASSETS	31/12/2021	31/12/2020	21/20 % Variation
A) INTANGIBLE ASSETS	2,911.2	2,780.1	4.7%
I. Goodwill	1,472.4	1,409.8	4.4%
II. Other intangible assets	1,438.8	1,370.3	5.0%
B) PROPERTY, PLANT AND EQUIPMENT	1,295.0	1,279.3	1.2%
I. Real estate for own use	1,071.8	1,040.4	3.0%
II. Other property, plant and equipment	223.2	238.9	-6.6%
C) INVESTMENTS	39,243.0	38,931.4	0.8%
I. Real estate investments	1,260.0	1,199.5	5.0%
II. Financial investments			
1. Held-to-maturity portfolio	1,527.8	1,584.4	-3.6%
2. Available-for-sale portfolio	28,961.5	30,100.7	-3.8%
3. Trading portfolio	5,754.1	4,826.0	19.2%
III. Investments recorded by applying the equity method	657.0	336.4	95.3%
IV. Deposits established for accepted reinsurance	835.0	652.2	28.0%
V. Other investments	247.6	232.2	6.6%
D) INVESTMENTS ON BEHALF OF LIFE INSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK	2,957.3	2,502.4	18.2%
E) INVENTORIES	54.0	49.5	9.1%
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6,084.6	5,378.6	13.1%
G) DEFERRED TAX ASSETS	299.6	221.7	35.1%
H) RECEIVABLES	5,594.7	5,359.1	4.4%
I. Receivables on direct insurance and co-insurance operations	3,892.0	3,477.3	11.9%
II. Receivables on reinsurance operations	791.7	1,012.2	-21.8%
III. Tax receivables			
1. Tax on profits receivable	191.4	181.6	5.4%
2. Other tax receivables	173.7	149.9	15.9%
IV. Corporate and other receivables	545.9	538.1	1.4%
V. Shareholders, called capital	0.0	0.0	---
I) CASH	2,887.6	2,418.9	19.4%
J) ACCRUAL ADJUSTMENTS	1,902.5	1,908.7	-0.3%
K) OTHER ASSETS	247.4	163.4	51.4%
L) NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	377.3	8,159.5	-95.4%
TOTAL ASSETS	63,854.2	69,152.6	-7.7%

Figures in € million.

EQUITY AND LIABILITIES	31/12/2021	31/12/2020	21/20 % Variation
A) EQUITY	9,666.6	9,837.8	-1.7%
I. Paid-up capital	308.0	308.0	---
II. Share premium	1,506.7	1,506.7	---
III. Reserves	7,102.4	7,057.2	0.6%
IV. Interim dividend	(184.8)	(154.0)	20.0%
V. Treasury Stock	(62.9)	(63.4)	-0.8%
VI. Result for the period attributable to the controlling company	765.2	526.5	45.3%
VII. Other equity instruments	0.0	0.0	---
VIII. Valuation change adjustments	805.3	1,270.7	-36.6%
IX. Currency conversion differences	(1,776.3)	(1,915.7)	-7.3%
Equity attributable to the controlling company's shareholders	8,463.6	8,536.0	-0.8%
Non-controlling interests	1,203.0	1,301.8	-7.6%
B) SUBORDINATED LIABILITIES	1,122.2	1,121.6	0.1%
C) TECHNICAL PROVISIONS	39,968.3	39,190.2	2.0%
I. Provisions for unearned premiums and unexpired risks	7,638.6	7,195.3	6.2%
II. Provisions for life insurance	19,089.5	19,588.9	-2.5%
III. Provision for outstanding claims	11,986.1	11,210.5	6.9%
IV. Other technical provisions	1,254.1	1,195.5	4.9%
D) TECHNICAL PROVISIONS FOR LIFE INSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	2,957.3	2,502.4	18.2%
E) PROVISIONS FOR RISKS AND EXPENSES	653.6	582.6	12.2%
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	82.4	71.6	15.1%
G) DEFERRED TAX LIABILITIES	537.7	670.6	-19.8%
H) DEBT	8,441.8	7,593.4	11.2%
I. Issue of debentures and other negotiable securities	862.8	1,005.6	-14.2%
II. Due to credit institutions	1,106.5	866.4	27.7%
III. Other financial liabilities	2,368.6	1,596.7	48.3%
IV. Due on direct insurance and co-insurance operations	915.0	951.0	-3.8%
V. Due on reinsurance operations	1,252.8	1,305.9	-4.1%
VI. Tax liabilities			
1. Tax on profits to be paid	65.2	58.5	11.5%
2. Other tax liabilities	341.0	246.6	38.3%
VII. Other debts	1,529.9	1,562.7	-2.1%
I) ACCRUAL ADJUSTMENTS	300.5	318.6	-5.7%
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS	123.8	7,263.9	-98.3%
TOTAL EQUITY AND LIABILITIES	63,854.2	69,152.6	-7.7%

Figures in € million.

Total consolidated assets reached EUR 63,854.2 million at 31 December 2021 and went down 7.7 per cent. compared to the close of the previous year, primarily due to the exit of the Bankia Vida operation from the Group's scope, and whose assets and liabilities amounting to EUR 7,669.2 million were included in the heading "held for sale" in 2020.

Other relevant changes as at 31 December 2021 with respect to 31 December 2020 reflect mainly:

- (i) The increase in "investments on behalf of life insurance policy holders" is due to an increase in unit-linked¹⁷ investments in Iberia, due to the good commercial performance of life savings products.
- (ii) The increase in the heading "investments recorded by applying the equity method" is a result of a co-investment real estate operation with Swiss Life.
- (iii) An increase in accepted reinsurance from MAPFRE Re, resulting from new business that was brought in.
- (iv) An increase in the cash balance from receiving payment from the resolution of the Agreement with Bankia for the amount of EUR 570.8 million.

¹⁷ Unit-linked products are life savings products where the investment risk is borne by the policy holder.

- (v) Changes in value of investments available for sale and currency conversion differences of financial accounts denominated in equity correspond to the earnings from the period and the distribution of dividends, as well as to currency changes other than Euro.
- (vi) The rest of the changes in the headings for Assets and Liabilities from insurance and reinsurance operations are a result of the business management process itself.

The following chart reflects the total assets under management as at 31 December 2021 and 31 December 2020, which includes the total Group investment portfolio as well as pension and mutual funds, and which shows growth of 5.1 per cent:

	31/12/2021	31/12/2020	21/20 % Variation
Investment portfolio	46,159.7	44,893.2	2.8%
Pension funds	6,431.3	5,754.9	11.8%
Mutual funds and other	5,403.3	4,533.8	19.2%
TOTAL	57,994.3	55,181.8	5.1%

Figures in € million.

MAPFRE internal information with management criteria.

The table below shows the audited consolidated income statement of the Issuer for the years ended 31 December 2021 and 31 December 2020:

	31/12/2021	31/12/2020	21/20 % Variation
I. REVENUE FROM INSURANCE BUSINESS			
1. Premiums earned, net of ceded and retroceded reinsurance ^(*)			
a) Written premiums, direct insurance	18,127.6	16,767.3	8.1%
b) Premiums from accepted reinsurance	4,027.0	3,714.9	8.4%
c) Premiums from ceded reinsurance	(4,307.8)	(3,648.4)	18.1%
d) Variations in provisions for unearned premiums and unexpired risks			
Direct insurance	(450.3)	179.1	-351.4%
Accepted reinsurance	(181.7)	(130.6)	39.1%
Ceded reinsurance	249.3	(180.8)	-237.9%
2. Share in profits from equity-accounted companies	9.3	6.9	34.8%
3. Revenue from investments			
a) From operations	2,227.1	2,059.2	8.2%
b) From equity	180.0	167.1	7.7%
4. Gains on investments on behalf of life insurance policyholders bearing the investment risk	254.6	137.8	84.8%
5. Other technical revenue	87.7	66.2	32.5%
6. Other non-technical revenue	283.1	61.8	358.1%
7. Positive foreign exchange differences	1,628.2	2,042.9	-20.3%
8. Reversal of the asset impairment provision	13.9	27.6	-49.6%
TOTAL REVENUE FROM INSURANCE BUSINESS	22,148.0	21,271.0	4.1%
II. INSURANCE BUSINESS EXPENSES			
1. Incurred claims for the year, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	(11,725.5)	(10,667.8)	9.9%
Accepted reinsurance	(2,743.8)	(2,288.6)	19.9%
Ceded reinsurance	2,229.4	1,835.4	21.5%
b) Claims-related expenses	(760.5)	(775.3)	-1.9%
2. Variation in other technical provisions, net	190.2	341.8	-44.4%
3. Profit sharing and returned premiums	(55.2)	(50.1)	10.2%
4. Net operating expenses			
a) Acquisition expenses	(4,611.0)	(4,610.2)	
b) Administration expenses	(766.8)	(746.8)	2.7%
c) Commissions and participation in reinsurance	722.4	669.9	7.8%
5. Share in losses from equity-accounted companies	(2.0)	(1.8)	11.1%
6. Investment expenses			
a) From operations	(910.0)	(799.4)	13.8%
b) From equity and financial accounts	(53.1)	(51.0)	4.1%
7. Losses on investments on behalf of life insurance policyholders bearing the investment risk	(70.3)	(210.1)	-66.5%
8. Other technical expenses	(352.8)	(205.0)	72.1%
9. Other non-technical expenses	(152.9)	(145.7)	4.9%
10. Negative foreign exchange differences	(1,574.2)	(2,018.5)	-22.0%

11. Allowance to the asset impairment provision	(29.0)	(210.9)	-86.2%
TOTAL EXPENSES FROM INSURANCE BUSINESS	(20,665.1)	(19,934.1)	3.7%
RESULT FROM THE INSURANCE BUSINESS	1,482.9	1,336.9	10.9%
III. OTHER ACTIVITIES			
1. Operating revenue	315.6	295.3	6.9%
2. Operating expenses	(408.0)	(437.0)	-6.6%
3. Net financial income			
a) Financial income	84.9	59.5	42.7%
b) Financial expenses	(108.5)	(94.6)	14.7%
4. Results from non-controlling interests			
a) Share in profits from equity-accounted companies	8.2	7.0	17.1%
b) Share in losses from equity-accounted companies	(6.3)	0.0	---
5. Reversal of asset impairment provision	11.1	5.9	88.1%
6. Allowance to the asset impairment provision	(11.6)	(40.6)	-71.4%
7. Result from the disposal of non-current assets classified as held for sale, not included in discontinued operations	0.0	0.0	---
RESULT FROM OTHER ACTIVITIES	(114.6)	(204.5)	-44.0%
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	(13.2)	(13.9)	-5.0%
V. RESULT BEFORE TAXES FROM ONGOING OPERATIONS	1,355.1	1,118.5	21.2%
VI. TAX ON PROFITS FROM ONGOING OPERATIONS	(319.5)	(297.8)	7.3%
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS	1,035.6	820.7	26.2%
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	0.0	0.0	---
IX. RESULT FOR THE PERIOD	1,035.6	820.7	26.2%
1. Attributable to non-controlling interests	270.4	294.1	-8.1%
2. Attributable to the controlling company	765.2	526.5	45.3%

Figures in € million.

([^]) "Premiums earned, net of ceded and retroceded reinsurance is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

The variation in net profit for the year ended 31 December 2021 compared to 31 December 2020 reflects:

- (i) Revenue from the MAPFRE Group's insurance business improved 4.1 per cent. On the one hand, earned premiums and revenue from investments grew considerably compared to the previous year. Additionally, other technical and non-technical revenue improved notably, primarily due to the extraordinary result from the resolution of the distribution agreements between the MAPFRE Group and Bankia, mentioned above. On the other hand, the fall in positive currency differences slightly reduced this improvement in revenue.
- (ii) The decrease in the heading for positive exchange differences has an almost parallel movement in the heading for negative exchange differences.
- (iii) The heading for other technical and non-technical expenses in 2021 includes EUR 175 million for the voluntary early retirement plan in Iberia, while in 2020 it included EUR 134.8 million net for goodwill and intangible asset writedowns.
- (iv) The insurance business unit's results reached EUR 1,482.9 million, which is a relevant 11.0 per cent. improvement compared to the same period of the previous year.
- (v) The Non-Life insurance business' results reached EUR 1,071.8 million, with a 22.7 per cent. increase compared to the same period of the previous year. The Life insurance result, including the Life financial result, reached EUR 412.1 million, an 11.1 per cent. decrease compared to the same period of the previous year.
- (vi) Iberia continues to be the largest contributor to Group profits. It is important to point out that Iberia's result includes expenses from the voluntary early retirement plan (June and December) and extraordinary net income from the resolution of the distribution agreement with Bankia. Further, the positive rate of contribution to earnings from Non-Life businesses in Brazil, North America and Latam South is noteworthy, as is MAPFRE Re.
- (vii) The lower Life Protection business results from the negative development of the COVID-19 pandemic, mainly in Latin American regions as well as in Reinsurance business unit, is relevant. For the year ended 31 December 2021, the impact for COVID-19 losses in the Life Protection business implied a EUR 143.9 million reduction in net profit for the Group.

- (viii) In investments, there are noteworthy realised gains in the Non-Life actively managed portfolio in Iberia, North America and MAPFRE Re, which have had a EUR 142.7 million positive impact on the attributable result.
- (ix) The accumulated attributable result to December 2021 reached EUR 765.2 million, increasing 45.3 per cent.

The table below show the breakdown of Total Consolidated Revenue¹⁸ as at 31 December 2021 and 31 December 2020:

	31/12/2021	31/12/2020	21/20 % Variation
Premiums ¹⁹	22,154.6	20,482.2	8.2%
Financial income from investments	2,764.1	2,437.5	13.4%
Revenue from non-insurance entities and other revenue	2,339.6	2,499.7	-6.4%
TOTAL CONSOLIDATED REVENUE¹⁸	27,258.3	25,419.4	7.2%

Figures in € million.

The increase in Premiums¹⁹ reflects:

- (i) Growth in Spain, with an increase in production in Non-Life and Life lines of business.
- (ii) The favorable development of Mexico from the issuing of the multi-year industrial policy as well as positive issuance trends in local currency in all countries, with especially strong performance in General P&C²⁰.
- (iii) In Brazil, premium growth was supported by positive development of the Agro business, as well as growth in other property lines.
- (iv) Strong performance in the reinsurance business as a result of essentially the increase in participations in cedent programs and higher tariffs in certain lines after several years of high frequency in "CAT claims"²¹.
- (v) A fall in Eurasia driven by lower issuance in the auto business in Turkey, resulting from the rigorous technical underwriting and by the strong depreciation of the Turkish lira (-26.0 per cent.). Premiums were also affected by the fall in issuance in Italy tied to the restrictions for new business in the car dealership channel, which has been considered non-strategic for the country.
- (vi) Lower premiums in Assistance resulting from the impact of travel restrictions from COVID-19 on the travel insurance business. Specialty Risk premiums in the UK and Assistance premiums in the United States are also down, as a result of the decision to discontinue these operations.

The increase in financial and other income reflects:

- (i) The revaluation of investments tied to unit-linked and similar products, with practically no impact on the Group result, primarily from Spain with EUR 239.2 million and Malta with EUR 42.5 million.
- (ii) Higher realised gains on the investment portfolio in IBERIA and MAPFRE Re.

¹⁸ "Total Consolidated Revenue" is an APM, the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

¹⁹ "Premiums" is an APM, the definition, explanation, use and reconciliation of which is set out in "*Alternative Performance Measures*".

²⁰ General P&C is a business tranche within Non-Life including, among others, multirisks, death, and commercial line.

²¹ CAT claims, or catastrophic claims, are claims resulting from a catastrophe. They are typically a large number of losses occurring due to a single event.

Additional financial information

The table below shows the breakdown of the financial investments, liquid assets and other investments as at 31 December 2021 and 31 December 2020:

	31/12/2021	% over total	31/12/2020	% over total
Cash	2,887.6	6.3%	2,418.9	5.4%
Investment on behalf of life insurance policyholders bearing the investment risk	2,957.3	6.4%	2,502.4	5.6%
Real estate	2,331.8	5.1%	2,239.9	5.0%
Property for own use	1,071.8	2.3%	1,040.4	2.3%
Property investments	1,260.0	2.7%	1,199.5	2.7%
Financial investments	36,243.3	78.5%	36,511.2	81.3%
Shares	3,051.8	6.6%	2,694.9	6.0%
Total fixed income	30,496.3	66.1%	31,531.7	70.2%
Fixed income – government	22,879.0	49.6%	23,395.9	52.1%
Spain	12,041.2	26.1%	12,761.1	28.4%
Rest of Europe	4,691.8	10.2%	4,401.2	9.8%
United States	1,537.8	3.3%	1,523.9	3.4%
Latin America	3,937.7	8.5%	3,941.8	8.8%
Others	670.5	1.5%	767.9	1.7%
Fixed income – corporate	7,617.3	16.5%	8,135.8	18.1%
Spain	1,819.7	3.9%	1,595.8	3.6%
Rest of Europe	2,760.0	6.0%	3,317.5	7.4%
United States	2,058.1	4.5%	2,110.2	4.7%
Latin America	707.5	1.5%	744.3	1.7%
Others	272.0	0.6%	368.0	0.8%
Mutual funds	1,877.3	4.1%	1,414.6	3.2%
Other financial investments	817.9	1.8%	870.0	1.9%
Other investments	1,739.6	3.8%	1,220.8	2.7%
Investments recorded by applying the equity method	657.0	1.4%	336.4	0.7%
Deposits established for accepted reinsurance	835.0	1.8%	652.2	1.5%
Hedging derivatives	0.0	0.0%	0.0	0.0%
Other investments	247.6	0.5%	232.2	0.5%
TOTAL	46,159.6	100.0%	44,893.2	100.0%

Figures in € million.

The variations in the investment portfolio as at 31 December 2021 compared to the year ended 31 December 2020, reflect:

- (i) The investment strategy has been focused on actively managing the fixed income investment portfolio in order to adapt it to the outlook for a slight increase in interest rates, progressively reducing duration and improving its credit portfolio. In equity, stock market movements were taken advantage of the increase or reduce exposure.
- (ii) There was an increase in the cash balance from receiving payment from the resolution of the agreement with Bankia for the amount of EUR 570.8 million.
- (iii) There was an increase in mutual funds due to the consolidation by global integration method of the mutual funds managed by Group companies in which the participation is greater than 20 per cent.

The table below shows the breakdown of the Group's portfolio of fixed income securities, hybrid securities, deposits and cash as at 31 December 2021 and 31 December 2020:

Issuer capacity for payment ^(*)	Book value							
	Held-to-maturity portfolio		Available-for-sale portfolio		Trading portfolio		Cash	
	2021	2020	2021	2020	2021	2020	2021	2020
AAA	1,054.2	1,107.2	2,477.0	3,081.4	1,158.8	788.4	182.2	177.7
AA	83.2	47.6	2,919.9	3,164.4	346.1	316.4	147.0	173.1
A	27.4	184.7	13,607.0	14,761.9	566.0	456.1	1,845.1	1,208.1
BBB	167.6	29.6	6,553.5	6,223.1	759.9	848.5	402.5	546.5
BB OR LESS	30.5	42.8	289.3	257.8	43.0	25.2	74.1	83.8
WITHOUT CREDIT RATING	142.3	145.2	284.7	270.5	202.7	96.5	236.7	229.8
TOTAL	1,505.2	1,556.9	26,131.4	27,759.1	3,076.5	2,531.1	2,887.6	2,418.9

Figures in € million.

(*) According to local criteria.

The table below shows the breakdown of the Group's financing structure, together with its Debt Ratio²², as at 31 December 2021 and 31 December 2020:

ITEM	31/12/2021	31/12/2020
Total Equity	9,666.6	9,837.8
Financial debt	3,091.5	2,993.6
- of which: senior debt - 5/2026	863.0	1,005.6
- of which: subordinated debt - 3/2047 (First Call 3/2027)	618.0	618.0
- of which: subordinated debt - 9/2048 (First Call 9/2028)	504.0	503.6
- of which: syndicated credit facility - 02/2025 (€ 1,000 M)	621.0	600.0
- of which: bank debt	485.5	266.4
RATIOS	31/12/2021	31/12/2020
Debt Ratio*	24.2%	23.3%
Financial Autonomy Ratio²³	3.1	3.3

Figures in € million.

*The Debt Ratios are within MAPFRE's internal guidance.

On 14 December 2021, a debt buyback and amortisation of the Senior Notes 5/2026 for the amount of EUR 142.7 million in principal was carried out. This transaction was financed to 31 December 2021 by credit lines, standing the Debt Ratio at 31 December 2021 at 24.2 per cent. Said credit lines were fully cancelled on 14 January 2022, bringing the percentage of Debt Ratio down to 23.3 per cent., the same as at 31 December 2020.

"Other financial liabilities" include the outstanding amount for financial obligations not included in any other items. The largest component is non-controlling interests in mutual funds. Mutual funds managed by Group companies in which the participation is greater than 20 per cent. are consolidated using the global integration method and the non-controlling interests are reflected accordingly in other financial liabilities. The following table shows the breakdown of "Other financial liabilities" as at 31 December 2021 and 2020:

OTHER FINANCIAL LIABILITIES	31/12/2021	31/12/2020
Financial liabilities held for trading	9.5	5.5
Other financial liabilities measured at fair value with changes in P&L	599.8	529.4
Non-controlling interests in mutual funds	1,374.6	708.9
Financial liabilities from leases	286.3	273.1
Other financial liabilities	98.4	79.9
TOTAL	2,368.6	1,596.7

Figures in € million.

The latest available figures for the Market Consistent Embedded Value ("MCEV")²⁴ are shown in the table below:

	31/12/2020	31/12/2019	Variation
Adjusted Net Asset Value (ANAV)⁽¹⁾	2,348.1	2,247.0	4.5%
Value of In-force Business (VIF) ⁽¹⁾	5,470.7	5,605.2	-2.4%
Market Consistent Embedded Value (MCEV)⁽¹⁾	7,818.8	7,858.1	-0.5%
Attributable to the Parent Company	5,268.1	4,918.9	7.1%
Attributable to Non Controlling Interests	2,550.7	2,935.2	-13.1%
Return on Embedded Value (RoEV)⁽²⁾	15.9%	6.6%	9.3 p.p

Figures in € million.

p.p: percentage points

⁽¹⁾ No adjustments made for the share minority interests.

⁽²⁾ The "RoEV" is obtained by dividing the value added in the year by the Embedded Value of the previous year, adjusted for changes in model and current exchange rate.

²² "Debt ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

²³ "Financial Autonomy Ratio" is an APM, the definition, explanation, use and reconciliation of which is set out in "Alternative Performance Measures".

²⁴ The MCEV is the embedded value calculated in accordance with the "Market Consistent Embedded Value Principles". MCEV is equal to ANAV (Adjusted Net Asset Value) + VIF (Value of In-force business).

The "Market Consistent Embedded Value Principles" or "MCEVP" are the principles that establish the methodology that must be applied in order to calculate the MCEV. The MCEVP were agreed upon by the chief executive officers of the multinational European insurers belonging to the "CFO Forum" in order to increase the comparability and transparency of the embedded value calculations carried out by insurance

It should be highlighted that both 2019 and 2020 figures include the business coming from Bankia MAPFRE Vida, an alliance terminated in 2021 after a change of ownership following the approval of the absorption of Bankia by CaixaBank.

According to the sensitivity analysis carried out for the MCEV 2020 figures (last available information), the exit of Bankia MAPFRE Vida would have reduced MCEV by EUR 714.7 million. The results of the sensitivity analysis are shown in the table below.

	Variation in MCEV	Resulting value
Base scenario	---	7,818.8
100 bp increase in interest rates	-546.8	7,272.0
10% decrease in the value of stocks and real estate	-67.9	7,750.9
10% decrease in expenses	157.4	7,976.1
10% decrease in the lapse rate	309.8	8,128.6
5% decrease in mortality and morbidity	154.6	7,973.4
100 bp decrease in interest rates	306.2	8,125.0
BANKIA VIDA exit	-714.7	7,104.1

bp: basic points.

Alternative Performance Measures

This Prospectus (and documents incorporated by reference to this Prospectus) contains metrics that constitute APMs as defined in the European Securities and Markets Authority Guidelines introduced on 3 July 2016 and published on 5 October 2015 (the "**APM Guidelines**"). The Issuer considers that these metrics provide useful information for investors, securities analysts and other interested parties in order to better understand the underlying business, the financial position, cash flows and the results of operations of the Group.

These APMs are not audited, reviewed or subject to a pro forma review by the Issuer auditors and are not measures required, or presented in accordance with, IFRS-EU. Accordingly, these APMs should not be considered alternatives to the information contained in the audited consolidated annual accounts of the Issuer or to any performance measures prepared in accordance with IFRS-EU. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by the Issuer, may not be comparable to other similar titled measures used by other companies. In addition, these measures are not comparable to similarly titled measures contained in the notes to the Issuer's audited consolidated annual accounts. Investors should not consider such APMs in isolation, as substitute to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Issuer's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for, or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the audited consolidated annual accounts of the Issuer contained in this Prospectus.

The Issuer believes that the description of the APMs in this Prospectus follows and complies with the APM Guidelines.

companies. The document that contains the MCEVP can be obtained at the following website: www.cfoforum.nl (The information contained in the above website does not form part of this Prospectus and has not been scrutinised or approved by the CNMV).

Debt ratio: Financial debt / (Equity + Financial debt).

Purpose: measuring 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.

		December 2021		December 2020	
		<i>(€ million, except %)</i>			
Numerator	Financial debt, calculated as:				
		Subordinated liabilities	1,122.2		1,121.6
	Plus	Senior debt	862.8		1,005.6
	Plus	Debt due to credit institutions	1,106.5		866.4
Denominator	Equity		9,666.6		9,837.8
	Plus	Financial Debt	3,091.5		2,993.6
Debt ratio			24.2%		23.3%

Consolidated Ordinary Revenues: Written premiums, direct insurance + premiums from accepted reinsurance + Operating revenue from Other Activities.

Purpose: measuring the dimension, growth and development of Group's 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.

		December 2021		December 2020	
		<i>(€ million)</i>			
	Written Premiums, direct insurance		18,127.6		16,767.3
Plus	Premiums from accepted reinsurance		4,027.0		3,714.9
Plus	Operating revenues from Other Activities		315.6		295.3
Consolidated Ordinary Revenues			22,470.2		20,777.5

Financial Autonomy Ratio: Equity / Financial debt

Purpose: The Financial Autonomy Ratio tries to define the dependence that a company has on its creditors. This calculation involves determining the equity that a company has in relation to its debt. In consequence, the ratio shows a relationship with their ability to borrow. The higher this ratio, the greater the company's ability to survive in the future.

		December 2021		December 2020	
		<i>(€ million, except the Financial Autonomy Ratio)</i>			
Numerator	Equity		9,666.6		9,837.8
Denominator	Financial debt, calculated as:				
		Subordinated liabilities	1,122.2		1,121.6
	Plus	Senior debt	862.8		1,005.6
	Plus	Debt due to credit institutions	1,106.5		866.4
Financial Autonomy Ratio			3.1		3.3

Total income / Total Consolidated Revenue: Premiums (see definition) + Financial income from investments (see definition) + Income from non-insurance companies and other (see definition).

Purpose: measuring the dimension, growth and development of the company 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.

		December 2021	December 2020
		<i>(€ million)</i>	
Plus	Premiums	22,154.6	20,482.2
	Financial income from investments, calculated as:		
	Plus Revenue from investments	2,407.1	2,226.3
	Plus Share in profits from equity-accounted companies (from the insurance business and other activities)	17.5	13.9
	Plus Unrealised gains on investments on behalf of policyholders bearing investment risk	254.6	137.8
	Plus Financial income (from other activities).	84.9	59.5
Plus	Income from non-insurance companies and other, calculated as:		
	Plus Operating revenues from Other Activities	315.6	295.3
	Plus Reversal of the asset impairment provision from insurance business	13.9	27.6
	Plus Reversal of the asset impairment provision from Other Activities	11.1	5.9
	Plus Positive foreign exchange differences	1,628.2	2,042.9
	Plus Other technical revenue	87.7	66.2
	Plus Other non-technical revenue	283.1	61.8
Total income / Total Consolidated Revenue		27,258.3	25,419.4

Non-Life Combined Ratio: Non-Life Expense Ratio + Non-Life Loss Ratio.

Purpose: measuring 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 technical expenses as the percentage over premium volume. A combined ratio below 100% indicates that the technical result is positive, while a combined ratio above 100% indicates that said result is negative.

	December 2021	December 2020
Non-Life Expense Ratio	29.3%	29.1%
Plus Non-Life Loss Ratio	68.2%	65.6%
Non-Life Combined Ratio	97.5%	94.7%

MAPFRE internal information with management criteria. Detailed data can be found in the tables with the breakdown of the Group's consolidated income statement by regional area and for the Assistance and Reinsurance business units for the years ended 31 December 2021 and 31 December 2020 in "Regional areas and business units -Regional areas".

Non-Life Expense Ratio: (Net operating expenses – other technical revenue + other technical expenses) / Premiums earned, net

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.

		December 2021	December 2020
		<i>(€ million, except %)</i>	
Numerator	Minus	3,593.3	3,627.0
	Plus	(84.5)	(64.5)
	Other technical revenue	296.3	165.9
	Other technical expenses	13,001.7	12,794.6
Denominator	Premiums earned, net		
Non-Life Expense Ratio		29.3%	29.1%

MAPFRE internal information with management criteria. Detailed data can be found in the tables with the breakdown of the Group's consolidated income statement by regional area and for the Assistance and Reinsurance business units for the years ended 31 December 2021 and 31 December 2020 in "Regional areas and business units -Regional areas".

Non-Life Loss Ratio: Incurred claims for the year, net + Variation in other technical provisions, net + Profit sharing and returned premiums) / Premiums earned, net

Purpose: Percentage that reflects the amount of premium that is consumed by claims. The lower the value of the ratio, the higher the profitability.

		December 2021	December 2020
		<i>(€ million, except %)</i>	
Numerator	Incurred claims for the year, net	8,779.5	8,267.9
	Plus Variation in other technical provisions, net	69.9	112.8
	Plus Profit sharing and returned premiums	16.3	16.5
Denominator	Premiums earned, net	13,001.7	12,794.6
Non-Life Loss Ratio		68.2%	65.6%

MAPFRE internal information with management criteria. Detailed data can be found in the tables with the breakdown of the Group's consolidated income statement by regional area and for the Assistance and Reinsurance business units for the years ended 31 December 2021 and 31 December 2020 in "Regional areas and business units -Regional areas".

Premiums / Written and accepted premiums / Consolidated premiums: Written premiums, direct insurance + premiums from accepted reinsurance.

Purpose: as with the "Income" APM, it makes it possible to measure the dimension, growth and development of the company in a specific period of time. The use of this measure by geographic areas and business units is also relevant, as it makes it possible to assess their total contribution and monitor their development.

		December 2021						
		<i>(€ million)</i>						
		Iberia	Brazil	Latam North	Latam South	North America	Eurasia	TOTAL INSURANCE
Written Premiums, direct insurance		7,575.0	3,340.1	2,178.7	1,617.4	1,972.8	1,346.8	18,030.8
Plus Premiums from accepted reinsurance		21.4	--	9.0	0.3	100.3	14.0	145.0
Premiums / Written and accepted premiums / Consolidated premiums		7,596.4	3,340.1	2,187.7	1,617.7	2,073.1	1,360.8	18,175.8

		December 2021					
		<i>(€ million)</i>					
		Reinsurance	Global Risks	MAPFRE RE	ASSISTANCE	Holdings, eliminations and other	MAPFRE GROUP
Written Premiums, direct insurance		--	--	--	83.4	13.4	18,127.6
Plus Premiums from accepted reinsurance		4,991.6	1,283.0	6,274.6	403.0	(2,795.6)	4,027.0
Premiums / Written and accepted premiums / Consolidated premiums		4,991.6	1,283.0	6,274.6	486.4	(2,782.3)	22,154.6

		December 2020						
		<i>(€ million)</i>						
		Iberia	Brazil	Latam North	Latam South	North America	Eurasia	TOTAL INSURANCE
Written Premiums, direct insurance		6,979.1	3,085.4	1,564.9	1,443.1	2,060.8	1,462.1	16,595.4
Plus Premiums from accepted reinsurance		19.8	--	9.7	7.4	37.0	21.3	95.2
Premiums / Written and accepted premiums / Consolidated premiums		6,998.9	3,085.4	1,574.6	1,450.5	2,097.8	1,483.4	16,690.6

December 2020 (€ million)						
	<i>Reinsurance</i>	<i>Global Risks</i>	<i>MAPFRE RE</i>	<i>ASSISTANCE</i>	<i>Holdings, eliminations and other</i>	<i>MAPFRE GROUP</i>
<i>Written Premiums, direct insurance</i>	--	--	--	165.5	6.3	16,767.3
<i>Plus accepted reinsurance</i>	4,430.7	1,255.8	5,686.5	453.4	(2,520.2)	3,714.9
Premiums / Written and accepted premiums / Consolidated premiums	4,430.7	1,255.8	5,686.5	618.9	(2,513.9)	20,482.1

Premiums earned, net of ceded and retroceded reinsurance: Written premiums, direct insurance + premiums from accepted reinsurance + premiums from ceded reinsurance + Variations in provisions for unearned premiums and unexpired risks (Direct Insurance) + Variations in provisions for unearned premiums and unexpired risks (Accepted Reinsurance) + Variations in provisions for unearned premiums and unexpired risks (Ceded Reinsurance).

Purpose: as with the "Income" APM, it makes it possible to measure the dimension, growth and development of the company in a specific period of time. The use of this measure by geographic areas and business units is also relevant, as it makes it possible to assess their total contribution and monitor their development.

December 2021 (€ million.)								
	<i>Iberia</i>	<i>Brazil</i>	<i>Latam North</i>	<i>Latam South</i>	<i>North America</i>	<i>Eurasia</i>	TOTAL INSURANCE	
<i>Written Premiums, direct insurance</i>	7,575.0	3,340.1	2,178.7	1,617.4	1,972.8	1,346.8	18,030.8	
<i>Plus Premiums from accepted reinsurance</i>	21.4	--	9.0	0.3	100.3	14.0	145.0	
<i>Plus Premiums from ceded reinsurance</i>	(930.5)	(707.5)	(988.5)	(743.0)	(595.1)	(390.8)	(4,355.4)	
<i>Plus Variations in provisions for unearned premiums and unexpired risks (Direct insurance)</i>	(42.8)	(330.3)	(245.1)	(54.7)	39.7	112.3	(520.9)	
<i>Plus Variations in provisions for unearned premiums and unexpired risks (Accepted reinsurance)</i>	(1.0)	--	(0.1)	2.6	(5.8)	1.2	(3.1)	
<i>Plus Variations in provisions for unearned premiums and unexpired risks (Ceded reinsurance)</i>	19.8	67.1	224.8	20.0	(6.9)	0.2	325.0	
Premiums earned, net of ceded and retroceded reinsurance	6,641.9	2,369.4	1,178.8	842.6	1,505.0	1,083.7	13,621.4	

			December 2021					
			<i>(€ million,)</i>					
			<i>Reinsurance</i>	<i>Global Risks</i>	<i>MAPFRE RE</i>	<i>ASSISTANCE</i>	<i>Holdings, eliminations and other</i>	<i>MAPFRE GROUP</i>
	Written insurance	Premiums, direct	--	--	--	83.4	13.4	18,127.6
Plus	Premiums from reinsurance	accepted	4,991.6	1,283.0	6,274.6	403.0	(2,795.6)	4,027.0
Plus	Premiums from reinsurance	ceded	(1,557.6)	(1,059.5)	(2,617.1)	(126.9)	2,791.6	(4,307.8)
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Direct insurance)	--	--	--	75.6	(5.0)	(450.3)
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Accepted reinsurance)	(260.4)	(4.1)	(264.5)	(10.2)	96.1	(181.7)
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Ceded reinsurance)	55.8	(16.2)	39.6	(20.3)	(95.0)	249.3
Premiums earned, net of ceded and retroceded reinsurance			3,229.4	203.2	3,432.6	404.6	5.5	17,464.1

			December 2020						
			<i>(€ million,)</i>						
			<i>Iberia</i>	<i>Brazil</i>	<i>Latam North</i>	<i>Latam South</i>	<i>North America</i>	<i>Eurasia</i>	<i>TOTAL INSURANCE</i>
	Written insurance	Premiums, direct	6,979.1	3,085.4	1,564.9	1,443.1	2,060.8	1,462.1	16,595.4
Plus	Premiums from reinsurance	accepted	19.8	--	9.7	7.4	37.0	21.3	95.2
Plus	Premiums from reinsurance	ceded	(889.5)	(602.9)	(449.8)	(683.0)	(552.3)	(406.2)	(3,583.7)
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Direct insurance)	(6.2)	(207.7)	229.8	(19.4)	76.9	34.7	108.1
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Accepted reinsurance)	(1.8)	--	0.5	(0.9)	2.2	1.0	1.0
Plus	Variations in unearned and unexpired risks	in provisions for premiums and risks (Ceded reinsurance)	7.7	53.8	(235.8)	10.4	(11.4)	(15.0)	(190.3)
Premiums earned, net of ceded and retroceded reinsurance			6,109.1	2,328.6	1,119.3	757.6	1,613.2	1,097.9	13,025.7

				December 2020 (€ million)					
				<i>Reinsurance</i>	<i>Global Risks</i>	<i>MAPFRE RE</i>	<i>ASSISTANCE</i>	<i>Holdings, eliminations and other</i>	<i>MAPFRE GROUP</i>
	Written insurance	Premiums, direct		--	--	--	165.5	6.3	16,767.3
Plus	reinsurance	from accepted		4,430.7	1,255.8	5,686.5	453.4	(2,520.2)	3,714.9
Plus	reinsurance	from ceded		(1,364.4)	(1,048.7)	(2,413.1)	(170.0)	2,518.4	(3,648.4)
Plus	Variations in unearned and unexpired insurance)	in provisions for premiums and risks (Direct		--	--	--	75.4	(4.4)	179.1
Plus	Variations in unearned and unexpired reinsurance)	in provisions for premiums and risks (Accepted		(112.1)	(29.9)	(142.0)	5.3	5.1	(130.6)
Plus	Variations in unearned and unexpired reinsurance)	in provisions for premiums and risks (Ceded		11.5	28.6	40.1	(26.7)	(3.9)	(180.8)
Premiums earned, net of ceded and retroceded reinsurance				2,965.7	205.8	3,171.5	502.9	1.3	16,701.4

ROE (Return on equity): Result of the period, attributable to the controlling company for the last twelve months / Arithmetic mean of equity attributable to the controlling company at the beginning and closing of the period (twelve months)) x 100.

Purpose: the ROE (Return on equity) is an indicator used to measure the relationship between the financial 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).

		December 2021	December 2020
		<i>(€ million, except %)</i>	
Numerator	Result of the period, attributable to the controlling company for the last twelve months	765.2	526.5
Denominator	Arithmetic mean of equity attributable to the controlling company's shareholders at the beginning and closing of the period (twelve months)	Actual year	8,463.6
		Previous year	8,536.0
		8,536.0	8,854.4
ROE (Return on equity)		9.0%	6.1%

CAPITAL REQUIREMENTS

Solvency II capital framework

Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (as amended, the "**Solvency II Directive**") sets up a new harmonised framework for the regulation and supervision of insurance and reinsurance undertakings in the EU including prudential capital requirements.

The Solvency II Directive, which was implemented by 1 January 2016, introduced an economic risk-based capital requirements system across all Member States promoting comparability, transparency and competitiveness in the insurance sector in the EU. The Solvency II Directive has been implemented in Spain through LOSSEAR and ROSSEAR.

As the Solvency II Directive is a framework directive it also laid out numerous requirements for the Commission to adopt delegated acts, and for the European Insurance and Occupation Pensions Authority ("**EIOPA**") to draft Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) in relation to matters including, among others, ancillary own funds, matching adjustment, special purpose vehicles, internal models, and joint decision on group internal models. EIOPA has also published accompanying guidelines.

The Commission Delegated Regulation (EU) No. 2015/35 supplementing the Solvency II Directive (as amended, "**Solvency II Delegated Regulation**") is of particular relevance. The Solvency II Delegated Regulation aims to set out more detailed requirements for individual insurance undertakings as well as for groups, based on the provisions set out in the Solvency II Directive. It covers, among other things:

- (i) assets and liabilities valuation, including the so-called "long-term guarantee measures" which were introduced to smooth out artificial volatility and ensure that insurers can continue to provide long-term protection at an affordable price;
- (ii) rules for the eligibility of insurers' own fund items, covering capital requirements to improve the risk sensitivity of the regime and allow timely supervisory intervention;
- (iii) the methodology and calibration of the MCR and of the standard formula for the calculation of the SCR; this includes the calibration of market risks on insurers' investments;
- (iv) for undertakings applying to use an internal model to calculate their SCR, the implementing rules also specify standards that must be met as a condition for authorisation;
- (v) reporting and disclosure requirements, both to supervisors and to the public; the increased comparability and harmonisation of information is intended to improve the efficiency of supervision and foster market discipline;
- (vi) rules related to insurance groups, such as the methods for calculating the group solvency capital requirement, the operation of branches and coordination within supervisory colleges, among others.

The Solvency II Directive, the Solvency II Delegated Regulation, and any further implementing and interpretative measures both at EU and Member States' level shall be referred as "**Solvency II**".

The three "pillars"

Solvency II is divided into three "pillars":

- (i) "Pillar 1" sets out quantitative requirements, including the rules to value assets and liabilities (in particular, technical provisions), to calculate capital requirements and to identify eligible own fund to cover those requirements.
- (ii) "Pillar 2" sets out requirements for risk management, governance, as well as the details of the supervisory process with competent authorities; this is intended to ensure that the regulatory framework is combined with each undertaking's own risk-management system and informs business decisions.
- (iii) "Pillar 3" addresses transparency, reporting to supervisory authorities and disclosure to the public, thereby enhancing market discipline and increasing comparability, intending to lead to more competition.

Capital Requirements

Capital requirements under Solvency II are forward-looking and economic (i.e., they are tailored to the specific risks borne by each issuer), and are defined along a two-step ladder:

- (i) The SCR, which corresponds to the value-at-risk of the eligible basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 99.5 per cent. over a one-year period. The SCR is a level of financial resources that enables insurance and reinsurance undertakings to absorb significant losses, it can be considered as the prudent amount of assets to be held in excess of liabilities and it is an early warning mechanism if breached.

The SCR is to be calculated at least once a year, monitored on a continuous basis, and recalculated as soon as the risk profile of the undertaking deviates significantly, and is calculated using either a standard formula or, with regulatory approval, an internal model. If the level of eligible own funds is not sufficient to cover the SCR, the supervisory authority may require the insurance or reinsurance undertaking to take appropriate measures to restore the level of capital (e.g. raising own funds through capital increase or reduction of risk profile through sale of riskier assets).

- (ii) The Minimum Capital Requirement ("MCR") of an insurance and reinsurance undertaking corresponds to an amount of eligible basic own funds below which policy holders and beneficiaries would be exposed to an unacceptable level of risk if the insurance and reinsurance undertakings were allowed to continue their operations. The MCR is a lower, minimum level of eligible basic own funds below which the amount of insurance and reinsurance undertakings' financial resources should not fall, otherwise supervisory authorities may withdraw authorisation (if those undertakings are unable to re-establish the amount of eligible basic own funds at the level of the MCR within a short period of time). The MCR is calculated as a linear function of specified variables (calibrated to the value-at-risk of the basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 85 per cent. over a one-year period), it cannot fall below 25 per cent., or exceed 45 per cent., of an insurance and reinsurance undertaking's SCR and it is subject to an absolute floor (as provided for in Article 78.3 of LOSSEAR).

The MCR is not applicable at group level. At a group level it could be assimilated to the Minimum Consolidated Group SCR, which is calculated as the sum of the proportional share of the MCR of the related insurance and reinsurance undertakings included under the accounting consolidation-based method (Method 1 according to article 230 of the Solvency II Directive).

For the purposes of Solvency II, own funds of insurance and reinsurance undertakings are divided into three Tiers (1-3), reflecting permanence and the ability to absorb losses. The list of own funds and the features determining their classification as such are contained in the Solvency II Delegated Regulation.

Own Risk and Solvency Assessment

Insurance and reinsurance undertakings are required to regularly conduct an Own Risk and Solvency Assessment ("ORSA") through which they review their overall solvency needs, risk tolerance limits, business strategy, compliance with capital requirements and the significance with which the risk profile of the undertaking concerned deviates from the assumptions underlying the SCR. The ORSA is also a supervisory tool for the supervisory authorities, which must be informed about its results. The ORSA does not require an undertaking to develop or apply a full or partial internal model. However, if the undertaking already uses an approved full or partial internal model for the calculation of the SCR, the output of the model should be used in the ORSA.

The Issuer in difficulty or in an irregular situation

The Issuer (parent company of a group of insurance and reinsurance undertakings) shall immediately inform the DGSFP as soon as they observe that the SCR is no longer complied with, or where there is a risk of non-compliance in the following three months.

Within two months from the observation of non-compliance with the SCR (or the risk of non-compliance in the following three months), the Issuer shall submit a recovery plan for approval by the DGSFP. The DGSFP shall require the Group to take the necessary measures to achieve, within six months from the observation of non-compliance with the SCR (or the risk of non-compliance), the re-establishment of the level of eligible own funds covering the SCR or the reduction of its risk profile to ensure compliance with the SCR. The DGSFP may, if appropriate, extend that period by three months.

Within one month from the observation of non-compliance with the Minimum Consolidated Group SCR (or the risk of non-compliance in the following three months), the Issuer shall submit, for approval by the DGSFP, a short-term realistic finance scheme to restore, within three months of that observation, the eligible basic own funds, at least to the level of the Minimum Consolidated Group SCR or to reduce its risk profile to ensure compliance with it.

In addition to the above, the DGSFP has the power to take special control measures over the Group.

Moreover, a breach of the regulatory capital requirements of the Group can lead to a deferral of the redemption of the Notes or to an interest deferral (please see "*Risk Factors—Risk Factors Relating to the Notes—Maturity and postponement*" and "*Risk Factors—Risk Factors Relating to the Notes—Interest deferral*").

Issuer's position

As communicated in the other relevant information announcement (*comunicación de otra información relevante*) sent by the Issuer to the CNMV on 10 March 2022, as of 31 December 2021, the eligible own funds to meet the Issuer's consolidated SCR were EUR 9,302 million, and the Issuer's consolidated SCR was EUR 4,508 million.

Thus, the resulting SCR coverage ratio ("**Solvency Ratio**" or "**SR**") is 206.3 per cent. including transitional measures. This ratio would be 195.2 per cent. excluding the effects of said measures.

With regards to the quality of eligible own funds to cover the SCR, as at 31 December 2021, 87 per cent. of the eligible own funds are Tier 1 unrestricted capital (which are own funds with a high quality on loss-absorption).

The Solvency Ratio was calculated:

- (i) Applying the standard formula for all risk except for longevity risk in MAPFRE Vida where an internal model approved by the supervisory authority of the DGSFP is used.
- (ii) Excluding 15 insurance undertakings of immaterial size from the consolidation group for these purposes, said exclusion was approved by the supervisory authority of the DGSFP.
- (iii) Applying the equivalence regime in relation to insurance undertakings for the United States of America, Brazil, and Mexico:
 - (a) In Brazil, the local solvency ratio was used (which is defined as "Adjusted liquid equity" ("PLA" from "Patrimônio líquido ajustado" in Portuguese) divided by the "Minimum Capital Requirement").
 - (b) In Mexico, a local solvency ratio was used (which is defined as "Eligible Own Funds" divided by "Minimum Capital Requirement").
 - (c) In the United States of America, a local solvency ratio was used (which is defined as "Total Adjusted Capital" ("TAC") divided by 300 per cent. of the "Company Action Level" ("CAL")).
- (iv) Applying the following adjustments and transitional measures:
 - (a) The use of transitional measures for Technical Provisions established in Article 308.5 of the Solvency II Directive. This use was approved by the DGSFP, in accordance with regulation requirements. This transitional measure will be progressively eliminated over the next 10 years.
 - (b) Matching adjustment. This adjustment does not have a significant impact in a low spread environment.
 - (c) Volatility adjustment. This adjustment does not have a significant impact in a low spread environment.

As at 31 December 2021, the impacts of the transitional measures of the ratio are:

	31/12/2021	Variation in percentage points ^(*)
Solvency Ratio	206.3%	
Solvency ratio excluding transitional measures	195.2%	-11.1 p.p

p.p: percentage points

(*) This variation indicates the impact of the different transitional measures on the Solvency Ratio as at 31 December 2020.

The following table shows the breakdown of the SCR by risk category as at 30 September 2021 (the last available information):

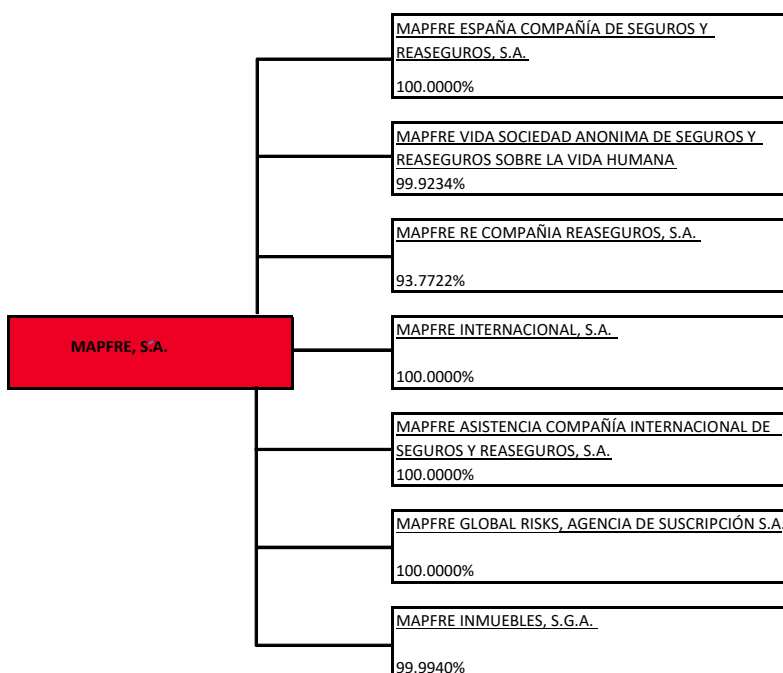
Market	3,041
(+) Counterparty	707
(+) Underwriting	3,448
(+) Diversification benefits	-2,247
(=) BSCR	4,948
(+) Further Adjustments	-171
(=) Total SCR	4,777

Figures in € million.

The MCR or minimum consolidated group SCR was calculated as the sum of the proportional share of the MCR of the related insurance and reinsurance undertakings included under the accounting consolidation-based method (Method 1 according to article 230 of the Solvency II Directive). As of 30 September 2021 (the last available information), the Minimum consolidated group SCR was EUR 1,806.6 million and the Total eligible own funds to meet the Minimum consolidated group SCR was EUR 7,013 million, resulting in a ratio of 388.2%.

ORGANISATIONAL STRUCTURE

The Issuer is the holding company of a consolidated insurance group of companies, whose main structure as at the date of this Prospectus is represented in the chart below (percentage of direct and indirect participation):



The Issuer has granted a put option to the minority shareholders in MAPFRE Re for the amounts of their stake in this company (6.23 per cent.), which can be exercised at any time.

MANAGEMENT OF MAPFRE

Board of Directors

The table below sets out the names of the members of the Board of Directors of the Issuer as at the date of this Prospectus, the respective dates of their appointment, their positions within the Issuer and their membership type:

Last appointed	Name	Title	Type
11/03/2022	Mr. Antonio Huertas Mejías	Chairman	Executive
13/03/2020	Mr. Ignacio Baeza Gómez	1st Vice Chairman	Executive
11/03/2022	Ms. Catalina Miñarro Brugarolas	2nd Vice Chairman	Independent(2)
08/03/2019	Mr. José Manuel Inchausti Pérez	3rd Vice Chairman	Executive
13/03/2020	Mr. José Antonio Colomer Guiu	Member	Independent
12/03/2021	Ms. Ana Isabel Fernández Álvarez	Member	Independent
13/03/2020	Ms. María Leticia de Freitas Costa	Member	Independent
13/03/2020	Ms. Rosa María García García	Member	Independent
08/03/2019	Mr. Antonio Gómez Ciria	Member	Independent
12/03/2021	Mr. Francisco José Marco Orenes	Member	Shareholder appointed ⁽¹⁾
12/03/2021	Mr. Fernando Mata Verdejo	Member	Executive
08/03/2019	Mr. Antonio Miguel-Romero de Olano	Member	Shareholder appointed ⁽¹⁾
11/03/2022	Ms. Pilar Perales Viscasillas	Member	Independent
08/03/2019	Mr. Alfonso Rebuelta Badías	Member	Shareholder appointed ⁽¹⁾
01/01/2011	Mr. Ángel Luis Dávila Bermejo	Secretary non-member	-
29/04/2021	Mr. Jaime Álvarez de las Asturias Bohorques Rumeu	Vice Secretary non-member	-

⁽¹⁾ Shareholder appointed by Cartera MAPFRE.

⁽²⁾ Coordinating Director.

The business address of all the directors is the corporate address of the Issuer: Majadahonda (Madrid), Spain, at Carretera de Pozuelo, 52 (28222).

The Board of Directors of the Issuer is currently composed of fourteen members, Article 14 of the Bylaws (*estatutos*) of the Issuer establishes that the number of Directors shall be between five and twenty.

As at the date of this Prospectus, there are no conflicts of interest between the duties of the persons listed above to the Issuer and their private interests or other duties.

The table below sets out the significant activities outside the Issuer of member of the Board of Directors as at the date of this Prospectus:

Name	Company	Position
Mr. Antonio Huertas Mejías	Cartera MAPFRE, S.L.U. MAPFRE Internacional, S.A.	Chairman Chairman
Mr. Ignacio Baeza Gómez	Cartera MAPFRE, S.L.U. MAPFRE Participaciones, S.A.U. MAPFRE Asistencia, Compañía Internacional de Seguros y Reaseguros, S.A. MAPFRE Internacional, S.A.	Member Administrator Chairman Member
Ms. Catalina Miñarro Brugarolas	MAPFRE España, Compañía de Seguros y Reaseguros, S.A. MAPFRE International, S.A. MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana ACS, Actividades de Construcción y Servicios, S.A.	Member Member Member Member
Mr. José Manuel Inchausti Pérez	Cartera MAPFRE, S.L.U. MAPFRE Internacional, S.A. MAPFRE España, Compañía de Seguros y Reaseguros, S.A. MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana MAPFRE Re, Compañía de Reaseguros, S.A. Santander MAPFRE Seguros y Reaseguros, S.A. Verti Aseguradora, Compañía de Seguros y Reaseguros, S.A. Verti Mediación, Sociedad de Agencia de Seguros Vinculada, S.L. MAPFRE Seguros Gerais, S.A.	Member Member First Vice-Chairman - CEO First Vice-Chairman Member Chairman Administrator Administrator Chairman
Mr. José Antonio Colomer Guiu	MAPFRE España, Compañía de Seguros y Reaseguros, S.A. MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana	Member Member
Ms. Ana Isabel Fernández Álvarez	MAPFRE Global Risks, Agencia de Suscripción, S.A. MAPFRE Re, Compañía de Reaseguros, S.A.	Member Member
Ms. Maria Leticia Freitas Costa	MAPFRE Participações, S.A. BB MAPFRE Participações, S.A. Embraer, S.A. Mobly, S.A. Localiza Rent a Car, S.A. Totvs, S.A.	Vice-Chairwoman Member Member Member Member Member
Ms. Rosa María García García	MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana MAPFRE España, Compañía de Seguros y Reaseguros, S.A. Compañía Logística de Hidrocarburos CLH, S.A. Sener Grupo de Ingeniería, S.A. EDP Renovaveis, S.A.	Member Member Chairwoman Member Member
Mr. Antonio Gómez Ciria	MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana MAPFRE España, Compañía de Seguros y Reaseguros, S.A.	Member Member

Name	Company	Position
Mr. Francisco José Marco Orenes	MAPFRE Re, Compañía de Reaseguros, S.A.	Member
	Red Eléctrica Corporación, S.A.	Member
	Hispasat, S.A.	Member
Mr. Fernando Mata Verdejo	Funespaña, S.A.	Chairman
	MAPFRE Internacional, S.A.	Member
	MAPFRE Global Risks, Agencia de Suscripción, S.A.	Chairman
Mr. Antonio Miguel-Romero de Olano	Cartera MAPFRE, S.L.U.	Member
	MAPFRE España, Compañía de Seguros y Reaseguros, S.A.	Member
	MAPFRE Internacional, S.A.	Member
	MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana	Member
	MAPFRE Participaciones, S.A.U.	Administrator
	MAPFRE Inmuebles, S.G.A.	Administrator
Ms. Pilar Perales Viscasillas	MAPFRE Asistencia, Compañía Internacional de Seguros y Reaseguros, S.A.	Member
	MAPFRE Vida, S.A. de Seguros y Reaseguros sobre la Vida	Member
	MAPFRE	
	MAPFRE España, Compañía de Seguros y Reaseguros, S.A.	Member
Mr. Alfonso Rebuelta Badías	Nijinsky, S.L.	Member
	MAPFRE Asistencia, Compañía Internacional de Seguros y Reaseguros, S.A.	Vice Chairwoman
	MAPFRE Global Risks, Agencia de Suscripción, S.A.	Member
Mr. Alfonso Rebuelta Badías	MAPFRE Global Risks, Agencia de Suscripción, S.A.	Vice Chairman
	MAPFRE Internacional, S.A.	Member

Steering Committee

The Steering Committee is the delegated body of the Board of Directors for the high-level permanent administration and supervision of the ordinary management of the Issuer and its subsidiaries in strategic and operational aspects, and for the adoption of decisions that may be necessary for the proper functioning thereof, all of which are in accordance with the powers that the Board of Directors may delegate to it at any given time.

It shall be composed of a maximum of ten members, all of whom shall sit on the Board of Directors. Its Chairman, First and Second Vice Chairman, and Secretary shall be ex officio those who hold the same office on the Board of Directors. The appointment of its members shall require the votes in favour of two thirds of the members of the Board of Directors.

As at the date of this Prospectus, the Steering Committee is composed of the following five directors:

Name	Position
Mr. Antonio Huertas Mejías	Chairman
Mr. Ignacio Baeza Gómez	1nd Vice Chairman
Ms. Catalina Miñarro Brugarolas	2nd Vice Chairman
Mr. José Antonio Colomer Guiu	Member
Mr. Antonio Miguel-Romero de Olano	Member
Mr. Ángel Luis Dávila Bermejo	Secretary non-member
Mr. Jaime Álvarez de las Asturias Bohorques Rumeu	Vice Secretary non-member

Audit and Compliance Sub-Committee

The Audit and Compliance Sub-Committee is a delegated body of the Board of Directors with the responsibilities set out in Article 22 of the Bylaws (*estatutos*) of the Issuer including, among others: (i) to oversee the effectiveness of the Issuer's internal control, internal audit and risk management systems, as well as to discuss with the external auditor any significant weaknesses detected in the internal control system in the course of an audit; (ii) to supervise

the preparation and reporting of regulated financial information and non-financial information and submit recommendations or proposals to the Board of Directors, aimed at guaranteeing its integrity; (iii) to submit proposals to the Board of Directors, for subsequent approval by the Annual General Meeting, for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with applicable laws, as well as with regard to its contractual conditions, and regularly receive information from the external auditor regarding the audit plan and its execution, while preserving its independence in the exercise of its duties; (iv) to draw up an annual report, before the accounts audit report is issued, delivering an opinion on the independence of the external auditor; (v) to ensure the independence and effectiveness of the internal audit function; to propose the selection, appointment, re-election and dismissal of the person responsible for said function, as well as its annual budget; to receive periodical information on its activities; (vi) to verify that the senior management takes into account the conclusions and recommendations of its reports; (vii) to report on the related-party transactions that must be approved by the Annual General Meeting or the Board of Directors and supervise the internal procedure established by the Issuer for those whose approval has been delegated, where appropriate, by the Board of Directors; (viii) to monitor the application of the corporate governance rules in force; and (ix) to supervise compliance with internal and external regulations and, in particular, with the internal codes of conduct and the rules and procedures for the prevention of money laundering and terrorist financing, making the necessary proposals for their improvement.

The Audit and Compliance Sub-Committee shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members. Most of its members, at least, shall be Independent Directors, and one of them shall be appointed taking into account his or her knowledge and experience on accounting or auditing or both issues. As a whole, the members of the Sub-Committee shall have the necessary technical knowledge in relation to the Issuer's sector of activity. Its Chairman shall be an independent director, who shall be replaced every four years and may be re-elected after one year has elapsed since he or she stepped down.

The composition and functions of the Audit and Compliance Sub-Committee complies with Article 529. quaterdecies of the Restated Spanish Companies Act.

As at the date of this Prospectus, the Audit and Compliance Sub-Committee is composed of the following four directors:

Name	Position
Ms. Ana Isabel Fernández Álvarez	Chairwoman
Mr. José Antonio Colomer Guiu	Member
Mr. Antonio Miguel-Romero de Olano	Member
Ms. Pilar Perales Viscasillas	Member
Mr. Ángel Luis Dávila Bermejo	Secretary non-member
Mr. Jaime Álvarez de las Asturias Bohorques Rumeu	Vice Secretary non-member

Appointments and Remuneration Sub-Committee

The Appointments and Remuneration Sub-Committee is the delegated body of the Board of Directors for the coordinated development of the appointments and remuneration policy that should be applied to the Group's Directors and senior managers. This Committee is entrusted with the responsibilities set out in Article 23 of the Bylaws (*estatutos*) of the Issuer including, among others: (i) to evaluate the skills, knowledge and experience required at the Board of Directors, defining the functions and aptitudes expected from the candidates who will fill each vacancy and assessing the time and dedication needed to properly discharge responsibilities; (ii) to submit to the Board of Directors the proposals for the appointment of Independent Directors to be designated by co-optation or to be approved by the Annual General Meeting, as well as the proposals for their re-election or dismissal, providing information in those cases in which the proposals may affect all other Directors; (iii) to provide information on the proposals for the appointment and dismissal of senior managers and their basic contractual conditions; and (iv) to propose to the Board of Directors the remuneration policy to be applied to Directors and general managers or to the persons who perform senior management functions directly reporting to the Board, the Steering Committee or the managing directors, as well as the individual remuneration and all other contractual conditions of Executive Directors, ensuring that they are duly observed.

The Appointments and Remunerations Sub-Committee shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members and two of whom, at least, shall be Independent Directors. Its Chairman shall be an Independent Director.

The composition and functions of the Appointments and Remuneration Sub-Committee complies with Article 529.quindecies of the Restated Spanish Companies Act.

As at the date of this Prospectus, the Appointments and Remunerations Sub-Committee is composed of the following four directors:

Name	Position
Ms. Catalina Miñarro Brugarolas	Chairwoman
Mr. José Antonio Colomer Guiu	Member
Ms. Rosa María García García	Member
Mr. Alfonso Rebuelta Badías	Member
Mr. Ángel Luis Dávila Bermejo	Secretary non-member
Mr. Jaime Álvarez de las Asturias Bohorques Rumeu	Vice Secretary non-member

Risk Sub-Committee

The Risk Sub-Committee is the delegated body of the Board of Directors responsible for supporting and advising the Board of Directors in the definition and evaluation of the risk management policies and in the definition of the risk appetite and the risk strategy. This Committee is entrusted with the responsibilities set out in Article 24 of the Bylaws (*estatutos*) of the Issuer including, among others, the following functions: (i) to support and advise the Board of Directors in the definition and assessment of the Group's risk policies and in the definition of the risk appetite and the risk strategy; and (ii) to supervise the measures in place to mitigate the impact of the materialisation of the risks identified, and the reporting and internal control systems to be used in this respect.

The General Shareholders' Meeting of the Issuer held on 11 March 2022 approved the amendment of Article 24 of the Bylaws (*estatutos*) of the Issuer so that the Risk Sub-Committee will become the Risk and Sustainability Sub-Committee and will be also entrusted with responsibilities in sustainability matters. The Board of Directors also approved the amendments to the Regulations of the Board of Directors of the Issuer required to reflect this change. As of the date of this Prospectus, said amendments are pending for registration with the Commercial Registry of Madrid.

The Risk Sub-Committee shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members and at least two of them shall be Independent Directors. It shall be chaired by an Independent Director.

At the date of this Prospectus, the Risk Sub-Committee is composed of the following five directors:

Name	Position
Mr. José Antonio Colomer Guiu	Chairman
Ms. Ana Isabel Fernández Álvarez	Member
Mr. Antonio Gómez Ciria	Member
Mr. Antonio Miguel-Romero de Olano	Member
Ms. Pilar Perales Viscasillas	Member
Mr. Jaime Álvarez de las Asturias Bohorques Rumeu	Secretary non-member

Senior Management

The table below sets out the names of the members of the Senior Management²⁵ of the Issuer (who are not executive Directors) as at the date of this Prospectus:

Name	Position
Mr. José Antonio Arias Bermúdez	Operational Transformation General Director
Mr. Alfredo Castelo Marín	Business and Clients General Director
Mr. Ángel Luis Dávila Bermejo	General Secretary – General Director of Legal Affairs
Ms. María Luisa Gordillo Gutiérrez	Internal Audit General Director
Mr. José Luis Gurtubay Francia	Corporate Strategy and M&A General Director
Mr. José Luis Jiménez Guajardo-Fajardo	Investments General Director
Ms. Eva Piera Rojo	External Relations and Communication General Director
Ms. María Elena Sanz Isla	People and Organization General Director

²⁵ "Senior Management" mean those managers who report directly to the Board of Directors or to any of its members.

The business address of all the senior managers is the corporate address of the Issuer: Majadahonda (Madrid), Spain, at Carretera de Pozuelo, 52 (28222).

As at the date of this Prospectus, the members of the senior management do not perform activities outside the Group that are significant with respect to the Issuer.

As at the date of this Prospectus, there are no conflicts of interest between the duties of the persons listed above to the Issuer and their private interests or other duties.

CAPITAL STRUCTURE

As at the date of this Prospectus the Issuer's share capital is EUR 307,955,327.30 divided into 3,079,553,273 fully subscribed and paid ordinary shares with a par value of EUR 0.1 each. All shares are of the same class with the same rights attached.

MAJOR SHAREHOLDERS

As at the date of this Prospectus the Issuer's share capital is owned as follows:

Shareholder	% of shares
Fundación MAPFRE	69.801%
Free Float	29.182% ^(*)

() This percentage does not include the share capital owned by the directors of the Issuer (0.037 per cent.) neither the share capital owned by the Issuer (0.98 per cent.).*

Fundación MAPFRE is the majority shareholder of the Issuer. It is a non-profit institution created in 1979 to contribute to the welfare of citizens and society by engaging in activities of general interest to contribute in five specialised areas (social action, insurance and social protection, culture, prevention and road safety and health promotion). Fundación MAPFRE holds its Issuer's shares through Cartera MAPFRE (69.689 per cent.) and Fundación Canaria MAPFRE Guanarteme (0.112 per cent.).

The main measures undertaken to prevent the majority shareholder from abusing its power are:

- (i) MAPFRE's Institutional, Business and Organisational Principles, which include the following: strict separation between the business activities of MAPFRE and Fundación MAPFRE; independence; ethical, transparent and socially-responsible conduct; management based on strictly professional and technical criteria; and professional development of its employees and senior executives.
- (ii) The presence of independent directors represent more than one third of the members of the Board of Directors.
- (iii) All of the members of the Audit and Compliance, Appointments and Remunerations and Risk Sub-Committees must be external directors.

As of the date of this Prospectus, the Issuer is not aware of any arrangement which may result in a change of control in the Issuer.

CREDIT RATING

The Issuer and its subsidiaries have been assigned credit ratings by certain rating agencies. These agencies have been selected because of their international presence, relevance to the insurance industry and capital markets and their experience. As of the date of this Prospectus, the Issuer has been assigned the following long-term ratings by the credit rating agencies S&P Global Ratings Europe Limited ("**S&P**") and Fitch Ratings Ireland Limited ("**Fitch**").

Rating Agency	Long-term	Outlook	Latest date of review of rating
S&P	A-	Stable	22 July 2021
Fitch	A-	Stable	29 July 2021

In addition, MAPFRE Re's financial strength classification is rated "A+" with a stable outlook by S&P and "A" with stable outlook by A.M. Best (EU) Rating Services B.V. ("**A.M. Best**"), MAPFRE Asistencia's financial strength classification is rated "A+" with a stable outlook by Fitch and MAPFRE España is rated "A" with stable outlook by A.M. Best.

S&P, Fitch and A.M. Best are rating agencies established in the EU and are registered under the CRA Regulation. S&P and Fitch appear on the latest update of the list of registered credit rating agencies (as at 7 May 2021) on the ESMA website: www.esma.europa.eu.

LEGAL AND OTHER PROCEEDINGS

The nature of the business of the Group causes it to be involved in routine and other legal proceedings from time to time. Other than as described below, none of the entities of the Group is involved in governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer.

Notwithstanding the above, the main legal proceedings in which the MAPFRE Group is involved are:

Tax verifications by tax authorities

In Spain, tax checks and verifications regarding Corporate Tax for the financial years 2013 to 2016 and other taxes for the financial years 2014 to 2016 are being carried out since 2017. These tax checks and verifications affect the Issuer as controlling company of the tax group and also MAPFRE España, MAPFRE Vida, MAPFRE Internacional, S.A., MAPFRE Re, MAPFRE Asistencia, MAPFRE Global Risks, among other Group controlled companies.

As a result of above-mentioned activities, acts of partial conformity were signed regarding retentions and income against Personal Income Tax (IRPF in Spanish), the liquidations of which were deposited at the date of preparation of the 2020 annual accounts. Regarding the acts signed in partial disagreement, the liquidations are being contested before the Economic-Administrative Court (the "TEAC").

Regarding Corporate tax for 2013 to 2016, acts of agreement and disagreement were signed on 11 March 2020.

The acts of agreement, the liquidation of which was deposited with the tax authorities at 31 December 2020, have notable deductions for double taxation, in line with Article 30.6 of Royal Decree 4/2004, which approved the Recast Text of the Corporate Tax Law (in force in 2013 and 2014), and Transitory Disposition 23 of Law 27/2014 regarding Corporate Tax (in force in 2015), as well as the regulation of non-deductible provisions that revert to subsequent years.

As for the acts of disagreement, they primarily refer to the deductibility of certain personnel expenses, of the technical provision for claims and stabilization reserve, the deduction for technological innovation expenses and the repercussions for subsidiaries of canons from the use of the MAPFRE brand. On 30 May 2020, allegations were made against the acts of disagreement, which were denied by the Large Contributors Central Delegation Technical Office, which decisions were appealed before the TEAC.

Subsequently, on 22 December 2020, the inspection activity was extended with regard to Corporate Tax for 2016, limited to checking certain personnel expenses, affecting some of the controlled companies, already regulated in the 2013 and 2014 resolution, and which were finalized signing acts of disagreement with the liquidation currently being appealed before TEAC.

Regarding Value Added tax in 2014 to 2016, on 3 June 2020, acts of agreement were signed in reference to the application of the pro-rata rule for the group of entities (REGE) controlled by the Issuer. Payment was made at the date of preparation of the annual accounts. An act of disagreement regarding the impact of canons for the use of the "MAPFRE" brand has been appealed before TEAC.

Regarding fiscal debt being disputed resulting from the above-mentioned verification activity, MAPFRE considers, based on the criteria of its fiscal advisors, that there are solid defense arguments in the administrative and legal proceedings, and therefore has not made specific provisions for this concept.

The liability to which MAPFRE is exposed as a consequence of these tax verifications by tax authorities is not material.

Legal proceedings with Brazilian tax authorities

The Group is currently involved in legal proceedings with the Brazilian tax authorities in connection with the enforceability of COFINS (tax contribution used to fund social security) and Social Integration Program (PIS)

taxes, regarding non-operating financial income, for the amount of EUR 131.0 million at 31 December 2021 (EUR 121.7 million at 2020).

Further, the following proceedings are also currently ongoing in Brazil:

- (i) Appeal contesting the EUR 46.1 million liquidation, with regard to an inspection initiated by the tax authorities against BrasilSeg, relating to 2014 corporate taxes, questioning the extension applied to revenue from Agricultural insurance operations.
- (ii) Appeal regarding the inspection initiated by the tax administration against Brasilveículos Companhia de Seguros (absorbed in 2019 by MAPFRE Seguros Gerais, S.A.) ("**Brasilveículos**"), relating to corporate tax corresponding to the years 2014 to 2016, questioning the deductibility of certain expenses and incentives for the sales network, as well as the amortisation of the goodwill generated in a corporate restructuring prior to MAPFRE's agreement with Banco do Brasil. The owed taxes included in the inspection for said concepts reaches EUR 73.1 million, which, if settled unfavorably would trigger the application of the compensation clause set out in the agreements signed with Banco do Brasil.

Both appeals were heard in the court of first instance (BrasilSeg unfavorable and Brasilveículos partially favorable) and are awaiting sentencing in the second administrative level.

The provision for tax liabilities related to the tax contingencies that the Brazilian insurance companies have with the tax authorities in that country amount to EUR 215.4 million at 31 December 2021 (EUR 214.6 million at 31 December 2020).

Termination of the Bankia Agreement

Following the termination of the Bankia Agreement due to the absorption of Bankia by CaixaBank, MAPFRE has initiated an arbitration proceeding claiming MAPFRE's right to receive from CaixaBank an additional 10 per cent. of the market value of the relevant businesses equivalent to EUR 52.0 million.

Additionally, MAPFRE has expressed, both to the independent expert as well as to CaixaBank, its disagreement with the value assigned to the Life business in the termination calculation, as it was not measured in line with market methodology and criteria, in the terms of the mandate and the agreements, with the corresponding reserve of actions and rights. As a result, MAPFRE may take legal actions to defend its legitimate interests.

TAXATION

The following is a general description of certain Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

SPANISH TAX CONSIDERATIONS

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Notes by individuals or entities. The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

All the tax consequences described in this section are based on the general assumption that the Notes are initially registered for clearance and settlement in Iberclear.

Prospective purchasers of the Notes should consult their own tax advisers as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of the Notes.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Prospectus:

- (a) of general application, Additional Provision One of Law 10/2014, as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011 of 29 July ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain who are Personal Income Tax ("**PIT**") taxpayers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**"), and Royal Decree 439/2007, of 30 March, approving the PIT Regulations, as amended (the "**PIT Regulations**"), along with Law 19/1991, of 6 June, on Wealth Tax, as amended, and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended;
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("**CIT**") taxpayers, Law 27/2014, of 27 November, on CIT, as amended (the "**CIT Law**"), and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended (the "**CIT Regulations**"); and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are Non-Resident Income Tax ("**NRIT**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended ("**NRIT Law**") and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended ("**NRIT Regulations**") along with Law 19/1991, of 6 June, on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Tax treatment of the Notes

Indirect taxation

Whatever the nature and residence of the Holder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e. exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such

tax promulgated by Royal Legislative Decree 1/1993, dated 24 September 1993 and exempt from Value Added Tax, in accordance with Law 37/1992, dated 28 December 1992 regulating such tax.

The Issuer understands that the Notes should be deemed as financial assets with an explicit yield for Spanish tax purposes, according to Article 91 of the PIT Regulations and Article 63 of the CIT Regulations.

Direct taxation

(a) Individuals with tax residency in Spain

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Article 25.2 of the PIT Law, and must be included in each investor's savings income and taxed at the tax rate applicable from time to time, currently 19 per cent. for taxable income up to €6,000.00; 21 per cent. for taxable income between €6,000.01 and €50,000.00; 23% for taxable income between €50,000.01 and €200,000.00, and 26 per cent. for taxable income in excess of €200,000.00.

Income from the transfer of the Notes is computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income.

Negative income derived from the transfer of the Notes, in the event that the investor had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her PIT base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

A (current) 19 per cent. withholding on account of PIT will be imposed by the Issuer on interest payments as well as on income derived from the redemption or repayment of the Notes, obtained by individual investors subject to PIT.

However, income derived from the transfer of the Notes should not be subject to withholding on account of PIT provided that the Notes are:

- (i) registered by way of book entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Notwithstanding the above, 19 per cent. withholding tax shall apply on the part of the transfer price that corresponds to the accrued interest when the transfer of the Notes takes place within the 30-day period prior to the moment in which such interest is due when the following requirements are fulfilled:

- (i) the acquirer would be a non-resident or a CIT taxpayer;
- (ii) the explicit yield derived from the Notes being transferred is exempt from withholding tax.

In any event, the individual holder may credit the withholding tax applied by the Issuer against his or her final PIT liability for the relevant tax year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the applicable tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio)

According to Wealth Tax regulations (subject to any exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*)), individuals with tax residency in Spain would be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions

provided under relevant legislation in an autonomous region (*Comunidad Autónoma*). Therefore, they should take into account the value of the Notes which they hold as of 31 December in each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or state rules. The applicable rates range between 7.65 per cent. and 81.6 per cent., although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

(b) Spanish tax resident legal entities

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest periodically received and income derived from the transfer, redemption or repayment of the Notes are subject to CIT at the current general flat tax rate of 25 per cent.

However, this general rate will not be applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30 per cent.). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

No withholding on account of CIT will be imposed on interest payments or on income derived from the redemption or repayment of the Notes, by Spanish CIT taxpayers provided that certain requirements are met (including that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See "*Compliance with Certain Requirements in Connection with Income Payments*".

With regard to income derived from the transfer of the Notes, in accordance with Article 61.q of the CIT Regulations, there is no obligation to withhold on income derived from the Notes obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

- (i) registered by way of book entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market, such as AIAF.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the applicable tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax but generally must include the market value of the Notes in their taxable income for CIT purposes.

(c) Individuals and legal entities that are not tax resident in Spain

- (i) Investors that are not resident in Spain for tax purposes, acting in respect of the Notes through a permanent establishment in Spain

Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)

If the Notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See "*Spanish tax resident legal entities—Corporate Income Tax (Impuesto sobre Sociedades)*".

Ownership of the Notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

- (ii) Investors that are not resident in Spain for tax purposes, not acting in respect of the Notes through a permanent establishment in Spain

Non-resident Income Tax (Impuesto sobre la Renta de no Residentes)

Both interest payments periodically received under the Notes and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from NRIT, certain requirements must be met (including that, in respect of interest payments from the Notes carried out by the Issuer, the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below), as set forth in Article 44 of Royal Decree 1065/2007. See "*Compliance with Certain Requirements in Connection with Income Payments*".

In addition, according with Article 10.3.b) of the NRIT Regulation, income derived from the transfer of the Notes should not be subject to withholding on account of NRIT provided that the Notes are:

- (i) registered by way of book entries (*anotaciones en cuenta*); and
(ii) negotiated in a Spanish official secondary market, such as AIAF.

Wealth Tax (Impuesto sobre el Patrimonio)

According to Wealth Tax regulations, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

However, non-Spanish resident individuals will be exempt from Wealth Tax in respect of the Notes which income is exempt from NRIT as described above.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Individuals that are not resident in Spain for tax purposes may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish regional and state rules.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to NRIT. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

(d) Compliance with certain requirements in connection with income payments

As described under "Spanish tax resident legal entities—Corporate Income Tax (*Impuesto sobre Sociedades*)", "*Individuals and legal entities that are not tax resident in Spain*", provided the conditions set forth in Law 10/2014 are met, income payments made by the Issuer in respect of the Notes for the benefit of Spanish CIT taxpayers, or for the benefit of non-Spanish tax resident investors will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner, with a duly executed and completed statement (a "**Payment Statement**") (which is attached as Annex I), in accordance with section 4 of Article 44 of Royal Decree 1065/2007 containing the following information:

- (i) Identification of the Notes.
- (ii) Date of payment.
- (iii) Total amount of the income paid by the Issuer.
- (iv) Amount of the income corresponding to individual residents in Spain that are PIT taxpayers.
- (v) Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment of income made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, currently at the rate of 19 per cent. If this were to occur, affected holders of the Notes will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the tenth calendar day of the month immediately following the relevant payment date. In addition, the prospective holders of the Notes which are not resident in Spain may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by the Iberclear Members in connection with each payment of income under the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any holder of the Notes who would otherwise be entitled

to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

The Spanish financial transactions tax

On 16 October 2020, the Spanish Parliament approved the Law 5/2020, of 15 October, on the Tax on Financial Transactions ("**Spanish FTT Law**") introducing the Spanish Financial Transaction Tax ("**Spanish FTT**") that entered into force on 16 January 2021.

The Spanish FTT is aligned with the French and Italian financial transactions tax. Specifically, the Spanish FTT is an indirect tax levied at a rate of 0.2 per cent. on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, provided that they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under MiFID II (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalisation value of the company should exceed €1,000,000,000. The Spanish FTT will be payable on a monthly basis.

According to the Spanish FTT Law, the Spanish FTT should not apply in relation to the Notes.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "*foreign passthru payment*". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

The language of the Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Prospectus.

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal () (1), en nombre y representación de (entidad declarante), con número de identificación fiscal () (1) y domicilio en () en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number () (1), in the name and on behalf of (entity), with tax identification number () (1) and address in () as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
- (a) Management Entity of the Public Debt Market in book-entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
- (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
- (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
- (d) Issuing and Paying Agent appointed by the Issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

- 1. En relación con los apartados 3 y 4 del artículo 44:**
- 1. In relation to paragraphs 3 and 4 of Article 44:
- 1.1 Identificación de los valores**
- 1.1 Identification of the Securities
- 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados).**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated).

- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora.**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados) ...**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2 En relación con el apartado 5 del artículo 44.**
- 2 In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores**
- 2.1 Identification of the Securities
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en.....a ... de.....de ...

I declare the above in on the ... of of ...

- (1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.
- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

Banco Santander, S.A., Citigroup Global Markets Europe AG (together with Banco Santander, S.A., the "**Global Coordinators**"), BNP Paribas, Cr dit Agricole Corporate and Investment Bank, and Morgan Stanley Europe SE (together with the Global Coordinators, the "**Joint Lead Managers**") have, in a subscription agreement dated 8 April 2022 (the "**Subscription Agreement**") and made between MAPFRE and the Joint Lead Managers, upon the terms and subject to the conditions contained therein, jointly and severally agreed to procure subscribers, or subscribe and pay for the Notes on the Issue Date at their issue price of 99.060 per cent. of their principal amount less a combined management and underwriting commission.

The Subscription Agreement provides that the Issuer will indemnify each Joint Lead Manager against certain liabilities. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

MAPFRE will use all reasonable endeavours to procure that the Notes are admitted to listing on AIAF within 30 days of the Issue Date and to maintain such admission until none of the Notes is outstanding.

Selling Restrictions

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA.

Other UK regulatory restrictions

Each Joint Lead Manager has further represented, warranted and undertaken that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

United States of America

The Notes have not been and will not be registered under the Securities Act and have not been and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an

exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Spain

Each Joint Lead Manager has represented and agreed that the Notes have not been offered or sold in Spain other than by institutions authorised under the Spanish Securities Market Law, and related legislation, to provide investment services in Spain, and in compliance with the provisions of the Spanish Securities Market Law and any applicable legislation, and as agreed between the Issuer and the Joint Lead Managers, offers of the Notes in Spain have only been directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 205 and 206 of the Spanish Securities Market Law and eligible counterparties (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law.

Belgium

Each Joint Lead Manager has represented and agreed that the Notes have not been offered or sold or otherwise made available in Belgium to consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit économique*).

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Preliminary Prospectus, the Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of the Preliminary Prospectus, the Prospectus or any other document relating to the Notes in Italy except to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Financial Services Act") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time.

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Preliminary Prospectus, the Prospectus or any other document relating to the Notes in Italy under the above paragraph must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 16190 of 29 October 2007, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

MARKET INFORMATION

SUMMARY OF SETTLEMENT PROCEDURES

Below is a brief summary of the Spanish clearance and settlement procedures applicable to book-entry notes such as the Notes if the registration, clearing and settlement entity is Iberclear.

Notwithstanding this summary, it should be noted that the Spanish clearing, settlement and recording system of securities transactions allows the connection of the post-trading Spanish systems to the European system TARGET2 Securities.

Iberclear

Iberclear is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), the Alternative Stock Market (BME Growth), the Alternative Fixed Income Market (MARF) and AIAF. To achieve this, Iberclear uses the technical platforms named ARCO.

Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. ("BME"), a holding company controlled by SIX Group, which holds a 100 per cent. interest in each of the Spanish official secondary markets and settlement systems. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

Iberclear securities registration system

The securities recording system of Iberclear is a two tier registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the participating entities (*entidades participantes*) in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorised to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorised central securities depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorised to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects (i) one or several proprietary accounts which show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of the securities or the shares held in their general third-party accounts.

According to the above, Spanish law considers the owner of the securities to be:

- the participating entity appearing in the records of Iberclear as holding the relevant securities in its own name;
- the investor appearing in the records of the participating entity as holding the securities; or
- the investor appearing in the records of Iberclear as holding securities in a segregated individual account.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO (for both equity securities and fixed-income securities as from September 2017), receives the settlement instructions and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

To evidence title to securities, at the owner's request the relevant participating entity must issue a legitimisation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding securities in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the securities held in their name.

MARKET INFORMATION IN RELATION TO THE NOTES

Iberclear Settlement of securities traded on AIAF

Iberclear and the participating entities (*entidades participantes*) in Iberclear have the function of keeping the book-entry register of securities traded on AIAF.

Securities traded on AIAF are fixed income securities, including corporate bonds (for example, medium term Notes and mortgage bonds) and bonds issued by the Spanish Treasury and Spanish regions, among others, represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the stock-exchange business day agreed by participants at the moment of the trade.

Euroclear and Clearstream

Investors who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold their investment in the Notes through bridge accounts maintained by each of Euroclear Bank SA/NV and Clearstream Banking, S.A. with participating entities in Iberclear.

GENERAL INFORMATION

Responsibility Statement

1. MAPFRE, duly represented by the undersigned, Mr. Fernando Mata Verdejo, in his capacity as Chief Financial Officer of MAPFRE and acting under a special power of attorney granted by the Board of Directors of MAPFRE, accepts responsibility for the information contained in this Prospectus and declares, to the best of his knowledge, that the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Authorisation

2. The creation and issue of the Notes has been authorised by means of the resolutions adopted by the Board of Directors of the Issuer dated 11 March 2022.

Significant/Material Change

3. Since 31 December 2021 there has been no material adverse change in the prospects of the Issuer.
Since 31 December 2021 there has been no significant change in the financial performance or in the financial position of the Group.

Tier 3 Qualification

4. The Notes are intended to qualify as Tier 3 Capital of the Issuer and the Group.

Auditors

5. The 2020 Consolidated Financial Statements and the 2021 Consolidated Financial Statements have been audited without qualification by KPMG Auditores, S.L., independent auditors.

KPMG Auditores, S.L.'s office is at Paseo de la Castellana, 259 C, Madrid, Spain, and is registered with the Official Registry for Auditors (*Registro Oficial de Auditores de Cuentas* (ROAC)) under number S0702.

Third party information

6. Information included in this Prospectus sourced from a third party has been accurately reproduced, and so far as MAPFRE is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Approval of financial information

7. The 2020 Consolidated Financial Statements were approved by the General Shareholders' Meeting of MAPFRE held on 12 March 2021.

The 2021 Consolidated Financial Statements were approved by the General Shareholders' Meeting of MAPFRE held on 11 March 2022.

Documents on display

8. Electronic copies of the bylaws (*Estatutos Sociales*) of MAPFRE may be inspected on MAPFRE's website.

Material Contracts

9. There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which contain provisions under which MAPFRE or any member of the MAPFRE Group has an obligation or entitlement which is, or may be, material to the ability of MAPFRE to meet its obligations in respect of the Notes.

Yield

10. On the basis of the issue price of the Notes of 99.060 per cent. of their principal amount, the annual yield of the Notes is 3.009 per cent. This is not an indication of future yield.

Clearing: ISIN and Common Code

11. The Issuer has requested the admission to listing of the Notes on AIAF and the Notes have been accepted for clearance through Iberclear. The Notes bear the ISIN ES0224244105 and the Common Code 246936919.

Approval of the Prospectus and listing

12. This Prospectus has been approved by the CNMV, which is the Spanish competent authority under the Prospectus Regulation and the restated text of the Spanish Securities Market Law. The CNMV has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.
13. Application has been made for the Notes to be admitted to trading on AIAF.

Paying agency

14. All payments under the Conditions will be carried out by Banco Santander, S.A. through Iberclear. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

Ratings

15. The Notes are rated "BBB-" by Fitch Ratings Ltd.

In accordance with Fitch Ratings Ltd's ratings definitions, a rating of "BBB-" indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

Fitch Ratings Ltd is established in the UK and registered under the UK CRA Regulation. Fitch Ratings Ltd appears in the list of registered credit rating agencies on the UK FCA's Financial Services Register. The rating Fitch Ratings Ltd has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation.

Stabilisation

16. In connection with the issue of the Notes, Citigroup Global Markets Europe AG (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of any Stabilisation Manager) in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and any other applicable laws and rules.

Interests of natural and legal persons involved in the offer of the Notes

17. Save as discussed in "*Subscription and Sale*", so far as MAPFRE is aware, no person involved in the offer of the Notes had an interest material to the offer.

Other relationships

18. Certain Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for,

MAPFRE and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of MAPFRE or its affiliates. Certain Joint Lead Managers or their affiliates that have a lending relationship with MAPFRE routinely hedge their credit exposure to MAPFRE consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under this Prospectus. Any such short positions could adversely affect future trading prices of Notes issued under this Prospectus. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Expenses related to the admission to trading

19. For informative purposes only, an approximate estimate of the expenses payable by MAPFRE in relation to the admission to trading is as follows:

Type of expense	Euro (estimated amount)
Charges and fees of AIAF and Iberclear	10,500
CNMV fees (listing)	50,000
Other (rating agencies, placement entities, legal advisors, auditors, Commissioner)	1,762,500
Total.....	1,823,000

SIGNATURES

In witness to their knowledge and approval of the contents of this Prospectus drawn up according to Annexes 7 and 15 of Delegated Regulation (EU) 2019/980 of 14 March 2019, it is hereby signed by Fernando Mata Verdejo, in his capacity as Chief Financial Officer of MAPFRE, S.A., in Madrid (Spain), on 8 April 2022.

REGISTERED OFFICE OF MAPFRE

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