



Activity Update

Analyst & Investor
presentation

6M 2023

90
YEARS **MAPFRE**

July 28th 2023



MAPFRE S.A. (MAPFRE) hereby informs that the figures in this activity update report, unless stated otherwise, are presented under the accounting principles in force in each country, homogenized for comparison and aggregation purposes.

This document is for information purposes only and its aim is to show the development of the most relevant business indicators of MAPFRE's units in the period. Its content does not constitute, nor can it be interpreted as, an offer or an invitation to sell, exchange or buy, and it is not binding on the issuer in any way.

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Certain numerical figures included in the presentation have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

INSURANCE

LIFE

Excellent growth **(+29%)**
and improved profitability **(+16%)**

NON-LIFE

Slight improvement in the combined
ratio with significant volatility by
line and by region. **Premiums +11%**

AUTO

Focus on tariffs and underwriting to
return to profitability. Countries such
as **Brazil are already improving**

IBERIA

Leading the growth of the Group
+21%

LATAM

Earnings reach €193mn and is the
main contributor to net result

NORTH AMERICA

Already **implemented increases** in
tariffs should improve net result

MAPFRE RE

€121 mn net profit despite €99
mn Turkish earthquake impact

OTHER ACTIVITIES AND HYPERINFLATION

Lower result

BANKIA ARBITRATION

Positive resolution: €47 mn net to
be recognized in Q3

14,350

+14.7%

PREMIUMS

17,026

+15%

REVENUE

317

-6.1%

**NET
RESULT**

97.1%

-1.3 p.p

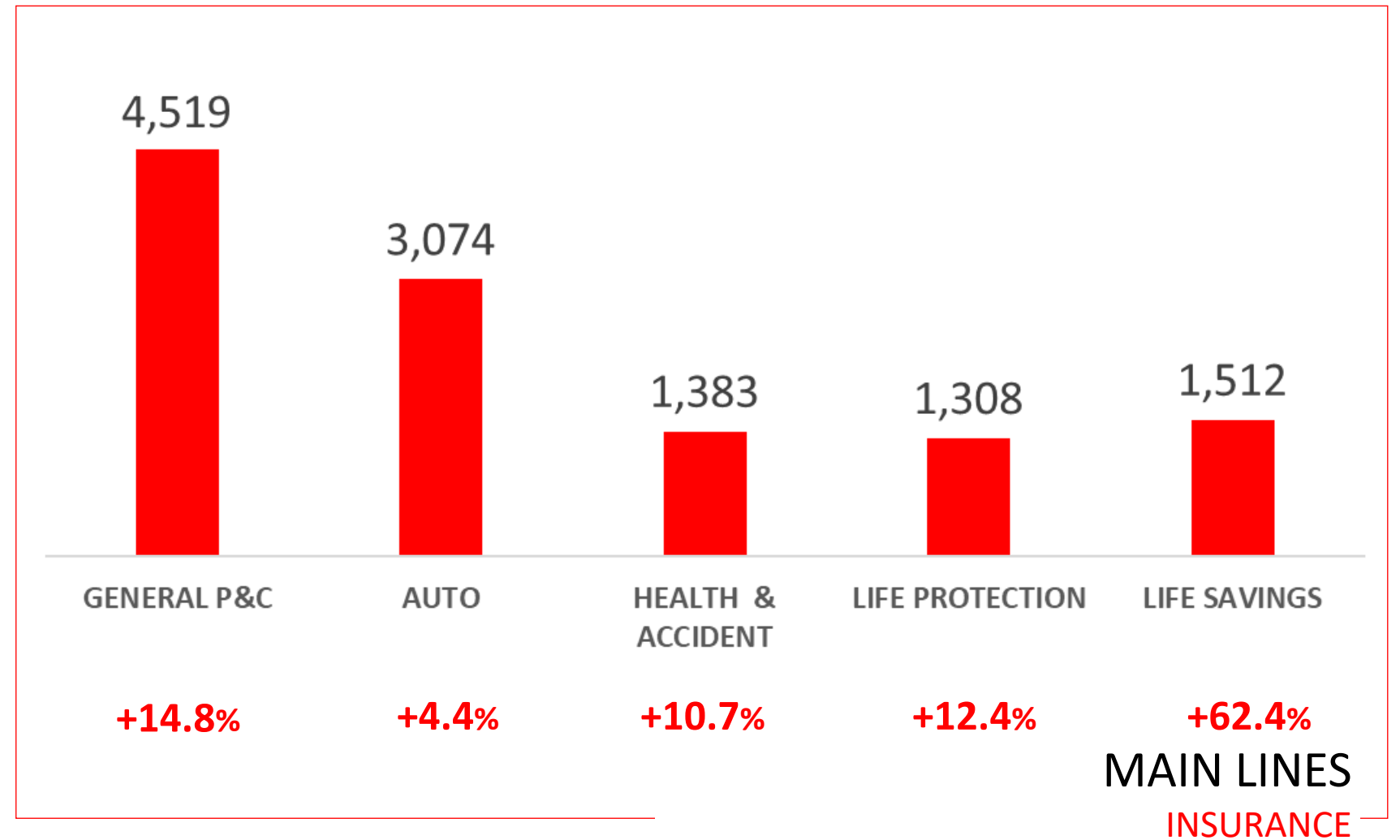
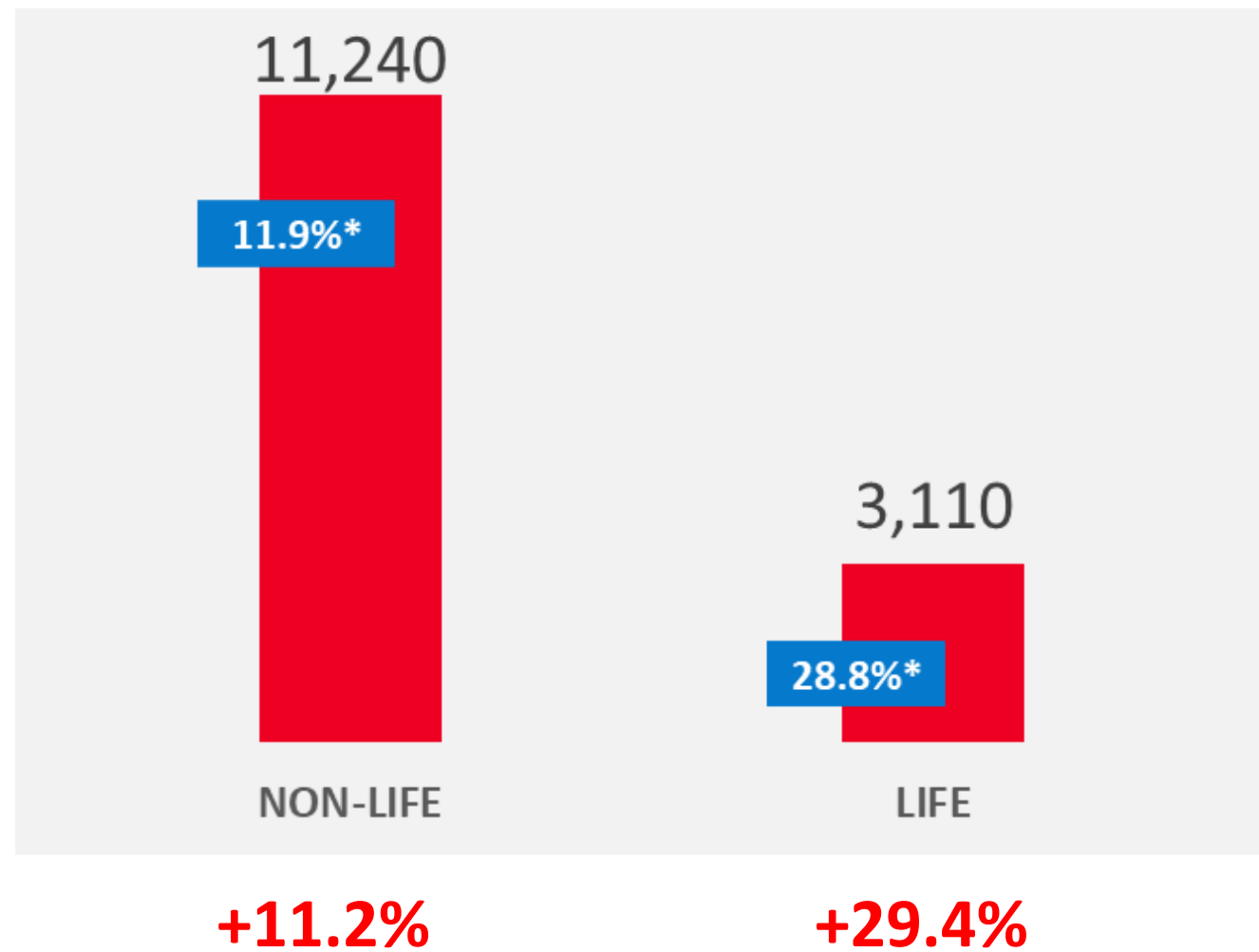
**NON-LIFE
COMBINED RATIO**

198.1%

**SOLVENCY
RATIO***

TOTAL PREMIUMS

€14,350M **+14.7%** **+15.1%***



KEY FIGURES BY REGIONS AND BUSINESS UNITS

	Premiums		Net result		Non-Life Combined ratio	
	6M 2023	Δ %	6M 2023	Δ %	6M 2023	Δ %
IBERIA	5,137	21.3%	122.7	-33.2%	98.9%	1.5 p.p
BRAZIL	2,450	9.4%	120.0	171.8%	78.6%	-15.4 p.p
OTHER LATAM	2,532	21.1%	72.7	5.4%	100.9%	1.4 p.p
TOTAL LATAM	4,982	15.0%	192.7	70.4%	88.7%	-7.9 p.p
NORTH AMERICA	1,332	5.0%	(17.7)	-153.9%	107.5%	5.5 p.p
EMEA	673	-4.9%	(13.8)	-66.9%	114.6%	-0.3 p.p
TOTAL INSURANCE	12,124	15.0%	284.0	-11.6%	97.6%	-1.5 p.p
REINSURANCE	3,057	11.8%	108.4	99.7%	96.0%	-1.4 p.p
GLOBAL RISKS	1,062	10.8%	12.5	-24.5%	92.1%	9.9 p.p
TOTAL MAPRE RE	4,119	11.5%	120.9	70.7%	95.8%	-0.6 p.p
ASISTENCIA (MAWDY)	111	6.2%	1.6	-80.2%	98.9%	2.0 p.p
Holding expenses and other	(2,004)	-9.4%	(89.5)	-42.7%	--	--
TOTAL	14,350	14.7%	317.0	-6.1%	97.1%	-1.3 p.p

Million euros

ROE (main markets/units)

6M 2023

IBERIA	9.9%
BRAZIL	23.7%
MAPFRE RE	10.6%
MAPFRE GROUP	8.1%

COMBINED RATIOS

	6M 2023	Δ %
Non-Life Loss ratio	70.0%	-1.2 p.p
Non-Life Expense ratio	27.1%	-0.1 p.p
Non-Life Combined ratio	97.1%	-1.3 p.p
General P&C	85.9%	-4.1 p.p
Auto	106.2%	1.1 p.p
Health & Accident	100.4%	-1.9 p.p
Life Protection Combined ratio	82.9%	0.2 p.p

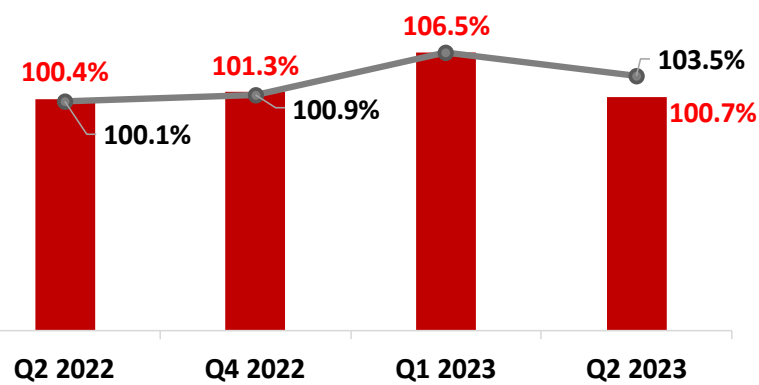
ACTIVITY UPDATE – 6M 2023

KEY FIGURES > AUTO

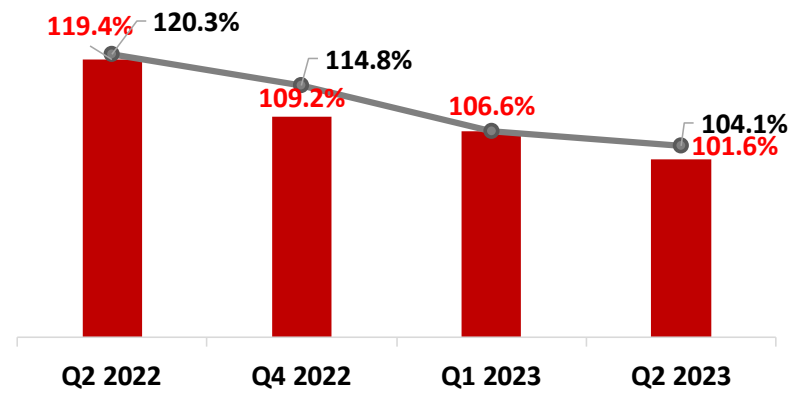
	Premiums			Δ in insured units YTD (thousands)		Attributable result	
	6M 2022	6M 2023	Δ %			6M 2022	6M 2023
MAPFRE GROUP	2,944	3,074	4.4%	-30	-0.2%	0.1	-36.1
IBERIA	1,113	1,166	4.8%	-29	-0.5%	15.9	-9.2
NORTH AMERICA	737	771	4.7%	-34	-2.3%	2.9	-23.6
BRAZIL	312	317	1.5%	-104	-7.7%	-24.4	1.7

Combined Ratio

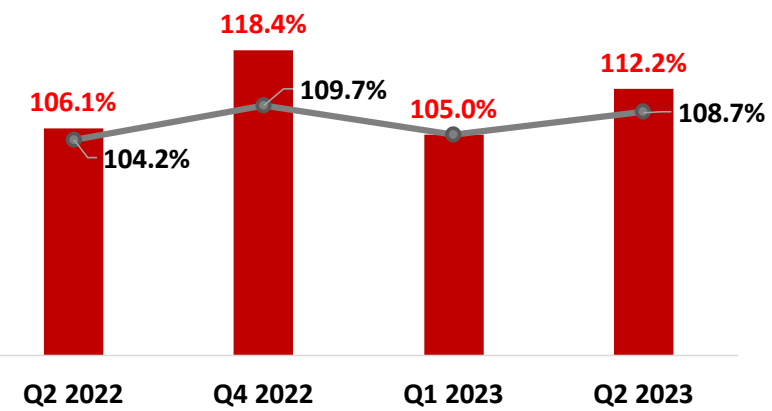
IBERIA



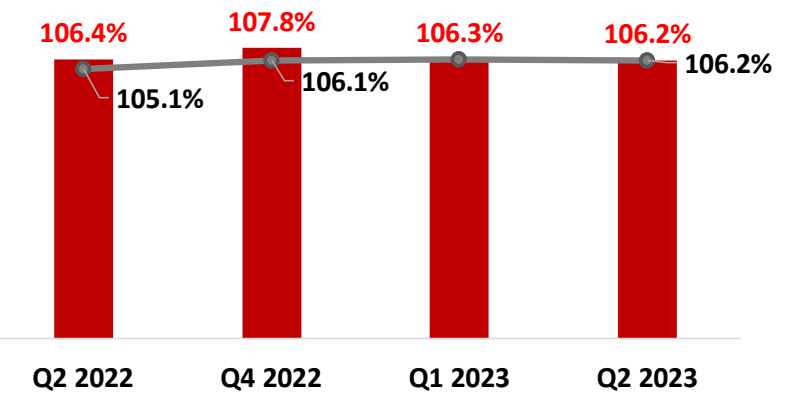
BRAZIL



N. AMERICA



MAPFRE GROUP



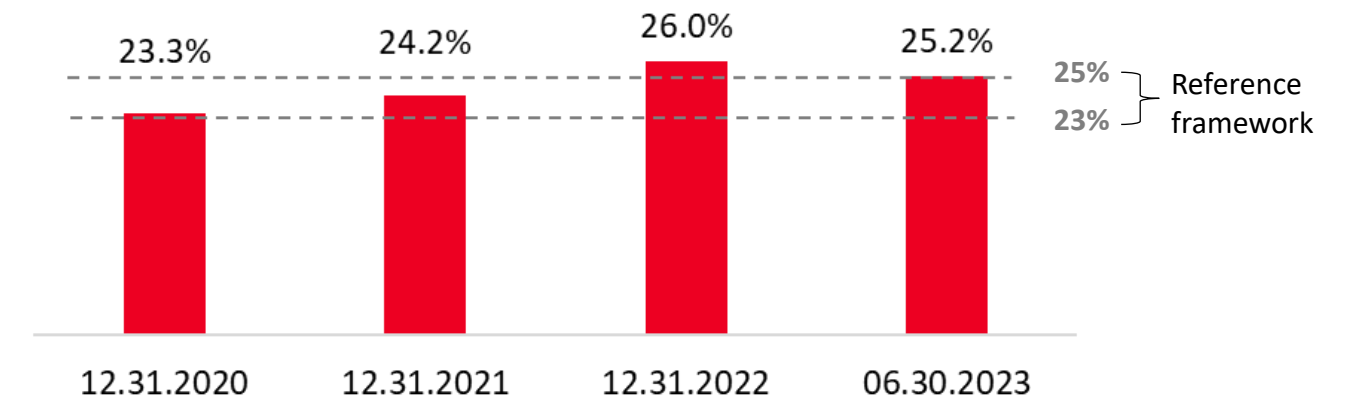
■ CoR quarterly ● CoR accumulated

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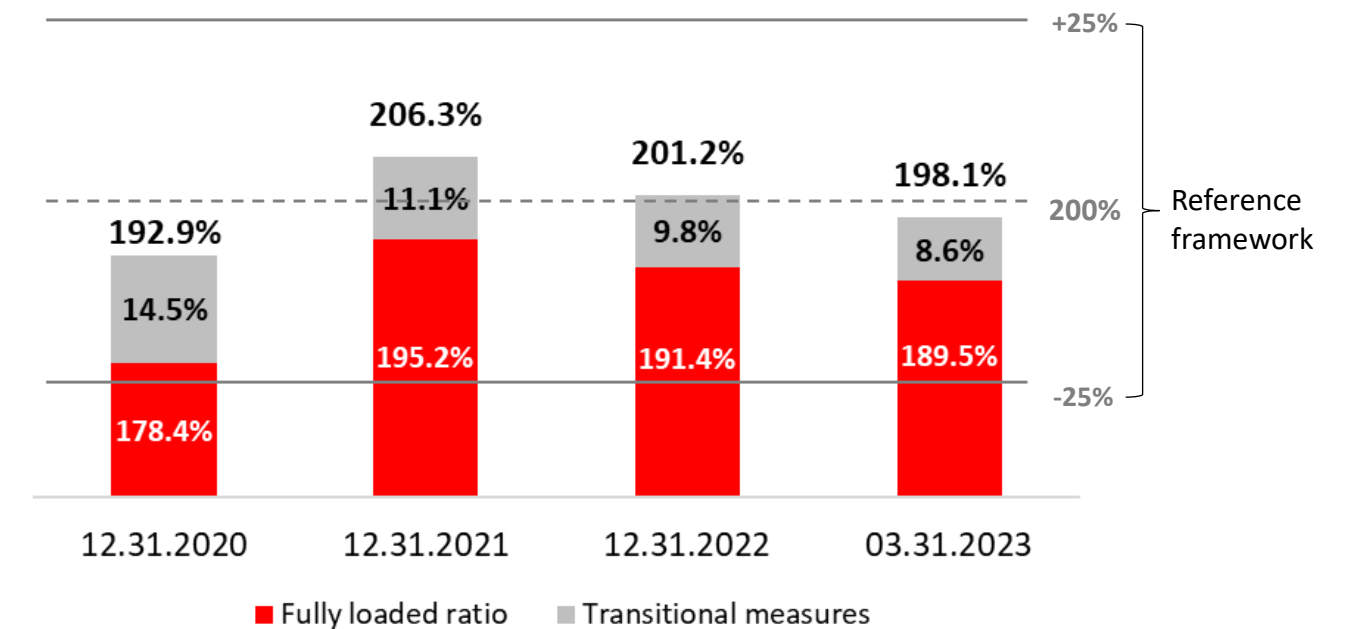
CAPITAL POSITION & CREDIT METRICS

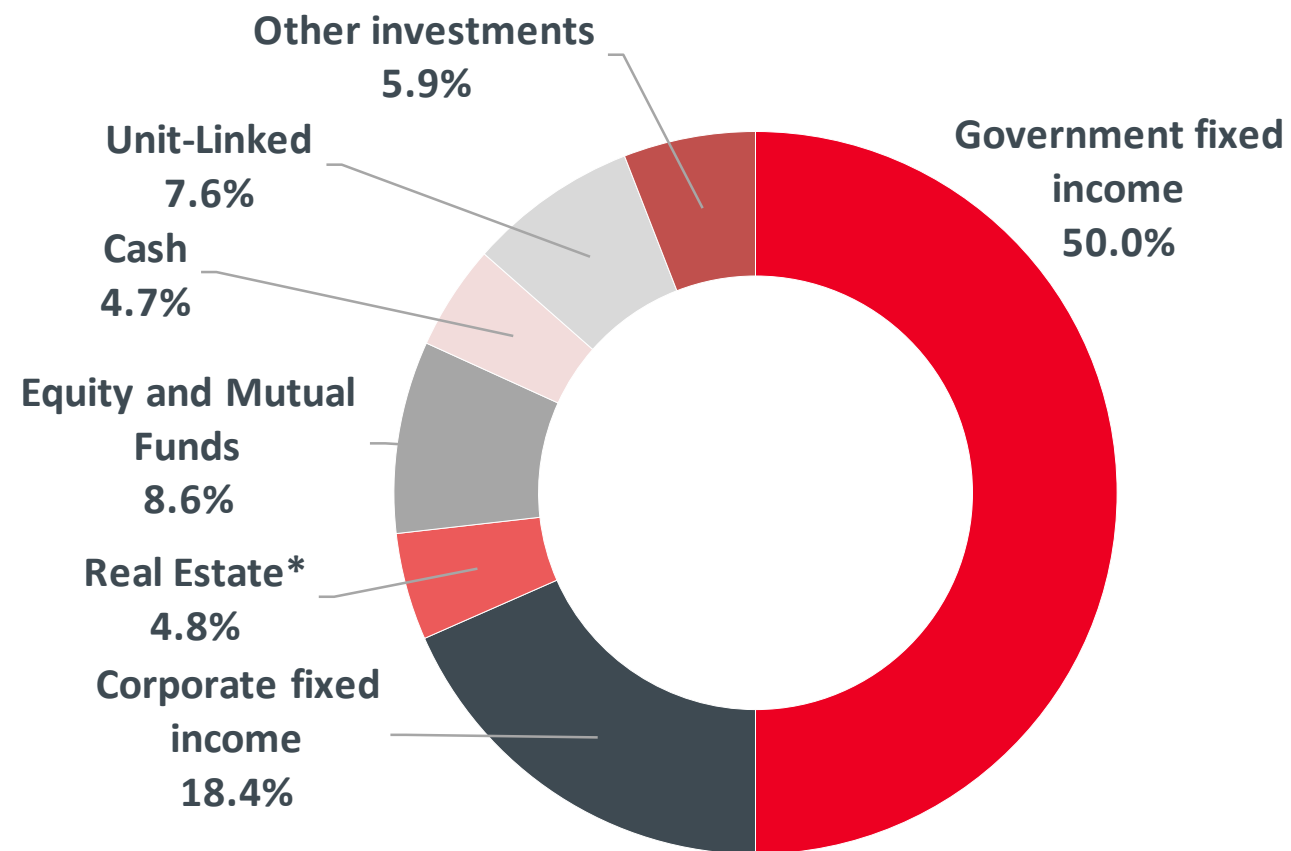
	12.31.2020	12.31.2021	12.31.2022	06.30.2023	%Δ
Shareholders' equity	8,536	8,464	7,289	7,683	5.4%
Non-controlling interests	1,302	1,203	1,071	1,149	7.3%
Total debt	2,994	3,092	2,935	2,979	1.5%
Senior debt	1,006	863	863	857	-0.8%
Subordinated debt	1,122	1,122	1,627	1,617	-0.6%
Bank financing	866	1,107	444	505	13.7%
ROE	6.1%	9.0%	8.2%	8.1%	-1.2%

Leverage Ratio (%)



Solvency II Ratio (%)





Market value

	06.30.2023	% Δ
Government fixed income	21.2	7.3%
<i>Spain</i>	9.1	2.6%
<i>Italy</i>	2.7	10.5%
<i>Rest of Europe</i>	1.6	-10.5%
<i>United States</i>	1.4	35.9%
<i>Brazil</i>	3.0	10.4%
<i>Rest of LATAM</i>	2.4	20.3%
<i>Other</i>	1.0	8.8%
Corporate fixed income	7.8	5.4%
Real Estate*	2.0	-0.8%
Equity and Mutual Funds	3.6	-13.7%
Cash	2.0	-22.8%
Unit-Linked	3.2	6.1%
Other investments	2.5	9.2%
Total Investment Portfolio	42.4	2.5%
Pension Funds	6.0	5.9%
Mutual Funds & Other	5.8	4.2%
Total AuM	54.2	3.1%

Eurozone – Fixed income portfolios – Active management

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
IBERIA NON-LIFE*	12.31.2022	3.00	2.16	3.60	8.97
	06.30.2023	3.15	2.28	3.73	8.58
MAPFRE RE NON-LIFE	12.31.2022	3.26	1.87	4.04	3.46
	06.30.2023	3.86	2.35	4.35	3.42
IBERIA LIFE	12.31.2022	4.18	3.34	3.31	5.85
	06.30.2023	4.22	3.56	3.65	5.83

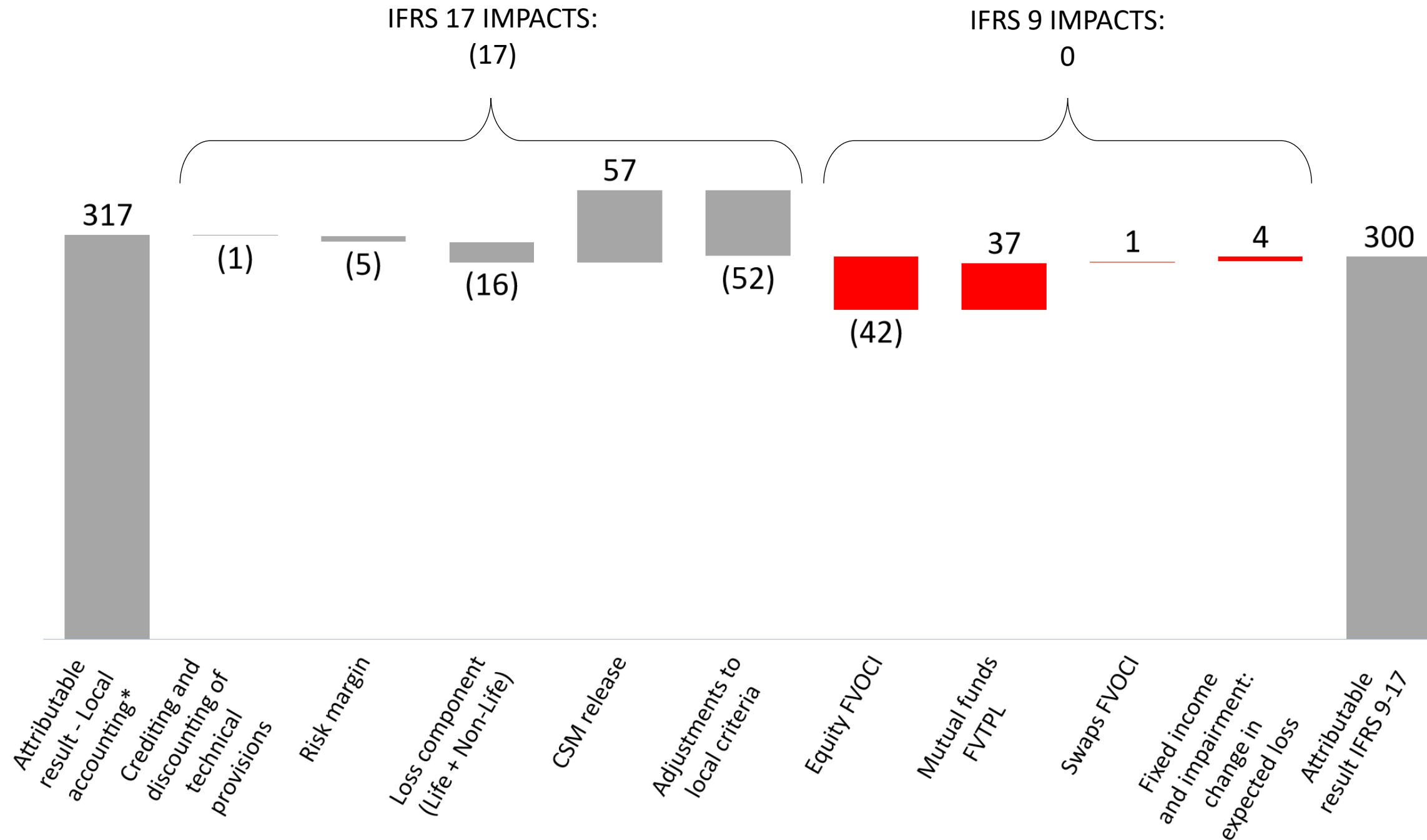
Other main regions and units – Fixed income portfolios

		Market value (€bn)	Accounting Yield (%)	Market yield (%)	Modified duration (%)
BRAZIL - MAPFRE SEGUROS	12.31.2022	0.94	8.85	11.44	2.86
	06.30.2023	1.13	9.28	10.61	2.76
LATAM (EX BRAZIL)	12.31.2022	2.50	8.18	9.52	3.88
	06.30.2023	2.90	8.66	9.24	4.80
NORTH AMERICA	12.31.2022	1.80	2.62	5.30	4.40
	06.30.2023	1.76	2.72	5.50	4.51

* IBERIA NON-LIFE portfolios include Burial. Excluding this portfolio, to June 2023 duration would be approximately 3.8

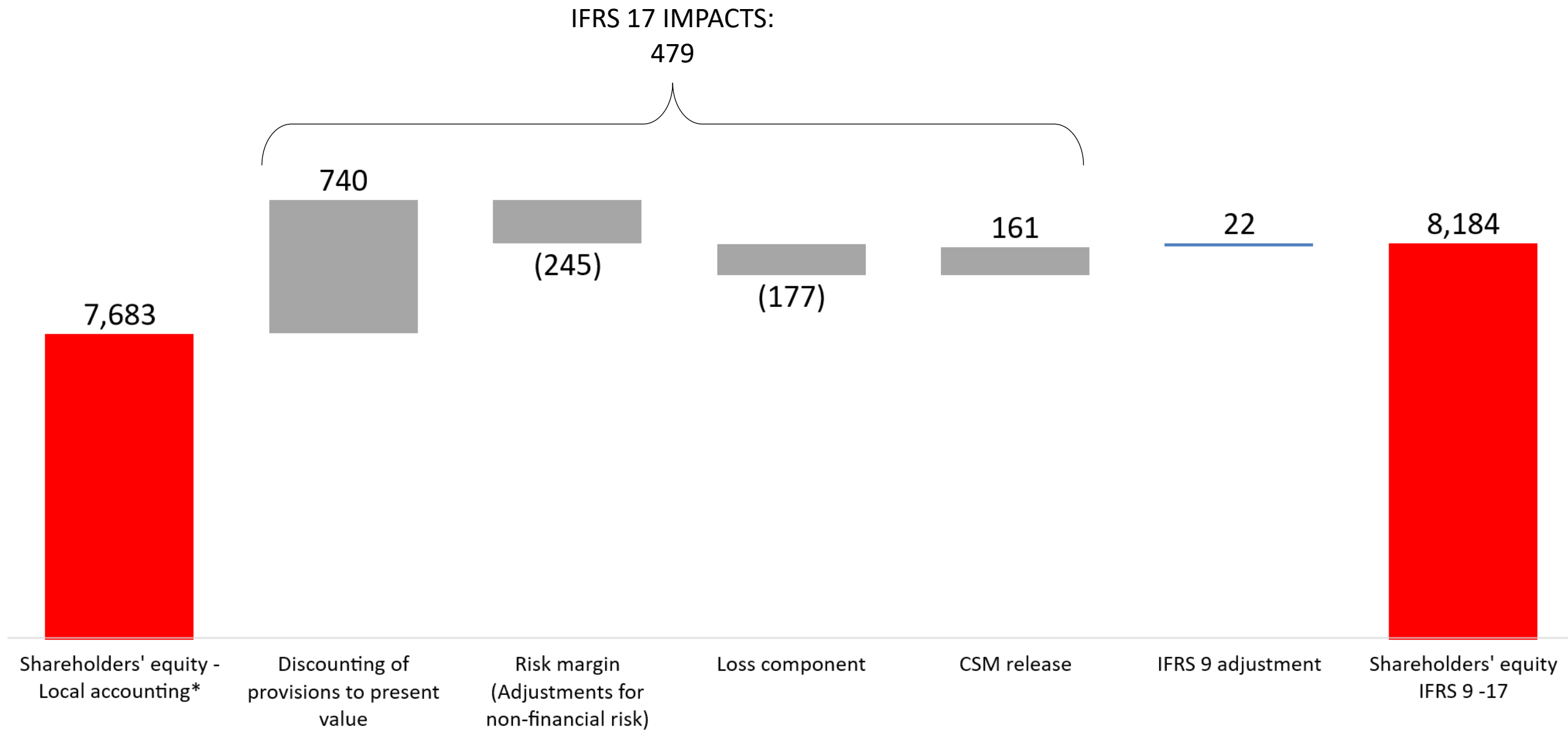
KPI (Local accounting ⁽¹⁾ /IFRS 17&9)	Local accounting ⁽¹⁾ €mn	IFRS 17&9 €mn
Premiums	14,350	-
Insurance revenue	-	11,993
Net result	317	300
Total assets	62,932	53,366
Shareholders' equity	7,683	8,184
Technical provisions/ Insurance contract liabilities	44,002	37,018
CSM	-	2,467
Combined Ratio	97.1%	96.3%

(1) Homogenized local accounting criteria were obtained from the financial statements prepared by MAPFRE Group companies, according to the applicable accounting principles in each country. In order to achieve homogeneity in the results and ratios between units and regions, certain adjustments have been applied to the 2023 figures, the most relevant being: the elimination of the goodwill impairment in Spain and the elimination of Nat Cat reserves in some countries in Latin America.



Million euros

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Million euros

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Record growth in premiums and revenue



Geographical and business **diversification**: Life, Brazil and reinsurance lead profitable growth



Focus on **Life in LATAM**
Open to growth opportunities:
Insignia Life in Mexico



Auto business on the path to profitability.
Already achieved in Brazil; USA and Spain are on track



Very positive environment for recurring financial income



Favorable resolution of Bankia **arbitration**

Annex

ASSETS

	12.31.2022	06.30.2023	%Δ
INTANGIBLE ASSETS	2,790	2,791	0.1%
PROPERTY, PLANT AND EQUIPMENT	1,303	1,285	-1.3%
INVESTMENTS	37,626	39,226	4.3%
Real estate investments	981	962	-2.0%
Financial investments			
1. At fair value with changes through P&L	13,058	14,148	8.3%
2. At fair value with changes through OCI	20,303	20,923	3.1%
3. Amortised cost	1,267	1,190	-6.1%
Other investments*	2,017	2,004	-0.6%
INSURANCE CONTRACT ASSETS	6	1	-86.9%
CEDED REINSURANCE CONTRACT ASSETS	5,667	5,689	0.4%
OTHER**	4,806	4,375	-9.0%
TOTAL ASSETS	52,197	53,366	2.2%

* "Other investments" includes: Investments recorded by applying the equity method and Other investment:

** "Other" includes: Inventories, Deferred tax assets, Receivables, Cash, Accrual adjustments, Other assets and Non-current assets held for sale and from discontinued operations

EQUITY AND LIABILITIES

	12.31.2022	06.30.2023	%Δ
EQUITY	8,870	9,314	5.0%
Equity attributable to the controlling company's shareholders	7,797	8,184	5.0%
Non-controlling interests	1,073	1,130	5.4%
SUBORDINATED LIABILITIES	1,627	1,618	-0.6%
INSURANCE CONTRACT LIABILITIES	35,565	37,018	4.1%
Present value of future cash flows for remaining coverage and incurred claims	27,027	28,202	4.3%
Present value of future cash flows - Loss component	257	284	10.6%
Non financial risk adjustment	661	766	15.9%
Contractual service margin	2,289	2,449	7.0%
Premiums allocated to future periods	6,254	6,205	-0.8%
Acquisition expenses allocated to future periods	(923)	(888)	-3.9%
CEDED REINSURANCE CONTRACT LIABILITIES	15	15	2.1%
PROVISIONS FOR RISKS AND EXPENSES	522	494	-5.4%
DEFERRED TAX LIABILITIES	325	330	1.4%
DEBTS	5,161	4,455	-13.7%
OTHER*	113	124	9.4%
TOTAL EQUITY AND LIABILITIES	52,197	53,366	2.2%

Of which:

- BBA: 10,348
- VFA: 8,771
- PAA: 17,899

*"Other" includes: Accrual adjustments and Liabilities linked to non-current assets held for sale and from discontinued operations

Balance at 1 January 2023	7,797
Conversion differences	132
Change in market value of financial assets	272
Change in technical provision valuation (Life Savings and Burial)	(71)
Other	8
Income and expenses recorded in OCI:	341
Result	300
Dividends	(262)
Equity capital gains without recycling and other	8
Balance at 30 June 2023	8,184

P&L JUNE 2023 VS. JUNE 2022

	6M 2022	6M 2023	%Δ
INSURANCE REVENUE (+)	10,960	11,993	9%
Release of liability for remaining coverage	10,888	11,891	9%
• Claims and other expected insurance service expenses	507	549	8%
• Changes in the non-financial risk adjustment	12	12	-1%
• Release of CSM	131	154	18%
• Release of premium (PAA)	10,239	11,176	9%
Release of acquisition expenses allocated to the period	72	102	42%
INSURANCE SERVICE EXPENSES (-)	(10,132)	(10,522)	4%
Claims and other insurance service expenses	(7,958)	(7,840)	-1%
• Claims	(7,520)	(7,381)	-2%
• Other fulfillment expenses	(437)	(459)	5%
Acquisition expenses	(2,328)	(2,596)	12%
Losses in onerous contract groups and reversal of these losses	(69)	(29)	-59%
Changes in the liability for incurred claims	223	(57)	-126%
RESULT FROM INSURANCE SERVICE	828	1,471	78%
RESULT FROM REINSURANCE SERVICE	(585)	(954)	63%
FINANCIAL RESULT	402	373	-7%
OTHER INSURANCE REVENUE/EXPENSES	(8)	(32)	317%
OTHER ACTIVITIES	(12)	(58)	392%
Hyperinflation adjustments	(28)	(36)	32%
Tax on profit	(133)	(197)	48%
Non-controlling interests	(158)	(267)	68%
ATTRIBUTABLE RESULT	307	300	-2%

JUNE 2023 – BREAKDOWN BY REGION

	Local	IFRS 9&17
IBERIA	123	114
BRAZIL	120	113
OTHER LATAM	73	61
NORTH AMERICA	(18)	(9)
EMEA	(14)	(15)
TOTAL INSURANCE	284	265
TOTAL MAPRE RE	121	125
ASISTENCIA (MAWDY)	2	1
Holding expenses and other	(90)	(92)
TOTAL	317	300

Building Block Approach (BBA)

General Assessment approach /Default approach

Assesses fulfillment cash flows using a dynamic calculation, updating hypotheses with each calculation, and recognizing expected profit from the contract or CSM, through its allocation to P&L as service is provided throughout the coverage period. It comprises:

1. Fulfillment cash flows, which include:
 - Present value of expected future cash inflows and outflows that arise over the length of the contract
 - An adjustment to reflect the time value of money and other financial risks, like liquidity and exchange rates
 - An explicit adjustment for non-financial risk
2. Contractual Service Margin (CSM), which represents unearned profit from contracts. If CSM is negative, the contract will be considered onerous and balance sheet CSM will be zero, recording loss in P&L at the time of inception of the contract, as established by the standard.

Variable Fee Approach (VFA)

Variation of the default approach (BBA) which is applicable to contracts with significant direct participation features.

Premium Allocation Approach (PAA)

Simplification of BBA and can be optionally used for contracts with coverage of ≤ 1 year. In some specific cases where the contract duration is > 1 year, the assessment is not expected to vary materially from BBA. This approach is similar to current Unearned Premium Provision approach.

Based on technically defined directives, MAPFRE believes that, in general, it will assess insurance and reinsurance contracts as follows:

Insurance contracts	Approach
Life and Non-Life lines with duration of < 1 year(*)	PAA
Burial line	BBA
Life contracts with duration > 1 year	BBA
Contracts with direct participation (Unit Linked and certain life products with profit-sharing)	VFA
Reinsurance contracts	
Ceded, accepted and retroceded	PAA

*Non-Life contracts with duration greater than one year but with no material difference from BBA expected will also be measured using PAA

Valuation approach	Line of business	Liability	Asset
Building Block Approach (BBA)	Burial	Variations in yield curve (risk-free curve + spread) reflected in OCI	≈100% Fixed Income portfolios measured at FVOCI with recycling in P&L
	Life matched Life Savings w/o PS > 1 year		
Variable Fee Approach (VFA FVTPL)	Unit Linked	Liability measured at FVTPL linked to the performance of underlying assets	Assets measured at FVTPL
Variable Fee Approach (VFA disaggregating in OCI)	Life with PS	Variations in yield curve (risk-free curve+spread) are reflected in OCI	Fixed income measured at FVOCI with recycling in P&L
		Variations in Equity and Funds are adjusted by estimating the future PS in P&L	Equity measured at FVTPL Funds measured at FVTPL
Premium Allocation Approach (PAA)	Life and Non-Life < 1 year and reinsurance	Risk-free curve discount	Fixed income measured at FVTPL

PS: Profit sharing

OCI: Other Comprehensive Income

FVTPL: Fair Value through P&L

FVOCI: Fair Value through Other Comprehensive Income

For further information, please contact or visit:

Email: IR@mapfre.com

Telephone: (+34) 91 581 23 18

Corporate website: www.mapfre.com

Financial documentation center: www.mapfre.com/en/financial-information/

Felipe Navarro

Corporate Director of
Capital Markets & Treasurer
felipenavarro@mapfre.com

Leandra Clark

Deputy Head of Investor &
Analyst Relations
clarkle@mapfre.com

Leslie Hoffman

lhoffma@mapfre.com

Natalia Chavarría

chavar3@mapfre.com

Lidia Bermúdez

bclidi2@mapfre.com

Upcoming events – H2 2023*:

- 1 Aug Post-results analyst & investor meeting
- 6 Sept Caixa BPI Iberian Conference (Madrid)
- 13 Sept Barclays Global Financial Services Conference (Madrid)
- 19 Sept BofA Annual Financials CEO Conference (London)
- 28 Sept Natixis FIG Conference (Paris)
- 3 Oct Morgan Stanley Southern European FIG Conference (London)
- 5 Oct BBVA Iberian Digital Forum (Virtual)
- 6-26 Oct Black-out period
- 27 Oct 9M 2023 Activity Update
- 14-15 Nov UBS European Conference (London)
- 21-22 Nov BME Foro Latibex (Madrid)

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* Dates are subject to change

Combined ratio – Non-Life	Expense ratio + Loss ratio
Expense ratio – Non-Life	(Operating expenses, net of reinsurance – other technical revenue + other technical expenses) / Net premiums earned
Loss ratio – Non-Life	(Net claims incurred + variation in other technical reserves + profit sharing and returned premiums) / Net premiums earned
Holding expenses	Includes expenses from Corporate Areas, consolidation adjustments, as well as the result attributable to MAPFRE RE and MAPFRE INTERNACIONAL’s non-controlling interests and other concepts
ROE (Return on Equity)	(Attributable result for the last twelve months) / (Arithmetic mean of equity attributable to the controlling company at the beginning and closing of the period (twelve months))
Leverage ratio	Total Debt / (Total Equity + Total Debt)