FitchRatings

Insurance
Composite Insurers
Spain

MAPFRE, S.A. and MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A.

Ratings

MAPFRE, S.A.

Long-Term IDR	A-

MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A.

Insurer Financial Strength	A+

Note: See additional ratings on page 10

Outlooks

Long-Term IDR	Stable

Debt Ratings

Senior Unsecured Long-Term Rating	BBB+
Subordinated Long-Term Rating	BBB
Subordinated Long-Term Rating	BBB-

Financial Data

MAPFRE, S.A.

(EURm)	End-2023	End-2022
Total assets	54,947	52,197
Total equity and reserves	9,656	8,870
Total gross insurance revenue	27,647	25,348
Net income	677	564
Solvency II (%)	199.6	191.4

Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Applicable Criteria

Insurance Rating Criteria (March 2024)

Related Research

Spanish Insurance Outlook (November 2023)

Spanish Insurance Dashboard (January 2024)

Spain (November 2023)

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Key Rating Drivers

Very Strong Business Profile: Fitch Ratings ranks MAPFRE, S.A.'s business profile as 'Most Favourable' compared with other Spanish insurance groups and scores its business profile at 'aa'. MAPFRE has very strong market positions in Spain, where it is a leader in the non-life segment, and Latin America, particularly Brazil. Its market share in Spain was 14% in non-life and 7.5% in life in 2023. MAPFRE was the ninth-largest European and the third-largest Latin American insurer in 2022.

Very Strong Capitalisation: We view MAPFRE as well-capitalised, based on the group's regulatory Solvency II (S2) ratio of 199.6% at end-2023 (end-2022: 191.4%), which we assess as 'Very Strong'. Own funds backing the S2 ratio largely consist of unrestricted Tier 1 capital. MAPFRE also has a 'Very Strong' score under Fitch's Prism Global capital model at end-2023. The Prism score and the S2 ratio excluded MAPFRE's goodwill of EUR1.4 billion at end-2023 from available capital.

Moderate Leverage: MAPFRE's financial leverage ratio (FLR) was broadly stable at 19% at end-2023 (end-2022: 22%) on an IFRS 17 basis, a level that is commensurate with its ratings. Its leverage compares favourably with similarly rated peers.

Strong, Resilient Profitability: The group's overall profitability remained strong in 2023, despite inflationary pressures and volatile financial markets. The group's 2023 net result, excluding minorities, of EUR677 million equals a return on equity of 8.3%. In 1Q24, MAPFRE reported further improved net income of EUR216 million (1Q23: EUR128 million) based on local GAAP with both underwriting and investment performance contributing to the improvement.

MAPFRE's 1Q24 technical results showed improved underwriting performance, particularly in motor insurance and reinsurance, despite being hit by inflation. The combined ratio improved to 95.8% at end-1Q24 from 98.5% at end-1Q23 as reported by MAPFRE. This was due to substantial performance improvement in North America and Latin America. The absence of notable catastrophic events in 1Q24 also contributed to the lower combined ratio.

Moderate Investment Risk: Fitch assesses MAPFRE's investment risk as moderate. The risky-assets/capital ratio was 114% at end-2023, which is supportive of the ratings. Its investment portfolio is well-balanced and prudent, with more than 83% of total investments in fixed income and cash allocated to investment-grade instruments at end-2023. However, 24% of the fixed-income portfolio was allocated to 'BBB' rated instruments and 16% were allocated to 'BB' or less, with government bonds from Brazil (BB/Stable) being the largest allocation.

Our assessment of MAPFRE's asset risk also takes into account the group's substantial, albeit reduced, exposure to Spanish sovereign debt at 84% of total capital at end-2023.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Material improvement in the group's financial performance, as measured by a net income return on shareholders' equity of 10% or more, and a combined ratio of 96% or less on a sustained basis.
- An upgrade is conditional on MAPFRE's S2 ratio remaining above 180%, the FLR staying below 25% and stable asset risk.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Material deterioration to the group's S2 ratio to below 150%.
- A significant increase in investment risk.

Latest Developments

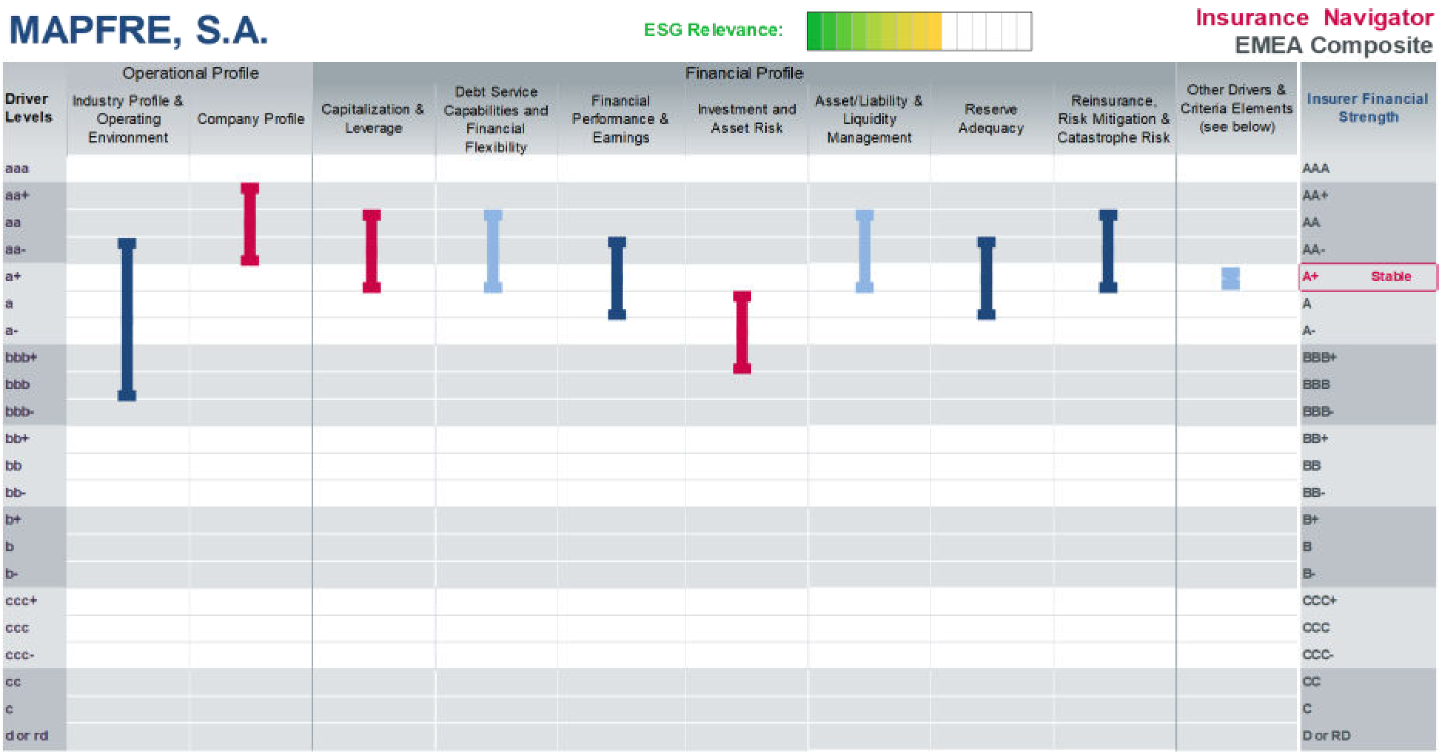
In 1Q24, MAPFRE reported premium growth of 4.6%, driven by strong performances in general P&C and life protection businesses, as well as in reinsurance.

It also reported improved net income of EUR216 million (1Q23: EUR128 million), with contribution to improvement both from technical performance and higher investment income.

Combined ratio in 1Q24 improved to 95.8% (1Q23: 98.5%). This was driven by the reduction in the loss ratio due to tariff increases and underwriting efforts in motor business North America and Latin America, while in Iberia the loss ratio improvement was marginal. There were no large catastrophe losses for MAPFRE RE.

The S2 solvency capital requirement was 199.6% at end-2023, excluding the impact of transitional measures.

Key Rating Drivers – Scoring Summary



Other Factors & Criteria Elements				
Provisional Insurer Financial Strength Rating				A+
Non-Insurance Attributes	Positive	**Neutral**	Negative	+0
Ownership / Group Support	Positive	**Neutral**	Negative	+0
Transfer & Convertibility / Country Ceiling	Yes	**No**	AA+	+0
Insurer Financial Strength Rating			Final:	**A+**
IFS Recovery Assumption	**Good**			-1
Issuer Default Rating (IDR)			Final:	**n.a.**

Bar Chart Legend:
Vertical Bars = Range of Driver
Bar Colors = Relative Importance
- Higher Influence
- Moderate Influence
- Lower Influence

Bar Arrows = Driver Outlook
- ⇧ Positive
- ⇩ Negative
- ⇳ Evolving
- ☐ Stable

Company Profile

Very Strong Business Profile

Fitch ranks MAPFRE's business profile as 'Most Favourable' compared with other Spanish insurance groups due to its most favourable competitive position and its favourable business risk profile and diversification. Given this ranking, we score MAPFRE's business profile at 'aa' under its credit factor scoring guidelines.

With EUR26.9 billion of gross written premiums in 2023, MAPFRE has a strong franchise in Spain and Latin America. It is a market leader in Spain and has a strong presence in Latin America. In non-life and life insurance in Spain, MAPFRE's market shares were 14% and 7.5% in 2023, respectively. MAPFRE was the ninth-largest European insurer and the third-largest insurer in Latin America in 2022. Both Spain and Latin America, especially Brazil, are core regions and a profitable source of growth.

MAPFRE's business risk profile compares favourably with other European insurance groups. The company underwrites non-life business, which, excluding reinsurance, accounted for 60% of insurance revenue in 2023 and life business, which, including savings, accounted for 12% of insurance revenue in 2023. Most of its business is primary insurance, but MAPFRE also acts as a reinsurer through MAPFRE RE, Compania De Reaseguros, S.A., which accounts for 28% of total insurance revenue.

MAPFRE has multichannel distribution comprising its own branch network, agents, brokers and bancassurance agreements, and a wide geographical presence within Spain and Latin America. Non-life business is predominantly distributed through agents. Life business is distributed through agents and bancassurance partnerships, such as Bankinter, Banco Santander and Banco do Brasil. Digital distribution has an important and growing role in MAPFRE's multichannel strategy.

Outside Spain and Latin America, MAPFRE's international insurance operations comprise subsidiaries in North America and throughout EMEA. Most of these operations were acquired by MAPFRE to strengthen its presence in these regions.

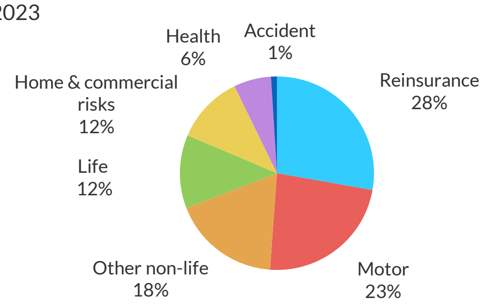
Company Profile Scoring

Business profile assessment	Most Favourable
Business profile sub-factor score	aa
Corporate governance assessment	Neutral
Corporate governance impact (notches)	0
Company profile factor score	aa

Source: Fitch Ratings

Revenue Split by Line of Business

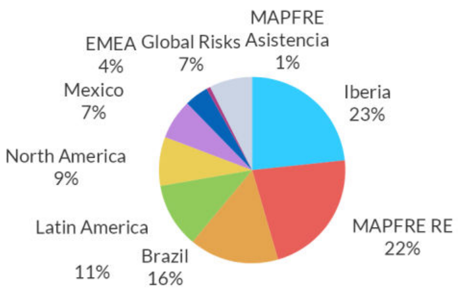
2023



Source: Fitch Ratings, company data

Revenue Split - Geography

2023



Note: Before consolidation adjustment
Source: Fitch Ratings, company data

Ownership

Ownership Neutral for Rating

MAPFRE, S.A., the holding company of the MAPFRE group, is listed on the Madrid and Barcelona stock exchanges. MAPFRE is a subsidiary of Cartera MAPFRE S.L. Sociedad Unipersonal, which is wholly controlled by Fundacion MAPFRE (FM). At end-2023, FM held 69.8%, of MAPFRE's capital with most of the rest traded publicly and held by local and foreign shareholders. MAPFRE itself holds 0.5% of its shares as treasury stock.

FM is a non-profit institution created by MAPFRE in 1975, the main purpose of which is to promote the well-being of society and citizens across the company's geographical footprint. FM works to drive economic, social and cultural improvements for society's most disadvantaged people and groups. Its operations focus on five areas: accident prevention and road safety, insurance and social protection, culture, social action and health promotion.

Capitalisation and Leverage

Very Strong Capitalisation and Leverage

Fitch regards capitalisation and leverage as 'Very Strong' and as having a high influence on MAPFRE's ratings.

We believe MAPFRE is well-capitalised, as reflected in the group's regulatory solvency position – 199.6% reported S2 ratio at end-2023 (end-2022: 191.4%), a level we regard as very strong. MAPFRE uses the standard formula calculation approach, with the exception of the longevity risk capital calculation for the Spanish life business, which is calculated using an internal model. Own funds backing the S2 ratio largely consist of unrestricted Tier 1 capital. In calculating the S2 ratio, MAPFRE has not used transitional measures as of December 2023, as directed by the Spanish regulator. MAPFRE also had a 'Very Strong' score from Fitch's Prism model at end-2023.

MAPFRE's financial leverage was broadly stable at 19% at end-2023 (end-2022: 22%), which Fitch considers to be 'Moderate' and in line with MAPFRE's rating. MAPFRE issued a EUR500 million Tier 3 bond in April 2022, while reducing the amount drawn under the syndicated credit facility.

Financial Highlights

(EURm)	End-2023	End-2022
TFC/total equity	0.3	0.4
Net leverage (x)	4	4
Gross leverage (x)	5.3	5.3
Net financial leverage (goodwill supported) (%)	19	22
Regulatory capital ratio (%)	199.6	191.4

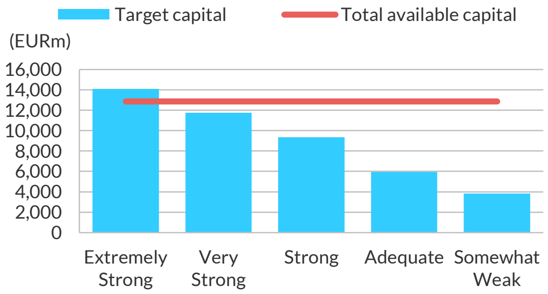
Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Fitch's Expectations

- MAPFRE's capitalisation to remain very strong and stable in 2024, given its strong earnings generation and conservative risk management practices.
- The S2 ratio to be broadly stable at around 200%, the Prism score to remain in the 'Very Strong' range with financial leverage not exceeding 25% over the next 12-24 months.

Capitalisation Adequacy

Prism Global



Source: Fitch Ratings

Financial Highlights

	2023	2022
Prism score	Very Strong	Strong
Prism total AC (EURm)	12,855	11,135
Prism AC/TC at Prism score (%)	109	118
Prism AC/TC at higher Prism score (%)	91	93

AC – Available capital. TC – Target capital
Note: Reported on a yearly basis – 2023 under IFRS 17, 2022 under IFRS 4.
Source: Fitch Ratings, MAPFRE, S.A.

Debt Service Capabilities and Financial Flexibility

Very Strong Debt Service Capabilities and Financial Flexibility

Fitch views debt service and financial flexibility as 'Very Strong' and as having a low influence on MAPFRE's ratings.

MAPFRE's fixed-charge coverage ratio remained very strong at 16x in 2023 (2022: 13x). The five-year average is very strong at 16x.

Fitch considers MAPFRE's market access and diversity of funding to be strong. The group has a EUR1 billion syndicated loan facility, of which EUR114 million were drawn at end-1Q24, and has demonstrated its ability to access capital markets with three subordinated bond issues of EUR500 million (2018), EUR600 million (2017) and EUR500 million (2022) following a EUR1 billion senior bond issue in 2016.

MAPFRE's refinancing risk is low. The group's syndicated loan facility matures in 2025, senior bond in 2026 (of which MAPFRE bought back EUR143 million in 2021), and the subordinated bonds in 2030, 2047 and 2048, respectively.

Financial Highlights

(x)	End-2023	End-2022
Fixed-charge coverage ratio (including gains and losses)	16	13

Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Fitch's Expectations

MAPRE's fixed-charge coverage ratio to remain 'Very Strong' given its strong earnings and stable level of debt.

Financial Performance and Earnings

Resilient Financial Performance

Fitch regards MAPFRE's financial performance as 'Strong' and as having a moderate impact on the group's ratings.

MAPFRE's overall profitability remained strong in 2023, despite the inflationary pressures and volatile financial markets. The group's 2023 net result, excluding minorities, of EUR677 million (2022: EUR564 million) equals a return on equity of 8.3% (7.0%). MAPFRE reported strong premium growth in 2023 of 9.7%, with total premiums reaching EUR26.9 billion. The growth was driven by Iberia, Latin America and MAPFRE RE. Combined ratio was strong at 96.6% under IFRS 17, despite the impact of the earthquake in Turkiye in February 2023.

In 1Q24, MAPRE reported further improved net income of EUR216 million (1Q23: EUR128 million) under local GAAP with both underwriting and investment performance contributing to the improvement. MAPFRE's 1Q24 technical results show signs of improvement in performance of the lines impacted by inflation, in particular motor insurance. The combined ratio improved to 95.8% (98.5%) as reported by MAPFRE. The reduction in the combined ratio was due to substantial improvement in performance of North America and Latin America, while combined ratio for Iberia improved marginally. The absence of notable catastrophic events in 1Q24 also contributed to the lower combined ratio.

MAPFRE continues to address performance of motor insurance line across the regions, in particular in Iberia, Germany and North America by increasing tariffs and targets a combined ratio of 95-96% according to its renewed strategic plan.

Fitch believes the reporting volatility resulting from currency fluctuations in some of MAPFRE's main markets is manageable. MAPFRE generally invests in assets backing technical provisions in the same currency, mitigating the exposure to exchange-rate risk.

Financial Highlights

	End-2023	End-2022
Net income (EURm)	677	564
Net income return on equity (%)	8.3	7.0
Net combined ratio (%)	96.6	96.5
Loss ratio (%)	66	66

Source: Fitch Ratings, MAPFRE, S.A.

Fitch's Expectations

MAPFRE will be able to deliver strong earnings in 2024 following several remedial actions it is taking across main lines of business and geographies.

Underwriting profitability to remain resilient in 2024, and MAPFRE should be able to achieve a combined ratio of around 96% in the absence of large catastrophic events.

Investment and Asset Risk

Prudent Investment Strategy Offset by Sovereign Concentration

Fitch regards MAPFRE's investment and asset risk as 'Strong' and as having a high impact on the group's ratings.

Our assessment of this factor reflects the group's substantial, albeit reduced exposure to Spanish sovereign debt at 84% of total equity at end-2023 (end-2022: 84%, end-2021: 106.5% under IFRS 4). MAPFRE's sovereign exposure remained broadly stable in 2023, however under IFRS 17 we include contractual service margin as part of capital, which makes the ratio of sovereign investments to capital lower. However, Fitch believes MAPFRE's capital is resilient against potential stress from substantial exposure to sovereign debt.

Fitch assesses MAPFRE's overall investment portfolio as well-balanced and prudent, with more than 83% of total investments in fixed income and cash allocated to investment-grade instruments at end-2023. However, fixed-income assets have a high degree of concentration in Spanish sovereign debt, which accounted for about 43% of total government bonds at end-2023. At that date, 59% of MAPFRE's fixed-income and cash investments were allocated to instruments rated 'A' or higher. However, 24% of the fixed-income portfolio was allocated to 'BBB' rated instruments and 16% to 'BB' or less, with Brazil government bonds being one of more significant allocations.

MAPFRE has slightly reduced its exposure to equities and it remains low at 55% of total equity, including minorities, at end-2023, according to Fitch's calculations (end-2022: 66%). We consider this to be prudently low. The risky-assets/capital ratio was 114% at end-2023, which Fitch views as supportive of the ratings.

Financial Highlights

(%)	End-2023	End-2022
Risky-assets/capital (total)	114	122
Unaffiliated shares/capital (total)	55	66
Non-investment-grade bonds/ capital (total)	49	48
Investments in affiliates/ capital (total)	11	8
Sovereign investments/capital	84	84

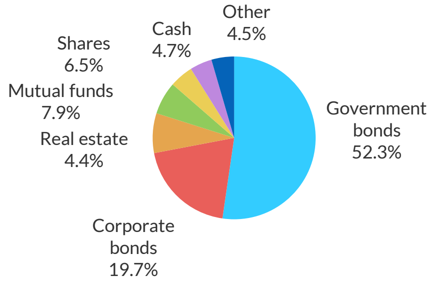
Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Fitch's Expectations

MAPFRE to maintain prudent asset allocation in 2024-2025, with most ratios remaining at levels similar to 2023.

Investment Split

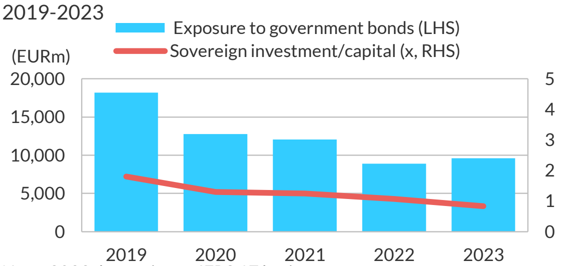
2023



Source: Fitch Ratings, company data

Sovereign Exposure

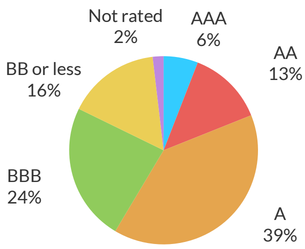
2019-2023



Note: 2023 data point on IFRS 17 basis.
Source: Fitch Ratings, company data

Fixed-Income Portfolio by Credit Rating

2023



Source: Fitch Ratings, company data

Asset/Liability and Liquidity Management

Strong Liquidity and Asset/Liability and Liquidity Management

Fitch regards MAPFRE's asset/liability and liquidity management as 'Strong' and as having a low impact on the group's ratings. MAPFRE manages its exposure to interest-rate risk through close matching of the life assets and liabilities exposed to interest-rate fluctuations. At group level, asset and liability durations have little mismatch, protecting the company against fluctuations in interest rates.

We consider MAPFRE's balance sheet to be liquid and able to support its policyholder liabilities. The agency also considers the investment portfolio liquid as supportive of the rating with over 83% of its fixed-income and cash portfolio allocated to investment-grade instruments at end-2023. Fitch believes these are likely to be readily tradeable.

MAPFRE has a favourable debt maturity profile – its EUR1 billion senior bond (the amount was reduced to EUR857m in December 2021 through buyback) matures in 2026 and its three subordinated bonds of EUR500 million, EUR600 million and EUR500 million mature in 2030, 2047 and 2048, respectively. MAPFRE's holding company liquidity also has a syndicated loan facility of EUR1 billion, of which EUR80 million was drawn down at end-2023 (end-2022: EUR237 million), due in February 2025.

MAPFRE has some exposure to currency volatility. Its principal foreign-currency risk arises because its functional currency is the euro, whereas the currencies of a large part of its operations include the Brazilian real and US dollar.

Financial Highlights

(%)	End-2023	End-2022
Total liquid assets/net technical reserves	390	392
Liquid assets/net technical reserves (non-life)	203	205
Liquid assets ratio (life)	88	90

Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Reserve Adequacy

Strong Reserve Adequacy

Fitch regards MAPFRE's reserve adequacy as 'Strong' and as having a moderate influence on the group's ratings.

MAPFRE uses generally accepted actuarial techniques for projecting ultimate losses and calculating technical provisions. MAPFRE's corporate actuarial area sets guidelines for reserves setting at the group's business unit level and monitors reserve adequacy for non-life business on a regular basis. MAPFRE's reserve adequacy is also subject to regular external independent actuarial reviews, showing an excess over best estimate.

MAPFRE disclosed that under IFRS 17 the risk margin has been estimated using the following target confidence intervals: 62.5-67.5 percentile for non-life, 82.5-87.5 percentile for life and 85-90 percentile for reinsurance, the levels that we consider conservative.

Financial Highlights

(%)	End-2023	End-2022
Net technical reserves/net insurance revenue	62	65
Net loss reserves/incurred losses (x)	0.5	0.5
Non-life loss reserves/non-life equity (estimated)	1.0	1.0

Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Reinsurance, Risk Mitigation and Catastrophe Risk

Efficient Centralised Reinsurance Programme

We view MAPFRE's reinsurance, risk management and catastrophe risk as 'Very Strong' and as having a moderate influence on the ratings.

MAPFRE RE provides the group with catastrophe risk management expertise and has a central procurement role in defining and arranging the group's outwards reinsurance programme, and monitoring and controlling catastrophe risk exposure across the group. MAPFRE RE acts as a reinsurer on all treaty reinsurance in the group and also participates in facultative reinsurance placements, which local subsidiaries place individually.

MAPFRE RE also writes external reinsurance business and is ranked 18th in the global reinsurance rankings. This exposes MAPFRE to natural catastrophe risks. However, the group has a strong record of withstanding natural catastrophe events, which is also a reflection of its effective reinsurance programme. The Spanish insurance industry also benefits from the presence of the Consorcio de Compensacion de Seguros (Insurance Compensation Consortium in Spain) – the Spanish government scheme set up to cover the costs of the direct damage from domestic natural hazards, and political and social risks, such as terrorism or riots.

Fitch views the credit quality of MAPFRE's reinsurance panel as strong with the main providers rated within the 'AAA', 'AA' and 'A' categories. MAPFRE's reinsurance buying philosophy favours placing contracts with traditional reinsurers with whom the company has developed a long-term relationship.

Financial Highlights

(%)	End-2023	End-2022
Net/gross insurance revenue	82	82
Reinsurers assets/capital	73	76

Note: Reported on a yearly basis, IFRS 17.
Source: Fitch Ratings, MAPFRE, S.A.

Fitch's Expectations

MAPFRE RE to continue playing a central role in arranging the group's reinsurance protection.

The group to maintain conservative reinsurance programme.

Appendix A: Peer Analysis

Peer Comparison

Click here for a report that shows a comparative peer analysis of key rating driver scoring.

Appendix B: Industry Profile and Operating Environment

Industry Profile and Operating Environment (IPOE)

Click here for a link to a report that summarises the main factors driving the above IPOE score.

Appendix C: Other Rating Considerations

Below is a summary of additional ratings considerations that are part of Fitch's Insurance Rating Criteria.

Group Insurance Financial Strength (IFS) Rating Approach

MAPFRE is rated on a consolidated group approach. MAPFRE Asistencia Compania Internacional de Seguros Y Reaseguros, S.A. is considered 'Core' as it supports the group's strategic objectives and due to its high integration within MAPFRE. As a result, MAPFRE Asistencia's rating has been aligned with Fitch's view of the financial strength of the group as a whole.

Name	Type	Rating	Outlook
MAPFRE, S.A.	Long-Term IDR	A-	Stable
Senior unsecured			
EUR1bn, 1.625%, maturity 19 May 2026 (ES0224244071)	Long-Term	BBB+	-
Subordinated debt			
EUR600m, 4.375%, maturity 31 March 2047 (ES0224244089) – Tier2	Long-Term	BBB-	-
EUR500m, 4.125%, maturity 7 September 2048 (ES0224244097) – Tier2	Long-Term	BBB-	-
EUR500m, 2.875%, maturity 13 April 2030 (ES0224244105) – Tier3	Long-Term	BBB	-
MAPFRE Asistencia Compania Internacional de Seguros y Reaseguros, S.A.	IFS	A+	Stable

Source: Fitch Ratings, MAPFRE, S.A.

Notching

For notching purposes, Fitch assesses the Spanish regulatory environment as being 'Effective', and classified as following a Group Solvency approach.

Notching Summary

IFS ratings
A baseline recovery assumption of 'Good' applies to the IFS rating, and standard notching was used from the IFS anchor rating to the implied operating company IDR.
Operating company debt
Not applicable.
Holding company IDR
Notching between the implied insurance operating company and holding company IDRs is expanded by one notch relative to standard notching for a group solvency regulatory environment due to foreign earnings and/or capital being greater than 30% of consolidated group totals.
Holding company debt
A baseline recovery assumption of 'Below Average' was applied to senior unsecured debt issued by MAPFRE, S.A. Standard notching relative to the IDR was used.
Hybrids
For the EUR600 million Tier 2 subordinated bond issued by MAPFRE, S.A. in March 2017, a baseline recovery assumption of 'Poor' and a non-performance risk assessment of 'Moderate' were used. Notching of three notches was applied relative to the IDR, based on two for recovery and one for non-performance risk. For the EUR500 million Tier 2 subordinated bond issued by MAPFRE, S.A. in September 2018, a baseline recovery assumption of 'Poor' and a non-performance risk assessment of 'Moderate' were used. Notching of three notches was applied relative to the IDR, based on two for recovery and one for non-performance risk. For the EUR500 million Tier 3 subordinated bond issued by MAPFRE S.A. in April 2022, a baseline recovery assumption of 'Poor' and a non-performance risk assessment of 'Minimal' were used. Notching of two notches was applied relative to the IDR, based on two for recovery and zero for non-performance risk.

IFS – Insurer Financial Strength. IDR – Issuer Default Rating
Source: Fitch Ratings

Short-Term Ratings

Not applicable.

Hybrids Treatment

		CAR	CAR reg.	FLR
Hybrid	**Amount**	**Fitch (%)**	**override (%)**	**debt (%)**
MAPFRE, S.A.				
ES0224244089	600	0	100	100
ES0224244097	500	0	100	100
ES0224244105	500	0	100	100

CAR – Capitalisation ratio. For CAR, % shows portion of hybrid value included as available capital, both before (Fitch %) and the regulatory override. For FLR, % shows portion of hybrid value included as debt in numerator of leverage ratio.
Source: Fitch Ratings

Recovery Analysis and Recovery Ratings

Not applicable.

Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

None.

Appendix D: Environmental, Social and Governance Considerations

FitchRatings **MAPFRE, S.A.** **Insurance Navigator** EMEA Composite

Credit-Relevant ESG Derivation

MAPFRE, S.A. has 7 ESG potential rating drivers

- MAPFRE, S.A. has exposure to underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations but this has very low impact on the rating.
- MAPFRE, S.A. has exposure to compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk but this has very low impact on the rating.
- MAPFRE, S.A. has exposure to social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	7	issues	3
not a rating driver	2	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	2	Underwriting/reserving exposed to asbestos/hazardous materials risks	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk	2
Exposure to Environmental Impacts	3	Underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk; Investment and Asset Risk	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk	Industry Profile & Operating Environment; Company Profile; Reserve Adequacy	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Company Profile; Investment and Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Company Profile	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Company Profile	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

ESG Considerations

The highest level of ESG credit relevance, if present, is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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